

BOARD OF DIRECTORS REPORT

VISION



To deliver high quality postal and related services that will enhance the well-being of the Bhutanese people, thereby contributing to making Gross National Happiness (GNH) a reality.

MISSION



- Serve as a catalyst for country's socio- economic development
- Perform at par with best in the region
- Become financially sustainable and comfortable
- Be a preferred organization to work
- Be No. 1 in chosen areas of business

BOARD OF DIRECTORS



CHAIRMAN

Dasho Phuntsho Tobgay
Secretary,
Ministry of Information and Communications



DIRECTOR

Mr. Jigme Namgyel
Director
Directorate Services
Ministry of Finance



DIRECTOR

Ms. Rinchen Lhazom
Chief
Department of Trade
Ministry of Economic Affairs



DIRECTOR

Mr. Karma Nidup
Chief Executive Officer
Meto Transport



DIRECTOR

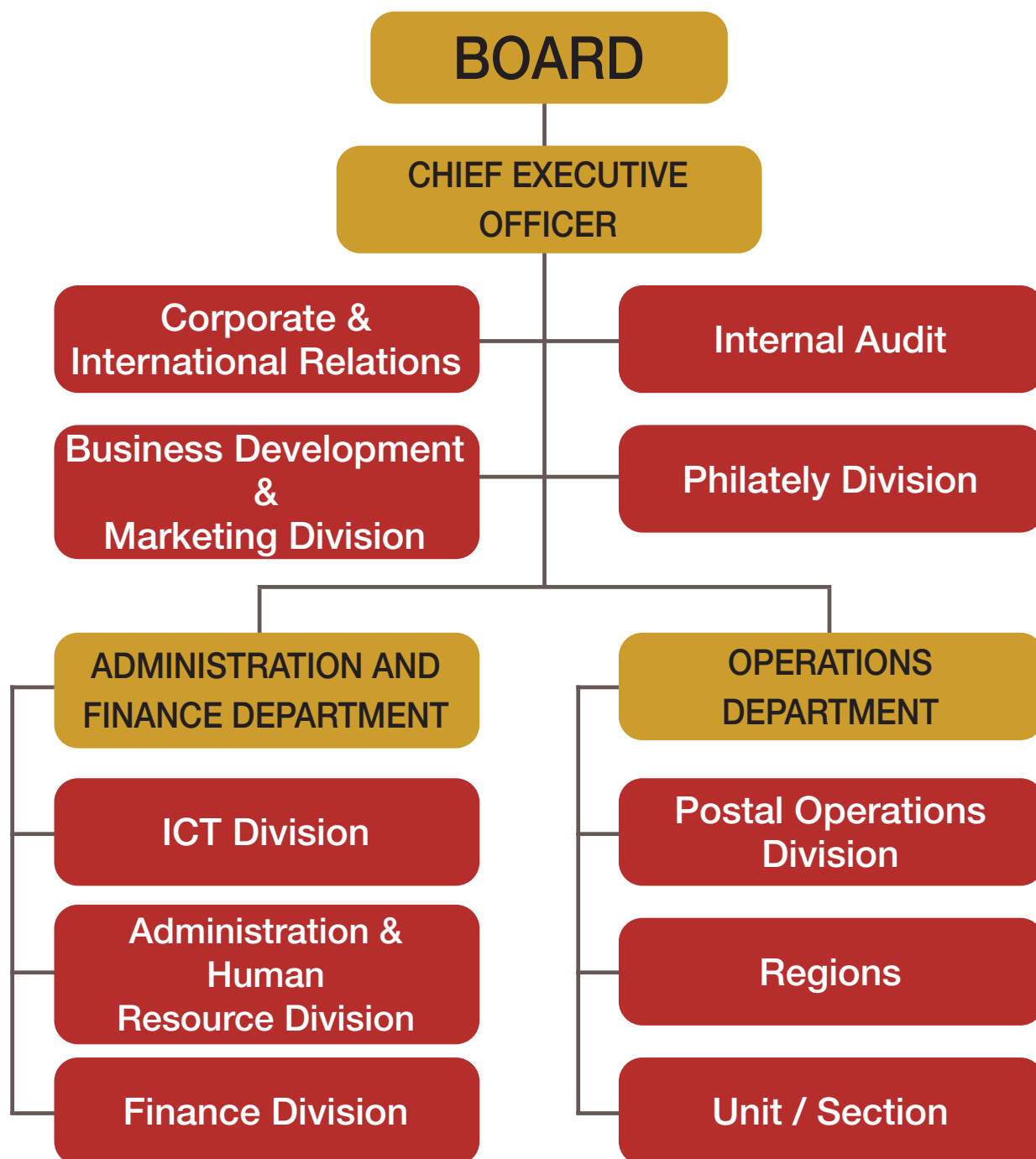
Mr. Dilli Ram Dhungyel
General Manager
NGN Enterprise



DIRECTOR

Mr. Karma Nidup
Chief Executive Officer
Bhutan Post

ORGANIZATION CHART



BHUTAN POST MANAGEMENT TEAM

CORPORATE HEAD OFFICE

1	Chief Executive Officer	Mr. Karma Nidup
2	General Manager, Postal Operations Division	Mr. Jigme Tenzin
3	General Manager, Corporate & International Relations & Bhutan Postal Museum	Ms. Tshering Chhokie
4	General Manager, Philately Division	Ms. Norbu Zangmo Dorji
5	Head, Information & Communication Technology Division	Mr. Jamyang Phuntsho
6	Head, Internal Audit Unit	Mr. Tashi Phuntsho
7	Head, Admin & Human Resources Division	Mr. Tshewang Rinzin
8	Head, Business Development & Marketing Division	Ms. Kezang Norden Dekar
9	Head, Finance Division	Ms. Rinchen Zangmo

REGIONAL OFFICES

1	Regional Manager, Western Region	Mr. Thinley Wangchuk
2	Regional Manager, Southern Region	Mr. Damcho Tshering
3	Regional Manager, Central Region	Ms. Sonam Cheki
4	Regional Manager, Eastern Region	Ms. Dawa Norbu

BOARD OF DIRECTORS REPORT 2020

INTRODUCTION

On behalf of the Board of Directors, I am pleased to present the annual report on the performance and activities of Bhutan Postal Corporation Limited for the financial year 2020.

I am pleased to note that Bhutan Post has been able to sustain itself from revenues earned from its businesses without direct subsidy from the Government in the last many years. The Covid 19 pandemic has greatly affected the activities and revenue for Bhutan Post as international flights were suspended and no international visitors. In addition, the operation and management of city bus is no longer with Bhutan Post for which it was receiving 15% commission from the total revenue earned from its operations.

One of the main revenue earners for Bhutan Post is Philately for which international visitors are the main customers. The Covid 19 pandemic saw no visitors to Bhutan which led to decline in revenue for Philately and also some extent the international mail. Alternate flight cost more for carriage of mail and some countries did not

open their postal network. However, Bhutan Post has been able to generate some income from domestic ecommerce as online retailers started to use the Post for sending their goods to customers within Bhutan. 2020 saw net loss for the company as compared to the past years.

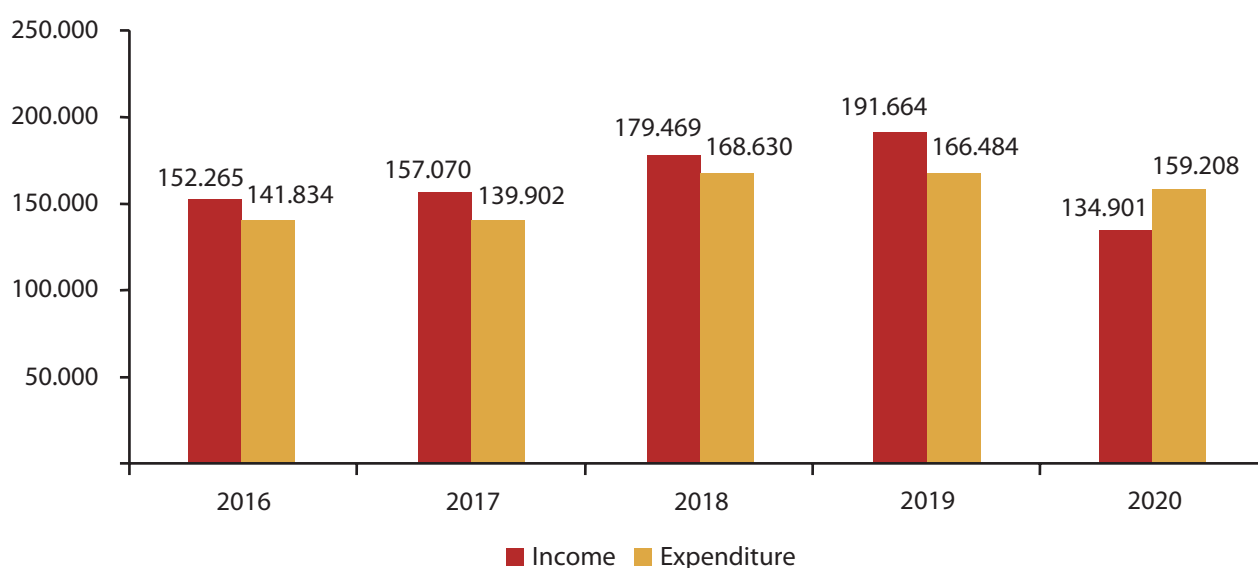
REVENUE, EXPENDITURE AND NET PROFIT for 2020

