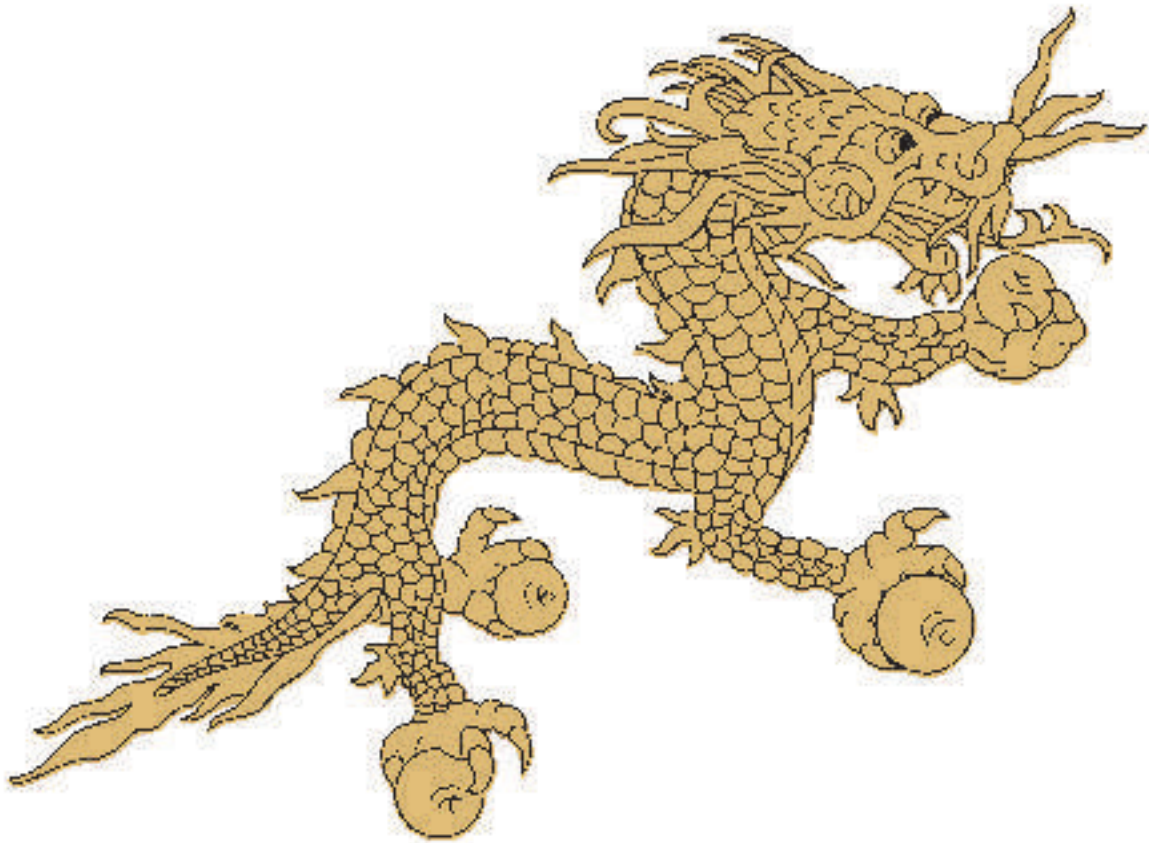




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GIC - Bhutan Re Ltd.
Reinsurance with Professionalism, Trust & Reliability



**2nd ANNUAL REPORT
2014**



Board of Directors



Aum Sangay Om
 Chair Person



Mrs Alice Vaidyan
 Director (GIC Re)



Mr. G. C. Gaylong
 Director (GIC Re)



Aum Damchae Dem
 Director



Dasho Thinlay Wangchuk Dorji
 Director (Public)



Mr. Sonam Tobgay
 Director (Independent)

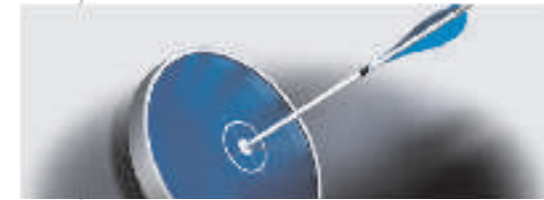


Mr. Sonam Dorji
 Director (Independent)



