



## Director's Report: 2024

Dear Shareholders,

GIC-Bhutan Reinsurance Company Limited (GICB) is pleased to present its Twelfth Annual Report for the year 2024. On behalf of the Board of Directors, I am honored to share with you the Annual Report of GIC-Bhutan Reinsurance Company Limited (GICB) for the year ended 31st December 2024. This report highlights the significant achievements of GICB during the year and includes the Audited Financial Statements for the year ended 31st December 2024, prepared in compliance with Bhutanese Accounting Standards (BAS).

GICB marked 11 years of successful operations in 2024, achieving a registered growth in total business from Nu. 1,999.38 million in 2023 to Nu. 2,307.88 million in 2024, reflecting a growth of 15.43%.

### Net Profit:

In 2024, GICB generated a total income of Nu. 2,228.23 million, while its total expenditure amounted to Nu. 1,776.55 million. The profit before tax for the year was Nu. 451.68 million.

### Brief Snapshot

GICB is a Joint Venture Foreign Direct Investment (FDI) company, promoted by General Insurance Corporation of India (GIC Re) and two Bhutanese promoters. The company's paid-up capital stands at Nu 1,100.00 million. The shareholding structure of the company is as follows:

Local Promotors	29%
GIC of India	26%
Public	45%
Total Share holdings	100%

### Board of Directors:

As of 31st December 2024, the Board of Directors of GICB consisted of seven members, including the Chairman, the CEO, one Promoter Director, two GIC-Re India nominee directors, and two Independent Directors. The Board held four meetings during the year, in full compliance with the requirements of the Companies Act of Bhutan, 2016, and the RMA's Corporate Governance Rules & Regulations, 2024. The company has adhered to the RMA's prudential regulations and the Bhutanese accounting standards in finalizing the audited financial statements for the year 2024. Additionally, the statutory records and documents have been properly maintained by the Reinsurer, in accordance with the requirements of the Companies Act of Bhutan, 2016. Below are the key financial results for the years 2023 and 2024.



## Financial Results

(Figures in Million)

Particulars	2023	2024
Gross Premium	1,999.38	2,307.88
Net Premium	1,785.96	2,041.26
Earned Premium	1,550.46	1,924.63
Incurred Claims	948.48	1,194.59
Commission	381.07	485.44
Operating Expenses	67.54	73.79
Other Incomes	-	0.15
<i>Underwriting Result</i>	152.97	170.96
Investment Income	248.68	303.44
Total Investments	4,275.48	5,064.20

Profit Before Tax	361.36	451.68
Provision for Tax	90.51	112.66
Profit After Tax	270.85	339.02
Other Comprehensive Income	1.94	(2.15)
Total Comprehensive Income	272.79	336.87
Dividend	110.00	165.00
Transfer to Reserve	439.97	639.42

Claims Ratio	61.20%	62.07%
Commission Ratio	24.58%	25.22%
Management Exp. Ratio	4.36%	3.38%
Total Expense Ratio	28.93%	29.06%
Combined Ratio	90.13%	91.13%

GICB maintains a conservative underwriting approach, but in response to the evolving dynamics of the reinsurance market, the company has begun exploring structured solutions. GICB has been actively writing a significant volume of facultative business alongside treaty business. At present, the company covers all classes of business, with the exception of specialized classes such as liability, credit, and agriculture. Moving





forward, GICB intends to uphold its prudent underwriting strategy, focusing on the careful selection of high-quality risks.

GICB's business strategy is focused on maintaining a strong regional presence while selectively expanding into global markets. The company aims to establish and nurture healthy relationships with clients and ensure the timely settlement of claims. Currently, GICB's primary focus is on the SAARC region. However, with the prospect of obtaining an international rating, the company plans to expand into the ASEAN markets, followed by Central Asia, the MENA region, and selected parts of Africa in specific classes of business. At present, the company operates in approximately 20 countries.

GICB, the first and only reinsurance company in Bhutan, celebrated its 11th anniversary on 5th September 2024. Over the past 11 years, the company has experienced remarkable growth, with gross premiums increasing from Nu. 125.04 million in 2014 to Nu. 2,307.88 million in 2024. This demonstrates a substantial growth trajectory. The company's Claims Ratio has improved significantly, reducing from 116.74% in 2014 to 62.07% in 2024, reflecting a careful approach to risk selection. Additionally, the Combined Ratio has decreased from 177.58% in 2014 to 91.13% in 2024, indicating a strong improvement in underwriting performance. From 2023 to 2024, GICB's investment assets grew by 18.45%, with an average return on investment of approximately 6.26%.

Particulars	2023	2024
Total Assets	5,874.04	6,616.46
Growth Rate	22.83%	12.96%
Net Worth	1,677.34	1,904.22
Solvency	1.48 Times	1.58 Times

Note: - The solvency ratio for GICB in 2024 stands at 1.58 times. The total assets for the year amounted to Nu. 6,616.46 million, reflecting a growth rate of 12.96% compared to the previous year, 2023. GICB's total investments in 2024 reached Nu. 5,064.20 million, with an average return on investment of 6.26%. The company has also created provisions in accordance with the prudential regulations of the Royal Monetary Authority (RMA).

Provisioning for reserves is essential for maintaining a stable portfolio over the years. Ensuring adequate Claims and Premium Reserves is a significant challenge and a critical aspect for any reinsurance company. GICB, however, has consistently followed a conservative and prudent reserving methodology. As of 31st December 2024, the Outstanding Loss Reserve (OSLR) stands at Nu. 2,489.39 million, with an Incurred But Not Reported (IBNR) reserve of Nu. 455.17 million and an Unearned Premium Reserve (UPR) of Nu. 723.90 million.



## **Investment Scenario**

GICB is actively diversifying its investment portfolio by exploring a range of investment opportunities, including fixed deposits, bonds, corporate lending through consortium financing, and other instruments such as commercial papers, equities, and inter-institutional borrowing. Despite facing challenges related to the limited availability of investment options, particularly with respect to short-term yields, the company remains committed to adhering to the Prudential Regulations set by the Royal Monetary Authority of Bhutan. These regulations mandate the establishment of provisions to effectively manage associated risks. Investment opportunities are crucial for a reinsurance business as they help diversify revenue sources, improve financial stability, and enhance profitability. By strategically investing in a variety of assets, reinsurance companies can generate returns that supplement underwriting income. These investments also provide a buffer against fluctuations in claims and underwriting results, ensuring the company can maintain adequate capital reserves. Additionally, effective investment management allows reinsurance firms to optimize their balance sheets, support long-term growth, and meet regulatory capital requirements. Ultimately, investment opportunities help reinsurance businesses maintain financial strength and meet their obligations to policyholders.

## **Rating**

Rating plays a crucial role in facilitating business relationships with insurers and reinsurers globally. Although the company does not yet have an international rating, it has successfully established business relationships with insurers and reinsurers from over 20 countries. Currently, the company holds a rating from Credit Analysis and Research Limited (CARE Ratings Limited) in India. The current rating is "A" for Issuer Rating (General Creditworthiness), which is the third-highest rating, following "AAA" and "AA".

With consistent performance over the years, the infusion of additional capital, strategic investments generating higher returns, and the accumulation of reserves, GICB is optimistic about achieving a strong international rating in the future. Obtaining an international rating will significantly enhance the company's business prospects, opening up opportunities for substantial growth.

## **Other Highlights**

GICB has a state-of-the-art IT infrastructure and is proud to be the first financial institution in Bhutan to deploy a Dual Stack Network with both IPv6 and IPv4. We are among the few financial institutions in Bhutan that own an Autonomous System Number (ASN 137925), along with our own IPv4 (/24) and IPv6 (/48) addresses, allocated by APNIC. To ensure business continuity, GICB has a Disaster Recovery (DR) site hosted at Bhutan Telecom's data center in Phuentsholing. We conduct regular DR drills to maintain seamless failover readiness, ensuring our DR site operates at par with our primary data center (DC) during the time of emergency.





To ensure efficient IT infrastructure management and monitoring, we leverage internationally recognized network monitoring, management, and log management tools.

GICB is also ISO 27001: ISMS (Information Security Management System) certified, holding certification number IS 742090, reinforcing our commitment to data security and operational excellence.

GICB is proud to be the first company in Bhutan to fully comply with Enterprise Risk Management (ERM) standards. The ERM Department operates under a comprehensive ERM Policy & Procedure, maintaining a risk register that records all organizational risks. This register is reviewed and updated quarterly during Management-Level ERM committee meetings, followed by Board-Level ERM committee meetings. Key ERM mandates include fire evacuation drills, first aid training, and business continuity drills, ensuring preparedness for unforeseen events.

Additionally, GICB has conducted stress tests and CAT modeling with experts from a renowned firm to assess the company's resilience. This rigorous evaluation enables GICB to thoroughly assess risks before underwriting business, thereby minimizing potential risks and enhancing overall risk management practices.

The company was presented with the Certificate of Excellence for "Best Reinsurer of the Year" in Bhutan by the Indian Chamber of Commerce (ICC) during the 5th ICC Emerging Asia Insurance Conclave & Awards 2024, held on February 7th, 2025, in Bangkok, Thailand.

GICB's joint venture partner, GIC Re India, continues to provide strong technical and strategic support, with dedicated GIC Re official assigned on a full-time basis to the Company.

### **Strategy Ahead**

GICB has established a strong track record since its inception, with promising business prospects. Premiums have been consistently growing, reflecting the company's solid performance. The current paid-up capital stands at Nu. 1,100 million, and the recent enhancement of this capital has bolstered the company's financial strength while expanding its underwriting capacity. The company is also taking proactive steps to develop a Catastrophic (CAT) model designed especially for the Indian region which is being outsourced and will aid in managing CAT exposure more effectively as major business resides from India. With improved underwriting performance, stronger investment returns, a robust ERM structure, and advanced IT infrastructure, GICB is poised to achieve a favorable international rating in the future. This will enable further diversification and optimization of its portfolio mix.

### **Statutory Auditors:**

M/S. S Jaykishan, a Chartered Accountants firm based in Kolkata, has conducted the audit of the reinsurer's financial statements for the year ended 31st December 2024.

**Acknowledgement:**

The Board of Directors expresses its sincere gratitude to the Royal Government of Bhutan, the Royal Monetary Authority of Bhutan, the Royal Securities Exchange of Bhutan and other regulators and agencies for their valuable guidance and support. The Board also would like to thank GIC-Re India for their continuous support and all the financial institutions in Bhutan & all the insurance broking partners in India and other countries for their cooperation and patronage. The Board acknowledges the gratifying confidence of the clients and shareholders and wishes to place on record its appreciation for the dedicated services and contribution made by the management and employees of the reinsurer towards its growth and achievement during the year.

**Aum Damchae Dem**  
(Chairperson)



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF

### GIC - BHUTAN REINSURANCE COMPANY LIMITED THIMPU, BHUTAN

#### Qualified Opinion

We have audited the financial statements of **GIC - BHUTAN REINSURANCE COMPANY LIMITED** (referred to as "the Company"), which comprise the Statement of Financial Position as at December 31, 2024, the Statement of Comprehensive Income, Statement of Changes in Equity, and the Cash Flow Statement for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

In our opinion and to the best of our information, except for the effects of the matter described in the **Basis for Qualified Opinion** section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company, its financial performance and its cash flows for the year ended on that date, in accordance with the Bhutanese Accounting Standards (BAS/ BFRS).

#### Basis for Qualified Opinion

Note 4 to the Financial Statements shows that the Company has loans and advances amounting to Nu. 1,198,199,112. The Accounting and Auditing Standards Board of Bhutan, Secretariat, Ministry of Finance vide Notification no. AASBB/Cri-03/2023/183, dated 13th March 2023, has provided for exemption of application of the Expected Credit Loss (ECL) model under BFRS 9 for Insurance Companies until the issuance of BFRS 17, with an effective date of 1st January 2025. However, the notification states that Insurance Companies with a loan component must implement the ECL model of BFRS 9. Despite the Company having loans and advances amounting to Nu. 1,198,199,112, the ECL model has not been implemented as of 31st December 2024, as required by BFRS 9. In the absence of such an evaluation by the management, we are unable to comment on the impairment, if any, on the value of such loans and the consequential impact thereon.

We conducted our audit in accordance with the International Standards on Auditing (ISAs). 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 within the meaning of the IESBA Code and have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.





## Emphasis of Matter

We draw attention to Note 4: Loans and Advances of the Financial Statements, which discloses the loan extended to M/s Ice Beverages Private Limited. The repayment of this loan has been deferred in accordance with the Standard Operating Procedures (SOP) of Financial Institutions (FIs) for Loan Deferment Post-June 2024 and the Directive on Deferment, FEIF, and Loan Provisioning dated 28th September 2023, issued by the Royal Monetary Authority (RMA) of Bhutan. The restructuring plan for this loan was approved by the RMA on 20th November 2024, with implementation scheduled for 2025.

