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11th Annual Report

2019



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Toll free # 201

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Bhutan Insurance Limited

Providing Security. Building Confidence

Post Box# 779, Chorten Lam, Thimphu.

www.bhutaninsurance.com.bt PABX 339892/93/94

Fax#339895

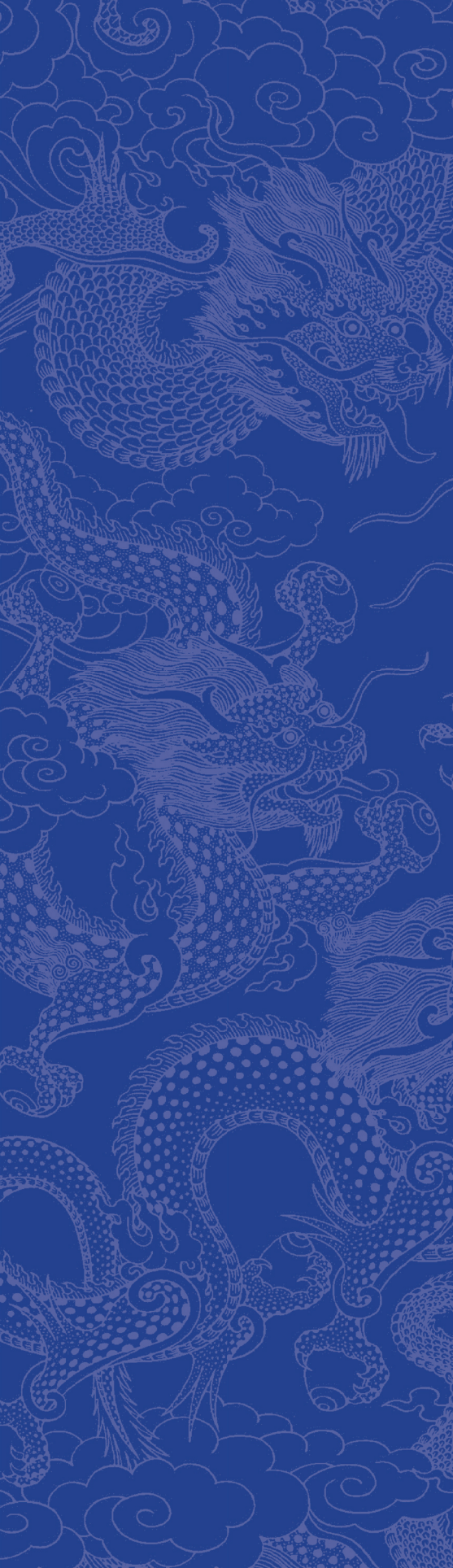
Your
insurer of
CHOICE

VISION

To become the insurer of choice by providing quality service that exceed customer expectations and by constantly finding ways for improvement.

MISSION

Our mission begins and ends with our clients for whom we exist to serve to the best of our ability. With dedicated service to our clients we aspire to contribute to the social and economic objectives of the nation, providing security to its growing assets through reliable insurance services and increasing retention of finance within the country.



Directors' Report

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board Directors and on my own behalf, I extend a cordial welcome to all the shareholders of Bhutan Insurance Ltd. to the 11th Annual General Meeting of the company and I am pleased to present to you the Audited Financial Statements of the Company for the year ended 31st December 2019.

1. Business Performance Highlights

In the year 2019 our Company has written a gross premium of Nu. 322.526 million.

The loan assets as on 31st December 2019 has increased from Nu. 1720.959 million in 2018 to Nu. 1951.979 million and the overall assets of the company has increased to Nu. 2441.201 million in 2019 from Nu. 2222.239 million in 2018.

The total Shareholders equity has increased to Nu. 563.000 million in 2019 from Nu. 464.858 million in 2018.

The company has earned a profit after tax of Nu. 98.141 million as compared to Nu.43.553 million in the year 2018.

In the year 2019 Net NPL Ratio has decreased to 2.77% from 7.55% in 2018.

2. Financial & Operational Review:

A. Financial Profitability (Figures in Millions)

Operating Profit	2019	2018
General Insurance Department (Revenue A/c)	96.465	104.524
Financing & Investment Department (Revenue A/c)	39.998	(42.967)
Profit Before Tax	134.833	61.557
Profit After Tax	98.141	43.553

3. Branch/Extension Offices

Bhutan Insurance Limited has its branch and extension offices in almost all the Dzongkhags. To facilitate our clients with better services we have opened one extension office at Babesa in Thimphu.

We have created Research and Product Development Unit from 2019 to develop and redesign insurance products based on customer needs.

The efficiency of service delivery system and performance of BIL offices have been improved by building capacity and enhancing infrastructures in all the branch and extension offices.

4. Human Resources

BIL has recruited 22 more employees in the year 2019, which takes the total number to 116. The Management has given its unwavering effort to strengthen Human Resource Development (HRD) through professional and other relevant training by allocating sufficient budget for Human Resource Development. Such initiatives have enabled the company to maintain a progressive growth line.

May I also take this opportunity to share with you all that two of our employees Mr. Tandin Dorji and Mr. Jigme Yonten represented our country in the SAG games, archery and basketball respectively held in Nepal, 2019, and it is indeed a proud moment for BIL that they represented our Nation in such international competition.

Acknowledgment

It gives me immense pleasure to be sitting here among the distinguished shareholders. Thank you for being here, you are the reasons for our existence, and your continued support has brought us this far. I have no doubt in my mind that, we will grow from strength to strength with your unwavering guidance and support. Please continue to support us as you always have done in the past.

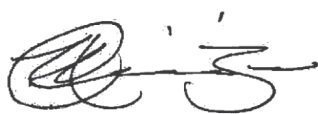
On behalf of the Board Directors, I would like to thank the other shareholders who could not attend the AGM today but have been supporting the institution continuously.

May I also take the opportunity to thank all our business partners and valued clients, whose enduring confidence and faith reposed in the Company has made possible the results achieved during the year. The Board also places on record its deep appreciation to the Royal Government and its various agencies for continued support and cooperation provided to Bhutan Insurance Limited (BIL). In particular, I would like to thank the Royal Monetary Authority of Bhutan and the Registrar of Companies for their patronage and continued support.

We are also pleased to convey our sincere appreciation to all our Referrals & agents, reinsurance partners and surveyors in India without whose support it would have been difficult to achieve the plans and goals of the Company.

I would also like to thank the management and staff of BIL for their dedicated service and extend my good wishes for a very successful 2020.

Tashi Delek!



Ugyen Rinzin
(Chairman)



Company Profile

COMPANY PROFILE

Bhutan Insurance Limited (BIL) provides non-life insurance products for Individuals, Corporate Bodies, Small & Medium sized Enterprises throughout Bhutan. The Company started operations on 20th August 2009, and today has a country wide network connected through the latest technology for quick communication and response in over 18 Dzongkhags. We have expanded our service network progressively with our Head Office in Thimphu, Branch Offices in Phuentsholing, Paro, Wangduephodrang and Gelephu, and Extension Offices in Samdrup Jongkhar, Bumthang, Mongar, Tsirang, Haa, Tashigang, Trongsa, Gedu, Samtse, Khuruthang, Zhemgang, Nganglam and Tashi Yangtse, Dagapela, Babesa and all these were only made possible through the continued support of our clients and employees throughout the years. The Company today employs more than 100 people.

BIL is incorporated in 2009 under the Companies Act of the Kingdom of Bhutan – 2000, and is licensed to engage in the business of General Insurance by the Royal Monetary Authority of Bhutan in pursuant to part II of the Financial Institutions Act of Bhutan – 1992, and is also listed with the Royal Securities Exchange of Bhutan Limited (RSEBL) since 2009.

BIL is also authorized by the RMA to provide Financing & Investment services and manage Private Provident Fund (PPF) and Gratuity Fund (GF).

GENERAL INFORMATION

Establishments	Address	Telephone No.	Fax No.
HEAD OFFICE, Thimphu	Post Box : 779, Chorten Lam. Email: info@bhutaninsurance.com.bt Website: www.bhutaninsurance.com.bt	00975-02- 339892/93/94 Toll Free # 201	02-339895

BIL BRANCH OFFICES

Establishments	Address	Telephone No.	Fax No.
Phuentsholing	1st floor, Bhutan Post Building	05-252894/95	05-252893
Wangdue	1st floor, Jamtsho Building, opposite BDBL office, Bajo Town	02-481663/335	02-481495
Paro	2nd floor, BNBL office	08-272985/86	08-272984
Gelephu	1st floor, Oli Building, below NPPF office	06- 252273/251198	06-251199

BIL EXTENSION OFFICES

Establishments	Address	Telephone No.	Fax No.
Samdrup Jongkhar	1st floor, Bhutan Post office building	07-251384	07-251387
Bumthang	Opposite Home Collection Shop, Chamkhar town	03-631565	03-631271
Mongar	1st Floor, near BNBL office	04-641407	04-641408
Tsirang	Dina Nath building, near Tashi Cell office	06-471426	06-471427
Tashigang	Near T-Bank office	04-521343/344	04-521342
Trongsa	Ground floor, near TashiCell office	03-521541	03-521583
Samtse	Above Drodul Chorten, Lichibari, Samtse town	05-365568	05-365568
Zhemgang	Top floor, KD building, Zhemgang town	03-741165	03-741173
Nganglam	Near BNBL office, Nganglam town	07-481008	07-481009
Khuruthang	Behind BNBL office, Khuruthang town	02-584348	02-584351
Gedu	Ground floor, BDBL office, Laptakha	05-282230	05-282231
Haa	Ground floor, Kiba Tshongkhong, Lower Market	08-375220	08-375332
Tashiyangtse	Near RSTA office	04-781251/5	
Dagapela	Near BOBL Branch Office	06-483134	06-483137
Babesa	Near BOBL Extension Office, Babesa	02-350948/7	

Branch & Extension Office Establishments:

01.10.2009	-	Extension office at Bumthang
18.10.2009	-	Branch office at Phuentsholing
01.11.2009	-	Branch office at Wangdue Phodrang
05.11.2009	-	Branch office at Paro
06.01.2010	-	Branch office at Gelephu
10.06.2010	-	Extension office at Samdrup Jongkhar
12.07.2010	-	Extension office at Mongar
09.04.2012	-	Extension office at Tsirang
03.05.2012	-	Extension office at Tashigang
01.01.2013	-	Extension office at Trongsa
09.09.2014	-	Extension office at Samtse
09.04.2015	-	Extension office at Zhemgang
11.12.2015	-	Extension office at Nganglam
14.01.2016	-	Extension office at Khuruthang
17.01.2016	-	Extension office at Gedu
05.08.2016	-	Extension office at Haa
26.04.2017	-	Extension office at Tashiyangtse
01.03.2018	-	Extension office at Dagapela
15.08.2019	-	Extension office at Babesa

Re-Insurance

In order to enhance our underwriting capacity and have global spread of local risk, our office has strong reinsurance backup from well established companies such as:

- GIC-Bhutan Re, Thimphu, Bhutan
- National Insurance Company, Kolkata, India
- Kenya Re, Nairobi, Kenya
- East Africa Re
- New India Assurance, Mumbai
- Asian Re, Bangkok, Thailand
- Nepal Re, Nepal
- MISR Insurance Company, Egypt
- CICA Re, Togo
- ZEP Re (PTA Reinsurance Company), Nairobi, Kenya
- GIC Re, Mumbai, India
- Oman Re, UAE
- Taiping Re, Hong Kong
- Swiss Re, Singapore
- Asian Capital Reinsurance, Singapore
- LIBERTY SPECIALTY SINGAPORE PTE LIMITED
- Starr International Insurance PTE Limited

Services Offered

(A) BIL offers all type of Non-Life Insurance services such as:

Personal Insurance

- i. Personal Accident Insurance
- ii. Auto Insurance Policy
- iii. Money Insurance Policy
- iv. Fire Insurance Policy

Commercial Insurance

- i. Marine Cargo Policy
- ii. Fidelity Guarantee Policy
- iii. Aviation Policy

Industrial Insurance

- i. Fire Policy
- ii. Burglary Policy
- iii. Machinery Breakdown Policy
- iv. Contractors Plant and Machinery Policy
- v. Construction Project Insurance
- vi. Fire Loss of Profit Policy

Liability Insurance

- i. Motor Vehicle Third Party
- ii. Workmen Compensation Policy
- iii. Student Care Insurance

Loan Protection Insurance (LPI)

Enhanced Rural Fire Policy

(B) In addition to Non-Life Insurance services, we also offer the following services:

- Commercial Establishment Loan
- Government/Corporate/Private Employee Loan
- Housing Loan
- Industrial Loan
- Loan against Shares
- Loan against PPF
- Overdraft
- Personal Loan
- Venture Loan
- Vehicle Loan

(C) And other service provided includes issuing of Bank Guarantees and management of Private Provident Fund (PPF) and Gratuity Fund (GF).