a) Revenue

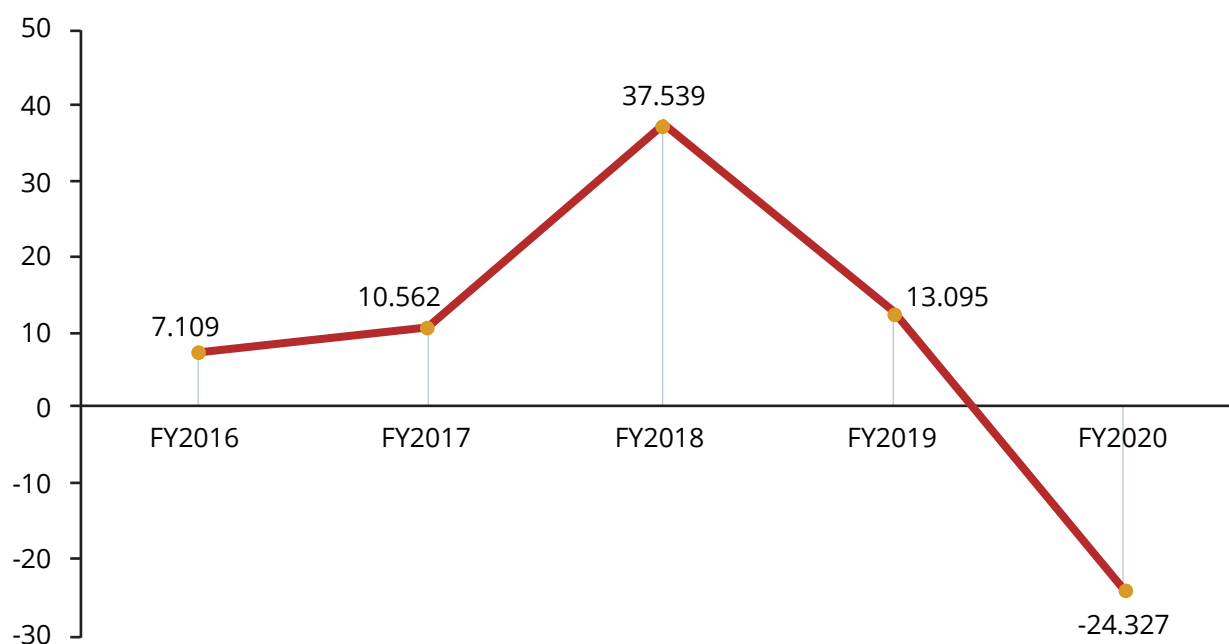
The Corporation earned gross revenue of **Nu.134.901 million** in 2020. In 2019, the gross revenue was **Nu.191.664 million**. Compared to 2019, the revenue in 2020 has decreased by **Nu.56.763 million** or **30%**.

b) Expenditure

The Corporation incurred a total expenditure of **Nu.159.207 million** in 2020. The total expenditure for the financial year 2019 was **Nu.166.484 million**. Compared to 2019, the expenditure for 2020 decreased by **Nu. 7.277 million** or **4.37%**.



Net profit



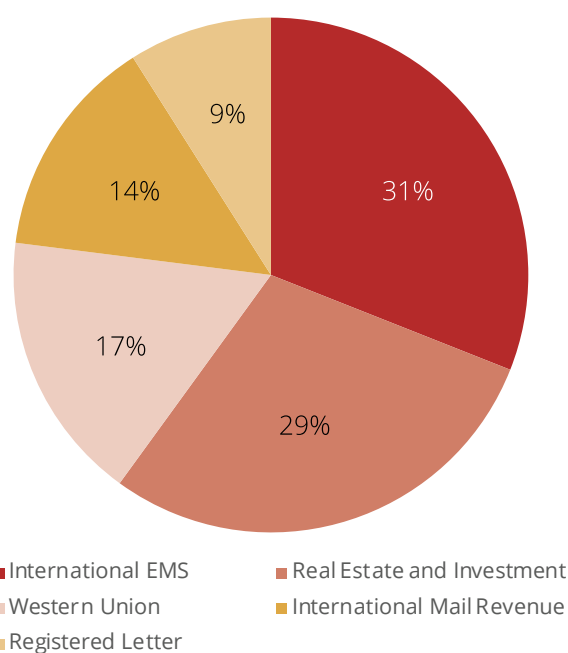
c) Net Profit/Loss

In 2020 the company has a net loss of **Nu. 24.327 million**. In 2019 the net profit was **Nu. 13.095 million**. Compared with 2019, the net profit for 2020 decreased by **Nu. 37.422 million**.

d) Revenue Share of Top 5 Businesses

In 2020, the top five revenue earners were Express Mail Service (EMS), Real Estate and

Investment, Western Union Money Transfer (WUMT), International Mail Revenue (IMR), and Registered Letter. The top five businesses earned **Nu.98.250 million** of the total revenue. Their share of revenue as a percentage of total revenue was as follows:



e) Real Estate & Investment

In 2020, revenue from Real Estate & Investment was **Nu.28.432 million** against **Nu. 24.268million** in 2019. Compared with the revenue in 2019 that is an increase by **Nu. 4.16 million** or **17%**.

f) Western Union Money Transfer (WUMT)

Bhutan Post has been collaborating with the Western Union since 2002 for transfer of money between Bhutan and about 200 countries (inbound remittances, with outbound only to India). The revenue for 2020 was **Nu.16.864 million** against **Nu.17.865 million** in 2019 which is decrease by **Nu.1.001 million** or **6%**.

g) FedEx and TNT

Bhutan Post signed Joint Operating Agreement with TNT on 22 January 2017 for providing TNT service to customers in

Bhutan. The service is expected to provide our customer with more options for importing and exporting urgent documents and non-document items.

The revenue in 2020 was Nu.1.577 million for FedEx and TNT combined against Nu.3.708 million in 2019, which is a decrease of Nu.2.131 million or by 57%.

h) Statutory Audit Observations

JIGMI Audit & Financials Pvt. Ltd., Thimphu, Bhutan, appointed by the Royal Audit Authority (RAA) as Statutory Auditors for 2020, audited the Corporation's accounts and operations for the year 2020. One (1) observation have been made by the auditors for the year 2020 against Nine (9) observations in 2019.

KEY ACHIEVEMENTS IN 2020

1. Digital Marketing

With digitization becoming everyday part of life, Bhutan Post carried out marketing of products and services using technology. We also resorted to social media marketing as many people are hooked onto social media. We created our official facebook page in July 2020 and it is currently followed by about 6k users. Initially content management was done in house, with the help of our designer on page designs for new posts and existing video clips on products/services were streamed using the FB page. To manage and popularize social media account, later towards end of the year, a private digital marketing firm was deployed to assist us with our digital marketing needs.

With the starter package, following activities were carried out:

List of activity streamed on face book page

- ✓ In house management;
 1. Notification- 10 post
 2. General Updates- 22 post
- 3. Existing video clips- WUMT, EMS
- 4. Products and services updates on- GNH corner, Domestic ecommerce.
- ✓ Private digital marketing firm
 1. LUM- Local urgent mail marketing
 2. HiVE system with info graphics 60sec- Hire Vehicle system promoted
 3. Postal pay (Eurogiro)
 4. Facebook page boost Paid Marketing
 - ✓ Products and services of Bhutan post general post- 10 sec. info graphics
 - ✓ Bhutan Post Logo 10 sec info graphics
 - ✓ Email Marketing on upcoming eAuction site

2. BNB Agency banking:

Bhutan Post collaborated with Bhutan National Bank, to provide Financial and Non-financial services through the post offices across the country. The banking service "NGOTSHAB" was officially launched on 11th march 2020. Initially, as pilot, the services were operationalised only in six post offices namely Dzong PO, Paro PO, Wangdue PO, Punakha PO, Gasa PO and Haa PO. Later it was extended to other post offices like Tsimasham, Drujeygang, Zhemgang, Bumthang, Pemagatshel, and Deothang.