Vision :

- To be the Specialized Reinsurance Solution Provider



Mission :

- To be One of Leading Reinsurance Company in the Region
- To Create Value and Make a Difference Through Professional Attitude and Specialized Underwriting
- Build Confidence in Our Partners and Clients
- Contribute Towards Economic Growth



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Director's Report -

To the members and shareholders

The Directors have the pleasure in presenting the second Annual Report on the working and affairs of GIC-Bhutan Re Limited and the Audited Statements of Accounts for the year ended 31st December 2014

About GIC-Bhutan Re Limited

GIC-Bhutan Re Ltd was formally inaugurated by the Hon'ble Finance Minister of Bhutan and His Excellency, the Indian Ambassador to Bhutan. on 5th September 2013 with the authorized share capital of 500 million.

GIC-Bhutan Re Ltd is a Joint Venture (FDI) Reinsurance Company with total paid up capital of Nu.500 million, promoted by two local Promoters viz; Dasho Sangay Wangchuk, chairman of Druk PNB Bank, Bhutan and Aum Damchae Dem, Chairperson of Pelden Group of Companies, each holding 17% share in the Company. General Insurance Corporation of India, (reinsurance company wholly owned by the Government of India) and the sole Indian Reinsurer, partners GIC-Bhutan Re Ltd holding 26% share. The balance 40% has been offered to the Public through Initial Public Offering.

Financial Results

Highlights of the Financial Year 2014:

Gross Premium	125.04
Net Premium	104.64
Net Earned Premium	50.46
Net Incurred Claims	58.94
Net Commission	23.17
Operating Expenses	8.37
Underwriting Result	(40.01)
Investment Income	12.24



Profit Before Tax	(27.77)
Provision for Tax	0
Profit After Tax	(27.77)
Total Investments	513.75

Claims Ratio	116.80%
Commission Ratio	45.91%
Management Exp. Ratio	16.59%
Expense Ratio	62.50%
Combined Ratio	179.30%

The year 2014 is the first year of full-fledged business operating year for GIC-Bhutan Re Ltd although it was formally established on 5th September 2013.

The management has aggressively yet cautiously been penetrating the market, necessary for better spread of risks, both in Domestic and International markets. I, on behalf of the Board Members, am pleased to announce that as of now GIC-Bhutan Re Ltd has reached its operations as far as SAARC, ASEAN, MENA, Central Asia and FSU countries. We will still venture to explore into other regions around the world.

Since we had only three month's operation in year 2013 and business operation was at miniscule level, we had not made any provisions against Un-appropriate Premium Reserves, Outstanding Loss Reserves and Incurred but Not Reported Losses. All the provisions are made in financial year 2014. Therefore there is no reversal of reserves of last year which resulted in lower earned premium as well as huge incurred losses. This has directly affected our business ratios because of lower denominator i.e. Earned Premium and high incurred losses. As a result our Combined Ratio, Claims Ratio, Commission Ratio and Expense Ratios are at the higher side.

Further because of high operating cost at the very first year, Management Expense Ratio is at 16.59%. We are planning to reduce it to 5% in the next three financial years and 3% in next five financial years.

Bhutan Insurance Market :

The need for Insurance within the Country was envisioned by our fourth King, His Majesty Jigme Singye Wangchuck and hence the Royal Insurance Corporation of Bhutan (RICBL) was established on 7th January 1975 under the Royal Charter to cater to the life as well as non-life insurance needs of the



people. With the increased number of insurance takers, the regulators felt the need for another insurance company to offer better products and services and also have competitive rate. Therefore, another general insurance company "Bhutan Insurance Limited" was established on 20th August 2009.

Bhutan market premium for the year 2013 is Nu 897 Mln against Nu 923 Mln in 2012. Negative growth is mainly because of steep competition and lowering in rate. Premium Growth rate was 58.31%, 36.99% & 8.7% in 2010, 2011 & 2012 respectively as against -2.86% in 2013.