Customer Service

We differentiate ourselves through our employees, referrals, agents and our total commitment to customer service.

The company has an Independent Grievance cell in place to facilitate the walk-in and online customer grievances.

Distribution Channels

The company has multilayer distribution channels established with a mandate to educate the mass and assist them in choosing the right insurance products

- Referrals & Agents
- Direct field underwriters providing door to door service
- Interactive website facilitating online downloads and BIL Facebook Page.

Reinsurance

In order to enhance our underwriting capacity and have global spread of local risk, our office have strong reinsurance tie up with well-established companies with high financial ratings and long histories of standing by their insured's when loss occur.

Board Directors

1. Mr. Ugyen Rinzin (Chairman)
M/s Yangphel Private Limited, Thimphu
Phone no: 02-323293
Email: ugyen@yangphel.com
2. Mr. Karma Tsetop Rinchhen (Director)
M/s A Middle Path to Bhutan, Thimphu
Phone: 02-336474 Fax: 02-336475
Email: tse_rin@yahoo.co.uk
3. Mr. Kinzang Dorji (Independent Director)
Dzongdhag, Haa Dzongkhag
kdorji@haa.gov.bt
4. Mr. Sangay Wangdi (Director)
CEO, BBPL
Email: sangaywangdi357@gmail.com
5. Mr. Tshering Dorji (Independent Director)
Former CEO, T-Bank
Email: tdl7111118@gmail.com
6. Mr. Damdi Dorji (CEO/Director - Executive)
Bhutan Insurance Limited, P.O.Box #779, Chorten
Lam, Thimphu
Phone: 02-339892/93/94
Fax: 02-339895
Email: dmdorji@gmail.com

Company Secretary

Ms. Sonam Wangmo
Bhutan Insurance Limited, P. O. Box # 779, Chorten
Lam, Thimphu
Phone: 17456393
Email: somohm@gmail.com

Auditors

M/s. Mookherjee Biswas & Pathak Chartered Accountants
5 & 6 Fancy Lane, 5th Floor
Kolkata-700001, India
Phone: 0091-33-22481733/22318869/22438542/22421789
Fax: 0091-33-22480080
Email: abhijit@mbpkol.com/aryabir@mbpkol.com

Risk Based Audit Committee Members

1. Mr. Tshering Dorji (Chairperson)
Former CEO, T-Bank
Email: tdl7111118@gmail.com
2. Mr. Sangay Wangdi (Director)
CEO, BBPL
Email: sangaywangdi357@gmail.com
3. Mr. Pema Loday (Committee Secretary)
Internal Audit Department, BIL, Thimphu
Phone No: 02-339893/339894/ 17886580
Email: Pema_Loday@yahoo.com

Corporate Governance Committee Members

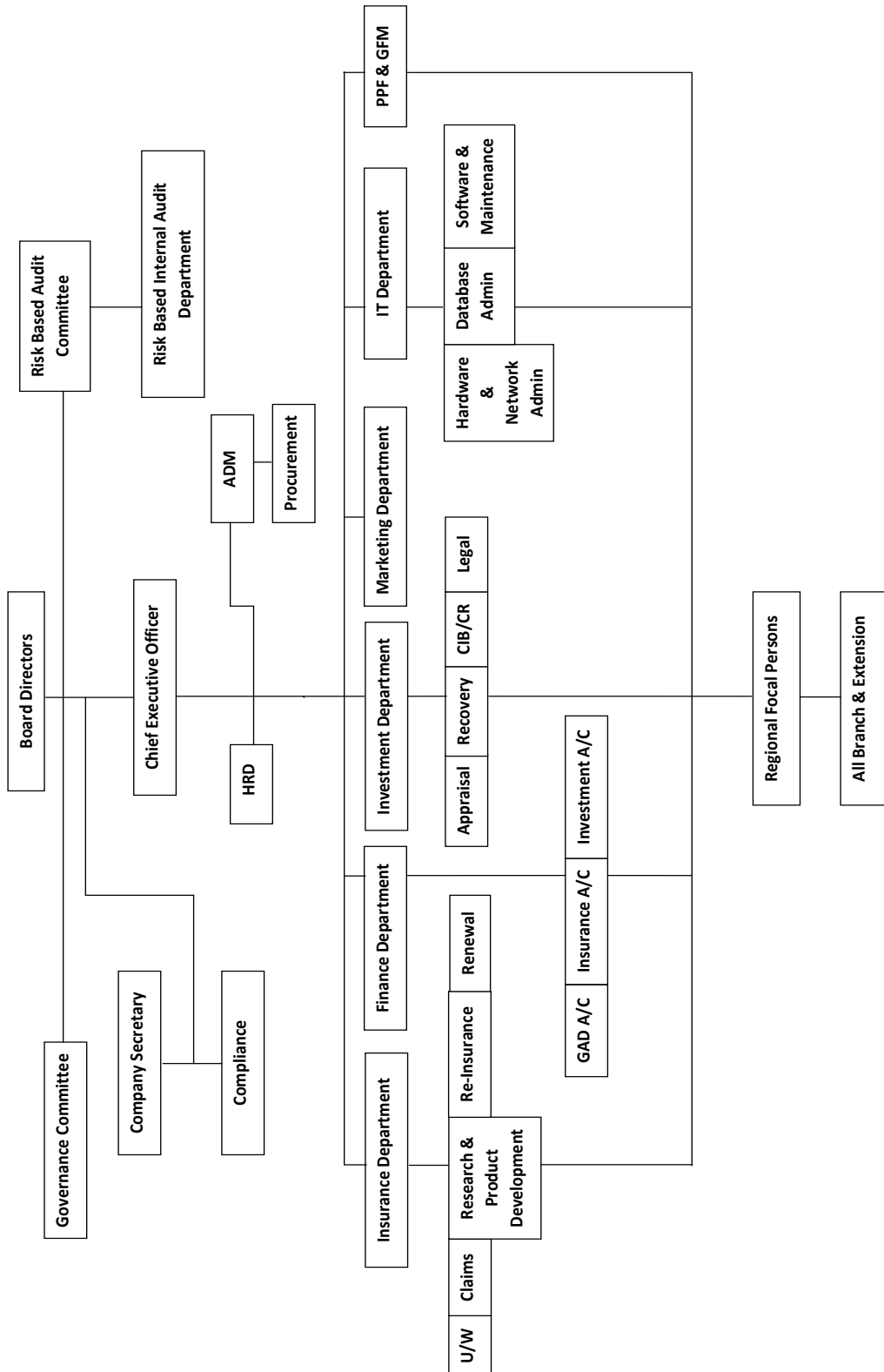
1. Mr. Kinzang Dorji (Chairperson)
Dzongdhag, Haa Dzongkhag
kdorji@haa.gov.bt
2. Mr. Karma Tsetop Rinchhen (Director)
M/s A Middle Path to Bhutan, Thimphu
Phone no: 02-336474
Fax No: 02-336475
Email: tse_rin@yahoo.co.uk
3. Mr. Kalyan Humagai (Committee Secretary)
General Manager
Investment Department, BIL, Thimphu
Phone No: 02-337472/17628834
Fax No: 02-339895
Email: kh@bhutaninsurance.com.bt

Distribution Channel

- Door to Door Service
- Banc-assurance
- Referrals
- Direct Underwriting
- Social Media (Facebook and website)

Principal Bankers

1. Bhutan National Bank Limited
2. Druk PNB Limited



OUR PRODUCTS

Insurance Products



MOTORS INSURANCE



FIRE INSURANCE



MISCELLANEOUS INSURANCE



LOAN PROTECTION



AVIATION INSURANCE



MARINE INSURANCE



PRIVATE PROVIDENT FUND
& GRATUITY FUND



WORKMEN COMPENSATION

Loan Products



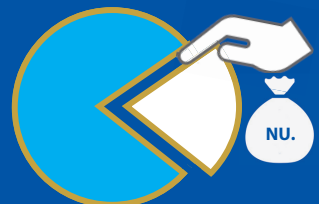
VENTURE TERM LOAN



HOUSING COMMERCIAL/
HOUSING NON-COMMERCIAL



INDUSTRIAL LOAN



LOAN AGAINST SHARES



VEHICLE LOAN



PERSONAL LOAN



LOAN AGAINST PRIVATE
PROVIDENT FUND (PPF)



SECURED OVERDRAFT

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Fax: 339895, **Email:** bhutaninsurancelimited@gmail.com



Auditors' Report & Financial Statement

Mookherjee Biswas & Pathak
Chartered Accountants

5 & 6, Fancy Lane, Kolkata – 700001
 Phone : 2248 1733, 2231 8869, 2243 8542, 2242 1789
 Fax: (033) 2248 0080
 Website : www.mbpkol.com
 E-mail :mbpkol@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHUTAN INSURANCE LIMITED

Report on the Audit of the Financial Statements

1. Opinion

We have audited the financial statements of “Bhutan Insurance Limited” (The Insurance Company), which comprise the Statement of Financial Position as at December 31, 2019 along with the separate statements of financial positions of departments (namely General Insurance, Financing & Investment, Private Provident Fund and Gratuity Fund Management Department), and the Statement of Comprehensive Income along with revenue accounts of departments (namely General Insurance, Financing & Investment, Private Provident Fund and Gratuity Fund Management Department), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, in all material respects, *give a true and fair view of* the financial position of the Company as at December 31, 2019, and (of) its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles (GAAP) followed in Bhutan except otherwise mentioned in this report.

2. Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as prescribed in section 266 of the Companies' Act of Bhutan 2016. 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 ethical requirements that are relevant to our audit of the financial statements in Bhutan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

We draw our attention to note no 3B(XIX) w.r.t change in the method of calculation of unexpired risk reserve and its impact. Our opinion is not modified in respect of this matter.

4. Other Matter

We have submitted separate report on BAS compliant financial statement.



5. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we have determined the following matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
Provision for Non-performing loans as per RMA regulations. The provision has gone down in comparison to earlier year	We have verified the Non-performing loans by analyzing the party wise loan accounts, their classification as per prudential norms of RMA. We have also gone through individual loan files (on sample basis).

6. 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 the provisions of the Companies Act of Bhutan, 2016 and Generally Accepted Accounting Principles (GAAP) followed in Bhutan and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

7. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

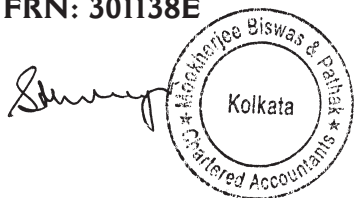
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial is given in **Annexure I**.



8. As required by Section 266 of the Companies Act of the Kingdom of Bhutan 2016, with respect to 'The Minimum Audit Examination and Reporting Requirements', we enclose in the "Annexure A" a statement on the matters specified therein to the extent applicable to the Company.
9. Further, as required by section 265 of the ACT, we report that:
- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Statement of Financial Position along with the separate statements of financial position of departments (namely General Insurance, Financing & Investment, Private Provident Fund and Gratuity Fund Management Department), and the Statement of Comprehensive Income along with revenue account of departments (namely General Insurance, Financing & Investment, Private Provident Fund and Gratuity Fund Management Department), Statement of Changes in Equity and Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.
 - d) The Company has complied with other legal and regulatory requirements.

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E



Sudersan Mukherjee
(Partner)
Membership Number: 059159
UDIN: 20059159AAAAAJ3432

Place: Kolkata
Date: 04-05-2020

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT **(Referred to in our report of even date)**

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.

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.



ANNEXURE A**(MINIMUM AUDIT EXAMINATION REPORT AS PER SECTION 266 OF COMPANIES ACT OF BHUTAN 2016 AND REFERRED TO IN PARAGRAPH 6 OF OUR REPORT OF EVEN DATE)**

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets with mark of codification. *As per the management, physical verification of fixed assets was conducted during the year, but the linking up of the physically verified fixed assets with book records is still in process. Discrepancies if any, could not be identified and commented upon.*
2. None of the fixed assets have been revalued during the year.
3. The company has not taken any loan from Companies under the same management. Therefore, terms of which whether prejudicial to the interest of the Company does not arise.
4. The Company has not granted any loan, secured or unsecured to other companies, firms or other parties and/or to Companies under the same management. Therefore, terms of which whether prejudicial to the interest of the Company does not arise.
5. The Company has given staff advance in normal course of business, recovery whereof are made as per stipulation. The parties to whom the loans or advances have been given by the Company are generally repaying the principal amounts, as stipulated and are also generally regular in payment of interest, except for certain cases, where the outstanding loan balances comprising of principal and interests, are considered as non-performing assets as per Prudential Regulations 2016 of the 'Royal Monetary Authority of Bhutan' and for which accrued interest as recognized have been reversed and provisioning for principal amounts have been done as per the said Regulations.
6. No excessive/frequent advances are generally granted and accumulation of large advances against particular individual is generally avoided.
7. In our opinion and according to the information and explanations given to us during the course of the audit, the Company has established an adequate system of internal control to ensure completeness, accuracy and reliability of accounting records, to carry out the business in an orderly and efficient manner especially in case of branches, to safeguard the assets of the Company as well as to ensure adherence to the applicable rules/regulations and systems and procedures.