This is an agency service on commission basis. Banking services listed below are made available through postal outlets;



Sl.No	Types of Services
1	On -Us Transaction (Cardless and Card based Transaction)
	a. Balance Enquiry??
	b. Mini Statement
	c. Cash Deposit
	d. Cash Withdrawal
	e. Fund Transfer
2	Acquirer Transaction (Card based Transaction)
	a. Balance Enquiry??
	b. Mini Statement??
	c. Cash Withdrawal??
3	Mobile Recharge (Card less and Card based Transaction)
4	Utility Bill Payment
	a. BPC Electricity Bill Payment
	b. NPPF Rent Payment
	c. DrukCom TV Bill Payment
	d. Etho Metho TV Bill Payment
	e. Tashi Cell
	f. Norling

This service was put to use during the second nationwide lockdown where payment for WUMT and other fund transfers were made using the agency banking POS.

3. Delivery within City:

i) Delivery of medicines in times of emergency situations:

In collaboration with the relevant stakeholders, Bhutan Post carried out the delivery for medicines during the second lockdown from 20th December 2020 to 30th January 2021. Bhutan Post is also facilitating medicine orders from Jaigoan, India to bring into Bhutan. This initiative was taken following the first lockdown in the country. This service shall be extended to Thimphu and other dzongkhags as per the public requirement.

ii) Collaborate with existing online stores for physical delivery:

Some of the online stores that are currently in operation are Sherza ventures, Zala.bt, oneclickshopbhutan.com, bhutansmartshop.com, chunidingfood.com, azhapasa.com and 8elevenbhutan.bt. Currently these stores have their own capacity to deliver and none of the stores are using Bhutan Post. Initial discussions to see the possibility of taking up the delivery to ease the growing online demands have been initiated with these stores. Currently, Bhutan Post is delivering online goods for zala.bt and deliver of books for Booknese.com. We are also in the process of reviewing our rates and offer customized delivery rate to attract the promoters.

4. Internal Audit Charter

The role of Internal Audit has become increasingly necessary with the changing business and regulatory needs and to minimize fraud and irregularities in the organization. It was therefore, felt necessary to put in place an Internal Audit Charter. Therefore, the Internal Audit Charter 2020 has been adopted and implemented keeping in view of the regulations of regulatory agencies.

The Internal Audit Charter 2020 has been formulated with the objective to provide necessary guidance to the Board Audit Committee and the Internal Audit of Bhutan Post to undertake the internal audit functions in accordance with the laws and regulations issued by regulatory agencies.

It is a formal document providing authority and defining roles and responsibilities of Internal Audit. It ensures uniformity and consistency in the Internal Audit functions in the organization.

5. Increase in Domestic Mail Volume

The domestic registered mail and domestic EMS has seen an increase of about 26.6% and 15% respectively. This is mainly due to the uniformity of rates, reach and security while sending through post. The restriction on movement of people due to the Covid pandemic and increase in domestic online shopping has also contributed to the increase.

6. Stamp Advisory Committee and its Guideline Reviewed

The Stamp Advisory Committee and Guidelines was formed in 2009. This Committee is responsible for evaluating and recommending appropriate themes, designs, provide extensive judgment in various areas that influence subject matter and beauty of the Bhutanese postage stamps. It advises Bhutan Post and the Government on general philately matters was reviewed.

The members are appointed from different backgrounds reflecting a wide range of educational, artistic, historical and professional expertise.

The Guidelines of the Committee has not been revised since its inception. As there was a need to review and revise the guidelines as some of the clauses were not relevant and some contradictory, the Stamp Advisory Guidelines was reviewed and revised in 2020.

7. EMS Ranking in the World

Bhutan Post adopted EMS Award Standard as one of its targets since 2014 with an objective of improving the quality of service to its customers and make it comparable to the best in the world. Had the EMS Award for 2020 was implemented without suspension Bhutan Post would have been awarded the Silver for 2020. Bhutan Post achieved the following results from 2018 to 2020:

8. EMS Customer Care Award 2020

Year	World Ranking
2018	8
2019	19
2020	5

EMS customers deserve excellent service when sending items internationally. Each year EMS Cooperative members' customer service performance is measured by EMS Unit of the Universal Postal Union. Only when EMS member

postal operators achieve the high-standards set out in the EMS Cooperative's Business Plan they receive an EMS customer care award in recognition of the quality of their customer service call centre.

The new customer care system, i-Care was officially launched in July 2020 as a centralized UPU-owned solution, the sole customer care system to be used for EMS-related inquiries. At its September 2020 meeting the EMS Cooperative Board agreed to base the 2020 EMS customer care awards on the results of the i Care system from 1 September to 31 December 2020. Based on the EMS customer care award criteria for 2017–2020, 15 designated operators have achieved the award standards for 2020, and Bhutan Post is one among them for the second consecutive year. The UPU plans to award the certificate in 2021.

9. QSF Awards for Projects evaluated in 2019 and 2020 by the UPU

The UPU QSF recognises designated operators for their outstanding achievements in implementing quality of service projects measured by:

- Compliance with project timelines, budget and financial rules
- Measurable improvements in quality of service assessed through quality objectives and quality performance indicators
- Sustainability of project results assessed at least 2 years upon completion of the project

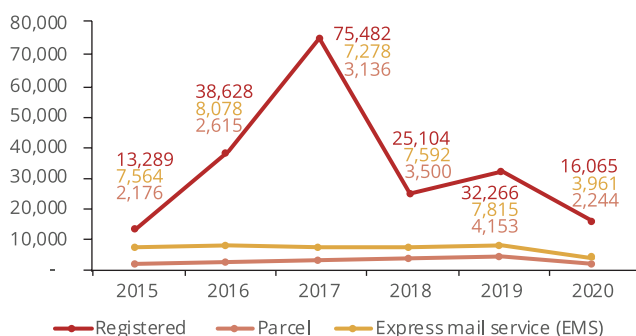
The UPU has notified that Bhutan Post is among 14 designated operators that qualified for the QSF Awards for Project titled "Migration of IPS Light to IPS.POST" implemented evaluated in 2020. The Award certificates will be sent to Bhutan Post by the UPU through mail in 2021.

OPERATIONAL HIGHLIGHTS

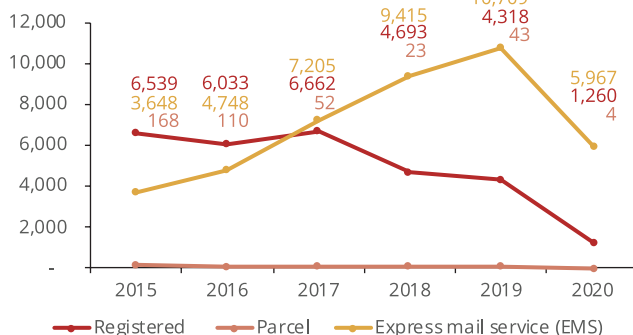
i) International Mail Volume:

The outgoing and incoming mail volume for registered mail saw a decrease in 2020. Parcels also saw a slight decrease in outgoing and incoming volume in 2020 as compared to 2019 and there is also decrease in the volume of outgoing and incoming EMS in 2020 compared to 2019 due to Covid 19 pandemic.