Investment and Retail Lending Scenario :

Besides the core business of reinsurance, we have been pursuing to venture into retail lending which has a higher rate of income as compared to other forms of investments. Unfortunately, this venture could not be materialized in 2014 due to unforeseen circumstances. Entering into this line of business involves copious amount of work and expenditure which needs careful scrutiny to eliminate foreseeable loopholes. We are optimistic that the Investment department shall be up and running by mid 2015. The Investment business is expected to contribute substantially to the overall performance of the company.

Initial Public Offering :

The Authorized Capital for GIC-Bhutan Re Ltd is 500 million. The Local Promoters along with its Joint venture partner, GIC of India has injected 300 million. The balance 200 million was floated as Initial Public Offering in June 2014.

Obligatory Session :

The Royal Monetary Authority (Regulator for the financial sector) has, in its Regulations for setting up Reinsurance companies in Bhutan, mentioned that the domestic Insurance companies have to cede 20% of its total written business to the domestic Reinsurance company. This has not been enforced as yet and the matter is under discussion with the two Insurance companies in consultation with the Royal Monetary Authority.

(Aum Sangay Om)
 Chairperson



AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of GIC BHUTAN RE LIMITED as at 31 December 2014, the Profit & Loss Account and the Cash Flow Statement of the Company for the year from 1st January 2014 to 31st December 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express as opinion on these financial statements based on our report.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We further state that the company has ascertained the liability for the GENERAL Insurance Business, if any, on the basis of certificate issued by the Actuarial engaged by the company.

As required by Section 75 of the Companies Act of the Kingdom of Bhutan 2000 read with Part II of Schedule XIV thereto (the minimum Audit Examination and reporting requirements) we enclose in the ANNEXURE a statement on the matters specified therein to the extent applicable.

Further to our comments in ANNEXURE as referred above, we report that :

1. We have obtained all the information and explanations which to the best our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion herein before proper books of account as required by law have been kept by the company so far as appears from our examination of the books.
3. The Balance Sheet and the Cash Flow Statement dealt with in this report have been prepared on the basis of generally accepted accounting principles and that the financial statements are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Schedules 1 to 12 give the information required by the Companies Act of the Kingdom of Bhutan, 2000 in the manner so required and the said accounts give a true and fair view in conformity with generally accepted accounting principles.



- (a) In the case of Balance Sheet of the state of affairs of the Company as at 31 December 2014.
- (b) In the case of Profit & Loss Account of the loss of the Company for the year ended on that date and
- (c) In the case of the Cash Flow Statement of the movement of cash during the year ended on that date.

For M. P. SUREKA & CO.
Chartered Accountants
FRN. : 322097E



Date : 27th April, 2015
Camp : Thimphu, Bhutan

(M.P. Sureka)
Partner
M. No. 050560



ANNEXURE

**ANNEXURE REFERRED TO OUR AUDIT REPORT OF EVEN DATE
 MINIMUM AUDIT EXAMINATION AND REPORTING REQUIREMENTS**

1. The Company has maintained proper records to show the full particulars including quantitative details and situation of fixed assets. As stated, the management during the year has physically verified the fixed assets of the company and no material discrepancies between the physical inventory and book records were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The Company has not taken any loans, secured or unsecured from Companies, firms or other parties. The rate of interest and other terms and conditions are not applicable to the company during the year. The Company has not taken any loan from any company under the same management.
4. The Company has not granted any loans, secured or unsecured to other Companies, firms or other parties, and/or to the companies under the same Management.
5. Employees, to whom interest free advances have been given by the Company, are regular in repaying the principal amounts as stipulated.
6. In our opinion and according to the information and explanation given to us during the course of the audit the Company has established adequate system of internal controls to ensure completeness, accuracy and reliability of accounting records, carrying out the records, carrying out the business in an orderly and efficient manner, to safeguard the assets of the Company as well as to ensure adherence to the rules/regulations and systems and procedures.
7. As informed, Company has a system of getting the best proposals & bids for the purchases and sales of goods & services and assets (wherever is applicable).
 - (a) In our opinion, the transactions of purchase and sales of goods and services made in pursuance of contracts or arrangements entered into with the directors or their relatives, companies or firms in which the directors are directly or indirectly interested have been made at prices, at which the transactions for similar goods or services have been made with other parties. *Such transactions have been adequately disclosed in the financial statements.*
 - (b) The above transactions are not prejudicial to the interest of the shareholders & the company.