It has been observed that the company did not carry out any system audit since its inception. The Management may initiate appropriate system audit for better control.

8. (a) As explained to us transactions in pursuance of contracts or arrangement entered into with Company or Firm in which director(s)



are directly or indirectly interested have been made as per similar terms & conditions applied for transactions with other parties.

(b) The terms & conditions attached to the transactions with the related parties as disclosed in Note No. 3B(XVII) are not prejudicial to the interest of the other shareholders & the Company.

9. According to the records, the Company in general is regular in depositing its provident fund, salary tax, health contribution, income tax deductions, Bhutan sales tax, and other statutory dues with the appropriate authorities.
10. No undisputed amounts payable in respect of rates, taxes, duties, provident funds and other statutory dues were outstanding at the year end.
11. During the course of our examination of books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses (other than those payable under contractual obligation/service rules) which have been charged to the Statement of Comprehensive Income, nor we have been informed about such cases by the Management.
12. The company is having authorized policy of recruitment of commission agents, and as informed by the management they are screened to fit the specific criteria before being recruited.
13. In our opinion there has been, in general, a reasonable system for continuous follow-up of receivable recovery of its outstanding amounts from the parties *but the same offers further scope for improvement*. The Company keeps the records of overdue analysis of the parties as per Prudential Regulations 2016 of the 'Royal Monetary Authority of Bhutan'.
14. In our opinion, and on the basis of information and explanations given to us, the management of liquid resources, particularly cash/bank and short terms deposit etc. are reasonably adequate and no excessive amounts are lying idle in non- interest-bearing accounts.
15. According to the information and explanations given to us, and on the basis of examination of books and records on test check basis, we are of the opinion that the financial activities carried out by the Company during the year are prima facie lawful and intra-vires to the Articles of Incorporation of the Company.
16. Capital investment decisions are made with prior approval of the Board and investments in new projects are made only after ascertaining the techno-economic feasibility of such new ventures.
17. The Company has established effective budgetary control system.



18. The details of remuneration paid and payable to the Chief Executive Officer and honorarium and sitting fees paid to other directors are disclosed in Note No.3B(XIII). As there is no separate register being maintained for recording disclosure of interest of Director, our checking is restricted to Board minutes and Management representations while checking the said document(s), we have not come across any cases of disclosure of interest where payments have been made in cash or in kind to any of the director's relatives (including spouse(s) and child/children) by the Company directly or indirectly.
19. According to the information and explanations given to us, the directives of the Board have generally been complied with.
20. We are given to understand by the management that the officials of the Company are refrained from transmitting any price sensitive information which are not publicly available and unauthorized, to their relatives/friends/associates or close persons which will directly or indirectly benefit themselves.
21. Since the Company is operating as Insurance Company and Financial Institution the clause 3 to clause 6, Clauses 14 to 17, clauses 21 to 27, clause 34 of the reporting requirements are not applicable to it.

Reporting Requirements specific to Finance & Investment Company

22. The company is in the process of maintaining adequate documents and records where it has granted loans and advances for which agreement have been drawn up and timely entries have been made therein.
23. The company has generally adhered to the requirements of Financial Services Act, 2011 and other applicable laws, rules, regulations and guidelines issued by the appropriate authorities.
24. In our opinion and on the basis of examination of books and records, the Company follows the accounting policy of making provisions for diminution, other than temporary, if any, in the value of investment in shares.
25. The requirements relating to provisioning for the non-performing assets including loans and advances in terms of Prudential Regulations of RMA has been complied with.
26. Recognition of interest income in respect of non-performing asset has been deferred in terms of Prudential Regulations of RMA.
27. Assets hypothecated against loan and advances have been generally physically verified, properly valued and mortgage deed executed and ensured that the assets are free of any prior lien or charges. In this regard we have relied on the information available from the management.



28. The company has a system of monitoring of projects for which loans have been provided to ensure that loan amounts are used for the specified purposes and project activities are progressing satisfactorily.
29. The Company, in general, has the system for carrying out proper analysis before permitting re-phasing/ rescheduling of. On the basis of examination carried out in accordance with the generally accepted auditing procedures and based on the information and explanations provided by the management to us, re-phasing has generally not been permitted in respect of non-performing loans.
30. Additional loan are not granted to those who have defaulted payment of previous advances.

COMPUTERISED ACCOUNTING ENVIRONMENT

- a. The company has developed a customized software system for maintenance of accounts.
- b. According to information and explanations provided to us, back-up is stored in Server which is located at a place separate from the Head Office. The back-up, and other safeguard measures appear to be adequate.
- c. The operational controls are found adequate to ensure correctness and validity of input data and output information.
- d. As explained to us, the measures taken by the company to prevent unauthorized access over the computer installation and files are being upgraded to be considered adequate.

31. GENERAL

A. GOING CONCERN CONCEPT:

The Company's present operational and financial data indicate that the company is healthy and the accounts are prepared on the assumption that going concern concept is applicable.

The company, in our opinion shall continue and maintain its operation in the foreseeable near future.



B. RATIO ANALYSIS:

Significant Ratios indicating the financial Health and profitability of the company is as follows:-

Sl. No.	PERFORMANCE RATIO	RATIO/PERCENTAGE FORMULA	2019	2018
1	Capital Adequacy As Per Prudential Regulation	Tier1+ Tier2 Capital/ Total risk weighted assets	33.25%	24.96%
2	Core Capital	Tier1 Capital/ Total risk weighted assets	22.15%	17.08%
3	Statutory Liquidity Ratio	Quick Assets/ total liabilities excluding capital fund and RMA liabilities	18.90%	23.30%
4	Leverage Ratio	Tier 1 + Tier 2Capital/Total Exposure excluding specific provision and margin money	24.87%	25.21 %
5	Annulized Gross Premium To Shareholders' Fund	Gross premium/average capital employed	0.642	0.838
6	Net Retention	Net Premium/Gross Premium	0.666	0.544
7	Commission To Net Premium	Commission net of Re-insurance/Net Premium	14.30%	15.76%
8	Management Expense To Gross Premium	Management Expense/ Gross Premium	10.69%	15.74%
9	Combined Ratio	(Net Claim + Operating Expenses) *100/Earned Premium	93.46%	79.81%
10	Technical Reserve To Net Premium	Technical Reserve/Net Premium	0.557	0.693
11	Operating Profit	(Underwriting profit + Investment Income)/Net Premium	63.45%	28.85 %
12	Net Earning Ratio	PAT/Net Premium*100	45.67%	20.41 %
13	Annualized Return On Net Worth	PAT/Net worth	17.81%	9.59 %
14	Book Value Per Share	(Share Capital + Free Reserve)/ No. of Shares	18.37	15.14
15	Earning Per Share	PAT/No. of Shares	3.27	1.45
16	Net Worth Of The Company	Share Capital + Free Reserve	551,196,405	454,054,604
17	Return On Equity	PAT/Average Capital Employed	19.53%	9.31 %
18	Net Worth To Total Liabilities	Net Worth/Total Liabilities	22.58%	20.43 %
19	Gross Npl Ratio	Total NPL O/s. balance/ Total Loan O/s. balance	12.00%	17.42 %

Sl. No.	PERFORMANCE RATIO	RATIO/PERCENTAGE FORMULA	2019	2018
20	Net Npl Ratio	Net NPL Loan/ Net Total Loan	2.77%	7.55 %
21	Solvency Ratio As Per Insurance Regulation	Net Financial Resources/ Total Risk Requirement	332%	314%
22	Car As Per Insurance Regulation	Total Financial Resources/ Total Risk Requirement	435.62%	431.39%
23	Underwriting Balance Ratio	Underwriting profit/Net Premium FIRE MARINE OTHER	41.76% 2.89% 0.24%	23.18 % 1.59 % 24.21 %

32. In accordance with RMA Prudential regulations 2016 capital conservation buffer is maintained at ratio over and above the prescribe rate of 2.5% of total risk weighted assets.

33. Compliance with the Companies Act of the kingdom of Bhutan

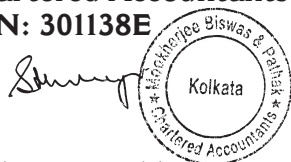
The Company has complied with the requirements of Company's Act of Bhutan 2016.

34. ADHERENCE TO LAWS, RULES AND REGULATIONS:

Audit of the Company is governed by the Companies Act of Bhutan, 2016 and the scope of the audit is limited to examination and review of the financial statements as produced to us by the management.

During the course of audit, we have considered the compliance of provisions of the said Companies Act and its Articles of Incorporation and we are unable to state that the company has been complying with other applicable laws (other than Companies Act of Bhutan, 2016 and Financial Services Act of Bhutan 2011, the Income Tax Act of Kingdom of Bhutan, 2001) rules and regulations, system procedures and practices. The company is in the process of complying with the Corporate Governance Rules and Regulations 2018.

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E



Sudersan Mukherjee
(Partner)
Membership Number: 059159
UDIN: 20059159AAAAAJ3432

Place: Kolkata
Date: 04-05-2020

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1. Reporting Entity

Bhutan Insurance Limited is a limited liability company incorporated and domiciled in Bhutan. The registered office of the Company and the principal place of business are located at Chorten Lam, Post Box # 779, Thimphu, Bhutan. The Company was incorporated on 20th August 2009 and commenced Non- Life insurance business on same date.

1.2. Principal Activity

The Company is engaged in the business of underwriting Non- Life Insurance. BIL is also authorized by RMA to provide Financing & Investment Services, Manage Private Provident Fund (PPF) and Gratuity Fund Management (GFM).

2. BASIS OF PREPARATION

2.1. Basis of Measurement

The Financial Statements of the Company which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and Notes thereto have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) followed in Bhutan and comply with the requirements of Companies Act of Bhutan 2016 and Financial Service Act, 2011. Financial statements as per the requirements of BAS is separately prepared and audited.

2.2. Date of Authorization of Issue

The Financial Statements of Bhutan Insurance Ltd., for the year ended 31st December 2019 were authorized for issue in accordance with the 46th resolution of the Board of Directors held on 17th March, 2020.

2.3. Functional and Presentation Currency

The Financial Statements are presented in Bhutanese Ngultrum (Nu.), which is the Company's functional currency as stated.

2.4. Use of Estimates and Judgments

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) followed in Bhutan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liability Income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Information about critical judgments in apply in accounting policies that have the most significant effect on the amounts recognized in the Financial Statements are included in the following notes.



Critical Accounting Disclosure Reference**Estimate/Judgment**

		Note
Unearned premium		18d
Provision for gross outstanding claims	22b	
Employee benefits	25a	

2.5. Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

3. A. SIGNIFICANT ACCOUNTING POLICIES:

The format in these Financial Statements has been stated in line with Generally Accepted Accounting Principles followed in Bhutan.

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements unless otherwise indicated.

I. Intangible Assets, software**(a) Basis of Recognition**

An Intangible Asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Software acquired by the Company is stated at cost less accumulated amortization and accumulated impairment losses.

(b) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the Statement of Comprehensive Income as incurred.

(c) Amortization

Amortization is recognized in the Statement of Comprehensive Income on straight line basis as per the provision contained in the Income Tax Act of Bhutan, 2001.

II. Property Plant and Equipment**(a) Basis of Recognition**

Property, plant and equipment are tangible items that are held for servicing, or for administrative purposes, and are expected to be used during more than one year. Property, Plant and Equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably.



(b) Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to or replace a part of it. Purchased software that is integral to the functionality of the related equipment is capitalized as a part of computer equipment.

(c) Gains and losses on disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income/other expenses" in the Statement of Comprehensive Income.

(d) Depreciation

Depreciation is calculated as per the applicable provisions of Income Tax Act of Bhutan 2001, as amended to date on straight-line basis at the prevailing rates and in the manner as prescribed.

(e) De-recognition

The carrying amount of an item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from it. The gain or loss arising on de-recognition of an item of Property, Plant and Equipment are included in the Statement of Comprehensive Income when the item is de-recognized.

III. Investments

Investments in Subsidiaries, Associates and other companies are shown at cost. The face value of investments in listed Companies is disclosed in Note 32. The value of investments is tested for impairment as and when there is an indicator of the same.

IV. Financial Assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

V. Trade and Other Receivables

Trade and other receivables are initially recognized at the fair value of the amounts to be received. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Receivables are reviewed regularly for impairment.

The investment in shares and bonds of listed companies are stated at market value wherever applicable.

VI. Reinsurance

The Company cedes insurance risk in the normal course of business to recognized reinsurers through formal reinsurance arrangements. Reinsurance



assets represent balances due from all insurance and reinsurance companies for paid and unpaid losses and loss adjustment expenses. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured policy. Reinsurance receivables are recorded gross in the Statement of Financial Position unless a right to offset exists. Premiums and claims are presented on a gross basis for ceded reinsurance. Reinsurance assets are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

VII. Reinsurance Commissions

Commissions receivable on outward reinsurance contracts are deferred and amortized over the period in which the related written premiums are earned.