INTERNATIONAL MAIL (INCOMING)



INTERNATIONAL MAIL (OUTGOING)



ii) Transport, Cargo & Logistics:

The revenue from transport, cargo and logistics for the year 2020 was **Nu.3.068 million** against **Nu.11.197 million** in 2019. There was a decrease by increase by **Nu.8.849 million** or **73%** compared with its revenue in 2019.

iii) Philately:

The revenue from Philately for the year 2020 was **Nu. 3.035 million** against **Nu. 19.440 million** 2019. Compared to the revenue in 2019, the revenue in 2020 has decreased by **Nu. 16.408 million** or **84%**. Bhutan Post issued the following stamps in 2020:

1. Lunar Rat Year 2020 issued on 7th February 2020



2. Birth Centenary of the Father of Nation of Bangladesh on 17 March 2020

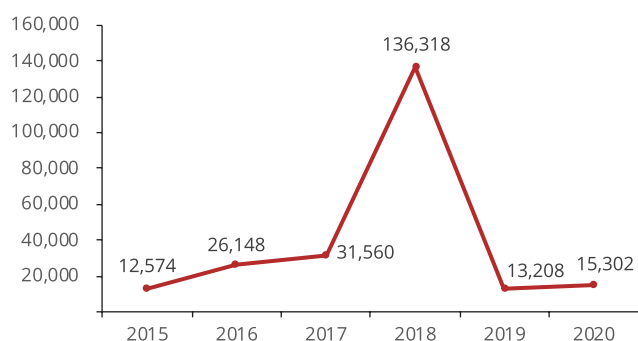


iv) Express Mail Service (EMS)

The revenue for domestic for the year 2020 was **Nu.6.26 million** against **Nu.6.09 million** in 2019. Compared to the revenue for domestic EMS in 2019, there was an increase by **Nu.0.17 million** or **3%** in 2020.

The revenue for international EMS for the year 2020 was **Nu.30.610 million** against **Nu.41.31million** in 2019. Compared to the revenue for international EMS in 2019, there was a decrease by **Nu.10.70 million** or **26%** in 2020. The decrease is largely due to decrease in traffic due to Covid 19 pandemic.

DOMESTIC EMS



v) Real Estate & Investment

In 2020, revenue from Real Estate & Investment was Nu.28.432 million against Nu.24.268 million in 2019. Compared with the revenue in 2019 that is an increase Nu.4.16 million or 17%.

vi) Western Union Money Transfer (WUMT)

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vii) FedEx and TNT

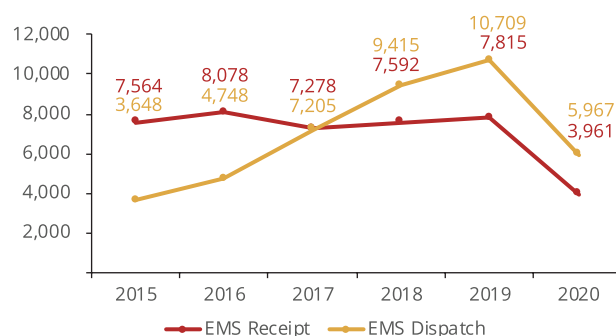
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OTHER SERVICES

The revenue earned as commission from Express Money Order (eMO) with India increased from Nu. 0.112 million in 2019 to Nu. 0.128 Million in 2020. It increased by Nu. 0.016 million or 15%.

INTERNATIONAL EMS



The revenue earned as commission from Fax Money Order revenue in 2020 saw a decrease from Nu. 0.419 million in 2019 to Nu.0.130 million in 2020 recording a decrease of Nu.0.289 million or 69%. This is due to increasing reach of Financial Institutions and ATM machines. However, the service is popular where commercial banking services are not available.

Delivery of Pension

Bhutan Post has been disbursing pension to pensioners having account with Bhutan Post since 2006. Pensioners have been advised to transfer their pension accounts with Banks as notified by NPPF in an effort to disburse pension delivery.

As of 31st December 2020, Bhutan Post paid pensions to 222 pensioners and the total amount paid from Post Offices was over Nu. 679.929.

HUMAN RESOURCE

As of December 2020, there were a total of 208 employees in Bhutan Post. Of these 79 were females and 129 were males. There were 208 regular employees at the headquarters and post offices,

- Regular employees : 208
- Contract Employees : 30
- Temporary employees : 5

1. Recruitment: During the year 2020, Bhutan Post did not recruit any new employees

2. Transfers: A total of 7 staff members at various levels were transferred within the Bhutan Post Headquarters and Thimphu GPO which included Dy. Manager, Sr. Manager, Asst. Manager, supervisor, Postman and Driver

3) Separation and Resignation: During the year, a total of 9 employees left the corporation.

Corporate Social Responsibility and Social Mandates

Bhutan Post benefited due to interest waiver derived on Construction loan due to COVID situation during the year amounts to Nu. 4.409 million, as detailed under.

Equally, the company had also provided services during the year in response to the Covid-19 pandemic by providing services such as (a) Medicine delivery that Phuentsholing and Thimphu; (b) Delivery of

essential service during the lockdowns; (c) door to door delivery of medicines to about 2969 customers; and (d) payment of Western Union Money Transfer (WUMT) during the lockdown among others. The abstract of the services is as below:

Way Forward including opportunities and Initiatives

1. Postal Financial Services:

- Digital Financial Services:** As approved by RMA, Bhutan Post will start with inward remittance and scale on to other services of later. The activities completed are:
- Stock Brokerage:** Bhutan Post will act as a brokerage firm would diversify our services, and at the same time benefit the rural population in terms of easy access to service.

Loan Amount (Nu.)	Interest Waiver-Period	Waiver (%)	Amount Waived (Nu.)	Lending Institute
44,500,000 @ 8.5% p.a for Phuntsholing Construction	1 Apr - 30 Sep 2020	100%	1,696,759.40	BOB
	1 Oct - 31 Dec 2020	50%	419,465.38	
150,000,000 @ 7.62% p.a for Gelephu Construction	1 Apr - 30 Sep 2020	100%	2,632,683.06	BOB
	1 Oct - 31 Dec 2020	50%	660,534.12	
Total Benefit from Interest Waiver			5,409,441.96	

Sl.No	Particulars	Expense head	Amount
1	Monetary contribution to COVID Relief Fund	Staff Welfare	150,000.00
2	Guest House		519,200.00
3	Transportation		82,253.00
4	Driver		21,000.00
5	Rental Waiver		500,446.85
6	Local Transportation		3,30,000.00
7	Medicine & Essential delivery services		3,358,206.00
Total			3,858,652.85

We have our presence in all the twenty Dzongkhags and reach till the 205 Gewogs. Moreover, our offices in the satellite area are centrally located and easily accessible. Through these locations, we are looking at optimizing the network in terms of service delivery. Bhutan Post has identified RSEBL as one of our stakeholders to take their service to the rural population.

- c) **Agent for insurance:** Bhutan Post in collaboration with RICBL will deliver their insurance products using our PO network. As required, we have nominated Postmasters who will act as agents for this service. Following the submission of the list, RICBL conducted training to these nominated Postmasters. We will be rolling out the services soon.

2. E-Commerce-Auction of stamps:

- a) Bhutan Post has initiated the e-auction for stamps. This initiative is to sell stamps online to international customers and dealers. The main purpose for the initiative is to market and sell the huge inventory of stamps lying in the Philately Store. A working team and we are also working closely with the Royal Security Exchange of Bhutan to use their digital auctioning platform. Tests have been carried out and the service is due for launch soon.
- b) **National eCommerce Portal:** This is an eCommerce platform envisaged to cater to the business needs of every Bhutanese and thereby promote Bhutanese products in the international market. The platform is to bring together stakeholders with defined roles and responsibilities so that it successfully caters to the growing needs of SME market expansion in Bhutan and in particular help our youth by providing a market place to sell the produces. Taking into view Bhutan Post's easy access to both sellers and buyers, and who has experience in the similar business line, Bhutan Post has been identified as would

be in a better position to manage the system. Bhutan Post has been identified as an Aggregator to take the platform forward and steer this platform is seen to be vital for the success of this project. Currently, discussion on business model details etc is on-going.

3. Logistics

Implementation of HiVe: Logistics has been one of the core thrust areas for Bhutan Post. To scale up our engagement in the area, instead of investing and owning fleet of trucks which we feel would be very challenging, we would like to use ICT. We have therefore developed a mobile application for the purpose. Named HiVe, the app will connect truckers and customers for hiring of trucks from one part of the country to another. With this system Bhutan Post will become an intermediary between the truckers and customers and make the logistic system in the country efficient and cost effective. Bhutan Post will charge a fee for every time the app is used to hire a truck. The concept is based on that of Uber. Initially, Bhutan Post has started with our own fleet of vehicles in Thimphu and Phuentsholing and then will expand to private operators.

OTHERS

Postal Insurance

As per the UPU Regulations, Postal Entities are required to compensate the customers in case of loss or damage of items sent through post as EMS, Parcel and Registered items. The designated operator should have an arrangement with an insurance provider to cover such risk. With an increase in domestic and international postal traffic due to COVID situation, it is likely that loss and damage cases of items while with post may increase. To cover such risk and to facilitate prompt compensation of customers, Bhutan Post in collaboration with RICBL will facilitate providing insurance for the actual value of the item from the PO counter without having to visit RICBL office.