The loan restructuring has been approved based on the financial stability of the promoters and has received consent from all financial institutions in the lending consortium, as well as from the RMA. However, there are significant concerns regarding the recoverability of the loan, which are supported by the following factors:

1. **Going Concern Uncertainty:** The auditor's report for the year ended 31st December 2023 highlighted material uncertainty regarding the company's ability to continue as a going concern.
2. **Financial Distress:** The borrower is facing severe financial distress, including accumulated losses, non-realizable current assets, negative working capital, and negative net worth.
3. **Doubtful Recoverability of Exposure:** A significant exposure to the wholly-owned subsidiary remains highly doubtful, considering the weak financial position of the subsidiary.
4. **Inadequate Security Coverage:** As of 31st December 2023, the security maintained amounts to Nu. 607.622 million, whereas the total consortium debt as of 30th June 2024 stands at Nu. 1,057.290 million. This results in insufficient collateral coverage and non-compliance with the Loan-to-Value (LTV) ratio requirement of 125%, as per RMA directives.
5. **Unviable Projected Financials:** The projected financials from 2025 to 2056 indicate operational unviability, raising further concerns about the company's ability to service the restructured debt.

Due to these concerns, the recovery of the loan remains uncertain. However, as a prudent measure, the company has recognized a 31% provision on this loan as of 31st December 2024.

Our opinion is not modified in respect of this matter.

## Other Matter

The actuarial valuation of liability in respect of Claims Incurred But Not Reported (IBNR) as of 31st December 2024 is certified by the Company's appointed Actuaries, and our opinion in so far as it relates to the amounts and disclosures related to such liability is based solely on such report.

Note 4 to the Financial Statements refers to the loans extended to Bhutan Insurance Limited, amounting to Nu. 700,000,000. It is to be noted that a provision of 1%, as required for Standard Assets, has not been maintained, as the loan has been classified as an intra-institutional borrowing, based on prior approval obtained from RMA. However, the RMA has prohibited any future renewal of such investments in non-bank entities, as the Company is not authorized to engage in lending activities.





## 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 do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters for the Company to be communicated in our report.

Why the matter was determined to be a Key Audit Matter	How the matter was addressed in the Audit
<p><b>a. Revenue Recognition:</b></p> <p>Premium income is the main source of income of the Company and one of the major areas of concern for correct depiction of financial results as per the Company's overall accounting policy described in the significant policies of the Company in respect of the recognition of premium income. The mathematical methods use assumptions concerning premiums, ultimate loss ratios, and run-off patterns, which are based on an expert estimate derived from past experience. The Company recognizes reinsurance premium income based on the statement of accounts or closing statements received from the ceding companies.</p> <p>At the year end, estimates are made for the accounts not received based on the Estimated Premium Income (EPI) agreed upon by both the Company and the Ceding Companies at the time of inception of the treaty or policy slip.</p> <p>Premium estimation is the differential of EPI and the booked premium for the year by the Company.</p> <p>The estimation of income can be right only if the factors involved are incorporated in the system and extracted correctly from the system.</p>	<p>For the purpose of auditing the estimated gross premium, we first evaluated the design of the contribution and estimation process. In that connection, we identified the material key controls and analyzed their design. Based on that analysis, we evaluated the operating effectiveness by testing the effectiveness of the key controls implemented. Understood and tested the governance process in place to determine the re-insurance contract liabilities, including testing the associated financial reporting control framework. Tested the design, implementation, and operating effectiveness of key controls over Revenue Recognition. Verified premium estimation with the guidelines of the Company and performed test of controls, test of details, and analytical review procedures on estimation of income. Verified EPI from the treaty or policy slip and verified actual premium booked from Statement of Accounts or Closing Statements received from the Cedants of the sample cases.</p> <p>We obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to recognizing premium income. We assessed the control segregation of premium amongst different business segments broadly fire, engineering, marine and miscellaneous.</p> <p>Adjustment of Unearned Premium Reserve. In test of details, we critically reviewed the material assumptions underlying an estimate and asked the Company to explain to us the grounds for such estimates. Based on our audit procedures, we were able to satisfy ourselves that the calculation procedures used by them to derive the estimated gross premium are appropriate overall.</p>



Why the matter was determined to be a Key Audit Matter	How the matter was addressed in the Audit
<p><b>b. Claims Provisioning:</b></p> <p>Determining the provision for outstanding claims is subject to uncertainty and judgment, as the provision is largely based on estimates and assumptions. It involves a high degree of subjectivity and complexity. Uncertainties in estimation arise from the occurrence, amount, and speed of settlement of major losses, long-term claims development, and special loss scenarios (including third-party liability). We have, therefore, designated the measurement of the provision for outstanding claims as a key audit matter.</p> <p>Insurance Claim is the major area of expense for the insurance company. Total incurred claims include paid claims, Outstanding Loss Reserve (OSLR), and Claims Incurred but Not Reported (IBNR).</p>	<p>We have tested the effectiveness of the controls implemented for ensuring the completeness and accuracy of the recognition and measurement of claims.</p> <p>For assessing the quality of estimates, we analyzed the actual development of the previous year's provision for outstanding claims based on the runoff results. We applied mathematical and statistical methods to generate our own loss projections for certain segments based on risk considerations. In addition, we compared the reserve level at the end of the reporting period with the previous year's level and verified adjustments made to it. Assessing the process and related judgments of the Company in relation to natural catastrophes and other large losses, including using our industry knowledge to assess the reasonableness of market loss estimates and other significant assumptions.</p> <p>We have verified the operational guidelines of the Company relating to claim processing, performed test of controls, test of details and analytical review procedures on the outstanding claims. Verified the claim paid and provision on a sample basis with payment proof, Preliminary Loss Advice (PLA) and Statement of Accounts (SOA) received from the Cedant Company/brokers, and the same is further verified from the surveyor's report.</p> <p>Our audit approach is to understand the systems, procedures, and control over the claims registered at different operating offices and evaluate the implementation design of these essential elements. We focused on these areas because underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims, which are subject to critical judgment.</p>





	For the claim cases which has been incurred but not reported are captured by the Actuary appointed by the Company. The actuarial valuation of liability in respect of Claims Incurred But Not Reported (IBNR) as at 31st December 2024 is as certified by the Company's appointed Actuary, and we had verified the amounts and the related liability based on such report.
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### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, along with Corporate Overview, Key Highlights, Board of Director's Report, Report on Corporate Governance, Management Discussion & Analysis Report, and Business Responsibility Report but does not include the Financial Statements and our Auditor's Report thereon.

Our opinion on the Financial Statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of the 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 Bhutanese Accounting Standards (BAS/BFRS) and for implementing 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.



## **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 the International Standards on Auditing 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.

Our additional responsibilities are provided in 'Annexure A'.

## **Report on Other Legal and Regulatory Requirements**

As required by Section 266 of the Companies Act of Bhutan, 2016 (The Minimum Audit Examination and Reporting Requirements) issued by the Royal Audit Authority and based on such checks as we considered appropriate and according to information and explanations given to us, we enclose in the 'Annexure B', a statement on the matters specified therein to the extent applicable to Company.

### **As required by Section 265 the Act, we report that:**

- a) We have obtained, except for matters described in the Basis for Qualified Opinion section, all the information and explanation, which to the best of our knowledge and beliefs were necessary for the purpose of our audit.
- b) Except for the effects of matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been maintained by the Company so far as appears from our examination of the books. Additionally, proper returns, adequate for the purpose of our audit, have been received.
- c) The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows dealt with in this report agree with the books of accounts.
- d) Based on the information, explanation, and management representation received during our audit, the company has complied with all the applicable and relevant legal regulatory requirements, except for the effects of the matter described in the Basis of Qualified Opinion paragraph above.

**For S. Jaykishan**  
**Chartered Accountants**  
**Firm Registration Number: 309005E**

**CA RITESH AGARWAL**  
**Partner**  
**Membership No. 062410**  
**Place: Kolkata**  
**Date: The 11th day of March 2025**  
**UDIN: 25062410BMIPPN3448**





## **ANNEXURE A TO AUDITOR'S REPORT**

To Independent Auditor's Report

(Referred to in 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report of even date)

### **Responsibilities for Audit of Financial Statements**

(Audit Report of GIC - Bhutan Reinsurance Company Limited for the year ended on 31st December 2024)

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

Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 omission, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit 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 audit'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.

**For S. Jaykishan**

**Chartered Accountants**

**Firm Registration Number: 309005E**

*Ritesh Agarwal*

**CA RITESH AGARWAL**

**Partner**

**Membership No. 062410**

**Place: Kolkata**

**Date: The 11th day of March 2025**

**UDIN: 25062410BM1RPN3448**



## **ANNEXURE B TO AUDITOR'S REPORT**

To Independent Auditor's Report

(Referred to in 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **MINIMUM AUDIT EXAMINATION AND REPORTING REQUIREMENTS :**

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records produced before and examined by us in the normal course of audit, we state that:

1. A. The Company has maintained proper records showing full particulars, including quantitative details and the situation of Property & Equipment. As stated, the management during the year has physically verified the Property and Equipment of the Company, and no material discrepancies between the physical inventory and book records were noticed on such verification.  
  
B. The Company has maintained proper records showing full particulars of Intangible Assets.
2. The Company does not own Land & Building as at 31-12-2024. Hence, no reporting is required.
3. The Company has not taken any loans, secured or unsecured, from Companies, firms, or other parties. Further, the Company has not taken any loan from any company under the same management. Therefore, terms of such loans, whether prejudicial to the interests of the Company, do not arise.
4. The Company has granted loans, secured or unsecured, to other Companies, firms, or other parties as its investing activity. However, according to the management, the Company has not granted any loans, secured or unsecured, to any company under the same management. The terms of the loans granted were not prejudicial to the interests of the Company.
5. 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.
6. According to the best of our knowledge, and based on the information and explanations provided to us, there were no undisputed amounts payable in respect of taxes, duties, and other statutory deductions that were outstanding as of the last date of the financial year concerned.
7. In our opinion, and based on the information and explanations provided to us during the course of the audit, the Company needs to establish an adequate system of internal controls to ensure the 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 compliance with the applicable rules/regulations and systems and procedures.
8. Based on the information and explanations provided, and as per test checks, personal expenses (other than those payable under contractual obligations and/or as per customary business practices) were not charged to the Company's account.





9. As informed, the Company has a system in place for obtaining the best proposals and bids for the purchase and sale of goods & services and assets (wherever is applicable).
- We have not identified any transactions related to the purchase and sales of goods and services made in pursuance of contracts or arrangements entered with the directors, their relatives, or companies, or firms in which the directors have a direct or indirect interest. Further, the management has not reported any transactions involving the directors, their relatives, or companies, or firms in which the directors are directly or indirectly interested.
10. The Company has not appointed any commission agent.
11. A reasonable system has been implemented for the continuous follow-up of the realization of outstanding premiums for policies, including age-wise analysis, where applicable.
12. Based on the information and explanations provided to us and our examination of the books and records on a test-check basis, we are of the opinion that the activities carried out by the Company are lawful. We have not identified any instances where the activities of the Company are ultra vires the Articles of Association of the Company.
13. As reported and observed, officials of the Company refrained from transmitting any unauthorized price-sensitive information, which is not publicly available, to their relatives/ friends/ associates or close persons, which would directly or indirectly benefit themselves.
14. The matters 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 manufacturing and production activity or sale of goods.
15. In our opinion, the budgetary control system within the Company requires further strengthening, considering the size of the Company.
16. The details of remuneration/ sitting fees paid to the Chairman and Directors are disclosed in the Notes to Accounts. [Refer to Note 27 of the financial statements]
17. The Company has generally complied with the provisions of the Financial Services Act, 2011, and other applicable laws, rules and regulations, and guidelines issued by the relevant authorities, except for the provisions pertaining to Corporate Social Responsibility activities as required under Section 165 of the Companies Act of Bhutan, 2016.
18. In our opinion and based on information and explanations given to us, the management of liquid resources, particularly cash and bank balances, is adequate, and excessive amounts are not generally lying idle in non-interest-bearing accounts.
19. 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.
20. According to the information and explanations given to us, the Directives of the Board have been complied with.
21. Employees to whom advances have been given by the Company are regular in repaying the principal amounts as stipulated.
22. Additional loan is not granted to those who have defaulted on payment of previous advances.
23. As reported, the Company has entered into a reasonable agreement with parties to which the company has provided loans and advances.



24. The requirements relating to provisioning for the non-performing assets including loans and advances in terms of Prudential Regulations of RMA have been complied with.

25. The Company has a system of monitoring projects for which loans have been provided to ensure that loan amounts are used for the specified purposes and project activities are progressing satisfactorily.

26. The Company, in general, has a system for carrying out proper analysis before permitting re-phasing/ rescheduling of, based on 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 except in case of consortium finance wherein the company is in the process of finalizing standard operating practices.

27. Computerized Accounting Environment

a. The Company has developed a customized software system for the maintenance of accounts.

b. According to information and explanations provided to us, the backup is stored in the Server which is located at a place separate from the Head office. The backup and other safeguard measures appear to be adequate.

c. The operational controls are found adequate to ensure the correctness and validity of input data and output information.

d. As explained to us, the measures taken by the Company to prevent unauthorized access through the computer installation and files are being upgraded to be considered adequate.

**GENERAL :**

a) The Company adheres to the corporate Governance Guidelines and Regulations as applicable to them.

b) As observed during the audit, the Company pursues a prudent and sound financial management practice in managing the affairs of the Company.

c) The financial statements are prepared in accordance with the Bhutanese Accounting Standards issued by the Accounting and Auditing Standards Board of Bhutan (AASBB).

d) The proper books of accounts have been maintained and financial statements agree with the underlying accounting records.

e) The adequate records as specified under Section 228 of the Companies Act of Bhutan, 2016 have been maintained.

f) The mandatory obligations social or otherwise, if any, entrusted are being fulfilled.

g) The amount of tax is computed correctly and reflected in the financial statements.