VIII. Premiums Receivable

Premiums receivable are recognized when due and measured on initial recognition at the fair value of the consideration received or receivable.

IX. Other Receivables

Other receivables and dues from Related Parties are recognized at carrying cost.

X. Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances.

XI. Non- Life Insurance Contract Liabilities

Non- life insurance contract liabilities are recognized when contracts are entered into and premiums are charged. These liabilities known as the Policy Liability provisions include the premium and claim liabilities.

The premium liabilities relate to policies for which the premium has been received but the exposure has not fully expired, while the claim liabilities relate to claims that have been incurred but not yet settled.

The provision for unearned premiums represents premiums received for risks that have not yet expired. Generally the reserve is released over the term of the contract and is recognized as premium income. At each reporting date the Company reviews its unexpired risk.

The claim liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the Balance Sheet date.

The liabilities are derecognized when the contract expires, is discharged or is canceled.

XII. Employee Benefit Obligation

- i) Contribution to Provident fund and other funds are accounted for, as and when accrued.
- ii) Gratuity is provided on accrual basis, as per the Company's Service rule.

XIII. Provisions

A provision is recognized if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably,



and it is probable that an outflow of economic benefits will be required to settle the obligation.

XIV. Revenue Recognition

- i. Items of income and expenditure are accounted for on accrual basis, except for Guarantee commission which is considered on cash basis.
- ii. Premiums are recognized as income, as and when due on assumption of risk.
- iii. Reinsurance premium ceded is accounted at the time of recognition of premium income in accordance with the treaty or in-principle arrangement with the reinsurers.
- iv. Interest on fixed deposits is accounted for on accrual basis.
- v. Interest, Rent etc., are accounted at gross value before deduction of tax.
- vi. Interest income on loans is recognized on accrual basis except for non-performing loans with default over 91 days, in respect of which the interest income as per the guidelines issued by the Royal Monetary Authorities of Bhutan, is shown under the head. "Interest Suspense" which is taken to Statement of Comprehensive Information on actual realization only.

XV. Other Income

Other income is recognized on an accrual basis.

XVI. Claims

Claims include all claims occurring during the year, whether reported or not, related internal and external claims handling cost that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

XVII. Reinsurance Claims

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

XVIII. Expenditure Recognition

Expenses are recognized in the Statement of Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Statement of Income in arriving at the profit for the year.

XIX. Foreign Currency Transactions

All foreign exchange transactions are converted to the functional currency at the rates of exchange prevailing at the time the transactions were affected. Insurance contracts which were underwritten in foreign currency are converted to the functional currency at the rates of exchange prevailing at the time of underwriting, and revenues recognized accordingly. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rate at that date. Non- monetary



assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in the Statement of Comprehensive Income.

XX. Current Taxes

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date and any adjustments to tax payable in respect of previous years.

XXI. Share Capital

The Company's share capital comprises of ordinary shares which are classified as equity.

XXII. Earnings Per Share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

XXIII. Cash Flow Statement

The Cash Flow Statement has been prepared using the indirect method. Interest received, interest paid and dividend received are classified as operating cash flows while dividends paid is classified as financing cash flow. For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

XXIV. Commitments and Contingencies

Contingencies are possible assets or obligations that arise from a past event and would be concerned only with the occurrence or non-occurrence of uncertain future event, which are beyond the Company's control. Contingent liabilities are disclosed in Note 3B(III) to the Financial Statements.

XXV. Proposed Dividends

Dividend proposed/declared by the Board of Directors after the reporting date is not recognized as a liability. The 46th resolution of the Board of Directors on 17th March, 2020 has approved the dividend for the year 2019 at 16% of the paid-up capital amounting Nu.48 million which was endorsed in 11th AGM on the same date. It is also approved by RMA as per Prudential regulation 2017 vide letter No. RMA/DFRS/22/2019-2020/6286 dated 2nd April, 2020 which is disclosed as a note to the Financial Statements. For the year 2018, the dividend has not been declared in line with bonus share issuance approval letter No.RMA/DFRS/22/2018-2019/1726 dated 5th October, 2018 from RMA.

XXVI. Comparative Information

The comparative information is re-classified wherever necessary to conform with the current year's classification in order to provide a better presentation.



XXVII. Financial Risk Management

Overview

The Company has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity risk
- Market risk
- Operational risk.

This note presents information about the Company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these Financial Statements.

Risk Management Framework

The management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit Risk

Credit risk is counter-party default risk, and includes the risk of failure of financial institutions with which the Company has placed deposits/investments to meet obligations and the failure of reinsurers to meet claims when they fall due. It also includes the risk of default by policyholders on premium receivable, default by loan clients and failure of employees to meet loans provided by the Company. In addition to strict limits on single counter party exposure, the Company follows a prudent credit policy which limits its investments to high-grade corporate credit in line with the BIL credit manual, and above the regulatory minimum criteria. Single counter-party exposure is monitored on a monthly basis by the CRO, and any deviations require special approval. The Company's investment approach is also guided and monitored by BIL Management as per BIL policies on investment.

Credit risk to external reinsurers appears when insurance risk exposures are transferred by the Company to external reinsurance companies to mitigate insurance risk. Potential losses can arise either due to non-recoverability of reinsurance receivables already present or default on benefits that are under reinsurance treaties in force. The Company's exposure to reinsurance risk is minimal as the majority of reinsurance is placed with Allianz Re, and with reinsurers with strong credit ratings approved by the Group.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. The table below summaries the maturity profile of the financial assets of the Company based on their market value. The Company maintains portfolio of highly marketable securities that can be easily liquidated in the event of an unforeseen interruption of cash flow. Some of the specifications by the Company to mitigate the liquidity risk are shown below;



- Cash outflows identified in advance are matched through short term deposits.
- The Company maintains a foreign currency deposit which can be liquidated in the event of unexpected cash outflows.

Market Risk

Market risk refers to the risk of possible adverse movements in the values of assets due to changes in market factors including interest rates, foreign exchange rates and equity prices. The current uncertainties in the local and international markets and investment climate have increased the degree of impact of market risk to the Company. Market risk is an aggregation of,

- a. Interest rate risk
- b. Currency risk

(a) Interest Rate Risk

Interest rate risk is the risk of interest rate volatility adversely affecting the market value of the investment portfolio. In an increasing interest rate environment, there will be a drop in the value of Treasury bills and bonds when they are marked-to-market. The Company monitors its interest rate risk on a monthly basis by analyzing the movement in the interest rate sensitive asset duration, the allocation to interest rate sensitive assets, and the sensitivity of interest rate movements on the solvency margin. The report is reviewed by the local CRO and the BIL Risk Team.

(b) Currency Risk

The risk of fluctuation of fair values or future cash flows of a financial instrument due to change in exchange rates is referred to as currency risk. The Company's principal transactions are carried out in Bhutanese Ngultrum and hence, its exposure to foreign exchange risk arises primarily with respect to the US Dollar and Euro denominated assets maintained in order to honor liabilities of foreign currency denominated insurance policies sold in the ordinary course of business. However, no material liabilities were recorded on foreign currency denominated policies as at the reporting date.

Operational Risk

This is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational failures could result in indirect consequences such as producing misleading financial information, loss of return, financial penalties from regulators or damage to the reputation of the Company. Operational risks arise from all operations of the Company. While it is acknowledged that the Company cannot eliminate all operational risks, it is in a position to manage such risks by initiating a rigorous control framework and by monitoring and responding to potential risks. The Company's Risk Management Team assesses all foreseeable risk involved in its operation and they develop and implement plans to control those identified operational risk. These action plans recommended by the team are to



manage the operational risk in the following areas:

- Requirements for having appropriate segregation of duties including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation including insurance where this is cost effective.

3.B. Notes to Accounts:

I. Long Term and Short Term Investment as on 31st December 2019:

Name of Organization	No. of Shares/Bonds	Rate (Nu)	Amount (Nu.)	Remarks
Bhutan Development Bank Ltd.	N.A	NA	125,000,000	FD, fresh in current year
Credit Information Bureau	175000	10	1,750,000	Till Previous Year
Dungsam Cement Corporation Limited	30000	1000	30,000,000	-do-
Royal Insurance Corporation Of Bhutan Ltd	30000	1000	30,000,000	-do-
Bhutan National Bank Ltd	385670	35.50	13,691,285	-do-
Fls Training Institute	600000	10	6,000,000	-do-

II. Resources of Insurance Department, Provident Fund, Gratuity Fund and Fund obtained through borrowing are centrally managed through Finance & Investment Department. The Company has decided to share the cost between the three departments in the ratio of 50:25:25 w.e.f. 1st January 2019.

III. Contingent liabilities as at the Balance Sheet date is guarantee issued by the Company amounting to Nu.58,650,581 remain unexpired as on 31st December,2019.

IV. Interest income on loans of Nu.206,388,392.00 is net of suspended interest of Nu.6,197,830.00 which is charged to the statement of comprehensive income during year as conforms to the Prudential Regulation, 2016 by Royal Monetary Authority of Bhutan.

V. Interest of Nu. 25,837,261.00 and late fee of Nu.3,306,633.00 has not been recognized as income & kept under Interest in suspense and Late fee suspense account respectively.



- VI.** Interest and late fee of Nu.47,669,172.69 and Nu.3,359,801.55 was not collected but included in total loan outstanding as on 31.12.2019.
- VII.** Provision against non-performing loans of Nu.216,429,758.00 has been computed as per the RMA Prudential Guidelines. An additional provision of Nu.38,171,060.00 including dynamic provision for the current year Nu.37,814,485.36 has been created during the year to consider probable loss which may arise out of potential non-performing loans.
- VIII.** Current liabilities include aggregate provident Fund contribution received from various organization for which BIL has been acting as 'Manager to Provident Fund' amounting to Nu.281,211,324.00 (previous year Nu.217,782,708.00) & Nu.14,045,776.00 (previous year Nu.13,357,066.00) as interest accrued thereon.
- IX.** Current liabilities include aggregate Gratuity Fund contribution received from various organization for which BIL has been acting as 'Manager to Gratuity Fund' amounting to Nu.753,140,861.00 (previous year Nu.666,674,078.00) & Nu.51,266,513.00 (previous year Nu.45,575,696.00) as interest accrued thereon.
- X.** Reserves for un-expired risks amounting to Nu.73,935,003.00 (previous year Nu.113,856,633.00) created in the Revenue Accounts in respect of General Insurance Business at 1/24th method (Previous year 50%) of the net written premium during the year.
- XI.** Company has valued their Gratuity Liability as per their HR policy and an amount of Nu.1,360,960.00 have been provided in the accounts towards gratuity on the presumption that all employees ceases to be employed with the Company as on 31.12.2019.
- XII.** The assets of the Company in Bhutan are free from all encumbrances.

XIII. Management expenses include:-

- a) Managerial Remuneration paid to the Chief Executive Officer :-

	2019	2018
-Remuneration:	Nu. 1,878,226.00	Nu. 1,233,696.00
-Other Benefits:	Nu. 280,196.00	Nu. 673,272.00
Total:	Nu. 2,158,422.00	Nu.1,906,968.00

- b) Directors sitting fees: Nu. 590,000.00 Nu. 430,350.00

XIV. The Audit Fees and Expenses

- a) Audit fee:- Nu. 85,000.00 Nu.85,000.00
b) Audit expenses: Nu. 140,000.00 Nu.140,000.00

- XV.** Premium Deficiency has not been credited since, in the opinion of the management, the expected claim costs along with the related expenses and maintenance cost of the insurance products in force would not



exceed the related reserve for unexpired risk.

XVI. In the opinion of management, there is no impairment of fixed assets of the Company, which may require any adjustment to be made.

XVII. Particulars of the transactions with the Directors and their relatives and Companies in which Directors are interested, as per provisions of the Companies Act of the of Bhutan 2016 :-

Name of the party	Nature of transaction	Outstanding amount as on 31.12.2019 (Nu.)	Outstanding amount as on 31.12.2018 (Nu.)
Dasho Ugyen Rinzin	Commercial Establishment, Vehicle Loan & Overdraft	56,165,448.96	47,245,080.79
Dasho Kinzang Dorji	NIL	NIL	NIL
Mr. Karma Tsetop Rinchen	Loan against Share	2,207,001.58	1,724,540.85
Mr. Damdi Dorji	Staff Establishment, Housing Loan, Vehicle & Overdraft	1,624,824.46	NIL
Mr. Sangay Wangdi	Overdraft	39,623.78	12,964.15
Mr. Tshering Dorji	NIL	NIL	NIL

XVIII. Other Current liabilities (Schedule 16) includes unclaimed dividend of Nu.13,903,504.00 (previous year Nu.16,451,689.00).