CONCLUSION

2020 was a not a very good year for Bhutan Post. The revenue for the corporation declined as did the profit margin. As flight schedules got cancelled or rescheduled and countries suspended some of the services and Bhutan did not receive any international visitors due the Covid 19 Pandemic, postal services saw a decline in its international mail services and revenue. However, domestic EMS saw a slight increase in revenue compared to 2019.

In terms of customer service, Bhutan Post fulfilled the standards set out by the EMS Cooperatives for 2020 and Bhutan Post is among 18 Designated Operators who have achieved the customer service award standards for 2020. However, the UPU decided to cancel the EMS performance Awards for 2020 given the global pandemic situation due to Covid 19.

We are committed and confident to continue all round improvement and growth, and service to the people of Bhutan.

Acknowledgement

I would like to congratulate the Chief Executive Officer and the employees of Bhutan Post for making the efforts to generate revenue and yet maintain customer relations even during tough times posed by the Covid 19 pandemic. The various initiatives for digitalization of services and also new activates have been commendable in terms of implementation of the activities. We look forward for these initiatives to bring financial benefits and also benefit the customers.

I would like to thank the Board of Directors for their valuable contributions and guidance provided to the Corporation in 2020.

I also wish to express our gratitude to the Royal Government of Bhutan, Universal Postal Union, Asia in Pacific Postal Union, India Post, Thailand Post and our business partners for their continued support to Bhutan Post.

Our appreciation and thanks are due to the Royal Audit Authority and Statutory Auditors for their continued support and guidance.

Finally, I thank our valued customers for their continued support and patronage.

Tashi Delek

(Dasho Phuntsho Tobgay)
Chairman

AUDITOR'S REPORT & FINANCIAL STATEMENTS



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JIGMI Audit & Financials

(A Private Limited Company)

Independent Auditor's Report on the Financial Statements for the year ended 31 December 2020

To
The Shareholders of Bhutan Postal Corporation Limited (BPCL)
Thimphu

Opinion

We have audited the financials statements of Bhutan Postal Corporation Limited ('the Company'), which comprises the Statement of Financial Position as at 31 Dec. 2020, and the Statement of Comprehensive Income, Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 Dec. 2020, and its financial performance and cash flows for the year then ended in accordance with Bhutanese Accounting Standards for Small and Medium Enterprises (BAS for SMEs).

Basis for Opinion

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 this report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bhutan and we have fulfilled our ethical requirements in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with BAS for SMEs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these 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 audit report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from

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འཛིགས་མེད་རྩིས་ཞིབ་དང་དངུལ་འབྲེལ།

JIGMI Audit & Financials

(A Private Limited Company)

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 financials statements.

As part of audit in accordance with ISAs, we have exercised professional judgment and maintained professional skepticism throughout the audit. Our additional responsibilities are:

- i. To identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control;
- ii. To obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- iii. To evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- iv. To 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- v. To evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management, among others, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public



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འཛིགས་མེད་རྩིས་ཞིབ་དང་དངུལ་འབྲེལ།

JIGMI Audit & Financials

(A Private Limited Company)

disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 266 of the Companies Act of Bhutan 2016, we enclose the Minimum Audit Examination and Reporting Requirements as Appendix I with statements on the matters specified therein to the extent applicable.

Further, as required under Section 265 of the Companies Act of Bhutan 2016, we report that:

- We have obtained all the information and explanations to the best of our knowledge and belief were necessary for the purpose of the audit;
- In our opinion, proper books of accounts have been kept by the Company insofar as it appears from our examination of those books;
- The Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, and Statement of Changes in Equity dealt with in this Report have been prepared in accordance with BAS for SME; and
- Based on the information, explanations and management representations received during the course of our audit, the Company has complied with other legal and regulatory requirements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements provide the information in the manner so required and give a true and fair view in conformity with the BAS for SME, and provisions of the Companies Act of Bhutan, 2016.

For JIGMI Audit & Financials Private Limited


Jigmi Rinzin FCA
Partner



REPORT ON MINIMUM AUDIT EXAMINATION AND REQUIREMENTS

As required by Section 266 of the Companies Act of Bhutan, 2016, and on the basis of such checks and test verification of accounts and records as we considered appropriate, and according to the information and explanations given to us, we report, to the extent applicable, that:

1. The Company has maintained proper records showing full particulars of situation and location-wise quantitative details of fixed assets. The management had conducted physical verification of fixed assets for the period under audit. *However, the process of physical verification was ongoing as the final codification of fixed assets was not completed, and missing items were under further verification by the management and some of the assets were written-off in line with the directives of the Board of the company;*
2. None of the fixed assets were revalued during the year under audit;
3. The company has reasonable and adequate system of physical verification procedures for stores, spares and raw materials in relation to its size and nature of its business. *However, physical verification of Philately Stores, which couldn't be conducted due to investigation by Anti-Corruption Commission (ACC) in 2019, was resumed in 2020 and still under process at the time of the audit. Physical verification was conducted only for stores, spares and raw materials during the year;*
4. Discrepancy, if any, from physical verification of Philately Stores is not ascertainable, as the physical verification is under process and yet to be completed;
5. The Company had closing stock of Nu.41.814 million reported as at the year-end;
6. The company has a reasonable system of recording receipts, issues and consumption of materials and stores and allocating materials consumed to the respective jobs, commensurate with its size and nature of its business;
7. The company has proper Delegation of Power guidelines for writing off (and writing back) amounts due to material loss/discrepancies in physical/book balances of inventories including raw materials, stores and spares;
8. *The company has outstanding bank loans with Bank of Bhutan Limited of Nu.41.943 million for construction of G+4 Building in Phuentsholing and Nu.73.224 million for construction of Building in Gelephu as at the year-end for which the rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the company;*
9. The Company has not granted any loans, secured or unsecured, to other companies, firms, or other parties and/or to the companies under the same management during the year under audit;
10. The Company has not granted any advances to other companies, firms, or other parties and/or to the companies under the same management during the year under audit except advances to contractors for works and supplies for construction works in Phuentsholing and Gelephu. *The company has advances of Nu.10.281 million as of 31.12.2020 lying receivable/adjustable from suppliers and contractors involved with constructions in Gelephu;*
11. Loans/advances granted to the officers/staff, if any, are generally in keeping with the provisions of the Company's Service Rules and no excessive/frequent advances are granted and accumulation of large advances against particular individual are generally avoided;
12. The company has established adequate system of internal controls to ensure completeness, accuracy and reliability of accounting records, carrying out the business in an orderly and efficient manner, to safeguard the assets of the company as well as to ensure adherence to the rules/regulations and system and procedures;



13. The Company generally has a system of competitive biddings, commensurate with the size of the company and the nature of its business, for the purchase of goods and services including stores, raw materials, plant and machinery, equipment and other assets, and for the sale of goods and services;
14. The company has not entered into purchase and service transaction with the directors or other parties related to the director;
15. The expenses charged to the company accounts represent legitimate business expenses and no personal expenses are charged to the Company;
16. The company is generally regular in depositing rates and taxes, duties, provident funds and other statutory dues with the appropriate authority;
17. There was no undisputed amount payable in respect of rates, taxes, duties, provident fund and other statutory deduction at the year-end;
18. The company has formulated a standard credit sales policy, which has been implemented. There is no system of credit rating of customers;
19. The Company has selected/appointed commission agents for selling its products/services during the period under audit;
20. There is a reasonable system for continuous follow-up with debtors and other parties for recovery of outstanding amount. Also age-wise analysis of outstanding amounts is carried out for management information and follow-up actions;
21. Management of liquid resources particularly cash/bank balances and short-term deposits, etc. are adequate and there is no such excessive amounts lying idle in non-interest bearing accounts;
22. Activities carried out by the management are lawful and *intra-vires* the Articles of Incorporation of the Company;
23. The Company has established a budgetary control system;
24. Other than the sitting fees to the directors, no other payments in the nature of remuneration and commission has been paid to the Directors. Sitting fees paid to the Directors and other members are disclosed in Note 32: Related Party Transactions of this Report;
25. On the basis of our examination of minutes of the meetings of the Board of Directors, made available to us, the directive of the Board appears to have been complied with;
26. The officials of the company have not transmitted any price sensitive information which are not made publicly available, unauthorized to their relatives/friends/associates or close persons which would directly or indirectly benefit themselves;
27. Proper records are kept for inter-unit transactions/services and arrangements for services made with other agencies engaged in similar activities; and
28. Proper lease agreements are executed and the terms of leases are reasonable.