## **OTHER REQUIREMENTS :**

### **1. Going Concern:**

On the basis of the attached Financial Statements as of 31st December 2024 and according to the information and explanations given to us, the financial position of the Company is healthy, and we have no reason to believe that the Company is likely to become sick in the near future.

### **2. Compliances with the Companies Act of Bhutan, 2016**

According to the information and explanations given to us by the management and based on a Compliance Checklist completed by the Corporation Officials, the Company has generally complied with the provisions of the Companies Act of Bhutan, 2016, except for the requirements on Corporate Social Responsibility Activities as required under section 165 of the Companies Act of Bhutan, 2016.

### **3. Adherence to Laws, Rules, and Regulations**

The Audit of the Company is governed by 'The Companies Act of Bhutan, 2016', and the scope of the audit is limited to examination and reviews of the financial statement as produced to us by the management. During the audit, we considered the compliance of provision of the said Companies Act. The Company does not have a comprehensive Compliance Reporting and Recording System as regards adherence to all laws, rules and regulations, systems, procedures, and practices. Under the circumstances, we are unable to comment on the compliance of the same by the Company during the year 2024.

### **4. Ratio Analysis**

On the basis of the attached Financial Statements as of 31st December 2024 and according to the information and explanation given to us, we have carried out the appropriate ratio analysis to assess the financial and operational performance of the entity. [Refer to Note 28 of the financial statements]

**For S. Jaykishan**  
**Chartered Accountants**  
**Firm Registration Number: 309005E**

  
**CA RITESH AGARWAL**  
**Partner**

**Membership No. 062410**  
**Place: Kolkata**

**Date: The 11th day of March 2025**

**UDIN: 25062410BM1PPN3448**




**GIC - BHUTAN REINSURANCE COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

(Amount in Nu.)

Particulars	Note	As on 31-12-2024	As on 31-12-2023
<b>Assets</b>			
Cash and Cash Equivalents	1	130,173,256	167,774,632
Other Bank Balances	2	461,750,571	680,653,881
Insurance Receivables	3	1,406,653,535	1,393,700,205
Loans and Advances	4	1,198,199,112	1,174,382,782
Other Financial Assets	5	221,214,684	185,085,020
Investments	6	3,183,287,229	2,236,013,406
Property and Equipment	8	10,607,812	13,212,732
Intangible Assets	8	1,632,986	2,879,328
Deferred Tax Assets (Net)	12	119,302	-
Other Assets	9	2,824,112	3,517,563
<b>TOTAL ASSETS</b>		<b>6,616,462,599</b>	<b>5,857,219,549</b>
<b>Financial Liabilities</b>			
Reinsurance Contract Liabilities	10	792,232,933	853,345,146
Current Tax Liabilities	7	102,526,097	60,066,091
Trade and Other Payables	11	2,874,921	1,500,770
Deferred Tax Liabilities (Net)	12	-	836,646
Provisions	13	3,814,609,233	3,264,127,715
<b>Total Liabilities</b>		<b>4,712,243,184</b>	<b>4,179,876,369</b>
<b>Equity</b>			
Share Capital	22	1,100,000,000	1,100,000,000
<b>Other Equity</b>	23		
General Reserve		639,418,789	439,972,207
Retained Earnings		165,000,000	135,424,057
Net Unrealized Gains/ (Losses)		(199,374)	1,946,916
<b>Total Equity</b>		<b>1,904,219,415</b>	<b>1,677,343,180</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,616,462,599</b>	<b>5,857,219,549</b>

The accompanying notes form an integral part of these financial statements

As per our report of even date attached  
For S. Jaykishan  
Chartered Accountants  
FRN: 309005E

*Ritesh Agarwal*  


CA RITESH AGARWAL  
Partner

Membership No: 062410

Date : The 11th day of March, 2025

Place : Kolkata

For and on behalf of the Board of Directors

*[Signature]*  
Chairman  
GIC Bhutan Reinsurance co ltd

*[Signature]*  
CEO  


Place : Thimphu



**GIC - BHUTAN REINSURANCE COMPANY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**

(Amount in Nu.)

Particulars	Note	For the year 2024	For the year 2023
<b>INCOME</b>			
Revenue from Operations	14	1,924,632,597	1,550,459,808
Other Income	15	303,599,916	248,692,401
<b>TOTAL INCOME</b>		<b>2,228,232,513</b>	<b>1,799,152,208</b>
<b>EXPENSES</b>			
Direct Expenses	16	1,680,041,995	1,329,960,786
Employee Benefit Expenses	17	34,672,508	28,242,505
Other Expenses	18	57,410,683	74,863,318
Depreciation	8	4,427,120	4,724,576
<b>TOTAL EXPENSES</b>		<b>1,776,552,306</b>	<b>1,437,791,186</b>
<b>Profit Before Tax</b>		<b>451,680,207</b>	<b>361,361,022</b>
<b>Tax Expense</b>	19		
Current Tax		112,898,200	90,354,089
Deferred Tax		(240,519)	(353,184)
For Earlier Years		-	512,003
<b>Profit for the year</b>		<b>339,022,526</b>	<b>270,848,114</b>
<b>Other Comprehensive Income</b>	20		
Items that will not be reclassified to Profit & Loss:			
a. Equity Investments through Other Comprehensive Income		(919,632)	1,946,916
b. Remeasurements of the Defined Benefit Plans		(1,226,658)	-
<b>Other Comprehensive Income for the year (Net of Tax)</b>		<b>(2,146,290)</b>	<b>1,946,916</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>336,876,235</b>	<b>272,795,029</b>
<b>APPROPRIATIONS</b>			
Transferred to Retained Earnings		169,511,263	135,424,057
Transferred to General Reserve		169,511,263	135,424,057
<b>TOTAL APPROPRIATIONS</b>		<b>339,022,526</b>	<b>270,848,114</b>
<b>Earnings per Share:</b>	21		
Basic Earning Per Share		3.08	2.46
Diluted Earning Per Share		3.08	2.46
<b>Earnings per Share- Continuing Operation</b>	21		
Basic Earning Per Share		3.08	2.46
Diluted Earning Per Share		3.08	2.46

The accompanying notes form an integral part of these financial statements

As per our report of even date attached  
For S. Jaykishan  
Chartered Accountants  
FRN: 309005E

CA RITESH AGARWAL  
Partner  
Membership No: 062410  
Date : The 11th day of March, 2025  
Place : Kolkata



For and on behalf of the Board of Directors

  
GIC Bhutan Reinsurance Co Ltd

Place : Thimphu



**GIC - BHUTAN REINSURANCE COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31st December, 2024**

(Amount in Nu.)

Particulars	Share Capital	Net Unrealized Gains/ (Losses)	General Reserve	Retained Earnings	Total Shareholders' Funds
Balance at the beginning of the reporting year	1,100,000,000	1,946,916	439,972,207	135,424,057	1,677,343,180
Net Profit for the year	-	-	169,511,263	169,511,263	339,022,526
Other Comprehensive Income	-	(2,146,290)	-	-	(2,146,290)
Dividend for the year 2023	-	-	-	(110,000,000)	(110,000,000)
Transfer from Retained Earnings to General Reserve	-	-	29,935,320	(29,935,320)	-
<b>Balances as at 31st December 2024</b>	<b>1,100,000,000</b>	<b>(199,374)</b>	<b>639,418,790</b>	<b>165,000,000</b>	<b>1,904,219,416</b>

The accompanying notes form an integral part of these financial statements

**Chairperson**  
**GIC Bhutan Reinsurance co. Ltd**





GIC - BHUTAN REINSURANCE COMPANY LIMITED  
CASH FLOW STATEMENT

(Amount in Nu.)

Particulars	For the year ended 2024	For the year ended 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Tax for the period	451,680,207	361,361,022
Adjustment for non-cash and non-operating items to reconcile profit before tax to net cash flows:		
Depreciation	4,427,120	4,724,576
Income From Bond	(21,884,116)	(16,245,453)
Income From Dividend	(832,247)	-
Income From Fixed Deposit	(193,671,152)	(159,235,470)
Income from Other Investments	(84,466,161)	(73,208,948)
Provision for Employee Benefits	1,063,309	1,223,427
<b>Operating profit before working capital changes</b>	<b>156,316,960</b>	<b>118,619,155</b>
<b>Movement in Working Capital:</b>		
Change in Reinsurance Receivables	(12,953,331)	(411,294,276)
Change in Loan & Advances	(23,816,329)	(449,398,906)
Change in Other Financial Assets	(36,129,665)	(27,454,455)
Change in Other Current Assets	693,452	(87,089)
Change in Reinsurance Contract Liabilities	(61,112,213)	57,141,368
Change in Trade and Other Payables	1,374,151	719,618
Change in Short Term Provision	547,782,665	768,262,740
<b>Cash Generated from Operating Activities</b>	<b>572,155,690</b>	<b>56,508,155</b>
Corporate Tax Paid	70,438,193	71,811,180
<b>Net Cash Flow From Operating Activities (A):</b>	<b>501,717,497</b>	<b>(15,303,025)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
(Purchase)/ Sale of Property & Equipment	(575,858)	(7,101,644)
Net Change in Fixed Deposit	218,500,000	955,000,160
Net Change in Investment	(948,500,000)	(1,031,917,519)
Income From Bond	21,884,116	16,245,453
Income From Dividend	832,247	-
Income From Fixed Deposit	193,671,152	159,235,470
Income from Other Investments	84,466,161	73,208,948
<b>Net Cash Flow From/ (Used) in Investing Activities (B):</b>	<b>(429,722,182)</b>	<b>164,670,868</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Dividend paid during the year	(110,000,000)	(76,450,000)
Unclaimed Dividend for the year	(81,788)	(567,537)
Unclaimed Dividend paid for prior years	485,098	-
<b>Net Cash Flow From/ (Used) in Financing Activities (C):</b>	<b>(109,596,690)</b>	<b>(77,017,537)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents [A + B + C]</b>	<b>(37,601,376)</b>	<b>72,350,307</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>167,774,632</b>	<b>95,424,325</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>130,173,256</b>	<b>167,774,632</b>

The accompanying notes form an integral part of these financial statements

As per our report of even date attached  
For S. Jaykishan  
Chartered Accountants  
FRN: 309005E

CA RITESH AGARWAL  
Partner  
Membership No: 062410  
Date : The 11th day of March, 2025  
Place : Kolkata



For and on behalf of the Board of Directors

*[Signature]*

Chairman

*[Signature]*

CEO

Chairperson  
GIC Bhutan Reinsurance Co Ltd  
Place : Thimphu



## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS**

### **1. GENERAL CORPORATE INFORMATION:**

The principal activities of GIC - Bhutan Reinsurance Co. Ltd (the "Company" or "GIC") cover all significant operations that have taken place within Bhutan.

The Company is a limited liability company incorporated and domiciled in Bhutan. The address of its principal place of business is Thimphu, Bhutan.

The Company was incorporated on 16th May, 2013 vide registration no. U20130516THI0406, where the foreign investors hold 26% shareholding of the Company. The Company has taken the following Trade License:

<b>License No.</b>	<b>Nature of Activity</b>
1029965	General Reinsurance Business

These Financial Statements relate to the year ended 31st December, 2024.

The Company is listed in the Royal Securities Exchange of Bhutan Limited.

### **2. SIGNIFICANT ACCOUNTING POLICIES:**

#### **2.1 Basis of Preparation**

The Balance Sheet and the Profit and Loss Account are drawn up in accordance with the Regulation for Establishment of Reinsurance Business in Bhutan, the Financial Services Act of Bhutan, and the Bhutanese Accounting Standard (BAS) as notified by the Accounting and Auditing Standards Board of Bhutan ("AASBB"). The said statements are prepared on a historical cost convention and accrual basis except as otherwise stated and conform to the statutory provisions and practices prevailing in the General Insurance Industry in Bhutan.

#### **2.2 Functional Currency**

The functional currency of preparation is Bhutanese Ngultrum (Nu.)

#### **2.3 Use of judgements, estimates and assumptions**

The preparation of Financial Statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, revenue and expenses for the year ended, and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in accompanying Financial Statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements are included in the following notes:

- a) Incurred But Not Reported (IBNR)
- b) Unearned Premium
- c) Employee Benefit





## **2.4 Going Concern**

The management of the Company has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

## **3. APPLICATION OF BHUTANESE ACCOUNTING STANDARDS:**

The Financial Statements have been prepared in line with Bhutanese Accounting Standards.

The summarized impact of the introduction of BAS is:

- a) The Company has presented Statements of Comprehensive Income and Changes in Equity as required by BAS 1. These statements show information that was previously disclosed in the schedules to the financial statements.
- b) The Company has complied with relevant Bhutanese Accounting Standards and RMA guidelines in preparation of its financial statements.

## **4. SEGMENT REPORTING:**

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified by the Board of Directors.

## **5. EQUITY MOVEMENTS:**

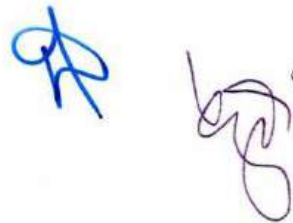
### **5.1 Ordinary Share Capital**

The Company has issued Ordinary Shares that are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognized in equity, net of tax.