XIX. During the year the Company has changed its policy of calculation of unexpired risk reserve to align with RMA Regulation whereas earlier it was calculated at 50% of the unearned premium. This has resulted in decrease of unexpired risk reserve by Nu.10,556,780.55

XX. Previous year's figures have been adjusted/rearranged/ regrouped wherever necessary to make them comparable with the current year's figure.

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E



(Sudersan Mukherjee)
Partner
Membership No. 059159

Place: Kolkata
Date: 04-05-2020

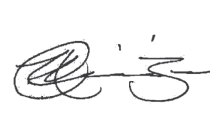
On behalf of The Board of Directors



CEO




Director



Chairman

Place: Thimphu
Date: 17.03.2020

Statement of Financial Position as on 31st December 2019

Amount in Nu.

Particulars	Note No.	2019	2018
ASSETS			
Non Current Assets			
Intangible Assets (Net Block)	4	420,157	1,803,990
Property, Plant & Equipment (Net Block)	5	4,354,271	3,724,654
Long Term Investment	6	67,750,000	67,750,000
Term Loan	7 & 7a	1,611,666,693	1,388,962,185
Total Non Current Assets		1,684,191,121	1,462,240,829
Current Assets			
Cash & Cash Equivalents	8	190,641,987	297,833,465
Short Term Investment	9	138,691,285	75,413,090
Loans & Overdraft	10	340,314,166	331,997,873
Advances & Other Assets	11	87,362,705	54,753,964
Total Current Assets		757,010,143	759,998,392
TOTAL ASSETS		2,441,201,264	2,222,239,222
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share Capital	12	300,000,000	300,000,000
General Reserves	13	187,493,089	138,422,188
Retained Earnings	13a	63,703,316	15,632,416
CAT Reserves	13b	11,803,938	10,803,938
Total Shareholders' Equity		563,000,343	464,858,542
Non Current Liabilities			
ESP Bond	14	120,000,000	120,000,000
Total Non Current Liabilities		120,000,000	120,000,000
Current Liabilities			
Borrowings & Funds	15	1,254,453,463	1,196,166,676
Other Liabilities	16	176,787,395	132,478,202
Provisions	17	326,960,063	308,735,803
Total Current Liabilities		1,758,200,921	1,637,380,681
TOTAL LIABILITIES		2,441,201,264	2,222,239,222
Significant Accounting Policies & Notes to Accounts		1-3	
Note			
Contingent Liabilities (Off balance sheet)		58,650,581	94,679,408

The notes referred to above form an integral part of this Statement of Financial Position.
This is the Statement of Financial Position (Consolidated) of all departments referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E



(Sudersan Mukherjee)
Partner
Membership No. 059159

Place: Kolkata
Date: 04-05-2020

On behalf of The Board of Directors

CEO

Director

Chairman



Place: Thimphu
Date: 17.03.2020

Statement of Financial Position for General Insurance Department as on 31st December 2019

Amount in Nu.

Particulars	Note No.	2019	2018
ASSETS			
Non Current Assets			
Intangible Assets (Net Block)	4	420,157	1,803,990
Property, Plant & Equipment (Net Block)	5	4,354,271	3,724,654
Long Term Investments	6a	67,750,000	67,750,000
Total Non Current Assets		72,524,428	73,278,644
Current Assets			
Cash & Cash Equivalents	8a	53,473,206	81,368,820
Short Term Investment	9a	395,404,905	356,794,496
Advance & Other Assets	11a	314,693,649	298,402,120
Total Current Assets		763,571,760	736,565,436
TOTAL ASSETS		836,096,188	809,844,080
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share Capital	12	300,000,000	300,000,000
General Reserves	13c	261,138,193	224,446,170
Total Shareholders' Equity		561,138,193	524,446,170
Non Current Liabilities			
ESP bond	14	120,000,000	120,000,000
Total Non Current Liabilities		120,000,000	120,000,000
Current Liabilities			
Other Liabilities	16a	80,852,736	51,541,277
Provisions	17a & 17e	74,105,260	113,856,633
Total Current Liabilities		154,957,996	165,397,910
TOTAL LIABILITIES		836,096,188	809,844,080
Significant Accounting Policies & Notes to Accounts	1-3		

The notes referred to above form an integral part of this Statement of Financial Position.

This is the Statement of Financial Position for General Insurance Department referred to in our report of even date.

For Mookherjee Biswas & Pathak

Chartered Accountants

FRN: 301138E



(Sudersan Mukherjee)

Partner

Membership No. 059159

Place: Kolkata

Date: 04-05-2020

On behalf of The Board of Directors

CEO

Director

Chairman



Place: Thimphu

Date: 17.03.2020

Statement of Financial Position for Financing & Investment Department as on 31st December 2019
Amount in Nu.

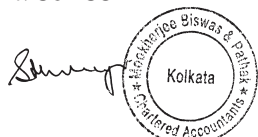
Particulars	Note No.	2019	2018
ASSETS			
Non Current Assets			
Term Loans	7	1,610,857,942	1,388,962,185
Total Non Current Assets		1,610,857,942	1,388,962,185
Current Assets			
Cash & Cash Equivalents	8b	118,617,654	199,879,381
Short term Investment	9b	125,000,000	65,000,000
Loans & Overdraft	10	340,314,166	331,997,873
Other Assets	11b	5,576,887	18,927,627
Total Current Assets		589,508,707	615,804,882
TOTAL ASSETS		2,200,366,649	2,004,767,068
EQUITY AND LIABILITIES			
Shareholders' Equity			
General Reserves	13d	214,387,100	174,488,545
Total Shareholders' Equity		214,387,100	174,488,545
Current Liabilities			
Borrowings & Funds	15a	1,616,830,947	1,542,548,082
Other Liabilities	16b	152,718,844	109,471,743
Provisions	17b	216,429,757	178,258,698
Total Current Liabilities		1,985,979,548	1,830,278,523
TOTAL LIABILITIES		2,200,366,649	2,004,767,068

Significant Accounting Policies & Notes to Accounts 1-3

The notes referred to above form an integral part of this Statement of Financial Position.

This is the Statement of Financial Position for Financing & Investment Department referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E



(Sudersan Mukherjee)
Partner
Membership No. 059159

Place: Kolkata
Date: 04-05-2020

On behalf of The Board of Directors

CEO



Chairman

Place: Thimphu
Date: 17.03.2020

Statement of Comprehensive Income as on 31st December 2019

Amount in Nu.

Particulars	Note No.	2019	2018
<u>Operating Profit transferred from Revenue A/c.</u>			
General Insurance Department	Revenue A/c.	96,465,943	104,524,461
Financing & Investment Department	Revenue A/c.	39,998,555	(42,967,156)
PPF & GFM Department (New Fund)	Revenue A/c.	(1,631,494)	-
Profit before Taxation		134,833,004	61,557,305
Provision for Taxation		(36,404,911)	(16,620,472)
Profit after taxation		98,428,093	44,936,833
Prior Period Adjustment (Differential tax)	30	(286,292)	(1,383,667)
Profits available for Appropriation		98,141,801	43,553,166
<u>APPROPRIATIONS</u>			
Transferred to General Reserve	13	49,070,901	42,553,166
Transferred to Retained Earnings	13a	48,070,900	-
Transferred to Catastrophe Reserve	13b	1,000,000	1,000,000
TOTAL APPROPRIATIONS		98,141,801	43,553,166
<hr/>			
Earnings per share (Nu.)	31	3.27	1.45

Significant Accounting Policies & Notes to Accounts 1-3

The notes referred to above form an integral part of this Statement of Comprehensive Income. This is the Statement of Comprehensive Income of all departments taken together referred to in our report of even date.

Note:-

30% tax provision on Operating profit 40,449,901

Less:- Tax Rebate 10% for business employing 100% bhutanese national (section 12) chapter 2, section 9 of Rules on the Fiscal Incentives Act of Bhutan 2017

4,044,990

Net Tax 36,404,911

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E



(Sudersan Mukherjee)
Partner
Membership No. 059159

Place: Kolkata
Date: 04-05-2020

On behalf of The Board of Directors
CEO
Director
Chairman

Place: Thimphu
Date: 17.03.2020

Revenue Account for General Insurance Department as of 31st December 2019

Amount in Nu.

Particulars	Note No.	2019	2018
Gross Written Premium	18a+18b	322,526,791	391,916,779
Premium Ceded to Reinsurers	18c	(147,543,222)	(164,203,511)
Net Written Premium		174,983,569	227,713,268
Net Change in Reserve for Unearned Premium	18d	39,921,630	(14,323,746)
Net Earned Premium	18	214,905,199	213,389,522
Commission Income (Reinsurers Ceded)	19	35,914,221	38,815,051
Income from Investments	20	35,716,874	29,567,473
Other Income	21	23,341,172	5,440,774
Total Income		309,877,465	287,212,819
Gross Claims	22	(284,610,755)	(200,423,929)
Reinsurers Recoveries	23	118,220,638	91,807,235
Net Policyholder Claims & Benefits Paid		(166,390,117)	(108,616,694)
Commission & Brokerage Expenses	24	(5,188,167)	(5,175,827)
Operating & Administration Expenses	25	(34,462,981)	(61,695,838)
Other Expenses (ESP Bond)	25b	(7,200,000)	(7,200,000)
Provision for Doubtful Assets	17e	(170,257)	-
Total Expenses		(213,411,522)	(182,688,358)
Operating Profit transferred to Comprehensive Income		96,465,943	104,524,461
Less: Prior Period Adjustment (Differential Tax & Penalty Payment)	30	(186,292)	(1,383,667)
Net Balance transferred to General Reserve A/c. of General Insurance Department	13c	96,279,651	103,140,794

Significant Accounting Policies & Notes to Accounts 1-3

The notes referred to above form an integral part of this Revenue Account.

This is the General Insurance Department Revenue Account referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E



(Sudersan Mukherjee)
Partner
Membership No. 059159

Place: Kolkata
Date: 04-05-2020

On behalf of The Board of Directors

CEO



Chairman

Place: Thimphu
Date: 17.03.2020

Sub Revenue Account as of 31st December 2019

Amount in Nu.

PARTICULARS	Note No.	FIRE INSURANCE		MARINE INSURANCE		MOTOR INSURANCE		MISCELLANEOUS INSURANCE		TOTAL	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Premium Earned (Net)	18	72,327,485	68,648,179	5,128,595	4,651,670	142,551,361	153,956,211	(5,102,241)	(13,866,539)	214,905,200	213,389,522
Commission (Net)	19 & 24	16,551,448	13,991,831	930,542	2,486,162	4,785,997	(514,539)	8,458,066	17,675,769	30,726,053	33,639,224
Income from Investment	20	12,020,703	9,511,963	852,364	644,540	23,691,790	26,577,047	(847,984)	(1,921,362)	35,716,874	34,812,188
Other Income	21	7,855,595	-	557,024	-	15,482,714	-	(554,162)	196,059	23,341,172	196,059
Total (A)		108,755,231	92,151,973	7,468,525	7,782,373	186,511,862	180,018,720	1,953,679	2,083,927	304,689,298	282,036,993
Claims Incurred (Net)	22a, 22b, 22c & 23	3,065,117	20,155,969	376,857	2,031,821	161,154,181	82,163,666	1,793,962	4,265,237	166,390,117	108,616,694
Operating Expenses	25	13,464,687	20,211,557	703,045	2,196,372	14,967,273	27,615,057	5,327,977	11,672,853	34,462,981	61,695,839
Investment Expenses	25b	2,423,198	2,316,266	171,824	156,953	4,775,919	5,194,654	(170,941)	(467,872)	7,200,000	7,200,000
Provision for Doubtful Assets		57,301	-	4,063	-	112,935	-	(4,042)	-	170,257	-
Total (B)		19,010,303	42,683,791	1,255,789	4,385,145	181,010,308	114,973,377	6,946,956	15,470,218	208,223,356	177,512,532
Prior Period Adjustment (Differential Tax)	30	-	-	-	-	-	-	-	-	186,292	1,383,667
Operating Profit (A - B)		89,744,928	49,468,182	6,212,736	3,397,228	5,501,554	65,045,343	(4,993,277)	(13,386,291)	96,279,651	103,140,794

Revenue Account for Financing & Investment Department as of 31st December 2019

Amount in Nu.