Computerized Accounting Environment

1. The Company is operating Tally Software to maintain its entire accounting and fixed assets records. The internal control system needs improvement especially in the area of reconciling physical inventory records with the Tally Process;
2. There are adequate safeguard measures and back-up facilities. There is a system of maintaining backup files on Google drive;



3. Operational controls are generally found to be adequate to ensure correctness and validity of input data and the corresponding output information in relation to cash disbursements;
4. Adequate measures to prevent unauthorized access over the computer and accounting system software are observed as appropriate users are provided with strict passwords;
5. Auditors' views on the IT and related issues have been mentioned in the Management Report.

General

1. Going Concern

Based on the net asset position reflected by the statement of financial position as at 31 Dec. 2020 and audited by us in accordance with the BAS for SMEs and on the basis of such other tests as we considered necessary in this regard alongside with the forecast by the management, the company cannot be judged as sick business entity.

Further, in view of Bhutan Post as one vital SOE of the country, we have not identified any material uncertainty that would have bearing on the Going Concern. Hence, we are of the opinion that the Company is a *Going Concern*.

2. Ratio Analysis

Financial and Operational Ratio Analysis for 2020 and 2019 in respect of the company is presented as under:

Financial and Operational Ratio Analysis in respect of the Company are given in below:					
Sl.No	Ratio	Basis	2020	2019	Remarks
1	Net Profit Ratio	Profit before tax x 100 Sales	-18.03%	13.13%	The ratio has decreased due to the Loss shown in the Profit & Loss statement
2	Operating Ratio	Cost of goods sold plus all other expenses (Excluding finance charges) x 100 Sales	3.25%	5.85%	Decrease is mainly due to decrease in Philately Printing Cost
3	Capital Turnover	Sales Capital Employed [Capital employed = Net Fixed Assets + Working Capital]	0.70	0.88 times	Decrease is due to decrease in total income
4	Fixed Asset Turnover	Sales Net Block	1.16	1.57	Decrease is mainly due to decrease in total income
5	Stock Turnover Ratio	Sales Average Inventory	3.23	4.68 times	Decrease is due to high inventory
6	Current Ratio	Current Current Liabilities	1.72	1.70 times	Increase is due to proportion of decrease in current liability.
7	Liquid Ratio	Current Assets – Inventory Current Liabilities	1.33	1.40 times	Decrease is due to proportion of increase in inventory
8	Average Debt Collection Period	Average Debtors x 12 Sales Sales = Cash Sales + Credit Sales	2.79	1.64 months	Increase is mainly due to Increase in credit sales
9	Return on Investment	Profit before Tax X 100 Total Asset (Fixed + Work in Progress)	-19.88%	16.99%	Decrease is mainly due to Loss during the year.
10	Return on Equity	Profit before Tax X 100 Capital Fund	-13.34%	12.23%	Decrease is mainly due to Loss



3. Compliance with the Companies Act of Bhutan

The Company has complied with the applicable laws, rules & regulations, systems, procedures & practices as per the requirements of the Companies Act of Bhutan, 2016.

4. Adherence to Laws, Rules and Regulations

The audit of the company is governed by the Companies Act of Bhutan, 2016 and the scope of audit is limited to examination and review of the Financial Statement as produced to us by the management. In the course of the audit we have considered the compliance of provisions of the said Companies Act, its Articles of Incorporation and applicable BAS for SME, and also the Corporate Governance Guidelines 2020.

For JIGMI Audit & Financials Private Limited


Jigmi Rinzin FCCA
Partner
Date:, 2021



STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020			
ASSETS	Note No.	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
NON-CURRENT ASSETS			
Property, Plant And Equipment	2	50,809,892.59	120,514,989.35
Capital Work In Progress	2	69,982,234.82	25,959,840.34
Intangible Assets	2	1,568,841.28	1,575,584.28
Investment Property	2	63,512,409.73	
Financial Assets:			
i) Investments	3	90,972,442.02	97,946,532.06
Other Non Current Assets	4	3,978,420.07	3,801,868.10
TOTAL NON CURRENT ASSETS		280,828,521.11	249,798,814.13
CURRENT ASSETS			
Inventories	5	41,813,745.50	41,204,101.29
Financial Assets:			
i) Trade And Other Receivables	6	31,071,958.12	31,617,108.79
ii) Cash And Bank Balances	7	83,911,529.04	102,668,308.41
iii) Loans And Advances	8	14,052,961.31	36,596,788.51
iv) Other Financial Assets	9	11,409,328.58	13,232,912.58
Other Current Assets	10	126,781.72	5,529,223.89
Deferred Tax Asset		544,118.50	-
TOTAL CURRENT ASSETS		182,930,422.77	230,848,443.47
TOTAL ASSETS		463,758,943.88	480,647,257.60
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	11	23,595,200.00	23,595,200.00
Retained Earning	12.1	104,747,097.70	128,077,398.69
General & Capital Reserve	12.2	54,088,126.46	54,088,126.46
TOTAL EQUITY		182,430,424.16	205,760,725.15
NON-CURRENT LIABILITIES			
Deferred Capital Grant	13	16,691,256.75	17,440,660.02
Financial Liabilities:			
i) Long-Term Borrowings	14.1	115,167,128.96	86,596,344.77
ii) Gratuity provision	14.2	43,312,710.00	35,006,974.00
TOTAL NON-CURRENT LIABILITIES		175,171,095.71	139,043,978.79
CURRENT LIABILITIES			
Financial Liabilities:			
i) Trade And Other Payables	15	69,638,048.20	69,061,301.59
Other Current Liabilities	16	27,033,875.56	41,706,311.53
Provisions	17	9,485,500.25	25,074,940.54
TOTAL CURRENT LIABILITIES		106,157,424.01	135,842,553.66
TOTAL EQUITY AND LIABILITIES		463,758,943.88	480,647,257.60

For JIGMI Audit & Financials Pvt. Ltd.

For Bhutan Postal Corporation Ltd.

  <p>Jigmi Rinzin FCCA Membership No. 0283308 Partner</p>	  <p>Rinchen Zangmo (Finance Officer)</p>	 <p>Karma Nidup (Chief Executive Officer)</p>
	 <p>Phuntso Tobgay (Chairman)</p>	

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

Particulars	Note No.	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
INCOME			
Postal Income	18	76,749,943.08	105,502,331.40
Philately Income	19	3,034,954.79	19,442,643.67
Transport Income	20	3,067,934.00	11,916,827.00
Estate Management & Investment	21	28,432,877.38	24,267,513.88
Western Union	22	16,863,951.92	17,864,843.55
Other Income	23	4,834,545.92	10,044,097.63
Grant	24	1,917,071.90	2,625,485.36
TOTAL INCOME		134,901,278.99	191,663,742.49
EXPENDITURE			
Employee Benefit Expenses	25	88,982,165.81	78,140,126.69
Administration And Other Expenses	26	50,663,751.57	59,557,720.41
Transport Operation Expenses	27	1,999,816.06	6,987,393.49
Cost Of Philately Items Sold	28	2,381,754.93	4,228,509.88
Finance Cost	29	3,418,420.68	5,721,906.10
Depreciation/Amortisation	2	11,761,863.93	11,848,725.32
TOTAL EXPENDITURE		159,207,772.98	166,484,381.89
Profit Before Income -Tax & Prior Period Items		(24,306,493.99)	25,179,360.60
Prior Period (Income)/Expenditure –Net	30	20,964.00	19,354.41
Profit Before Income –Tax		(24,327,457.99)	25,160,006.19
Income Tax Expense		-	8,397,816.36
Income Tax Expense for earlier years (Tax Audit)		-	3,667,136.35
PROFIT AFTER TAX		(24,327,457.99)	13,095,053.48
OTHER COMPREHENSIVE INCOME			-
Re-measurement of defined benefit plans including actuarial gains		997,157.00	(9,302,382.00)
NET OTHER COMPREHENSIVE INCOME		997,157.00	(9,302,382.00)
TOTAL COMPREHENSIVE INCOME		(23,330,300.99)	3,792,671.48
BASIC EARNING PER SHARE		(103.10)	55.50

For JIGMI Audit & Financials Pvt. Ltd.

For Bhutan Postal Corporation Ltd.