8. According to the records, the company is generally regular in depositing rates and taxes, duties, royalties and other statutory dues with the appropriate authorities and there were no arrears during the year.
9. According to the best of our knowledge and information and explanations given to us, no undisputed amounts payable in respect of rates, taxes, duties and other statutory deductions were outstanding on the last date of the financial year concerned.
10. On the basis of information and explanation given and as per test checks, personal expenses (other than those payable under contractual and/or as per customary business practices) were not charged to the Company's account.
11. The company has not appointed any commission agent. Therefore, the paragraph 28 of Part II of Schedule XIV to the Companies Act of the Kingdom of Bhutan, 2000 is not applicable to the Company.
12. There has been, in general, a reasonable system for continuous follow-up of outstanding premiums of the policies and age-wise analysis if any.
13. In our opinion and on the basis of information and explanations given to us, the management of liquid resources particularly Cash / Bank etc. is adequate and that excessive amounts are not generally lying idle in non-interest bearing accounts. The company has not withdrawn any amount leading to avoidable interest burden on the Company.
14. According to the information and explanations given to us, and on the basis of examination of books and records on test check basis, the activities carried out by the company are in our opinion lawful. We have not come across any cases where the company has ultra virus the Articles of Incorporation of the company.
15. In our opinion and according to the information and explanations given to us, the Company has a system of approval of the Board for all capital investment decisions.
16. In our opinion, the budgetary control system in the company require further strengthening considering the size of the company.
17. The details of remuneration / sitting fees paid to the Chairman and Director are disclosed in Notes to Accounts.
18. According to the information and explanations given to us, the Directives of the Board have been complied with.





19. As reported & observed, officials of the company are refrained from transmitting any unauthorized price sensitive information which are not publicly available to their relatives / friends / associates or close persons, which would directly or indirectly benefit themselves.
20. As reported proper agreements are executed and that the terms and conditions of loans and advances are reasonable and the same are applied on them.
21. Items specified in the Minimum Audit and Reporting Requirements for Manufacturing, Mining, or Processing companies are not applicable as, the Company is a financial institution and is not engaged in any manufacture and production activity / sale of goods.
22. The Corporation has generally complied with the requirements of Financial Institution Act, 1992 and other applicable laws, rules and regulations and guidelines issued by the appropriate Authorities.

COMPUTERISED ACCOUNTING ENVIRONMENT :

1. The Company is maintaining its accounts and other records on computerized system. In our opinion, the organizational and other internal controls are adequate relating to the size and nature of the computer installations.
2. The company has adequate safeguard measures and back up facilities.
3. Measures taken by the Company to prevent unauthorized access over the computer installation and files are generally appears to be adequate.

GENERAL :

1. GOING CONCERN PROBLEMS

The Company's present operational and financial data prima facie indicate that the Company is healthy and the accounts are prepared on the assumption that the Company is a going concern.

The Company, in our opinion, prima facie seems to be in a position to carry on its business and is not likely to become a sick entity in the foreseeable near future.

2. Ratio Analysis- (Attached Separately)
3. Compliance with the Companies Act of the Kingdom of Bhutan

We did not come across any instance of apparent violation of the provisions of the Companies Act of the Kingdom of Bhutan, 2000 during the course of the audit *except clause no. 15 as above.*



4. Adherence to Laws, Rules and Regulations :

The audit of the Company is governed by the Companies Act Kingdom of Bhutan, 2000, Financial Institution Act, 1992. The scope of audit is limited to examination and review of the financial statements as produced to us by the management.

The Company has generally complied with the applicable laws, rules and regulations, systems, procedures and practices as informed and explained to us.