Particulars	Note No.	2019	2018
INCOME			
Interest on Loan	26	206,388,392	173,989,869
Other Income	27	11,092,035	9,796,647
Total Income		217,480,427	183,786,516
EXPENSES			
Interest Expenses	28	(107,861,468)	(100,798,718)
Management Expenses	29	(17,130,713)	(5,275,686)
Management Expenses (PF&GFM- Old Fund)	29ai	(14,318,630)	-
Provision Against Loans	17c	(38,171,060)	(120,679,268)
Total Expenses		(177,481,872)	(226,753,672)
Operating Profit transferred to Comprehensive Income		39,998,555	(42,967,156)
"Less: Prior Period Adjustment (Differential Tax & Penalty Payment)"		(100,000)	-
Net Balance transferred to General Reserve A/c. of Financing & Investment Department	13d	39,898,555	(42,967,156)

Significant Accounting Policies & Notes to Accounts 1-3

The notes referred to above form an integral part of this Revenue Account
This is Finance & Investment Department Revenue Account referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E



(Sudersan Mukherjee)
Partner
Membership No. 059159

Place: Kolkata
Date: 04-05-2020

On behalf of The Board of Directors

CEO



Chairman

Place: Thimphu
Date: 17.03.2020

Statement of Financial Position for PPF & GFM Department as on 31st December 2019
(Old Fund)

Amount in Nu.

Particulars	Note No.	2019	2018
ASSETS			
Current Assets			
Short Term Investment	9c	1,034,352,186	884,456,801
Cash & Cash Equivalents	8c	-	16,585,264
Other Assets	11c	65,312,290	58,932,761
Total Current Assets		1,099,664,475	959,974,826
TOTAL ASSETS		1,099,664,475	959,974,826

EQUITY AND LIABILITIES

Non Current Liabilities

Member's Contribution Funds	15b	1,034,352,186	797,694,188
Total Non Current Liabilities		1,034,352,186	797,694,188

Current Liabilities

Other Liabilities	16c	65,312,290	162,280,638
Total Current Liabilities		65,312,290	162,280,638

TOTAL LIABILITIES		1,099,664,475	959,974,826
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Significant Accounting Policies & Notes to Accounts **1-3**

The notes referred to above form an integral part of this Statement of Financial Position.
This is the Statement of Financial Position for PPF & GFM Department (Old Fund) referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E



(Sudersan Mukherjee)
Partner
Membership No. 059159

Place: Kolkata
Date: 04-05-2020

On behalf of The Board of Directors

CEO

Chairman



Place: Thimphu
Date: 17.03.2020

Statement of Financial Position for PPF & GFM Department as on 31st December 2019
(New Fund)

Amount in Nu.

Particulars	Note No.	2019	2018
ASSETS			
Non current Assets			
Term Loans	7a	808,751	-
Total Non current Assets		808,751	-
Current Assets			
Cash & Cash Equivalents	8c	18,551,127	-
Total Current Assets		18,551,127	-
TOTAL ASSETS		19,359,878	-

EQUITY AND LIABILITIES

Non current Liabilities			
Member's Contribution Funds	15c	19,336,136	-
Reserve-[Debit balance of Revenue Account]	13e	(1,631,494)	-
Total Non Current Liabilities		17,704,642	-
Current Liabilities			
Other Liabilities	16d	1,635,101	-
Provisions	17d	20,135	-
Total Current Liabilities		1,655,236	-
TOTAL LIABILITIES		19,359,878	-

Significant Accounting Policies & Notes to Accounts 1-3

The notes referred to above form an integral part of this Statement of Financial Position. This is the Statement of Financial Position for PPF & GFM Department (New Fund) referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E



(Sudersan Mukherjee)
Partner
Membership No. 059159

Place: Kolkata
Date: 04-05-2020

On behalf of The Board of Directors

CEO

Director



Chairman

Place: Thimphu
Date: 17.03.2020

Revenue Account for PPF & GFM Department as of 31st December 2019 (Old Fund)

Amount in Nu.

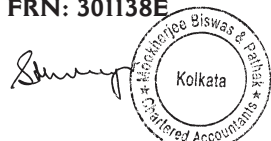
Particulars	Note No.	2019	2018
INCOME			
Interest Income	27a	65,312,290	58,932,761
Total Income		65,312,290	58,932,761
EXPENSES			
Interest Expenses	28a	(65,312,290)	(58,932,761)
Total Expenses		(65,312,290)	(58,932,761)
Operating Profit /(Loss) transferred to Comprehensive Income		-	-

Significant Accounting Policies & Notes to Accounts 1-3

The notes referred to above form an integral part of this Revenue Account.

This is PPF & GFM Department (Old Fund) Revenue Account referred to in our report of even date

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E



(Sudersan Mukherjee)
Partner
Membership No. 059159

Place: Kolkata
Date: 04-05-2020

On behalf of The Board of Directors

CEO

Director

Chairman



Place: Thimphu
Date: 17.03.2020

Revenue Account for PPF & GFM Department as of 31st December 2019 (New Fund)

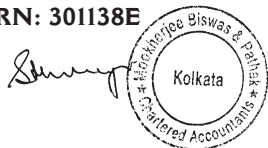
Amount in Nu.

Particulars	Note No	2019	2018
INCOME			
Interest on Loan	26a	23,685	-
Total Income		23,685	-
EXPENSES			
Interest Expenses	28b	(1,351,767)	-
Management Expenses	29a	(283,277)	-
Provision against Loans	17d	(20,135)	-
Total Expenses		(1,655,179)	-
Operating Loss transferred to Comprehensive Income		(1,631,494)	-
Net Balance transferred to Reserve of PPF & GFM Department (New Fund)	13e	(1,631,494)	-

Significant Accounting Policies & Notes to Accounts 1-3

The notes referred to above form an integral part of this Revenue Account.
This is PPF & GFM(New Fund) Revenue Account referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E



(Sudersan Mukherjee)
Partner
Membership No. 059159

Place: Kolkata
Date: 04-05-2020

On behalf of The Board of Directors
CEO
Chairman

Place: Thimphu
Date: 17.03.2020

Notes to the Financial Statements

All amounts are stated in Nu. unless otherwise indicated

4. INTANGIBLE ASSETS	2019	2018
Acquisition cost		
Balance as at 1st January	9,296,105	9,287,320
Additions during the year	12,450	8,785
Balance as at 31st December	9,308,555	9,296,105
Amortisation		
Balance as at 1st January	7,492,115	6,097,699
Amortisation charged during the year	1,396,283	1,394,416
Balance as at 31st December	8,888,398	7,492,115
Net carrying amount as at 31st December	420,157	1,803,990

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, a Loan Management System (Nu. 0.5 million) from DPS, Kolkata, India in year 2012 and quick heal antivirus server in year 2019. The assets have been amortized during the period as per the Income Tax Act of Bhutan 2001.

5. PROPERTY, PLANT & EQUIPMENT	Office Equipment	Furniture & Fittings	Computers, Printers & Others	Motor Vehicles	Total
Cost					
Balance as at 1st January	4,119,457	4,062,408	7,820,415	7,337,841	23,340,122
Additions during the year	47,526	552,853	2,293,444	543,815	3,437,638
Disposals during the year	-	-	-	-	-
Balance as at 31st December	4,166,983	4,615,261	10,113,859	7,881,656	26,777,760
Depreciation					
Balance as at 1st January	2,467,596	2,923,369	6,886,661	7,337,841	19,615,468
Depreciation charged for the year	625,047	692,289	1,439,282	51,402	2,808,020
Balance as at 31st December	3,092,643	3,615,658	8,325,943	7,389,243	22,423,488
Carrying Amount					
Balance as at 31st December 2019	1,074,340	999,603	1,787,916	492,413	4,354,271
Balance as at 31st December 2018	1,651,862	1,139,039	933,754	-	3,724,654

6. LONG TERM INVESTMENT	2019	2018
Capital contribution to FIs Training Institute	6,000,000	6,000,000
"Investment in Bond (RICB & Dungsam Cement)"	60,000,000	60,000,000
Investment in CIB Share Capital Equity	1,750,000	1,750,000
Total	67,750,000	67,750,000
6a. General Insurance Department	2019	2018
Capital Contribution to FIs Training Institute	6,000,000	6,000,000
Investment in CIB Share Capital Equity	1,750,000	1,750,000
Investment in Dungsam Cement Bond	30,000,000	30,000,000
Investment in RICB Bond	30,000,000	30,000,000
Total	67,750,000	67,750,000
7. TERM LOANS DUES > 1 YEAR	2019	2018
Manufacturing/Industry Sector Loan	154,358,245	131,288,899
Service Sector Loan	15,157,833	16,594,599
Trade/Commerce Sector Loan	101,163,462	60,115,283
Housing Sector Loan	627,871,318	341,988,287
Transport Sector Loan	608,482,539	731,209,152
Loans to Purchase Securities	37,117,335	37,994,480
Personal Loan	33,767,845	29,609,352
Staff Loan	24,357,063	27,513,794
Agriculture Loan	2,312,454	3,117,799
Consumer Loan	6,269,848	9,530,540
Total	1,610,857,942	1,388,962,185
7a. TERM LOANS DUES > 1 YEAR for PPF Dept. (New Fund)	2019	2018
Consumer Loan (Loan against PPF)	808,751	-
Total	808,751	-
8. CASH & CASH EQUIVALENTS	2019	2018
Cash in Hand & Balances with Banks (8a+8b+8c)	190,641,987	297,833,465
Total	190,641,987	297,833,465
8a. General Insurance Department	2019	2018
Cash in Hand & Balances with Banks	53,473,206	81,368,820
Total	53,473,206	81,368,820
8b. Financing & Investment Department	2019	2018
Cash in Hand & Balances with Banks	118,617,654	199,879,381
Total	118,617,654	199,879,381

8c. Private Provident & Gratuity Fund Dept.	2019	2018
"Cash in Hand & Balances with Banks (New Fund)"	18,551,127	-
"Cash in Hand & Balances with Banks (Old Fund)"	-	16,585,264
Total	18,551,127	16,585,264
9. SHORT TERM INVESTMENT	2019	2018
Fixed Deposit (Maturing > 3 < or = 6 months)	125,000,000	65,000,000
Equity Investment (BNBL)	13,691,285	10,413,090
Total	138,691,285	75,413,090
9a. Short Term Investment (Gen. Ins.)	2019	2018
Equity Investment (BNBL)	13,691,285	10,413,090
Investment with FID	381,713,620	346,381,406
Total	395,404,905	356,794,496
9b. Short Term Investment (FID)	2019	2018
Fixed Deposit (Maturing > 3 < or = 6 months)	125,000,000	65,000,000
Total	125,000,000	65,000,000
9c. Short Term Investment (PPF & GFM Dept.)	2019	2018
"PPF Investment fund with Inv. Dept. (Old fund)"	281,211,325	217,782,711
"GFM Investment fund with Inv. Dept. (Old fund)"	753,140,861	666,674,090
Total	1,034,352,186	884,456,801
10. LOANS & OVERDRAFT DUES < or = 1 YEAR	2019	2018
Trade/Commerce Sector Loan	200,476,151	202,275,065
Service & Tourism Sector Loan	59,919,753	51,061,121
Manufacturing/Industry Sector Loan	31,338,295	30,628,309
Personal Loan	44,145,481	44,926,648
Agriculture Loan	1,074,683	943,015
Late Fees	3,359,802	2,163,716
Total	340,314,166	331,997,873
11. ADVANCE & OTHER ASSETS	2019	2018
RMA Reserve A/c.	30,000	30,000
Security Deposit for Office Space & Others	208,578	75,000
Interest on Fixed Deposit Receivable	5,441,233	2,209,795
Interest Receivable on Bond	1,662,500	1,662,500
Insurance Premium Receivable	4,081,037	16,737,890
RI Receivable	64,419,954	13,068,135
Advance CIT & TDS paid to RRCO	316,721	19,165,885
RMA Penalty Deposit A/c.	100,000	100,000
Salvage Amount Receivable	306,769	523,769
BIL Employees Gratuity Fund Investment (RICBL)	5,000,000	-
Vehicle Scrap Purchase Advance Payment	550,000	-

P/ling Apartment Purchase Advance Payment	2,500,000	-
Tax Refund Receivable from RRCO	2,478,975	-
Other Advance & Receivable	266,938	1,180,990
Total	87,362,705	54,753,964
11a. General Insurance Department	2019	2018
RMA Reserve A/c.	30,000	30,000
Security Deposit for Office Space & Others	208,578	75,000
Interest on Investment Fund Receivable (FID)	26,803,009	23,261,251
Interest Receivable on Bond	1,662,500	1,662,500
Insurance Premium Receivable	4,081,037	16,737,890
RI Receivable	64,419,954	13,068,135
Advance CIT & TDS paid to RRCO	181,067	19,033,317
RMA Penalty Deposit A/c.	100,000	100,000
Salvage Amount Receivable	306,769	523,769
FID, PPF & GFM Expenses Receivable	31,616,277	5,273,569
"BIL Employees Gratuity Fund Investment (RICBL)"	5,000,000	-
Vehicle Scrap Purchase Advance Payment	550,000	-
P/ling Apartment Purchase Advance Payment	2,500,000	-
Tax Refund Receivable from RRCO	2,478,975	-
Other Advance & Receivable	266,939	1,180,990
Counter entry of FID last year Reserve	174,488,545	217,455,699
Total	314,693,649	298,402,120
11b. Financing & Investment Department	2019	2018
Interest Receivable on Fixed deposit	5,441,233	2,209,795
TDS on Fixed Deposit paid to RRCO	135,654	132,568
PPF & GFM Control A/c	-	16,585,264
Total	5,576,887	18,927,627
11c. Private Provident & Gratuity Fund Dept. (Old fund)	2019	2018
PPF Interest Receivable on Investment from Inv. Dept	14,045,776	13,357,066
GFM Interest Receivable on Investment from Inv. Dept.	51,266,513	45,575,695
Total	65,312,290	58,932,761
12. CAPITAL FUND	2019	2018
Authorised capital	500,000,000	500,000,000
(50,000,000 Equity share of Nu. 10 each)	500,000,000	500,000,000
Issued, Subscribed and Paid-up	300,000,000	300,000,000
(30,000,000 Equity share of Nu. 10 each)	300,000,000	300,000,000