 Jigmi Rinzin FCCA
 Membership No. 0283308
 Partner


 Rinchen Zangmo
 (Finance Officer)


 Karma Nidup
 (Chief Executive Officer)


 Phuntscho Tondel
 (Chairman)


STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

Particulars	Year ended 31.12.2020 (Nu)	Year ended 31.12.2019 (Nu)
I. Cash Flows from Operation Activities		
Net profit/(Loss) before Tax	(24,327,457.99)	25,160,006.19
Depreciation/Amortisation	11,761,863.93	11,848,725.32
Interest Paid	3,418,420.68	5,721,906.10
Remeasurement of defined benefit plans including actuarial gains	997,157.00	(9,302,382.00)
Interest Received	(11,401,800.32)	(7,703,955.95)
Taxation (Paid)	-	(12,064,952.71)
Operating Profit/(Loss) before changes in Operating Assets & Liabilities (i)	(19,551,816.70)	13,659,346.95
(Increase)/Decrease in Current Assets:		
(Increase)/Decrease in Stock	(609,644.21)	(490,771.73)
(Increase)/Decrease in Debtors	545,150.67	(10,874,201.01)
(Increase)/Decrease in Loans and Advances	22,543,827.20	9,544,355.00
(Increase)/Decrease in Non-Current Assets	(176,551.97)	(3,694,630.10)
(Increase)/Decrease in Other Current Assets	5,402,442.17	7,831,729.52
(Increase)/Decrease in Other Current Assets	(544,118.50)	
(Increase)/Decrease in Other Financial Assets	1,823,584.00	3,150,456.20
(Increase)/Decrease in Investment	6,974,090.04	(6,730,555.35)
Sub-Total in Increase/Decrease in Current Assets (ii)	35,958,779.40	(1,263,617.47)
Increase/(Decrease) in Current Liabilities		
Increase/(Decrease) in Non-Current Liabilities	36,127,116.92	51,299,950.30
Increase/(Decrease) in Current Liabilities and Provisions (Tax liability adjusted)	(29,685,129.65)	(9,873,397.97)
Sub-Total in Increase/Decrease in Current Liabilities (iii)	6,441,987.27	41,426,552.33
Net Cash flow from Operating Activities (A=i+ii+iii) (A)	22,848,949.97	53,822,281.81
II. Cash Flow from Investment Activities:		
Payments to acquire intangible fixed assets	(362,326.00)	(456,384.00)
Payments to acquire tangible fixed assets (Property, Plant, Equipment)	(51,579,551.61)	(91,584,554.54)
Adjustment from prior period		2,419,892.79
Receipts from sale of tangible fixed assets & Refund	2,352,768.63	53,843,309.86
Net Cash flow from Investing Activities (B)	(49,589,108.98)	(35,777,735.89)
III. Cash flow from Financing Activities		
Interest received	11,401,800.32	7,703,955.95
Interest paid	(3,418,420.68)	(5,721,906.10)
Dividend paid	-	(1,607,279.55)
Net Cash Flow From Financing Activities (C)	7,983,379.64	374,770.30
Net Increase/(Decrease) in Cash and Bank Balance (A+B+C)	(18,756,779.37)	18,419,316.22
Cash and Bank balances at the beginning of the year	102,668,308.41	84,248,992.19
Cash and Bank balances at the end of the year (Refer Note No. 7)	83,911,529.04	102,668,308.41


For JIGMI Audit & Financials Pvt. Ltd.

For Bhutan Postal Corporation Ltd.


Jigmi Rinzin FCCA
Membership No. 0283308
Partner


Rinchen Zangmo
(Finance Officer)


Karma Nidup
(Chief Executive Officer)


Phuntsok Tobgay
(Chairman)

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

Particulars	Total Value of Shares	Retained Earning	General & Capital Reserve	Total
Balance as at 01.01.2019	23,595,200.00	126,951,588.06	50,608,652.37	201,155,440.43
Profit After Income-Tax		3,792,671.48		3,792,671.48
Reserve & Surplus Adjustment		(301,047.00)	2,720,939.79	2,419,892.79
Transferred To General Reserve		(758,534.30)	758,534.30	-
Dividend		(1,607,279.55)		(1,607,279.55)
Balance as at 31.12.2019	23,595,200.00	128,077,398.69	54,088,126.46	205,760,725.15
Balance as at 01.01.2020	23,595,200.00	128,077,398.69	54,088,126.46	205,760,725.15
Profit After Income-Tax		(23,330,300.99)		(23,330,300.99)
Transferred To General Reserve		-		-
Dividend		-		-
Balance as at 31.12.20	23,595,200.00	104,747,097.70	54,088,126.46	182,430,424.16

For JIGMI Audit & Financials Pvt. Ltd.

For Bhutan Postal Corporation Ltd.



 Jigmi Rinzin FCCA
 Membership No. 0283308
 Partner


 Rinchen Zangmo
 (Finance Officer)


 Karma Nidup
 (Chief Executive Officer)


 Phuntscho Tobgay
 (Chairman)



TANGIBLE ASSET SCHEDULE FOR THE YEAR 31.12.2020												
Note2: Property Plant & Equipment												
Sl. No.	Particulars of Items	Dep. Rate (%)	Gross Block Value			Depreciation/ Amortization			Net Block Value			
			Opening Balance (1)	Additions (2)	Adjustment/ Disposals (3)	Closing Balance (4=1+2-3)	Opening Balance (5)	For the year (6)	Adjustment (7)	Closing Balance (8=5+6-7)	As on 31.12.2020 (9=4-8)	As on 31.12.2019 (10=1-5)
1	Grant Assets											
a	Artifacts –Grant		784,512.85		768,562.85	15,950.00	-	15,950.00		15,950.00	-	784,512.85
b	Other Grants		29,844,498.42	1,202,919.00		31,047,417.42		2,335,266.42		2,335,266.42	28,712,151.00	19,663,147.85
A	Sub Total		30,629,011.27	1,202,919.00	768,562.85	31,063,367.42	10,181,350.57	2,351,216.42	-	12,532,566.99	18,530,800.43	20,447,660.70
2	Artifacts		125,900.00	768,562.85	-	894,462.85	-	-	-	-	894,462.85	125,900.00
3	Land	0%	486,250.00	-	-	486,250.00	-	-	-	-	486,250.00	486,250.00
4	Plant & Machinery	15%	48,670.00	-	1.00	48,669.00	42,841.49	975.00	-	43,816.49	4,852.51	5,828.51
5	Building (Permanent)	3%	28,668,459.13	-	48,066.16	28,620,392.97	20,469,156.62	769,377.61		21,238,534.23	7,381,858.74	73,820,636.70
6	Building (Semi-Permit)	20%	1,157,437.11	-	8.00	1,157,429.11	1,145,403.15	12,020.96		1,157,424.11	5.00	12,033.96
7	Furniture & Fixtures	15%	13,692,048.82	865,321.00	923.00	14,556,446.82	8,715,330.03	1,334,328.55	-	10,049,658.58	4,506,788.24	4,976,718.79
8	Equipment	15%	41,373,321.76	735,512.00	5,094.99	42,103,738.77	32,170,038.57	2,327,575.46	-	34,497,614.03	7,606,124.74	9,203,283.19
9	Elct. Installation	5%	1,426,490.00	-	6.00	1,426,484.00	270,192.95	68,999.20	-	339,192.15	1,087,291.85	1,156,297.05
10	Vehicles	15%	25,599,709.13	1,910,396.35	10.00	27,510,095.48	16,849,425.31	2,423,720.87	-	19,273,146.18	8,236,949.30	8,750,283.82
B	Sub Total		112,578,285.95	4,279,792.20	54,109.15	116,803,969.00	79,662,388.12	6,936,997.65	-	86,599,385.77	30,204,583.23	98,537,232.02
11	Asset Inventories not yet issued but are available for use as on 31.12.2020											
a	Furnitures & Fixtures		43,822.47	69,953.47	43,822.47	69,953.47	-	-	-	-	69,953.47	43,822.47
b	Equipment		1,109,238.33	1,176,458.50	1,109,238.33	1,176,458.50	-	-	-	-	1,176,458.50	1,109,238.33
c	Soft ware		377,035.83	453,207.96	377,035.83	453,207.96	-	-	-	-	453,207.96	377,035.83
d	Grant			374,826.00		374,826.00	-	-	-	-	374,826.00	
C	Sub Total		1,530,096.63	2,074,445.93	1,530,096.63	2,074,445.93	-	-	-	-	2,074,445.93	1,530,096.63
Total A+B+C			144,737,393.85	7,557,157.13	2,352,768.63	149,941,782.35	89,843,738.69	9,288,214.07	-	99,131,952.76	50,809,829.59	120,514,989.35
1(B) WORK-IN-PROGRESS												
a	Gelephu Construction		25,959,840.34	42,363,447.70		68,323,288.04	-	-	-	-	68,323,288.04	25,959,840.34
b	P/Ling Construction			1,658,946.78	-	1,658,946.78	-	-	-	-	1,658,946.78	
	Total (2019)		25,959,840.34	44,022,394.48	-	69,982,234.82	-	-	-	-	69,982,234.82	25,959,840.34
2. Intangible Assets												
2	Software	15%	2,122,084.00	362,326.00	-	2,484,410.00	546,499.72	364,725.40	-	911,225.12	1,573,184.88	1,575,584.28
	Total		2,122,084.00	362,326.00	-	2,484,410.00	546,499.72	364,725.40	-	911,225.12	1,573,184.88	1,575,584.28
Investment Property												
	Building (Permanent)	3%	70,297,482.05			70,297,482.05	4,676,147.86	2,108,924.46	-	6,785,072.32	63,512,409.73	-
	Grand Total		243,116,800.24	51,941,877.61	2,352,768.63	292,705,909.22	95,066,386.27	11,761,863.93	-	106,828,250.20	185,877,659.02	148,050,413.97