### **5.2 Dividends on Ordinary Share Capital**

Dividends on Ordinary Shares are recognised as a liability and deducted from equity when they are approved by the shareholders. Interim dividends are deducted from equity when they are paid.

Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.



## **6. REINSURANCE BUSINESS:**

### **6.1 Reinsurance Revenues**

Reinsurance Revenues Premium is accounted based on accounts rendered by ceding companies upon receipt of accounts. At the year end, estimates are made for accounts not yet received, based on available information and current trends. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for net of discounts, returns, and taxes. The Company recognizes revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the Company.

Various provisions have been made based on the industry policy of Reinsurance business.

Premium Receivable represents the amount receivable as per term of premium payments warranty contracts with brokers. Any subsequent revision to or cancellation of premiums are recognized in the year in which they occur.

### **6.2 Reserve for Unearned Premium (UPR)**

The UPR provisions are made as under:

- a) 30% of the Accounted Premium for the period for all classes of business have been recognized as Unearned Premium for annual closing.

### **6.3 Brokerage & Commission**

Brokerage & Commission has been taken as expenditure as per the terms of the policy and calculated based on the premium received for different types of Insurance.

### **6.4 Reinsurance Ceded**

Re-Insurance Cessions are accounted for on actual or estimated wherever actual are not available.

### **6.5 Outstanding Claims**

#### **a. OSLR (Outstanding Loss Reserve)**

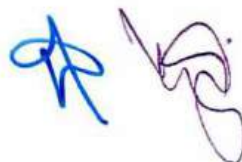
Estimated liability for outstanding claims in respect of Reinsurance business carried out in Bhutan is based on advice received as of different dates up to the date of finalization of claim figures in the books and wherever such advices are not received, on estimates based on available information, current trends and past underwriting experience of the management.

#### **b. IBNR (Incurred But Not Reported)**

Provision for claims incurred but not reported (IBNR) is made as certified by the appointed actuary based on accepted actuarial methods.

### **6.6 Receivables and Advances**

Receivables and Advances 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. These are classified as Non- Current Assets. The Company's Receivables and Advances comprise "Insurance Receivables", "Other Financial Assets", and "Cash & Cash Equivalents" in the Statement of Financial Position.





## **6.7 Reinsurance Contract Liabilities**

Trade Payables are initially recognized at the fair value of the amounts to be paid. Accounts payable are classified as Current Liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as Non- Current Liabilities.

## **6.8 Insurance Receivables**

Trade 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.

## **6.9 Cash and Cash Equivalents**

In the Cash Flow Statement, Cash and Cash Equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

## **7. FOREIGN CURRENCY TRANSACTIONS:**

- a) Revenue transactions in foreign currencies are converted at the daily rate of exchange on the day accounts are received and transactions are booked. The rates have been taken from XE.COM.
- b) Monetary items such as balances in bank accounts held in foreign currencies are converted using the closing rates of exchange at the Balance Sheet date.
- c) Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Income.

## **8. FINANCIAL INSTRUMENTS:**

### **8.1. Initial Recognition**

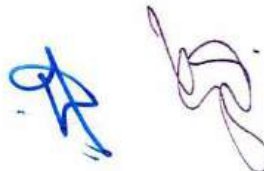
The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for insurance receivables, which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchases and sales of financial assets are accounted for at the settlement date.

### **8.2. Subsequent Measurement**

Non-derivative financial instruments

#### **(i) Financial Assets carried at Amortized Cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



(ii) **Financial Assets at Fair Value through Other Comprehensive Income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments, which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) **Financial Assets at Fair Value through Profit or Loss**

A financial asset that is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) **Financial Liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination, which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) **Business Model Assessment**

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is assessed on an instrument-by-instrument basis and is based on observable factors such as:

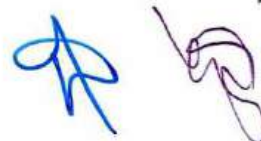
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value, and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

(vi) **The SPPI test**

As a second step of its classification process, the Company assesses the contractual terms of the financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).





The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set.

### **8.3 Derecognition of Financial Assets and Liabilities**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The entity generally derecognises a financial liability when its contractual obligations expire or are discharged or cancelled. The entity also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

### **8.4 Write-Offs**

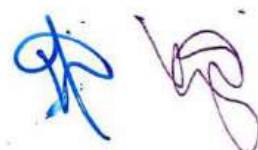
Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to the profit and loss account.

### **8.5 Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expenses will not be offset in the consolidated income statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

## **9. PROPERTY AND EQUIPMENT:**

- A. Property and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. No decommissioning liabilities are expected to be incurred on the assets of equipment.



- B. Depreciation on other acquired assets during the year is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives (evaluated by the management), as follows:

Machinery and Other Equipment	6 years
Furniture and Fixtures	10 years
Computers and Office Equipment	6 years
Vehicles	10 years
Electronic Equipment	4 years

- C. The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Comprehensive Income/ (Loss)' as the case may be, in the income statement.

- D. Intangible Assets:

Intangible Assets representing software are recorded at its acquisition price and are amortized over their estimated useful life on a straight-line basis, commencing from the date the assets are available for use. The management has estimated the useful life for such software as six years. The useful life of the asset is reviewed by the management at each Balance Sheet date.

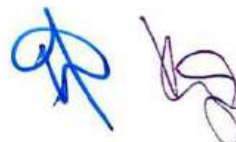
- E. Impairment of Assets:

Property and Equipment are reviewed for impairment at the end of the year whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of an asset of future net discounted cash flows expected to be generated by the asset.

If such an asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset. There is no impairment of assets in current financial year.

## 10. INVESTMENTS:

- a) Prudential norms prescribed by the Royal Monetary Authority of Bhutan are followed regarding:
  1. Revenue recognition
  2. Classification of assets into performing and non- performing; and
  3. Provisioning against performing and non-performing assets.
- b) Purchases and sales of bonds, debentures and Government Securities are accounted for on the date of settlement.
- c) The cost of investments includes brokerage, premium on acquisition, Securities Transaction Tax and their related expenses.
- d) Income from fixed deposits is accounted when accrued.
- e) All debt securities including Government Securities have been measured at amortized cost.





## **11. CURRENT AND DEFERRED INCOME TAX:**

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in Other Comprehensive Income. In this case, the tax is also recognized in other comprehensive income. The current income tax charge is calculated on the basis of the tax laws enacted at the Statement of Financial Position date in Bhutan. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted at the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilized.

## **12. EMPLOYEE BENEFITS:**

### **12.1 Retirement Benefits**

#### **Defined Contribution Scheme**

Employees' Retirement Benefits belong to a defined contribution Benefit plan managed by a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

#### **Defined Benefit Scheme**

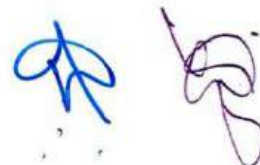
A defined benefit plan is any post-employment benefit plan other than a defined contribution plan. The Company makes retirement payments based on the final salary and years of service. The Company contributes the last-drawn basic salary of all employees present at year end into a gratuity fund which is maintained by a separate entity, i.e. Bhutan Insurance Limited.

### **12.2 Other Benefits**

Other benefits, such as leave encashment, etc. are accrued at year end without actuarial valuation.

## **13. 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.



#### **14. CASH FLOW STATEMENT:**

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

#### **15. PROVISIONS, CONTINGENT LIABILITIES, AND CONTINGENT ASSETS:**

Provisions are recognized when the Company has a present obligation (legal or constructive) because of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Contingent Assets are recorded in the financial statements when it is virtually certain that future economic benefit will flow to the entity in respect of such contingencies.

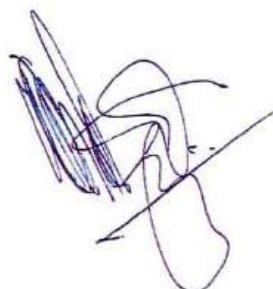
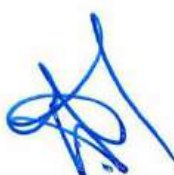
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the financial statements.

#### **16. EVENTS AFTER BALANCE SHEET DATE:**

The Board of Directors has proposed dividends for the financial year 2024.

#### **17. COMPARATIVE INFORMATION:**

Where necessary, certain comparative information has been reclassified in order to provide a more appropriate basis for comparison.





**GIC - BHUTAN REINSURANCE COMPANY LIMITED**  
**NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS**

(Amount in Nu)

1. Cash and Cash Equivalents	As on 31-12-2024	As on 31-12-2023
<b>Balances with Bank in Current Account</b>		
<b>In foreign currency</b>		
Druk PNB Bank Ltd.		
- USD Account	22,775,849	9,111,360
- INR Account	41,638,505	120,988,665
<b>In local currency</b>		
Bank Of Bhutan Ltd.	302,070	302,770
Bhutan Development Bank Ltd.	1,257	1,450
Bhutan National Bank Ltd.	123,025	100,510
Druk PNB Bank Ltd.	65,009,332	36,955,944
T bank Ltd.	276,325	85,458
	<b>130,126,364</b>	<b>167,546,156</b>
<b>Cash in Hand</b>	<b>46,892</b>	<b>228,475</b>
<b>Grand Total</b>	<b>130,173,256</b>	<b>167,774,632</b>

2. Other Bank Balances	As on 31-12-2024	As on 31-12-2023
<b>(i) In Fixed Deposit Accounts</b>		
Druk PNB Bank Ltd.	311,500,000	430,000,000
T bank Ltd.	150,000,000	-
Bhutan National Bank Ltd.	-	200,000,000
Bhutan Development Bank Ltd.	-	50,000,000
<b>(ii) In Unpaid Dividend Account</b>	<b>250,571</b>	<b>653,881</b>
<b>Grand Total</b>	<b>461,750,571</b>	<b>680,653,881</b>

3. Insurance Receivables	As on 31-12-2024	As on 31-12-2023
Unsecured, considered good	1,367,306,746	1,366,498,451
Net Reserve (Retained)	56,171,947	44,026,910
Impairment on Insurance Receivables	(16,825,157)	(16,825,157)
<b>Grand Total</b>	<b>1,406,653,535</b>	<b>1,393,700,205</b>

Chairperson  
GIC Bhutan Reinsurance co ltd



GIC - BHUTAN REINSURANCE COMPANY LIMITED  
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

(Amount in Nu.)

4. Loans and Advances	As on 31-12-2024	As on 31-12-2023
<b>Considered Good</b>		
<b>A. Non- Current</b>		
<b>Unsecured</b>		
Bhutan Insurance Ltd.	400,000,000	700,000,000
<b>Secured</b>		
Ice Beverages Private Limited*	219,701,941	219,701,941
Thundrel Apartment	150,000,000	150,000,000
Druk Hydro Energy Limited		
- Suchnu Hydro Power Project	28,270,000	-
- Burgangchhu Hydro Power Project	16,220,000	-
- Yungichhu Hydro Power Project	30,080,000	-
Loans to employees against hypothecation of Vehicles	179,743	260,174
Staff Personal Loan	3,747,427	4,420,667
<b>Total Fund</b>	<b>848,199,112</b>	<b>1,074,382,782</b>
<b>a. Shareholders Fund</b>	<b>230,684,095</b>	<b>321,559,927</b>
<b>b. Policy holder Fund</b>	<b>617,515,016</b>	<b>752,822,855</b>
<b>A. Total Non- Current Financial Assets</b>	<b>848,199,112</b>	<b>1,074,382,782</b>
<b>B. Current</b>		
<b>Secured</b>		
Nubri Capital Pvt. Ltd.	50,000,000	100,000,000
<b>Unsecured</b>		
Bhutan Insurance Ltd.	300,000,000	-
<b>Total Fund</b>	<b>350,000,000</b>	<b>100,000,000</b>
<b>a. Shareholders Fund</b>	<b>95,189,245</b>	<b>29,929,736</b>
<b>b. Policyholder Fund</b>	<b>254,810,755</b>	<b>70,070,264</b>
<b>B. Total Current Financial Assets</b>	<b>350,000,000</b>	<b>100,000,000</b>
<b>Grand Total [A + B]</b>	<b>1,198,199,112</b>	<b>1,174,382,782</b>

\*The repayment of principal and interest for the loan granted to M/s Ice Beverages Private Limited has been deferred in accordance with the Standard Operating Procedures (SOP) of Financial Institutions (FIs) for Loan Deferment Post-June 2024 and the Directive on Deferment, FEIF, and Loan Provisioning dated 28th September 2023, issued by the Royal Monetary Authority (RMA) of Bhutan.

Further, the RMA has approved the restructuring plan for the repayment of this loan vide its letter dated 20th November 2024.

The key terms of the restructuring plan are as follows:

(a) Deferment & Moratorium:

- The loan will have a deferment period until 30th June 2025.
- A repayment moratorium will be in place until 30th June 2026.

(b) Interest Rate & Subsidy:

- The interest rate for the entire loan portfolio is fixed at 9% p.a.
- The Company has availed ESP under RGF with a 4% interest subsidy on the loan portfolio from 1st July 2024 to 30th June 2027 (or as per RMA's future directives).

(c) Treatment of Interest Accumulated:

- Interest accrued up to 30th June 2024 will be converted into FIEF (Financial Institution Emergency Fund).
- Interest accumulated during the period 1st July 2024 to 30th June 2026 will be capitalized at the end of the moratorium period (i.e., 30th June 2026).