13. GENERAL RESERVES	2019	2018
Balance as at 1st January	138,422,188	195,869,022
Adjusted with Bonus Share during the year	-	(100,000,000)
Appropriations transferred during the year	49,070,901	42,553,166
Balance as at 31st December	187,493,089	138,422,188
13a. RETAINED EARNINGS	2019	2018
Balance as at 1st January	15,632,416	85,632,416
Dividend paid for Previous Year	-	(70,000,000)
Appropriations transferred during the year	48,070,900	-
Balance as at 31st December	63,703,316	15,632,416
13b. CAT RESERVES	2019	2018
Balance as at 1st January	10,803,938	9,803,938
Appropriations transferred during the year	1,000,000	1,000,000
Balance as at 31st December	11,803,938	10,803,938
13c. General Reserve (GID)	2019	2018
General Reserve as at 1st January	164,858,542	121,305,376
[Opening balance of Note No. (13+13a+13b)]		
Profit for the year	96,279,651	103,140,794
General Reserve as at 31st December	261,138,193	224,446,170
13d. General Reserve (FID)	2019	2018
General Reserve as at 1st January	174,488,545	217,455,701
Profit for the year	39,898,555	(42,967,156)
General Reserve as at 31st December	214,387,100	174,488,545
13e. General Reserve [(PPF & GFM Department (New Fund))]	2019	2018
General Reserve as at 1st January	-	-
Profit/ (Loss) for the year	(1,631,494)	-
General Reserve as at 31st December	(1,631,494)	-
14. ESP bond Liabilities	2019	2018
ESP Bond	120,000,000	120,000,000
15. BORROWING & FUNDS	2019	2018
Borrowings from BNBL & GIC Bhutan Re.	200,000,000	260,500,000
Borrowings from Druk PNBL	-	50,000,000
Funds from PPF A/c. (old fund)	281,211,324	217,782,708
Funds from SWF	765,142	1,209,889
Funds from Gratuity Fund A/c. (Old Fund)	753,140,861	666,674,078
Fund from PPF Ac. (New fund)	7,567,936	-
Fund from Gratuity Ac. (New fund)	11,768,200	-
Total	1,254,453,463	1,196,166,676

15a. Financing & Investment Department	2019	2018
Borrowings from GIC Bhutan Re.	200,000,000	260,500,000
Borrowings from Druk PNBL	-	50,000,000
Funds from General Insurance Dept.	381,713,620	346,381,406
Funds from PPF A/c. (Old Fund)	281,211,324	217,782,708
Funds from SWF	765,142	1,209,889
Funds from Gratuity Fund (Old Fund)	753,140,861	666,674,078
Total	1,616,830,947	1,542,548,082
15b. Members Contribution Fund less refund (Old fund)	2019	2018
Private Provident Fund	281,211,325	196,279,364
Gratuity fund	753,140,861	601,414,824
Total	1,034,352,186	797,694,188
15c. Members Contribution Fund less refund (New fund)	2019	2018
Private Provident Fund	7,567,936	-
Gratuity Fund	11,768,200	-
Total	19,336,136	-
16. OTHER LIABILITIES	2019	2018
Outstanding Expenses	268,500	697,756
Outstanding Claim	33,955,291	23,203,064
Claims- IBNR	581,100	-
Referral Fees Payable	2,988,031	4,190,103
BIL Employee Gratuity Payable	1,360,960	1,164,026
Stale Cheques	1,370,906	517,567
Unclaim Dividend	13,903,504	16,451,689
Differential Assessed Tax Liability	77,590	77,590
TDS Payable to RRCO	11,877	15,993
Interest Payable to Druk PNBL	3,330	81,808
Interest Payable to PPF A/c. (Old Fund)	14,045,776	13,357,066
Interest Payable to SWF	78,319	105,253
Interest in Suspense A/c.	25,837,261	19,639,322
Late fee Suspense A/c.	3,306,633	2,125,915
Interest Payable to Gratuity A/c. (Old Fund)	51,266,513	45,575,696
Interest Payable to ESP Fund	5,266,850	5,266,850
CIB & CRST Charges Payable	-	8,500
BIL Employees Gratuity Liabilities	5,000,000	-
Interest Payable to PPF A/c. (New fund)	1,088,604	-
Interest Payable to Gratuity Fund A/c. (New fund)	263,163	-
Unearned Insurance Charges	15,489,775	-
Other Payables	623,411	-
Total	176,787,395	132,478,202

16a. General Insurance Department	2019	2018
Outstanding Expenses	268,500	697,756
Outstanding Claim	33,955,291	23,203,064
Claims- IBNR	581,100	-
Referral Fees Payable	2,988,031	4,190,103
BIL Employee Gratuity Payable	1,360,960	1,164,026
Stale Cheques	1,325,846	474,207
Unclaim Dividend	13,903,504	16,451,689
Differential Assessed Tax Liability	77,590	77,590
TDS Payable to RRCO	11,877	15,993
Interest Payable to ESP Fund	5,266,850	5,266,850
BIL Employees Gratuity Liabilities	5,000,000	-
Unearned Insurance Charges	15,489,775	-
Other Payables	623,411	-
Total	80,852,736	51,541,277
16b. Financing & Investment Department	2019	2018
Interest Payable to Druk PNBL	3,330	81,808
Interest Payable to General Insurance Dept.	26,803,009	23,261,256
Interest Payable to PPF A/c.	14,045,776	13,357,066
Interest Payable to SWF	78,319	105,253
Mgt. Expenses Payable to GAD	31,333,100	5,273,569
Interest in Suspense A/c.	25,837,152	19,639,322
Late fee Suspense A/c.	3,306,585	2,125,915
Interest Payable to Gratuity Fund A/c.	51,266,513	45,575,696
CIB & CRST Charges Payable	-	8,500
Stale Cheques	45,060	43,360
Total	152,718,844	109,471,743
16c. Private Provident & Gratuity Fund Dept. (Old fund)	2019	2018
PPF Interest Payable to Members Contribution	14,045,776	34,860,415
GFM Interest Payable to Members Contribution	51,266,513	110,834,959
Investment Dept. control A/c	-	16,585,264
Total	65,312,290	162,280,638
16d. Private Provident & Gratuity Fund Dept. (New fund)	2019	2018
PPF Interest Payable to Members Contribution	1,088,604	-
GFM Interest Payable to Members Contribution	263,163	-
Management Expenses Payable to GAD	283,177	-
Interest in Suspense A/c.	109	-
Late fee Suspense A/c.	48	-
Total	1,635,101	-

17. PROVISIONS	2019	2018
Provision for Unexpired Risk (17a)	73,935,003	113,856,633
Provision for Loan (17b)	216,449,892	178,258,698
Provision for other Doubtful Assets (17e)	170,257	-
Provision for Taxation	36,404,911	16,620,472
Total	326,960,063	308,735,803
17a. General Insurance Department	2019	2018
Provision for Unexpired Risk as per Last Account	113,856,633	99,532,887
Add: Provision for Unexpired Risk Current Year	(39,921,630)	14,323,746
Total	73,935,003	113,856,633
17b. Financing & Investment Department	2019	2018
i) Provision for Standard Loan as per Last Year A/c.	9,502,422	10,895,562
Add:- Additional Provision for Current Year	2,508,911	(1,393,140)
Total	12,011,333	9,502,422
ii) Provision for Watch Loan as per Last Year A/c.	6,856,867	5,881,243
Add:- Additional Provision for Current Year	3,630,100	975,624
Total	10,486,966	6,856,867
iii) Provision for Sub standard Loan as per Last Year A/c.	27,827,643	3,256,077
Add:- Additional Provision for Current Year	(23,295,801)	24,571,566
Total	4,531,842	27,827,643
iv) Provision for Doubtful Loan as per Last Year A/c.	62,578,593	3,523,312
Add:- Additional Provision for Current Year	(30,777,205)	59,055,281
Total	31,801,388	62,578,593
v) Provision for Loss exposure Loan as per Last Year A/c.	38,457,954	18,825,379
Add:- Additional Provision for Current Year	39,229,406	19,632,575
Total	77,687,360	38,457,954
vi) Provision for Term expired Loan as per Last Year A/c.	33,035,219	15,197,856
Add:- Additional Provision for Current Year	9,061,164	17,837,363
Total	42,096,383	33,035,219
vii) Dynamic Provision for Current Year	37,814,485	-
Total	37,814,485	-
Total (i + ii + iii + iv + v + vi+vii)	216,429,757	178,258,698
17c. Provision Against Loan Charged for the Year	2019	2018
i) Provision for Standard Loan for the Year	2,508,911	(1,393,140)
ii) Provision for Watch Loan for the Last Year	3,630,100	975,624
iii) Provision for Sub-standard Loan for the Year	(23,295,801)	24,571,566
iv) Provision for Doubtful Loan for the Year	(30,777,205)	59,055,281
v) Provision for Loss Exposure Loan for the Year	39,229,406	19,632,575
vi) Provision for Term Expired Loan for the Year	9,061,164	17,837,363
vii) Dynamic Provision for Current Year	37,814,485	-
Total	38,171,060	120,679,268

17d. PPF & GFM Department (New Fund Loan)	2019	2018
i) Provision for Standard Loan as per Last Year A/c.	-	-
Add:- Additional Provision for Current Year	6,178	-
Total	6,178	-
ii) Provision for Watch Loan as per Last Year A/c.	-	-
Add:- Additional Provision for Current Year	2,566	-
Total	2,566	-
iii) Provision for Term Expired Loan as per Last Year A/c.	-	-
Add:- Additional Provision for Current Year	11,391	-
Total	11,391	-
Total (i+ii+iii)	20,135	-

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 31st. December 2012 and further amendment as per the Prudential Regulation 2017.

Category	Days	% rate
1. Standard	Upto 30	1%
2. Watch	31 - 90	1.5%
3. Sub standard	91 - 180	20% and 30% for highest exposure except Agriculture sector
4. Doubtful	181 - 365	50% and 60% for highest exposure except Agriculture sector
5. Loss	> 366	100%
6. Term Expired	-	100%

17e. Provision for Other Doubtful Assets	2019	2018
Other Doubtful Assets Provision	170,257	-
Total	170,257	-
18. "NET EARNED PREMIUM (Direct + Accepted) "	2019	2018
Fire	126,001,303	128,392,611
Marine	6,573,985	13,940,153
Motor	140,073,227	175,418,641
Misc.	49,878,276	74,165,373
Gross Written Premium (18a + 18b)	322,526,791	391,916,779
Premium Ceded to Reinsurers (18c)	(147,543,222)	(164,203,511)
Net Written Premium	174,983,569	227,713,268
Net Change in Reserve for Unearned Premium (18d)	39,921,630	(14,323,746)
Net Earned Premium	214,905,200	213,389,522

18a. Premium Direct	2019	2018
Fire	120,825,476	120,702,954
Marine	6,573,985	13,940,153
Motor	140,073,227	175,418,641
Misc	49,878,276	70,346,717
Total	317,350,964	380,408,465
18b. Premium Accepted	2019	2018
Fire	5,175,827	7,689,657
Misc &- Aviation	-	3,818,657
Total	5,175,827	11,508,313
18c. Premium Ceded to Reinsurers	2019	2018
Fire	66,176,244	49,533,171
Marine	3,546,706	8,705,793
Motor	38,145,191	14,179,509
Misc	39,675,080	91,785,038
Total	147,543,222	164,203,511
18d. Net Change in Reserve for Unearned Premium	2019	2018
Opening Balance as per Last Account	113,856,633	99,532,887
Add/(Less): Increase/(decrease) during the year	(39,921,630)	14,323,746
Total	73,935,003	113,856,633
19. COMMISSION INCOME (Reinsurers Ceded)	2019	2018
Fire	18,578,465	15,687,432
Marine	1,036,381	2,670,422
Motor	7,039,218	1,802,161
Misc.	9,260,157	18,655,035
Total	35,914,221	38,815,051
20. INCOME FROM INVESTMENT	2019	2018
Fixed Deposit	-	373,973
Dividend Income	385,670	682,249
Profit on Revaluation of BNBL Equity	3,278,195	-
Interest from Bond (RICB &- Dungsam Cement)	5,250,000	5,250,000
Interest Received from FID (Gen. Insurance Fund)	26,803,009	23,261,251
Total	35,716,874	29,567,473
21. OTHER INCOME	2019	2018
Sale of Scraps	5,331,541	5,134,704
Earned Insurance Charges	17,728,700	-
Misc. Income	391,949	110,012
Exchange Gain/(Loss)	(111,018)	196,059
Total	23,341,172	5,440,774