For M. P. SUREKA & CO.
 Chartered Accountants
 FRN. : 322097E



(M.P. Sureka)
 Partner

Date : 27th April, 2015
 Camp : Thimphu, Bhutan
 M. No. 050560



Ratio Analysis

1. Current Ratio	Current Assets		
	Current Liabilities		
2. Quick Ratio	Quick Assets	8,710,740.90	5.99
	Quick Liabilities	145,322,657.90	
3.	Current Debts		
	Net Worth Ratio		
4. Long Term Debt/Net Worth			
5. Net Fixed Assets / Net Worth		3,975,278.12	0.01
		471,149,748.43	
6. Net Worth/Total Liabilities		471,149,748.43	3.24
		145,322,657.90	
7. Net Profit (After Tax) / Net Worth		-27,764,920.26	-5.89
		471,149,748.43	



Cash Flow Statement for the year ended 31st December 2014 Indirect Method

Particulars	Schedule	Amount
Cash/Bank balance as on 1st January 2014		47,191,840.80
Cash Flow from Operating Activities	A	
Net Profit		(9,854,284.46)
Add : Depreciation		215,731.08
(Increase)/Decrease in Loans & Advances		(52,233,203.26)
(Increase)/Decrease in Other Assets		1,772,966.37
Increase/(Decrease) in Current Liabilities		119,037,253.53
Net cash flow from Operating Activities		58,938,463.26
Cash flow from Investment Activities	B	
(Increase)/Decrease in Fixed Deposits		(293,752,158.16)
(Increase)/Decrease in Fixed Assets		(3,667,405.00)
Net Cash flow from Investing Activities		(297,419,563.16)
Cash flow from Financing activities	C	
Increase/Decrease in Share Capital		200,000,000.00
Net Cash Flow from Financing Activities		200,000,000.00
Net Cash Inflow / (Outflow) (A + B + C)		(38,481,099.90)
Cash/Bank balance as on 31st December 2014		8,710,740.90

For & on behalf of,
 M.P. Sureka & Co.
 Chartered Accountants
 FRN No.: 322097E

M.P. Sureka
 Partner
 Membership No. 050560



Chief Executive Officer

Chairperson

Place : Thimphu
 Date : 27/04/2015



Balance Sheet As at 31st December 2014

Particulars	Schedule	2014 Nu	2013 Nu
SOURCES OF FUND :			
Capital	1	500,000,000.00	300,000,000.00
Reserves & Surplus	2	(28,850,251.57)	(1,085,331.31)
TOTAL		471,149,748.43	298,914,668.69
APPLICATION OF FUND :			
FIXED ASSETS			
Gross Block	3	4,240,632.00	573,227.00
LES: Depreciation		265,353.88	49,622.80
Net Block		3,975,278.12	523,604.20
CURRENT ASSETS, LOANS & ADVANCE			
Investments	4	513,752,158.16	220,000,000.00
Cash and Bank Balances	5	8,710,740.90	47,191,840.80
Loans & Advance	6	89,247,564.15	30,161,110.00
Other Assets	7	786,665.00	2,559,631.37
		612,497,128.21	299,912,582.17
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	8	145,322,657.90	1,521,517.68
Provisions		145,322,657.90	1,521,517.68
NET CURRENT ASSETS		467,174,470.31	298,391,064.49
TOTAL		471,149,748.43	298,914,668.69

For & on behalf of,
 M.P. Sureka & Co.
 Chartered Accountants
 FRN No.: 322097E

M.P. Sureka
 Partner
 Membership No. 050560



Chief Executive Officer

Chairperson

Place : Thimphu
 Date : 27/04/2015



Profit & Loss Account For the year ended 31st December 2014

Particulars	Schedule	2014 Nu	2013 Nu
INCOME :			
Net Insurance Premium	9	(31,625,209.42)	393,131.84
Income from Investment		12,240,771.35	986,307.37
		(19,384,438.07)	1,379,433.21
EXPENDITURE :			
Administrative, Selling & other Expenses	10	7,378,086.11	1,628,471.72
Depreciation		215,731.08	49,622.80
Pre-Operative Expenses		786,665.00	786,670.00
		8,380,482.19	2,464,764.52
Profit before Tax		(27,764,920.26)	(1,085,331.31)
Corporate Tax			
Less: Advance Tax Paid			
Net Tax Payable for the year 2014		0.00	
Profit after Taxation		(27,764,920.26)	(1,085,331.31)
APPROPRIATION :			
Proposed Dividend			
Balance carried forward to Balance Sheet		(27,764,920.26)	(1,085,331.31)