(d) Repayment Schedule:

- The loan tenure is 30.5 years, with repayment commencing from 1st July 2026 and continuing until 31st December 2056.
- Only interest payments will be made during the initial 8.5 years, followed by principal repayment.
- FIEF will be repaid over 11.5 years, from 1st January 2025 to 30th June 2046.

Based on the restructuring plan and approvals received, this account has been classified as a Standard Asset during the financial year.

However, given the inherent weakness in this account, the Company has made a provision of 31% on such loans as a prudent measure.

Chairperson  
GIC Bhutan Reinsurance Co. Ltd





GIC - BHUTAN REINSURANCE COMPANY LIMITED  
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

(Amount in Nu.)

5. Other Financial Assets	As on 31-12-2024	As on 31-12-2023
Interest accrued on Fixed Deposits	108,786,408	100,000,090
Interest accrued on Investments	13,297,540	13,313,425
Interest accrued on Loans and Advances	99,130,736	71,771,505
<b>Grand Total</b>	<b>221,214,684</b>	<b>185,085,020</b>

6. Investments	As on 31-12-2024	As on 31-12-2023
<u>Long Term Investments</u>		
<u>Bonds</u>		
T Bank Ltd.	35,000,000	35,000,000
Tashi Air	100,000,000	100,000,000
Bank of Bhutan Ltd.	100,000,000	100,000,000
Druk Wang Alloy	50,000,000	50,000,000
<u>Equity Shares</u>		
Druk PNB Ltd.	18,287,229	19,513,406
<u>Fixed Deposit with Banks:</u>		
Druk PNB Ltd.	1,080,000,000	711,500,000
T bank Ltd.	445,000,000	395,000,000
Bank Of Bhutan Ltd.	750,000,000	650,000,000
Bhutan National Bank Ltd.	605,000,000	175,000,000
<b>Grand Total</b>	<b>3,183,287,229</b>	<b>2,236,013,406</b>

Chairperson  
GIC Bhutan Reinsurance Co Ltd



**GIC - BHUTAN REINSURANCE COMPANY LIMITED**  
**NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)**

(Amount in Nu.)

<b>7. Current Tax Assets / (Liabilities)</b>	<b>As on 31-12-2024</b>	<b>As on 31-12-2023</b>
<b>A. Current Tax Assets</b>		
Advance Tax - Opening Balance	30,002,424	12,158,969
Add: TDS Credit during the year at source	9,038,217	9,068,813
Add: Advance Tax paid during the year	1,048,304	20,094,102
	<b>40,088,946</b>	<b>41,321,884</b>
Less: Adjustments made during the year	30,002,424	11,319,460
<b>A. Closing balance of Current Tax Assets</b>	<b>10,086,521</b>	<b>30,002,424</b>
<b>B. Current Tax Liability</b>		
Provision for Corporate Tax - Opening Balance	90,068,516	53,170,148
Add: Provision made during the year	112,898,200	90,354,089
	<b>202,966,715</b>	<b>143,524,237</b>
Less: Tax Paid during the year	60,442,544	42,136,262
Less: Adjustments made during the year	29,911,553	11,319,460
<b>B. Closing balance of Current Tax Liability</b>	<b>112,612,618</b>	<b>90,068,516</b>
<b>Net Current Asset / (Liabilities) [A - B]</b>	<b>(102,526,097)</b>	<b>(60,066,091)</b>

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GIC Bhutan Reinsurance co ltd





GIC - BHUTAN REINSURANCE COMPANY LIMITED  
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

8. Property and Equipment as per BAS (Useful Life)

Particulars	Gross Carrying Amount (in Nu.)				Depreciation / Amortisation (in Nu.)				Net Carrying Amount (in Nu.)	
	As on 31-12-2023	Additions in the year	Deletions in the year	As on 31-12-2024	As on 31-12-2023	Depreciation for the year	Adjust. in the year	As on 31-12-2024	As on 31-12-2024	As on 31-12-2023
	A	B	C	D = A + B - C	E	F	G	H = E + F - G	I = D - H	J = A - E
1. Property & Equipments										
i) Computer Equipments	14,308,659.60	222,900.00	-	14,531,559.60	10,850,854.28	1,339,650.97	-	12,190,505.25	2,341,054.35	3,457,805.32
ii) Electronic Equipment	220,316.00	124,208.00	-	344,524.00	156,796.49	53,661.56	-	210,458.05	134,065.95	63,519.51
iii) Furniture & Fixtures	7,079,111.78	228,750.00	-	7,307,861.78	1,552,142.49	716,859.24	-	2,269,001.73	5,038,860.05	5,526,969.29
iv) Gym Equipment	424,461.55	-	-	424,461.55	302,146.78	70,743.59	-	372,890.37	51,571.18	122,314.77
v) Motor Vehicles	6,840,429.00	-	-	6,840,429.00	3,591,109.05	670,835.87	-	4,261,944.92	2,578,484.08	3,249,319.95
vi) Office Equipments	2,538,093.00	-	-	2,538,093.00	1,745,289.84	329,026.72	-	2,074,316.56	463,776.44	792,803.16
2. Intangible Assets	7,966,715.00	-	-	7,966,715.00	5,087,386.94	1,246,341.89	-	6,333,728.82	1,632,986.18	2,879,328.06
<b>A. Total Property &amp; Equipment</b>	<b>39,377,785.93</b>	<b>575,858.00</b>	<b>-</b>	<b>39,953,643.93</b>	<b>23,285,725.86</b>	<b>4,427,119.84</b>	<b>-</b>	<b>27,712,845.70</b>	<b>12,240,798.23</b>	<b>16,092,060.07</b>
Capital Work-in-Progress	-	-	-	-	-	-	-	-	-	-
<b>B. Total CWIP</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total [A + B]</b>	<b>39,377,785.93</b>	<b>575,858.00</b>	<b>-</b>	<b>39,953,643.93</b>	<b>23,285,725.86</b>	<b>4,427,119.84</b>	<b>-</b>	<b>27,712,845.70</b>	<b>12,240,798.23</b>	<b>16,092,060.07</b>
PREVIOUS YEAR 2023	32,276,142.04	7,101,643.89	-	39,377,785.93	18,561,149.52	4,724,576.36	-	23,285,725.88	16,092,060.04	13,714,992.52

  
 Chairperson  
 GIC Bhutan Reinsurance Co Ltd  




GIC - BHUTAN REINSURANCE COMPANY LIMITED  
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

(Amount in Nu.)

9. Other Assets	As on 31-12-2024	As on 31-12-2023
<b>Current Assets</b>		
Prepaid Expenses	2,063,362	2,581,311
Miscellaneous Receivables	70,750	246,252
<b>Total</b>	<b>2,134,112</b>	<b>2,827,563</b>
<b>Non-Current</b>		
Security Deposits (House Rent)	690,000	690,000
<b>Total</b>	<b>690,000</b>	<b>690,000</b>
<b>Grand Total</b>	<b>2,824,112</b>	<b>3,517,563</b>

10. Reinsurance Contract Liabilities	As on 31-12-2024	As on 31-12-2023
Reinsurance Contract Liabilities	792,232,933	853,345,146
<b>Grand Total</b>	<b>792,232,933</b>	<b>853,345,146</b>

11. Trade and Other Payables	As on 31-12-2024	As on 31-12-2023
Actuarial & Audit Fees Liability	339,500	339,500
Outstanding Expense	368,439	230,015
Policyholders payment in advance	1,647,781	-
TDS Payable	270,094	435,146
Unclaimed Dividend	249,107	496,109
<b>Grand Total</b>	<b>2,874,921</b>	<b>1,500,770</b>

12. Deferred Tax Assets/ (Liabilities) (Net)	As on 31-12-2024	As on 31-12-2023
<b>Deferred Tax Asset</b>		
Remeasurements of the Defined Benefit Plans	674,713	-
<b>Deferred Tax Asset:</b>	<b>674,713</b>	<b>-</b>
<b>Deferred Tax Liabilities</b>		
Timing Difference on account of Property & Equipment	212,983	187,674
Equity Investment at Fair Value through Other Comprehensive Income	342,428	648,972
<b>Deferred Tax Liabilities:</b>	<b>555,411</b>	<b>836,646</b>
<b>Deferred Tax Assets /(Liabilities) (Net)</b>	<b>119,302</b>	<b>(836,646)</b>
<b>Grand Total</b>	<b>119,302</b>	<b>(836,646)</b>

13. Provisions	As on 31-12-2024	As on 31-12-2023
Claims Outstanding (OSLR)	2,489,398,865	2,041,635,248
Incurred But Not Reported (IBNR)	455,175,694	533,639,438
Un-Earned Premium Reserve (UPR)	723,904,620	607,265,066
Provision for Retro Premium	73,038,627	32,680,319
<b>Total</b>	<b>3,741,517,806</b>	<b>3,215,220,072</b>
<b>Employee Benefit Liabilities</b>		
Gratuity		
Defined Benefit Obligation	6,371,875	3,465,879
Less: Fair Value of Plan Assets	(3,673,021)	(2,242,451)
<b>Net Employee Benefit Liabilities</b>	<b>2,698,854</b>	<b>1,223,427</b>
Provision Against Standard Asset	70,392,574	47,684,216
<b>Grand Total</b>	<b>3,814,609,233</b>	<b>3,264,127,715</b>

  
 Chairperson  
 GIC Bhutan Reinsurance co. Ltd






GIC - BHUTAN REINSURANCE COMPANY LIMITED  
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

(Amount in Nu.)

14. Revenue from Operations	For the year 2024	For the year 2023
Gross Re-Insurance Premium Accepted	2,307,888,670	1,999,382,886
Less: Premium on Re-Insurance Ceded	(266,616,519)	(213,417,655)
Less: Adjustment for Change in Un-Earned Premium Reserve	(116,639,554)	(235,505,423)
<b>Grand Total</b>	<b>1,924,632,597</b>	<b>1,550,459,808</b>

15. Other Income	For the year 2024	For the year 2023
Income From Bond	21,884,116	16,245,453
Income From Dividend	832,247	-
Income From Fixed Deposit	193,671,152	159,235,470
Income From Investment	2,589,039	-
Income from Loans and Advances	84,466,161	73,208,948
Miscellaneous Income	157,202	2,530
<b>Grand Total</b>	<b>303,599,916</b>	<b>248,692,401</b>

16. Direct Expenses	For the year 2024	For the year 2023
Claims Paid	825,297,508	487,623,683
Change in OSLR	447,763,617	414,295,978
Change in IBNR	(78,463,744)	46,968,338
Commission	480,504,351	376,059,665
Other Expenses - Direct	4,940,264	5,013,122
<b>Grand Total</b>	<b>1,680,041,995</b>	<b>1,329,960,786</b>

17. Employee Benefit Expenses	For the year 2024	For the year 2023
Salary and Wages	27,457,962	20,987,262
Bonus	3,266,043	3,426,209
Contribution to Fund	1,766,925	1,327,067
Gratuity	1,063,309	1,223,427
Staff Welfare Expenses	416,468	468,627
Training Expenses	701,801	809,913
<b>Grand Total</b>	<b>34,672,508</b>	<b>28,242,505</b>

18. Other Expenses	For the year 2024	For the year 2023
Actuarial Fees	359,000	300,000
Advertisement & Publicity Expenses	154,640	559,165
Audit Fees & Expenses	602,354	540,632
Bank Charges	877,530	683,617
Consultancy Fees	-	800,000
Contribution to GCSC Capital Fund	350,000	350,000
CSR Expenses	501,800	323,894
Electricity Charges	162,682	164,726
Entertainment Expenses	19,055	29,459
Exchange Rate Difference	3,832,045	2,124,057
Fee, Charges & Subscription - General	3,429,876	1,872,626
Fee, Charges & Subscription - IT	3,924,279	1,753,201
General & Office Expenses	745,097	948,444
Insurance on Property & Equipment	25,535	21,656
ISO Certification & Audit Fees	853,968	838,000
Meeting Expenses	508,060	490,156
Miscellaneous Expenses	180,227	369,084
Printing and Stationery	608,474	2,256,252
Provision Against Standard Asset	22,715,894	23,464,183
Provision for Insurance Receivables	-	16,825,157
Rating Fees & Expenses	3,903,140	4,105,454
Rental Expense	5,856,600	6,010,500
Repairs & Maintenance	266,288	381,049
Sitting Fees	774,000	617,000
Telephone Fax & Internet	964,566	975,699
Travelling Expenses	5,430,701	7,481,253
Vehicle Expenses	364,872	578,054
<b>Grand Total</b>	<b>57,410,683</b>	<b>74,863,318</b>

  
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NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

(Amount in Nu.)