22. GROSS CLAIMS	2019	2018
Claims Paid (Including Advance) (22a)	273,277,428	207,361,167
Add: Outstanding Claims (Excluding Advance) (22b)	33,955,291	23,203,064
Add: Claims -IBNR (22c)	581,100	-
Less: O/s. Claims at the Beginning of the Year (22d)	(23,203,064)	(30,140,302)
Total	284,610,755	200,423,929
22a. Total Gross Claims	2019	2018
Claims Paid (Including Advance):-		
Fire	16,690,112	32,600,873
Marine	359,939	3,079,674
Motor	239,295,915	140,147,163
Misc.	16,931,462	31,533,458
Total	273,277,428	207,361,167
22b. Outstanding Claims (Excluding Advance)	2019	2018
Fire	634,250	4,339,260
Marine	1,233,400	871,569
Motor	31,179,891	16,258,819
Misc.	907,750	1,733,416
Total	33,955,291	23,203,064
22c. Claims - IBNR	2019	2018
Motor	551,000	-
Misc.	30,100	-
Total	581,100	-
22d. Outstanding Claims at the Beginning of the Year	2019	2018
Fire	4,339,260	7,407,677
Marine	871,569	633,950
Motor	16,258,819	17,121,310
Misc.	1,733,416	4,977,365
Total	23,203,064	30,140,302
23. REINSURERS RECOVERIES ON CLAIMS	2019	2018
Fire	9,919,985	9,376,487
Marine	344,913	1,285,472
Motor	93,613,806	57,121,005
Misc.	14,341,934	24,024,271
Total	118,220,638	91,807,235

24. "COMMISSION & BROKERAGE EXPENSES (24a+ 24b) "	2019	2018
Fire	2,027,017	1,695,601
Marine	105,839	184,259
Motor	2,253,221	2,316,700
Misc.	802,091	979,266
Total	5,188,167	5,175,827
24a. Commission Expenses (Referral Fees)	2019	2018
Fire	1,843,108	1,695,601
Marine	96,236	184,259
Motor	2,048,788	2,316,700
Misc.	729,318	979,266
Total	4,717,449	5,175,827
24b. Brokerage Expenses (Broker)	2019	2018
Fire	183,909	-
Marine	9,603	-
Motor	204,433	-
Misc.	72,773	-
Total	470,718	-
25. OPERATING EXPENSES	2019	2018
Employees Remuneration and Welfare Benefits (25a)	22,107,983	39,780,451
Communication Expenses	2,457,236	3,734,726
Training Expenses	1,529,465	3,979,186
Rental Charges	1,809,953	2,764,252
Repairs & Maintenance	379,574	504,484
Printing and Stationary	758,630	1,323,795
Legal and Professional Charges	1,480,524	2,559,103
Advertisement and Publicity	1,377,162	1,502,520
Other Misc. Expenses	460,302	760,998
Depreciation & Amortization (4 & 5)	2,102,152	4,786,324
Total	34,462,981	61,695,838
Expenses Allocation:		
Fire Insurance	13,464,687	20,211,557
Marine Insurance	703,045	2,196,372
Motor Insurance	14,967,273	27,615,057
Miscellaneous Insurance	5,327,977	11,672,853
Total Expenses Allocation	34,462,981	61,695,838

25a. Employee Remuneration & Welfare Benefits	2019	2018
Salaries to Staff	12,186,232	19,617,762
PF (BIL Share)	1,053,187	1,827,706
Communication Allowance	179,193	390,954
Fuel Allowance	409,701	603,025
Cash Handling Allowance	46,800	92,755
Corporate Allowance	3,158,218	5,224,761
Housing Allowance	1,894,296	3,129,742
Contract Allowance	437,636	625,272
Leave Encashment	725,024	1,409,685
Staff Insurance Premium	96,300	102,500
Staff Canteen & Refreshment Expenses	291,554	406,929
LTC	677,263	1,072,334
Gratuity Expenses	680,480	578,440
Staff Incentive Expenses	272,100	4,698,587
Total	22,107,983	39,780,451
25b. Other Expenses on ESP Bond & Equity	2019	2018
Interest Paid on ESP bond	7,200,000	7,200,000
Total	7,200,000	7,200,000
26. INTEREST INCOME (Net of Suspense)	2019	2018
Manufacturing/Industry Sector Loan	19,299,395	13,555,489
Service Sector Loan	8,484,015	3,891,848
Trade/Commerce Sector Loan	36,765,276	6,639,156
Housing Sector Loan	48,888,319	30,120,073
Transport Sector Loan	81,115,286	93,701,569
Loans to Purchase Securities	4,703,403	4,001,488
Personal Loan	9,956,209	35,230,047
Staff Loan	2,090,894	1,630,382
Agriculture Loan	436,863	256,699
Consumer Loan	846,563	756,903
Total	212,586,222	189,783,654
Add/Less: Interest in Suspense Provision	(6,197,830)	(15,793,785)
Net Interest Received	206,388,392	173,989,869
26a. Interest Income for PPF New Fund	2019	2018
Consumer Loan (Loan against PPF)	23,842	-
Total	23,842	-
Add/Less: Interest in Suspense Provision	(157)	-
Net interest received	23,685	-

27. OTHER INCOME	2019	2018
Guarantee Commission	1,660,518	3,744,766
Administration & Other Charges	171,402	172,228
Interest from Fixed Deposit	5,944,521	3,129,384
Late Fees Income (Net of Suspense)	3,315,593	2,750,269
Total	11,092,035	9,796,647
27a. Interest Income PPF & GFM Department (Old Fund)	2019	2018
PPF Interest Income from Investment Dept.	14,045,776	13,357,066
GFM Interest Income from Investment Dept.	51,266,513	45,575,695
Total	65,312,290	58,932,761
28. INTEREST EXPENSES	2019	2018
Interest on Borrowing Funds (GIC Re Bhutan)	15,421,521	10,067,369
Interest on Borrowing Funds (DPNB)	246,330	8,432,080
Interest on General Insurance Fund	26,803,009	23,261,255
Interest on PPF Fund	14,045,776	13,357,066
Interest on SWF	78,319	105,253
Interest on Staff Gratuity A/c.	51,266,513	45,575,696
Total	107,861,468	100,798,718
28a. "Interest Expenses of PPF & GFM Dept. (Old fund)"	2019	2018
PPF Interest to Member's Contribution Fund	14,045,776	13,357,066
GFM Interest to Member's Contribution Fund	51,266,513	45,575,695
Total	65,312,290	58,932,761
28b. "Interest Expenses of PPF & GFM Dept. (New Fund)"	2019	2018
PPF Interest to Member's Contribution Fund	1,088,604	-
GFM Interest to Member's Contribution Fund	263,163	-
Total	1,351,767	-
29. "OPERATING EXPENSES (Financing & Inv. Dept)"	2019	2018
Employees Remuneration and Welfare Benefits	11,064,670	3,193,973
Communication Expenses	1,047,313	471,306
Training Expenses	741,722	186,841
Rental Charges	904,977	471,730
Repairs & Maintenance	172,414	-
Printing and Stationary	379,315	290,694
Legal and Professional Charges	804,701	-
Advertisement and Publicity	764,257	601,630
Other Misc. Expenses	200,268	59,512
Depreciation & Amortization (4 & 5)	1,051,076	-
Total	17,130,713	5,275,686

29a. "OPERATING EXPENSES (PPF & GFM Department)"	2019	2018
Employees Remuneration and Welfare Benefit	8,937,196	-
Communication Expenses	1,056,648	-
Training Expenses	487,949	-
Rental Charges	904,977	-
Repairs & Maintainance	172,414	-
Printing and Stationary	379,315	-
Legal and Professional Charges	731,841	-
Advertisement and Publicity	724,957	-
Other Misc. Expenses	155,535	-
Depreciation & Amortization (4 & 5)	1,051,076	-
Total	14,601,907	-
Expenses Allocation:-		
29ai. PPF & GFM Expenses for old Fund Charged in Inv. dept.	14,318,630	-
29aii. PPF & GFM Expenses for New Fund	283,277	-
Total:-	14,601,907	-
30. PRIOR PERIOD ADJUSTMENT	2019	2018
Differential Tax & Penalty	186,292	1,383,667
Penalty Paid to RMA	100,000	-
Total	286,292	1,383,667
31. EARNINGS PER SHARE	2019	2018
Profit Attributable to Ordinary Shareholders	98,141,801	43,553,166
Weighted Average No. of Ordinary Shares	30,000,000	30,000,000
Earnings per Share (Nu.)	3.27	1.45

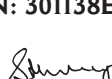

Statement of Cash Flow as of 31st December 2019

Amount in Nu.

Particulars	2019	2018
1. Cash Flow from Operating Activities		
Profit before tax	134,833,004	61,557,305
Add: Depreciation	2,808,020	3,391,908
Add: Amortisation	1,396,283	1,394,416
Add/Less: Increase/(Decrease) in Current Liabilities	44,309,193	13,368,339
Add/Less: Increase/(Decrease) in Provision	(1,560,179)	135,003,014
Add/Less: Decrease/(Increase) in Current Assets	(32,608,741)	9,820,065
Less: Tax & Dividend Paid for last year profit	(16,620,472)	(112,722,835)
Less: Prior Period Taxes, Penalties Paid & Others	(286,292)	(1,383,667)
Net Cash Flow from Operating Activities (A)	132,270,818	110,428,545
2. Cash Flow from Investing Activities		
Decrease/(Increase) in Investment	(63,278,195)	-
Decrease/(Increase) in Loans	(231,020,800)	(171,516,819)
Purchase of Property Plant & Equipment	(3,450,088)	(2,599,769)
Net Cash Flow from Investing Activities (B)	(297,749,083)	(174,116,588)
3. Cash flow from Financing Activities		
Increase/(Decrease) in borrowings	58,286,787	169,759,721
Net Cash Flow from Financing Activities (C)	58,286,787	169,759,720
Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)	(107,191,478)	106,071,677
Change in Cash & Cash Equivalents		
Closing Cash & Cash equivalent	190,641,987	297,833,465
Less: Opening Cash & Cash equivalent	297,833,465	191,761,788
Net changes in Cash & cash equivalent	(107,191,478)	106,071,677

This is the Cash Flow Statement referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E

(Sudersan Mukherjee)
Partner
Membership No. 059159

Place: Kolkata
Date: 04-05-2020

On behalf of The Board of Directors




CEO**Director****Chairman**

Place: Thimphu
Date: 17.03.2020

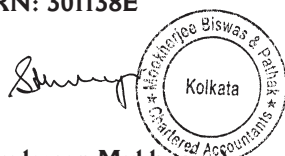
Statement of Changes in Equity as of 31st December 2019

Amount in Nu.

Item	Share Capital	Reserve & Contingency	Proposed Cash Dividend	Profit & Loss Appropriation A/c.	Total
Opening Balance as on 1st January 2019	300,000,000	361,198,542	(196,340,000)	-	464,858,542
Profit After Taxation	-	-	-	98,141,801	98,141,801
Appropriation made during the year	-	98,141,801	-	(98,141,801)	-
Closing Balance as on 31st December 2019	300,000,000	459,340,343	(196,340,000)	-	563,000,344
Closing Balance as on 31st December 2018	300,000,000	361,198,542	(196,340,000)	-	464,858,542

This is the Statement in Changes in Equity referred to in our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
FRN: 301138E



(Sudersan Mukherjee)
Partner
Membership No. 059159

Place: Kolkata
Date: 04-05-2020

On behalf of The Board of Directors

CEO



Director

Chairman

Place: Thimphu
Date: 17.03.2020



Bhutan Insurance Limited

Providing Security. Building Confidence

*Your Insurer
of Choice*



STUDENT CARE INSURANCE

This policy can be bought by the parent/guardian for their school & college going children (including other educational or vocational institutes) which can serve as backup for the student to continue their education.

COVER UNDER THIS POLICY

In the event of demise of the parent/guardian due to accident, an annual education allowance to tune of Sum Ensured shall be paid over a period of 4 years.

DETAILS OF RISK COVER

This policy covers two perils for both the student and parent

1. Accidental demise, and
2. Permanent total disability due to accident

WHO CAN BUY?

1. Parent or guardian up to the age of 65 for their school or college children
2. Students aged 18 years of age and above
3. Schools & Institutions

CATEGORIES OF THE STUDENT CARE INSURANCE

1. School Students (age 3 and above - between KG to class 12)
2. College students (up to age 25)

201(Toll Free)

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