For & on behalf of,
 M.P. Sureka & Co.
 Chartered Accountants
 FRN No.: 322097E

M.P. Sureka
 Partner
 Membership No. 050560



Chief Executive Officer

Chairperson

Place : Thimphu
 Date : 27/04/2015



Schedule to Accounts

	2014 Nu	2013 Nu
Schedule :1		
Share Capital		
Authorized Capital	500,000,000.00	500,000,000.00
Issued, Subscribed & Paid up capital of 5,000,000 shares of Face Value Nu. 100 each	500,000,000.00	300,000,000.00
	500,000,000.00	300,000,000.00
Schedule : 2		
RESERVE AND SURPLUS		
Transfer for the year	(27,764,920.26)	(1,085,331.31)



Schedule to Accounts

	2014 Nu	2013 Nu
Schedule : 4		
Investments :		
Long Term Investment	408,002,158.16	200,000,000.00
Short Term Investment in Nubri Capital Ltd-91 days	105,750,000.00	20,000,000.00
	513,752,158.16	220,000,000.00
Schedule : 5		
CASH AND BANK BALANCE :		
Cash and Cheques in hand	24,224.50	9,959.00
On Current Accounts -		
- Current Account	8,686,516.40	47,181,881.80
	8,710,740.90	47,191,840.80
Schedule : 6		
LOANS AND ADVANCES :		
Retention Money	0.00	30,000,000.00
Advance CIT	571,599.42	0.00
TDS Paid	661,353.81	0.00
Deposit for POL	65.81	0.00
Advance to Outsiders	0.00	1,110.00
Misc. Advance	60,000.00	60,000.00
Temporary Advance (CEO)	0.00	100,000.00
Sundry Debtors	87,954,545.11	0.00
	89,247,564.15	30,161,110.00
Schedule : 7		
Other Assets :		
STI interest accrued till 31st Dec. 2013	0.00	123,287.67
LTI interest accrued till 31st Dec. 2013	0.00	863,031.70
Pre-operative expenses carried forward	786,665.00	1,573,330.00
	786,665.00	2,559,631.37
Schedule : 8		
CURRENT LIABILITIES :		
Insurance Premium Liability (2014 Unearned Income)	0.00	1,436,916.52
Telephone, Fax & Internet	0.00	8,440.16
Electricity Charges	0.00	1,161.00
Un Earned Income	0.00	
Liability for Expenses	145,218,206.90	
TDS	4,451.00	
Temporary Advance	0.00	
Audit Fees	100,000.00	75,000.00
	145,322,657.90	1,521,517.68





Schedule to Accounts

	2014 Nu	2013 Nu
Schedule : 9		
INCOME :		
Premium Received	38,894,687.14	5,654,688.42
Premium Receivable	86,149,545.11	
	<u>125,044,232.25</u>	
Less: Unearned Premium	54,178,884.55	
Net Premium for 2014	A <u>70,865,347.70</u>	
Deduction :		
Less: Retroceded	20,381,095.76	5,261,556.58
Brokerage and Commissions	23,172,654.01	
Outstanding Loss Reserve	58,936,807.41	
Total	B <u>102,490,557.18</u>	
Net Premium for 2014 after Adjustments	A - B <u>(31,625,209.48)</u>	
Misc. Income	0.06	
Net Underwriting Premium	<u>(31,625,209.42)</u>	<u>393,131.84</u>
Schedule : 10		
PROVISIONS :		
Provision for Taxation	--	0.00
Total	<u>--</u>	<u>0.00</u>