19. Tax Expense	For the year 2024	For the year 2023
Current Tax Expense for:		
- Current Year	112,898,200	90,354,089
- Earlier Years	-	512,003
Deferred Tax Expense	(240,519)	(353,184)
Tax expenses on Continuing Operations	112,657,681	90,512,909
Taxes on Discontinuing Operations		
Taxes on Comprehensive Income		
<b>Grand Total</b>	<b>112,657,681</b>	<b>90,512,909</b>

Reconciliation of effective tax rate:

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit Before Tax	451,680,207	361,361,022
Tax Rate	25%	25%
Income Tax Expense calculated at the effective rate	112,920,052	90,340,256
Income Tax relating to earlier years	-	512,003
Deferred Tax Expense/ (Income)	(240,519)	(353,184)
Income Tax for other adjustments	(21,852)	13,834
<b>Tax Expense as per Profit and Loss Statement</b>	<b>112,657,681</b>	<b>90,512,909</b>
<b>Deferred Tax Asset for taxable temporary differences:</b>		
On Account of Property and Equipment	(212,983)	187,674
On Fair Value gain on equity investment (FVOCI)	(342,428)	648,972
On Remeasurement of Defined Benefit Plans	674,713	-
<b>Deferred Tax Assets (Net)</b>	<b>119,302</b>	<b>836,646</b>

20. Other Comprehensive Income	For the year 2024	For the year 2023
Items that will not be reclassified to Profit & Loss:		
Fair Value gain on Equity Investments (Net of Tax)	(919,632)	1,946,916
Remeasurements of the Defined Benefit Plans (Net of Tax)	(1,226,658)	-
<b>Grand Total</b>	<b>(2,146,290)</b>	<b>1,946,916</b>

21. Earnings per Share	For the year 2024	For the year 2023
A. Absolute no. of Shares	110,000,000	110,000,000
B. Diluted no. of Shares	110,000,000	110,000,000
C. Profit attributable to the Equity holders	339,022,526	270,848,114
D. Income from Continuing Operations for the year	339,022,526	270,848,114
Basic Earnings Per Share	3.08	2.46
Diluted Earnings Per Share	3.08	2.46
Basic Continuing Earnings Per Share	3.08	2.46
Diluted Continuing Earnings Per Share	3.08	2.46

  
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**NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)**

**22. Share Capital:**

- a. The Company has only one class of shares as equity shares having a par value Nu. 10.00  
b. Holders of equity shares is entitled to one vote per share. Details are as follows:

Particulars	As on 31-12-2024		As on 31-12-2023	
	No. of Shares	Amount in Nu.	No. of Shares	Amount in Nu.
Authorised Share Capital	500,000,000	5,000,000,000	500,000,000	5,000,000,000
Issued, Subscribed and Fully paid up Equity Shares	110,000,000	1,100,000,000	110,000,000	1,100,000,000
<b>TOTAL</b>	<b>110,000,000</b>	<b>1,100,000,000</b>	<b>110,000,000</b>	<b>1,100,000,000</b>

- b. List of shares in the Company held by it's associates are as follows:

Sl No.	Name of the Shareholders	No. of Shares	
		As on 31-12-2024	As on 31-12-2023
1	Bhutanese (74%)	81,400,000	81,400,000
2	Foreigner (26%)	28,600,000	28,600,000
<b>TOTAL</b>		<b>110,000,000</b>	<b>110,000,000</b>

**22.1 Reconciliation of the shares outstanding at the beginning and at the end of the year-**

Particulars	No. of Shares	
	As on 31-12-2024	As on 31-12-2023
As at the beginning of the year	110,000,000	110,000,000
Add: Issued during the year	-	-
<b>As at the end of the year</b>	<b>110,000,000</b>	<b>110,000,000</b>

**22.2 Rights, preferences and restrictions attached to ordinary equity shares**

The Company has issued ordinary Equity Shares having face value of BTN 10 per share. Each holder of such class of Equity Shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholding.

23. Other Equity:	Amount in Nu.	
	As on 31-12-2024	As on 31-12-2023
<b>General Reserve</b>		
Balance at the beginning of the year	439,972,206	304,548,150
Add: Profit for the year	169,511,263	135,424,057
Add: Transfer from Retained Earnings	29,935,320	-
<b>Balance at the end of the year</b>	<b>639,418,789</b>	<b>439,972,206</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	135,424,057	76,450,000
Add: Profit for the year	169,511,263	135,424,057
Less: Dividend paid	(110,000,000)	(76,450,000)
Less: Transfer to General Reserve	(29,935,320)	-
<b>Balance at the end of the year</b>	<b>165,000,000</b>	<b>135,424,057</b>

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<b>Net Unrealized Gains/ (Losses)</b>		
Balance at the beginning of the year	1,946,916	-
Add: Fair Value gain on Equity Instruments (Net of Income Tax effect)	(919,632)	1,946,916
Add: Remeasurement of Defined Benefit Plans	(1,226,658)	
<b>Balance at the end of the year</b>	<b>(199,374)</b>	<b>1,946,916</b>

**Movement in Deferred Tax Liabilities and Assets during the year:**

Particulars	Opening Balance	Recognised in statement of P&L	Recognised in OCI	Closing Balance
<b>As at 31st December 2024</b>				
<b>Deferred Tax Asset</b>				
Remeasurements of the Defined Benefit Plans	-	265,827	408,886	674,713
	-	265,827	408,886	674,713
<b>Deferred Tax Liabilities</b>				
Timing Difference on account of Property & Equipment	187,674	25,309	-	212,983
Equity Investment at Fair Value through Other Comprehensive Income	648,972	-	-306,544	342,428
	836,646	25,309	-306,544	555,411
	<b>-836,646</b>	<b>240,519</b>	<b>715,430</b>	<b>119,302</b>

**Calculation of Deferred Tax Liability on account of Property & Equipment:**

Particulars	As per BAS	As per IT Act	Temporary Timing Diff.	Deferred Tax Liability/asset
<b>As on 31-12-2023</b>				
WDV of Property & Equipment	16,092,060	15,341,363	-750,697	-187,674
<b>A. Deferred Tax Assets/ (Liabilities):</b>				-187,674
<b>As on 31-12-2024</b>				
WDV of Property & Equipment	12,240,798	11,388,866	-851,932	-212,983
<b>B. Deferred Tax Assets/(Liabilities):</b>				-212,983
<b>(Increase)/Decrease in DTL[B-A] :</b>				<b>-25,309</b>





GIC - BHUTAN REINSURANCE COMPANY LIMITED  
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

**24. Impairment Loss on Trade Receivables:**

As per accounting policy of the Company an amount of Nu. NIL has been provided as Impairment Loss on Trade Receivables.

**25. Employee Benefits:**

**Gratuity:**

Amount in Nu.

Particulars	As on 31-12-2024	As on 31-12-2023
<b>A. Present value of DBO in the beginning</b>	<b>3,465,879</b>	<b>2,832,963</b>
Difference in opening figure	978,895	-
Current Service Cost	1,282,138	1,223,427
Past Service Cost	-	-
Interest Expense or Cost	311,134	129,303
Benefits paid by the plan	-	-
Benefits paid directly by the Company during the year	-	(719,815)
<b>Re-measurement (or Actuarial) (gain) / loss arising from:</b>		
Experience Adjustment (i.e., actual experience vs assumptions)	333,829	-
Change in Demographic Assumptions	-	-
Change in Financial Assumptions	-	-
<b>Present value of DBO at the end</b>	<b>6,371,875</b>	<b>3,465,879</b>
<b>B. Fair value of plan assets in the beginning</b>	<b>2,242,451</b>	<b>1,936,404</b>
Difference in opening figure	1,223,427	-
Contributions paid into the plan	1,223,427	932,259
Expected Return on the plan assets	285,431	129,303
Benefits paid from the plan	-	(755,515)
Return on plan assets greater or (less) than discount rate	(1,301,715)	-
<b>Fair value of plan assets in the end</b>	<b>3,673,021</b>	<b>2,242,451</b>
Defined benefit obligation at the year end	(6,371,875)	(3,465,879)
Plan assets at the year end	3,673,021	2,242,451
<b>Net Employee Benefit Assets/ (Liabilities) [A-B]</b>	<b>(2,698,854)</b>	<b>(1,223,427)</b>
<b>C. Bifurcation of liability</b>		
Current liability	-	-
Non - Current Asset/ (Liability)	(2,698,854)	(1,223,427)
<b>Net Asset/(Liability)</b>	<b>(2,698,854)</b>	<b>(1,223,427)</b>
<b>D. Expenses recognised in the Statement of Profit or Loss</b>		
Difference in opening figure	(244,532)	-
Current Service Cost	1,282,138	1,223,427
Past Service Cost	-	-
Net Interest Income / (Cost) on the Net Defined Benefit Liability (Asset)	25,703	0
<b>Expenses recognised in the Statement of Profit or Loss</b>	<b>1,063,309</b>	<b>1,223,427</b>
<b>E. Other Comprehensive Income</b>		
Actuarial (gains)/ losses due to Liability Experience	333,829	-
Actuarial (gains)/ losses due to Liability Assumption Changes	-	-
Return on plan assets (greater) or less than Discount Rate	1,301,715	-
<b>Remeasurement (gains)/ losses recognized in OCI</b>	<b>1,635,544</b>	<b>-</b>

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<b>F. Reconciliation of Net Financial Position</b>		
<b>Net Defined Benefit Liability/ (Asset) in the beginning of the current period</b>	1,223,427	896,559
Amount recognized in the Income Statement	1,063,309	1,223,427
Amount recognized in the OCI	1,635,544	-
Contributions paid into the plan	(1,223,427)	(932,259)
Benefits paid by employer	-	35,700
<b>Net Defined Benefit Liability/ (Asset) in the end of the current period</b>	<b>2,698,854</b>	<b>1,223,427</b>
<b>G. Acturial Assumptions</b>		
<b>Financial Assumptions:</b>		
Discount Rate per annum	7.00%	Not available
Salary Escalation per annum	6.50%	Not available
<b>Demographic Assumptions:</b>		
Mortality Rate (of IALM 2012-2014)	100%	Not available
Attrition Rate per annum	8%	Not available

*Note 1: The company contributes the last drawn monthly basic salary of all employees present at year end into a gratuity fund maintained by Bhutan Insurance Limited*

*Note 2: For 2023 the management had estimated the provisions for the future payment of gratuity and leave encashment based on management's judgement rather than an actuarial assessment. Thus, actuarial assumptions for last year is not available and adjustments have been made accordingly in the current year.*

  
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**NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)**

**26. Segment Reporting:**

Operating Segment are reported in a manner consistent with the internal reporting provided to the chief operating decision maker

**a. Identification of Report Segments:**

The Group has two operating and reporting segments; viz. Reinsurance Department and Investments Department

The operational segments are identified by the Management based on the nature of activities

Financial information about each of the operating activities segment is sent to the Board

**b. Primary Segment Information (Business Segment):**

Operating Segment Income Statement for the year ended 31st December 2024

Figures in Nu.

Particulars	For the year ended 31st December, 2024		Total
	Reinsurance	Investments	
Gross Written Premiums	2,307,888,670	-	2,307,888,670
Premium Ceded to Reinsurers	(266,616,519)	-	(266,616,519)
<b>Net Written Premiums</b>	<b>2,041,272,151</b>	<b>-</b>	<b>2,041,272,151</b>
Net Change in Reserve for Unearned Premium	(116,639,554)	-	(116,639,554)
<b>Net Earned Premium</b>	<b>1,924,632,597</b>	<b>-</b>	<b>1,924,632,597</b>
Fee and Commission Income - External	-	-	-
Fee and Commission Expense - External	(485,444,615)	-	(485,444,615)
<b>Net Fee &amp; Commission Income</b>	<b>(485,444,615)</b>	<b>-</b>	<b>(485,444,615)</b>
Interest Income - External	-	303,599,916	303,599,916
Less: Interest Expense - External	-	-	-
<b>Net Interest Income</b>	<b>-</b>	<b>303,599,916</b>	<b>303,599,916</b>
<b>Total Revenue</b>	<b>1,439,187,981</b>	<b>303,599,916</b>	<b>1,742,787,898</b>
Gross Benefit and Claims paid	(1,363,449,239)	-	(1,363,449,239)
Claims Ceded to Reinsurers	168,851,859	-	168,851,859
<b>Net Benefit and Claims</b>	<b>(1,194,597,380)</b>	<b>-</b>	<b>(1,194,597,380)</b>
Expenses relating to private Provident Fund	(1,424,355)	(342,570)	(1,766,925)
Other Operating and Administrative Expense	(67,544,040)	(27,199,346)	(94,743,386)
<b>Profit Before Tax</b>	<b>175,622,206</b>	<b>276,058,000</b>	<b>451,680,207</b>
Income Tax Expense	(43,803,537)	(68,854,144)	(112,657,681)
<b>Profit After Tax</b>	<b>131,818,670</b>	<b>207,203,856</b>	<b>339,022,526</b>
<b>Other Comprehensive Income/ (Expenses):</b>			
a. Equity Investments through Other Comprehensive Income	-	(919,632)	-919,632
b. Remeasurements of the Defined Benefit Plans	-	(1,226,658)	(1,226,658)
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-2,146,290</b>	<b>(2,146,290)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>131,818,670</b>	<b>205,057,566</b>	<b>336,876,235</b>

  
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NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

Operating Segment Statement of Financial Position as at 31 December 2024

Particulars	As at 31st December, 2024		Total
	Reinsurance	Investments	
<b>Assets</b>			
Cash and Cash Equivalents	591,923,826	-	591,923,826
Insurance Receivables	1,406,653,535	-	1,406,653,535
Loans and Advances	1,198,199,112	-	1,198,199,112
Other Financials Assets	-	221,214,684	221,214,684
Investments	-	3,183,287,229	3,183,287,229
Property and Equipment	10,607,812	-	10,607,812
Intangible Assets	1,632,986	-	1,632,986
Deferred Tax Asset	461,730	-342,428	119,302
Other Assets	2,824,112	-	2,824,112
<b>TOTAL ASSETS</b>	<b>3,209,017,271</b>	<b>3,404,501,914</b>	<b>6,616,462,599</b>
<b>Liabilities</b>			
Reinsurance Contract Liabilities	73,038,627	-	73,038,627
Trade and Other Payables	795,107,854	-	795,107,854
Tax Payable	102,526,097	-	102,526,097
Provisions	3,671,178,033	70,392,574	3,741,570,607
<b>TOTAL LIABILITIES</b>	<b>4,641,850,611</b>	<b>70,392,574</b>	<b>4,712,243,184</b>
<b>Equity</b>			
Share Capital	-	-	1,100,000,000
<b>Other Reserves:</b>			
General Reserve	-	-	634,907,526
Retained Earnings	-	-	169,511,263
Net Unrealized Gains/ (Losses)	-	-	(199,374)
<b>TOTAL EQUITY</b>	<b>-</b>	<b>-</b>	<b>1,904,219,415</b>

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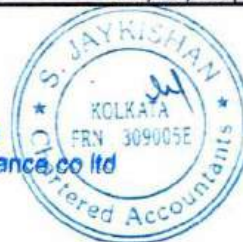
GIC - BHUTAN REINSURANCE COMPANY LIMITED  
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

Operating Segment Income Statement for the year ended 31st December 2023

Figures in Nu.