Schedule to Accounts

	2014 Nu	2013 Nu
Schedule : 10		
ADMINISTRATIVE, SELLING AND : OTHER EXPENSES :		
Salaries & Wages	Link Sheet 3,174,079.00	681,500.00
Employers Contribution to Provident Fund	198,500.00	0.00
Application Fee	0.00	200,000.00
Office Stationery	65,260.00	21,481.00
Staff Welfare Expenses	Link Sheet 255,864.50	4,614.00
Electricity Charges	4,922.03	5,544.00
Fee, Charges & Subscription	18,136.00	12,100.00
IPO Expenses	1,190,000.00	0.00
Bank Charges	51,173.78	5,575.00
Advertisement & Publicity	225,170.00	47,350.00
Meeting Expenses	204,904.61	20,936.00
Audit Fees	100,000.00	75,000.00
Travelling and Conveyance	802,117.00	137,226.00
Repairs to Office Building	0.00	11,805.00
Inauguration Expenses	0.00	220,907.00
Telephone, Fax & Internet Charges	121,067.00	25,068.16
Entertainment Expenses	121,368.00	32,817.56
Repairs to Office Equipment	25,158.00	7,818.00
Insurance of Fixed Assets	3,935.00	0.00
Office Rent	180,000.00	105,000.00
House Rent	390,000.00	0.00
Vehicle Expenses	Link Sheet 140,189.19	6,300.00
Water & Sewerage Charges	496.00	0.00
Gift & Presents	70,202.00	0.00
Donations	3,000.00	0.00
General Expenses	4,134.00	6,230.00
Training Expenses	20,000.00	0.00
Postage & Telegraph	8,460.00	1,200.00
Total	<u>7,378,086.11</u>	<u>1,628,471.72</u>





SIGNIFICANT ACCOUNTING POLICIES

SCHEDULE-11

ACCOUNTING CONVENTION AND REVENUE RECOGNITION

The financial statements have been prepared on historical cost convention as a going concern based on the generally accepted accounting principles and conform to the provisions and practices prevailing in Bhutan. Both the Income and expenditure are generally recognized in the accounts on accrual basis unless otherwise stated.

FIXED ASSETS

Fixed assets are stated at cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation till the assets are brought and put to use, less depreciation till date.

DEPRECIATION

Depreciation on fixed assets is provided on "Straight Line Method" at the rates, which are in conformity with the requirements of rules on the Income Tax Act of the Kingdom of Bhutan, 2001.

Depreciation on assets purchased during the year is charged from the date the respective assets are purchased / put to-use.

INVESTMENTS

During the year the company has made investment in Fixed Deposit and interest thereon is accounted for on accrual basis which is as per generally accepted accounting principles.

PROPOSED DIVIDEND

Considering present financial position of the company, no dividend is recommended by the board of directors.

BALANCE SHEET EVENTS

Material events occurring after the balance sheet date are taken into cognizance.



REVENUE RECOGNISATION

Premium income is recognised on assumption of risk and has been taken as base calculation on the basis as under :

- | | |
|-------------------------------------|---------------------------------------------|
| - Facultative Business | : Time line premium income. |
| - Non Proportionate Treaty Business | : Gross estimated premium income. |
| - Proportionate Treaty Business | : 70% of Gross estimated premium income. |
| - Other Reinsurance Business | : As per terms of the Reinsurance contract. |

Premium Received / receivable for succeeding accounting period have been recognised as **Unearned Premium** on the basis of time apportionment.

Premium Receivable represents the amount of receivable as per the terms of premium payments warranty contracts with the brokers.

Any subsequent revision to or cancellation of premium are recognised in the year which they occur.

BROKERAGE & COMMISSION

Brokerage & Commission has been taken as expenditure as per terms of the policy and calculated on the base premium received for different type of insurances.

OUTSTANDING LOSS RESERVE

Outstanding Loss Reserve represent the provision for liabilities in respect of claims lodged with the company. The provision for the amount of loss has been taken on the basis of intimation for claim received by the company upto the date of finalisation of accounts. This reserve will be appropriately adjusted whenever the claim is finally settled.

REINSURANCE CEDED

Re Insurance cessions are accounted for on actual or estimated where ever actual are not available.





SCHEDULES TO ACCOUNTS (CONT)

Notes to Accounts :

SCHEDULE-12

- The company was incorporated on 16th May 2013 vide registration no. U20130516TH10406 where the Foreign investors hold 26% Shareholdings of this company. The company has taken following the Trade License No.

Site	License No.	Nature of Activity
Thimphu	1029965	General Reinsurance Business

- In terms of the Article of Incorporation of the company, the company should have appointed seven directors. However, the company presently is functioning with six Directors on Board, and as explained to us the additional one Director will be appointed in the upcoming board meeting.

- The following amounts were paid to the Chief Executive Officer during the year.

	CEO
Sitting fees	Nu. 60,000.00
Remuneration	Nu. 979,500.00

- Pre-operative expenses incurred during the period have also been shown under the head Other Assets as "Pre-operative expenses to be written off", to be allocated appropriately.
- Confirmation from the respective parties relating to Accounts receivables, Accounts Payables being not available, these are stated at their respective book balance.
- Previous year's figures are not comparable as that was relating to the period of four months.
- The company has Received / paid foreign currency during the period under Audit as under:

Received	: 30,788,227.86 (INR)	5,360.3 (USD)
Paid	: 6,858,540.47 (INR)	

- As reported, there is no such transaction for purchase and sales of goods, services and other receipts / payments made with company or firms in which the directors or parties related to directors directly or indirectly interested.



- The company has not yet adopted Bhutan Accounting Standards (BAS). As informed, the management is on the process of implementation of the same as soon as possible.
- Quantitative information as required under Part II of Schedule - XIII A clause no. 3. (ii) (c) (1) of the Companies Act 2000 in respect of service sector companies as under :

Service Rendered	Gross income
Reinsurance Service	(31,625,209.42)/-

Date : 27th April, 2015
 Camp : Thimphu, Bhutan



For M. P. SUREKA & CO.
 Chartered Accountants
 FRN. : 322097E

(M.P. Sureka)
 Partner
 M. No. 050560



LINK SHEET 2014

A/C Description	2014 Nu	2013 Nu
SALARY & WAGES		
Salary, Wages & Allowances - Salary	2,510,952.00	585,500.00
Salary, Wages & Allowances - Wages	18,000.00	6,000.00
Salary, Wages & Allowances - Communication Allowance	25,027.00	
Salary, Wages & Allowances - Fuel Allowance	100,000.00	
Salary, Wages & Allowances - Leave Encashment	100,000.00	
Salary, Wages & Allowances - Sitting Fees	420,100.00	90,000.00
Total	3,174,079.00	681,500.00
VEHICLE EXPENSES		
Vehicle Hire Charges	29,292.00	0.00
Vehicle Insurance (BP-1C-5232)	35,786.00	0.00
Vehicle Insurance (BP-1C-5233)	25,487.00	0.00
POL (BP-1C-5232)	25,993.89	0.00
POL (BP-1C-5233)	21,980.30	0.00
Repairs to Vehicle (BP-1C-5232)	1,100.00	0.00
Repairs to Vehicle (BP-1C-5233)	500.00	0.00
Total	140,139.19	0.00
STAFF WELFARE EXPENSES		
Employee's Welfare Expenses - Medical Expenses	0.00	500.00
Employee's Welfare Expenses - Group Personal Accident	7,060.00	0.00
Employee's Welfare Expenses - Gratuity	226,500.00	0.00
Employee's Welfare Expenses - Misc.	22,304.50	4,114.00
Total	255,864.50	4,614.00



Mr. Wangchuk Namgyel
 Chief Executive Officer



Mr. Vikrant Parate
 Head Reinsurance



Mr. Jigmi Nidup
 Head Finance & Investment



GIC-Bhutan Re Family



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GIC - Bhutan Re Ltd.
Reinsurance with Professionalism, Trust & Reliability