Particulars	For the year ended 31st December, 2023		Total
	Reinsurance	Investments	
Gross Written Premiums	1,999,382,886	-	1,999,382,886
Premium Ceded to Reinsurers	(213,417,655)	-	(213,417,655)
<b>Net Written Premiums</b>	<b>1,785,965,231</b>	<b>-</b>	<b>1,785,965,231</b>
Net Change in Reserve for Unearned Premium	(235,505,423)	-	(235,505,423)
<b>Net Earned Premium</b>	<b>1,550,459,808</b>	<b>-</b>	<b>1,550,459,808</b>
Fee and Commission Income - External	-	-	-
Fee and Commission Expense - External	(381,072,787)	-	(381,072,787)
<b>Net Fee &amp; Commission Income</b>	<b>(381,072,787)</b>	<b>-</b>	<b>(381,072,787)</b>
Interest Income - External	-	248,692,401	248,692,401
Less: Interest Expense - External	-	-	-
<b>Net Interest Income</b>	<b>-</b>	<b>248,692,401</b>	<b>248,692,401</b>
<b>Total Revenue</b>	<b>1,169,387,021</b>	<b>248,692,401</b>	<b>1,418,079,421</b>
Gross Benefit and Claims paid	(1,116,406,553)	-	(1,116,406,553)
Claims Ceded to Reinsurers	167,518,554	-	167,518,554
<b>Net Benefit and Claims</b>	<b>(948,887,999)</b>	<b>-</b>	<b>(948,887,999)</b>
Expenses relating to private Provident Fund	(1,108,137)	(218,931)	(1,327,067)
Other Operating and Administrative Expense	(79,789,885)	(26,713,447)	(106,503,333)
<b>Profit Before Tax</b>	<b>139,601,000</b>	<b>221,760,023</b>	<b>361,361,022</b>
Income Tax Expense	(34,966,949)	(55,545,960)	(90,512,909)
<b>Profit After Tax</b>	<b>104,634,050</b>	<b>166,214,063</b>	<b>270,848,113</b>
<b>Other Comprehensive Income/ (Expenses):</b>			
a. Equity Investments through Other Comprehensive Income	-	1,946,916	1,946,916
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>1,946,916</b>	<b>1,946,916</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>104,634,050</b>	<b>168,160,979</b>	<b>272,795,029</b>

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NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

Operating Segment Statement of Financial Position as at 31 December 2023

Particulars	For the year ended 31st December, 2023		Total
	Reinsurance	Investments	
<b>Assets</b>			
Cash and Cash Equivalents	848,428,512	-	848,428,512
Insurance Receivables	1,410,525,362	-	1,410,525,362
Loans and Advances	1,174,382,782	-	1,174,382,782
Other Financials Assets	-	185,085,020	185,085,020
Investments	-	2,236,013,406	2,236,013,406
Property and Equipment	13,212,732	-	13,212,732
Intangible Assets	2,879,328	-	2,879,328
Other Assets	3,517,563	-	3,517,563
<b>TOTAL ASSETS</b>	<b>3,452,946,279</b>	<b>2,421,098,426</b>	<b>5,874,044,706</b>
<b>Liabilities</b>			
Reinsurance Contract Liabilities	32,680,319	-	32,680,319
Trade and Other Payables	854,845,916	-	854,845,916
Tax Payable	60,066,091	-	60,066,091
Deferred Tax Liability	187,674	648,972	836,646
Provisions	3,200,588,337	47,684,216	3,248,272,553
<b>TOTAL LIABILITIES</b>	<b>4,148,368,338</b>	<b>48,333,188</b>	<b>4,196,701,526</b>
<b>Equity</b>			
Share Capital	-	-	1,100,000,000
<b>Other Reserves:</b>			
General Reserve	-	-	439,972,207
Retained Earnings	-	-	135,424,057
Net Unrealized Gains/ (Losses)	-	-	1,946,916
<b>TOTAL EQUITY</b>	<b>-</b>	<b>-</b>	<b>1,677,343,180</b>

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**GIC - BHUTAN REINSURANCE COMPANY LIMITED**  
**NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)**

**27. Related Party Transactions:**

The Company carries out transactions in the ordinary course of business with the parties who are defined as Related Parties in the Bhutanese Accounting Standard - BAS 24 (Related Party Disclosures), the details of which are reported below. The pricing applicable to such transactions is based on the assessment of risk of the Company and is comparable with what is applied to transactions between the Company and its unrelated customers.

**27.1 Transactions with Key Managerial Personnel (KMPs)**

According to Bhutanese Accounting Standard - BAS 24 (Related Party Disclosures) Key Managerial Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the entity. Such KMPs include the Board of Directors of the Company (including both Executive and Non Executive Directors), key employees who are holding directorship in Subsidiary Companies of the Company. Close Family Members (CFM) of the KMPs are those family members who may be expected to influence or be influenced by that KMPs in their dealing with the entity. They may include KMPs domestic partner and children of the KMPs domestic partner and dependents of the KMPs and the KMPs domestic partner.

**Name of Board of Directors:**

- 1 Aum Damchae Dem (Chairperson - Promoter)
- 2 Dasho Sangay Wangchuk (Director - Promoter)
- 3 Mr. Soroj Kumar Rath (GIC Re)
- 4 Mrs. Jayashri Balkrishna (GIC Re)
- 5 Mr. Kesang Wangdi (Chief Executive Officer)

**27.2 Remuneration of KMP:**

Key Management Personnel Expenses include:

Sl No.	Name	Nature of Transactions/ Loan Facility	As on 31.12.2024	As on 31.12.2023
1	Mr. Kesang Wangdi	Remuneration & Benefits	4,020,000	2,820,000
		Bonus	600,000	705,000
		Leave Encashment	300,000	200,000
		Leave Travel Concession	20,000	20,000
		Sitting Fees	180,000	144,000
2	Dasho Sangay Wangchuk	Sitting Fees	111,000	81,000
3	Aum Damchae Dem	Sitting Fees	111,000	81,000
4	Bharat Gurung	Remuneration & Benefits	1,259,625	1,204,500
		Sitting Fees	15,500	10,500
		Bonus	189,000	-
		Leave Travel Concession	20,000	-
5	Jigme Penjor	Remuneration & Benefits	739,875	540,725
		Bonus	106,313	105,000
		Leave Encashment	35,438	33,750
		Leave Travel Concession	20,000	20,000
		Sitting Fees	55,500	44,000
6	Singye Namgayel Dorji	Sitting Fees	128,000	116,000

  
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**GIC Bhutan Reinsurance co Ltd**



Sl No.	Name	Nature of Transactions/ Loan Facility	As on 31.12.2024	As on 31.12.2023
7	Tashi Dawa	Sitting Fees	142,000	116,000
8	Sonam Wangyel	Remuneration & Benefits	564,000	397,984
		Bonus	81,000	78,405
		Leave Encashment	27,000	17,850
		Leave Travel Concession	20,000	17,850
		Sitting Fees	15,500	10,500
9	Loday Zangpo	Remuneration & Benefits	805,257	586,402
		Bonus	117,210	113,456
		Leave Encashment	39,070	27,563
		Leave Travel Concession	20,000	20,000
		Sitting Fees	15,500	10,500
10	Visay Doelkar	Remuneration & Benefits	-	365,625
		Sitting Fees	-	3,500

  
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**GIC - BHUTAN REINSURANCE COMPANY LIMITED**  
**NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)**

**28. STATEMENT OF SIGNIFICANT RATIOS**

FINANCIAL RATIOS			2024	2023
<b>A</b>	<b>STABILITY RATIOS</b>			
1	Capital Adequacy Ratio	(%)	63%	60%
2	Net Worth to Total Liabilities	(%)	40.41	40.13
3	Equity Investments to (Net Worth + Insurance Fund)	(%)	0.38%	0.46%
<b>B</b>	<b>PROFITABILITY RATIOS</b>			
1	Operating Income to NetWorth- Net	(%)	23.72	21.54
2	Operating Income to Total Assets	(%)	6.83	6.17
3	Net Profit (After Tax) to Net Worth	(%)	17.80	16.15
4	Net Profit (After Tax) to Total Assets	(%)	5.12	4.62
5	Return on Core Equity (Profit After Tax)	(%)	17.80	16.17
<b>C</b>	<b>STRUCTURAL RATIOS</b>			
1	Debt/Core Equity Ratio		NA	NA
2	Long Term Debt to Net Worth		NA	NA
3	Net Fixed Assets to Long Term Debt		NA	NA
4	Net Fixed Assets to Net Worth	(%)	0.64	0.96

  
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GIC - BHUTAN REINSURANCE COMPANY LIMITED  
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

29. Financial Instruments and Related Disclosures

29.1 Determination of fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards:

**Level 1:** The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2

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

Financial Assets and Liabilities as at 31st December 2024	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Insurance Receivables	-	-	1,406,653,535	1,406,653,535
Loans & Advances	-	-	1,198,199,112	1,198,199,112
Cash & Cash Equivalent	-	-	130,173,256	130,173,256
Other Bank Balances	-	-	461,750,571	461,750,571
<b>TOTAL :</b>	<b>-</b>	<b>-</b>	<b>3,196,776,473</b>	<b>3,196,776,473</b>
<b>Investments</b>				
Fixed Deposit with Bank	-	-	2,880,000,000	2,880,000,000
Bond	-	-	285,000,000	285,000,000
Equity Shares	(1,226,177)	-	19,513,406	18,287,229
<b>TOTAL :</b>	<b>(1,226,177)</b>	<b>-</b>	<b>3,184,513,406</b>	<b>3,183,287,229</b>
<b>Other Financial Assets</b>				
Other Financial Assets	-	-	221,214,684	221,214,684
<b>TOTAL :</b>	<b>-</b>	<b>-</b>	<b>221,214,684</b>	<b>221,214,684</b>
<b>Financial Liability</b>				
Reinsurance Contract Liabilities	-	-	792,232,933	792,232,933
Trade & Other Payables	-	-	2,874,921	2,874,921
<b>TOTAL :</b>	<b>-</b>	<b>-</b>	<b>795,107,854</b>	<b>795,107,854</b>

  
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 GIC Bhutan Reinsurance Co. Ltd





Financial Assets and Liabilities as at 31st December 2023	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Insurance Receivables	-	-	1,393,700,205	1,393,700,205
Loans & Advances	-	-	1,174,382,782	1,174,382,782
Cash & Cash Equivalents	-	-	167,774,632	167,774,632
Other Bank Balances	-	-	680,653,881	680,653,881
<b>TOTAL :</b>	<b>-</b>	<b>-</b>	<b>3,416,511,499</b>	<b>3,416,511,499</b>
<b>Investments</b>				
Fixed Deposit with Bank	-	-	1,931,500,000	1,931,500,000
Bonds	-	-	285,000,000	285,000,000
Equity Shares	2,595,888	-	16,917,519	19,513,406
<b>TOTAL :</b>	<b>2,595,888</b>	<b>-</b>	<b>2,233,417,519</b>	<b>2,236,013,406</b>
<b>Other Financial Assets</b>				
Other Financial Assets	-	-	185,085,020	185,085,020
<b>TOTAL :</b>	<b>-</b>	<b>-</b>	<b>185,085,020</b>	<b>185,085,020</b>
<b>Financial Liability</b>				
Reinsurance Contract Liabilities	-	-	853,345,146	853,345,146
Trade & Other Payables	-	-	1,500,770	1,500,770
<b>TOTAL :</b>	<b>-</b>	<b>-</b>	<b>854,845,916</b>	<b>854,845,916</b>

  
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**GIC - BHUTAN REINSURANCE COMPANY LIMITED**  
**NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)**

**29.2 Financial Instruments by Category**

The following table shows fair values of financial assets and liabilities together with the carrying amounts shown in the Statement of Financial Position. The table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial Assets and Liabilities as at 31st December 2024	Amortised Cost	Fair Value through Other Comprehensive Income	Fair Value through Profit and Loss	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>					
Insurance Receivables	1,406,653,535	-	-	1,406,653,535	-
Loans & Advances	1,198,199,112	-	-	1,198,199,112	-
Cash & Cash Equivalent	130,173,256	-	-	130,173,256	-
Other Bank Balances	461,750,571	-	-	461,750,571	-
<b>TOTAL :</b>	<b>3,196,776,473</b>	<b>-</b>	<b>-</b>	<b>3,196,776,473</b>	<b>-</b>
<b>Investments</b>					
Fixed Deposit with Bank	2,880,000,000	-	-	2,880,000,000	-
Bond	285,000,000	-	-	285,000,000	-
Equity Shares	16,917,518	1,369,710	-	18,287,229	18,287,229
<b>TOTAL :</b>	<b>3,181,917,518</b>	<b>1,369,710</b>	<b>-</b>	<b>3,183,287,229</b>	<b>18,287,229</b>
<b>Other Financial Assets</b>					
Other Financial Assets	221,214,684	-	-	221,214,684	-
<b>TOTAL :</b>	<b>221,214,684</b>	<b>-</b>	<b>-</b>	<b>221,214,684</b>	<b>-</b>
<b>Financial Liability</b>					
Reinsurance Contract Liabilities	792,232,933	-	-	792,232,933	-
Trade & Other Payables	2,355,720	-	-	2,355,720	-
<b>TOTAL :</b>	<b>794,588,653</b>	<b>-</b>	<b>-</b>	<b>794,588,653</b>	<b>-</b>

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Financial Assets and Liabilities as at 31st December 2023	Amortised Cost	Fair Value through Other Comprehensive Income	Fair Value through Profit and Loss	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>					
Insurance Receivables	1,393,700,205	-	-	1,393,700,205	-
Loans & Advances	1,174,382,782	-	-	1,174,382,782	-
Cash & Cash Equivalents	167,774,632	-	-	167,774,632	-
Other Bank Balances	680,653,881	-	-	680,653,881	-
<b>TOTAL :</b>	<b>3,416,511,499</b>	<b>-</b>	<b>-</b>	<b>3,416,511,499</b>	<b>-</b>
<b>Investments</b>					
Fixed Deposit with Bank	1,931,500,000	-	-	1,931,500,000	-
Bond	285,000,000	-	-	285,000,000	-
Equity Shares	16,917,518	2,595,888	-	19,513,406	19,513,406
<b>TOTAL :</b>	<b>2,233,417,518</b>	<b>2,595,888</b>	<b>-</b>	<b>2,236,013,406</b>	<b>19,513,406</b>
<b>Other Financial Assets</b>					
Other Financial Assets	185,085,020	-	-	185,085,020	-
<b>TOTAL :</b>	<b>185,085,020</b>	<b>-</b>	<b>-</b>	<b>185,085,020</b>	<b>-</b>
<b>Financial Liability</b>					
Reinsurance Contract Liabilities	853,345,146	-	-	853,345,146	-
Trade & Other Payables	569,515	-	-	569,515	-
<b>TOTAL :</b>	<b>853,914,661</b>	<b>-</b>	<b>-</b>	<b>853,914,661</b>	<b>-</b>

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GIC - BHUTAN REINSURANCE COMPANY LIMITED  
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

29.3 Maturity Analysis (Contractual Undiscounted Cash Flow basis)

Particulars	As at 31 December 2024		As at 31 December 2023	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>Financial Assets</b>				
Insurance Receivables	1,406,653,535	-	1,393,700,205	-
Loans & Advances	350,000,000	848,199,112	100,000,000	1,074,382,782
Cash & Cash Equivalent	130,173,256	-	167,774,632	-
Other Bank Balances	461,750,571	-	680,653,881	-
<b>TOTAL :</b>	<b>2,348,577,362</b>	<b>848,199,112</b>	<b>2,342,128,717</b>	<b>1,074,382,782</b>
<b>Investments</b>				
Fixed Deposit with Bank	-	2,880,000,000	-	1,931,500,000
Bond	-	285,000,000	-	285,000,000
Equity Shares	-	18,287,229	-	19,513,406
<b>TOTAL :</b>	<b>-</b>	<b>3,183,287,229</b>	<b>-</b>	<b>2,236,013,406</b>
<b>Other Financial Assets</b>				
Other Financial Assets	58,590,675	162,624,009	149,058,993	36,026,027
<b>TOTAL :</b>	<b>58,590,675</b>	<b>162,624,009</b>	<b>149,058,993</b>	<b>36,026,027</b>
<b>Financial Liability</b>				
Trade Payables	792,232,933	-	853,345,146	-
Reinsurance Contract Liabilities	2,355,720	-	569,515	-
<b>TOTAL :</b>	<b>794,588,653</b>	<b>-</b>	<b>853,914,661</b>	<b>-</b>

  
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**GIC - BHUTAN REINSURANCE COMPANY LIMITED**  
**NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)**

**30. FINANCIAL RISK MANAGEMENT**

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

The Company is mainly exposed to:

- a) Re-insurance Risk
- b) Credit Risk
- c) Liquidity Risk
- d) Market Risk
- e) Operational Risk
- f) Geographical 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.

**a) Re-insurance Risk**

The principal re-insurance risk the Company faces is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting guidelines, as well as the use of reinsurance arrangements.

The Company considered re-insurance risk to be a combination of the following components of risks:

- \* Product Design Risk;
- \* Underwriting and Expense Overrun Risk;
- \* Claims Risk

Product Design Risk: The Company principally issues the following main types of Non- Life Insurance contracts-

- \*Engineering
- \*Motor
- \*Fire
- \*Marine
- \*Miscellaneous

The significant risk arising under the Non- Life Insurance portfolio emanates from changes in the climate leading to natural disasters, behavioural trends of people due to change in life styles and the steady escalation of costs in respect of spare parts in the auto industry.

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

Furthermore, a strict claim review process to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are put in place to reduce the risk exposure of the Company.

  
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The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as using reinsurance arrangements with GIC Re India (Credit Rating by AM Best 'B++') in order to limit exposure to catastrophic events (landslides, earthquakes, floods etc.) and large losses.

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes.

The Company uses its own risk management framework to a risk that the assumptions and techniques used in these assessments could fail or that claims arising from an unassessed event is greater than those arising from an assessed event.

#### b) 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. It also includes the risk of default by cedant 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 counterparty exposure, the Company follows a prudent credit policy which limits its investments to high-grade corporate credit in line with the investment policy and above the regulatory minimum criteria. Single counter-party exposure is monitored on a monthly basis, and any deviations require special approval.

#### c) Liquidity Risk

Liquidity Risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liability. The Company maintains portfolio of highly marketable securities that can be easily liquidated in the event of an unforeseen interruption of cash flow. The Company to mitigate the liquidity risk has maintained short term deposits.

The following table shows the remaining contractual maturities of financial assets and financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis.

31st December 2024	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	TOTAL
Insurance Receivables		1,256,025,122	150,628,413	-	-	1,406,653,535
Loans & Advances	-	150,000,000	200,000,000	407,897,035	440,302,077	1,198,199,112
Investments	18,287,229		461,500,000	2,915,000,000	250,000,000	3,644,787,229
Other Financial Assets		31,832,341	26,758,333	49,030,027	113,593,983	221,214,684
Reinsurance Contract Liabilities		764,165,487	28,586,647			792,752,134
Trade & Other Payables		2,355,720				2,355,720
Other Financial Liabilities		5,573,774				5,573,774
31st December 2023	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	TOTAL
Insurance Receivables		1,257,479,697	136,220,508	-	-	1,393,700,205
Loans & Advances		50,000,000	50,000,000	727,080,405	347,302,377	1,174,382,782
Investments	19,513,406			1,966,500,000	250,000,000	2,236,013,406
Other Financial Assets		81,983,584	67,075,409	36,026,027		185,085,020
Reinsurance Contract Liabilities		828,974,639	24,370,507			853,345,146
Trade & Other Payables		569,515				569,515
Other Financial Liabilities		2,154,683				2,154,683

  
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#### d) Market Risk

Market Risk refers to the risk of possible adverse movements in the value of assets due to changes in market factors including currency, equity price and interest rate. The current uncertainties in the local and international markets and investment climate have increased the degree of impact of market risk to the Company. The Company Risk Management Policy covers risk associated with the financial assets and financial liabilities such as interest rate risks and credit risks.

#### (i) Interest Rate Risk

The risk of interest rate volatility adversely affects 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. Any movement in the reference rates could have an impact on the Company's cash flows as well as cost.

#### a) Interest Rate Risk Exposure

The Company's investment in interest rate sensitive instruments at the end of reporting period is as follows:

Financial Assets	31-Dec-24	31-Dec-23
Investments in Bonds	285,000,000	285,000,000
Fixed Deposits with Banks	2,880,000,000	1,931,500,000
Loans and Advances	1,198,199,112	1,174,382,782
	<u>4,363,199,112</u>	<u>3,390,882,782</u>

#### b) Interest Rate Sensitivity Ana

Profit or Loss is sensitive to higher/ lower interest income from investments as a result of changes in interest rate

Particulars	Impact on Profit Before Tax	
	31-Dec-24	31-Dec-23
Interest Rates - Increase by 50 basis points (50 bps) *	21,815,996	16,954,414
Interest Rates - Decrease by 50 basis points (50 bps) *	(21,815,996)	(16,954,414)

\* Holding all other variable constant

#### (ii) Currency Risk

Currency Risk is the risk of fluctuation of fair values or future cash flows of a financial instrument due to change in exchange rates. The Company's principal transactions are carried on in Bhutanese as well as other currencies. The foreign exchange risk arises primarily with respect to the US Dollar and other currency denominated assets maintained in order to honor liabilities of foreign currency denominated insurance policies sold in the ordinary course of business. However, Receivables and Payables were recorded in Bhutanese currency after converting them with exchange rates at the reporting date.

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#### e) 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 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 implementation 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 reinsurance where this is cost effective.

#### f) Geographical Risk

Geographical Risk is the risk that an occurrence within a geographical locations have an adverse effect on the bank directly by impairing the value through an obligors ability to meet its obligation to the bank.

### B. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share-holders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders.

  
**Chairperson**  
GIC Bhutan Reinsurance co ltd







# **NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS**

- A. The Company has received/ paid the following foreign currency during the year under different heads:

## Inflows:

Insurance Premium Received	USD	2,392,147.90	Received
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## Outflows:

Insurance Claims	USD	911,884.15	Paid
Insurance Premium (Retro)	USD	412,091.58	Paid
Bank Charges	USD	4,433.34	Paid
Fees, Charges, & Subscriptions	USD	71,212.15	Paid
General Travelling Expenses	USD	13,500.00	Paid

## **B. LOANS AND ADVANCES**

### **Provision Against Standard Assets**

The Company had made provision of Nu. 70,392,573.50

The following transactions were discussed and agreed to incorporate in the books:

1. To provide provision against the loan to Ms. Ice Beverage Private Limited @ 31%
2. To provide provision to staff loan @ 1%
3. To provide provision to Thundrel apartment @ 1%
4. To provide provision to Burgangchhu Hydro Power Project @ 1%
5. To provide provision to Suchhu Hydro Power Project @ 1%
6. To provide provision to Yungichhu Hydro Power Project @ 1%

Particulars	Principal Outstanding	Provision
M/s Ice Beverage Private Limited	219,701,941.31	68,107,601.80
Loan to Staff	3,927,170.22	39,271.70
Thundrel Apartment	150,000,000.00	1,500,000.00
Burgangchhu Hydro Power Project	16,220,000.00	162,200.00
Suchhu Hydro Power Project	28,270,000.00	282,700.00
Yungichhu Hydro Power Project	30,080,000.00	300,800.00
<b>Total</b>	<b>448,199,111.53</b>	<b>70,392,573.50</b>

- C. The company has not entered into any contract with directors in which the director has direct or indirect material interest.

## **D. SITTING FEES**

The Directors of the company have been paid Nu. 774,000.00 as sitting fees during the year.

E. UNCLAIMED DIVIDEND

2017

The Dividend, which was declared in the Financial Year 2017, still has a balance unclaimed of Nu. 69,088.46

Dividend Declared	Nu. 15,000,000.00
Less: Dividend Paid Out	<u>Nu. 14,930,911.54</u>
Balance Unclaimed	Nu. 69,088.46

2022

The Dividend, which was declared in the Financial Year 2022, still has a balance unclaimed of Nu. 99,694.26

Dividend Declared	Nu. 76,450,000.00
Less: Dividend Paid Out	<u>Nu. 76,350,305.74</u>
Balance Unclaimed	Nu. 99,694.26

2023

The Dividend, which was declared in the Financial Year 2023, still has balance unclaimed of Nu. 81,788.00

Dividend Declared	Nu. 110,000,000.00
Less: Dividend Paid Out	<u>Nu. 109,918,212.00</u>
Balance Unclaimed	Nu. 81,788.00

The balance is still remaining unclaimed as the shareholders did not update their contact and banking details after several announcement.

- F. Previous year's figures have been reclassified/ regrouped / rearranged wherever necessary. The accompanying notes are an integral part of these financial statements.

As per our report of even date

For S. Jaykishan  
Chartered Accountants  
FRN. 309005E

*Ritesh Agarwal*  
(CA RITESH AGARWAL)  
Partner  
Membership No: 062410  
Date: The day of March, 2025  
Place: Kolkata



For and on behalf of the Board of Directors

*[Signature]*  
CHAIRMAN  
Chairperson  
GIC Bhutan Reinsurance co ltd

*[Signature]*  
CEO

Place: Thimphu