3	Investment				
	Particulars	Fixed Certificate No.	Interest Rate	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	Fixed Deposits				
	A. BOBL, Thimphu	50700220269140081'	7.50%	857,964.00	816,011.83
	C. BOBL, Thimphu	201908821	6.00%	-	13,031,445.86
	D. BDBL, Thimphu	555800016801	7.50%	22,023,143.50	20,594,094.20
	F. BOBL, Thimphu	201738824	6.50%	14,408,120.48	13,575,866.58
	Total			37,289,227.98	48,017,418.47
	Gratuity Fund				
	G. RICBL, Thimphu	TMT-II/2015/00009	8.00%	31,591,547.93	27,845,656.97
	H. RICBL, Thimphu	TMN-II/2015/00009	8.00%	374,154.64	1,790,354.14
	I. BIL, Thimphu	BIL/TH/GF/2015/E23	7.00%	21,717,511.47	20,293,102.48
	Total			53,683,214.04	49,929,113.59
	Grand Total			90,972,442.02	97,946,532.06
	Note: Current year figures are measured at amortised value				
4	Other Non-Current Assets				
	Security Deposits			31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	Telecom Authority			6,321.00	6,321.00
	Revenue & Customs			100,000.00	100,000.00
	EMO/FMO Imprest			38,500.00	38,500.00
	Department of Power			551.67	917.00
	EMD/Other SD			67,308.00	64,008.00
	Deposit UPU			3,765,739.40	3,592,122.10
	Total			3,978,420.07	3,801,868.10
5	Inventories				
	Inventories (as taken, valued & certified by the management)			31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	Philately Stamps			37,167,215.60	38,737,815.34
	Packing Materials			23,175.00	51,300.00
	Procurement Store			4,623,354.90	2,414,985.95
	Total			41,813,745.50	41,204,101.29
6	Trade and Other Receivable				
	Sundry Debtors			31.12.2020 (Nu)	31.12.2019 (Nu)
	Sundry Debtors – IMR			18,401,919.36	20,065,663.68
	Sundry Debtor - Philatelic (Dues)			334,292.50	846,232.50
	Sundry Debtors Philatelic (Post Office)			530,000.00	545,100.00
	Sundry Debtors – Headquarters			11,420,101.17	9,318,077.96
	Sundry Debtor - Fedex Unit			541,939.09	842,034.65
	Total			31,228,252.12	31,617,108.79
	6.1 Particulars			31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	Considered Good			30,940,426.24	31,478,787.04
	Considered Doubtful			285,628.88	138,321.75
	Total			31,226,055.12	31,617,108.79



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6.2 Details of Sundry Debtors as on 31.12.2020				
Particulars		DOUBTFUL	GOOD	Total (Nu)
Sundry Debtors – IMR			18,401,919.36	18,401,919.36
Sundry Debtors - Philately (Dues)	4,800.00		329,492.50	334,292.50
Sundry Debtors - Philately (Post Offices)			530,000.00	530,000.00
Sundry Debtors – Headquarters	21,700.00		11,396,204.17	11,417,904.17
Sundry Debtors – FedEx	259,128.88		282,810.21	541,939.09
Total	285,628.88		30,940,426.24	31,226,055.12
Note: Debtors for More than 3 Years were considered Doubtful.				
7 Cash and Bank Balances:				
Particulars			31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
Cash in Hand: (Refer 7.1)			8,757,560.30	2,247,899.92
Sub-Total (A)			8,757,560.30	2,247,899.92
Balance with Bank:				
Current Accounts (Revenue) (Refer 7.2)			3,446,642.44	9,737,138.34
Current Accounts (Recoupment) (Refer 7.3)			1,984,795.38	918,345.25
Current Accounts (Headquarters) (Refer 7.4)			9,328,928.40	19,498,867.74
Current Accounts (Western Union) (Refer 7.5)			13,043,163.25	26,603,889.66
Savings Account (Refer 7.6)			47,350,439.27	43,662,167.50
Sub-Total (B)			75,153,968.74	100,420,408.49
Total (A+B)			83,911,529.04	102,668,308.41
7.1 Cash-in-Hand				
Cash - Post Offices			1,860,502.30	3,643,516.25
Cash – Regions				79,018.00
Cash – Fedex			16,792.00	16,378.00
Cash – Philately				(5,700.00)
Cash - Western Union			6,880,266.00	(1,512,410.33)
Cash - Headquarters			-	27,098.00
Total			8,757,560.30	2,247,899.92
7.2 Current Accounts (Revenue)				
FMO ACCOUNT				
Current Account-100902266- Thimphu FMO			1,005.58	246,026.58
Current Account-100215037 - P.Ling FMO			1,000.74	100,880.74
Current Account- 101217590 - Gelephu FMO			1,005.42	98,286.42
Current Account- 101093060 -S/Jongkhar FMO			289,000.47	44,911.47
Total (i)			292,012.21	490,105.21
CENTRAL REGION				
Current Account- 0100004086018- Tingtibi			38,219.00	
Current Account- 100925818- Drujeegang			7,363.00	
Current Account- 101217589 - Gelephu GPO			459,406.46	428,242.13
Current Account- 101610183 – Tsirang			67,390.53	169,416.53
Current Account- 101910426 – Bumthang			23,757.08	62,308.08
Current Account- 102350631 – Trongsa			3,967.50	38,776.50
Current Account- 102536740 –Zhemgang			4,458.00	27,270.00
Current Account- 102536897 - Panbang			3,058.00	11,244.00



Current Account - 102747649 – Sarpang	28,542.00	81,611.00
Current Account- 102790649 – Dagana	71,296.00	84,017.00
Current Account- 201012289203- Chumey	59,571.00	
Total (ii)	767,028.57	902,885.24
EASTERN REGION		
Current Account - 000927160009 – Kanglung	115,234.00	863,221.00
Current Account - 002727150001 - Jomotshangkha	187,023.00	721,023.00
Current Account - 0100024800002 - Gyelposhing	49,679.00	400,129.00
Current Account - 0100036430001 – Rangjung	45,836.00	198,495.00
Current Account- 101093037 - S/Jongkher GPO	97,218.27	142,424.95
Current Account- 101536605 – Trashigang	53,764.68	72,870.68
Current Account - 101536707 – Wamrong	6,307.00	15,734.00
Current Account- 101827753 – Mongar	12,313.82	62,667.82
Current Account- 102574447- Lhuntse	2,542.00	12,648.00
Current Account- 102695939 – Pemagatshel	3,225.50	27,181.50
Current Account - 102972039 – Deothang	7,824.00	7,137.00
Current Account- 103026874 – Trashiyangtse	8,939.75	31,835.75
Current Account - 103026909 – Duksum	3,043.00	10,771.00
Current Account - 103074512 – Nganglum	3,212.00	32,013.00
Current Account - 200673525 Samdrupcholing	171,197.00	379,162.00
Current Account- 201800025301- Khaling	50,211.00	
Total (iii)	817,570.02	2,977,313.70
SOUTHERN REGION		
Current Account - 27110005 – Lhamoyzingkha	137,362.45	539,703.45
Current Account - 100215275 P/Ling GPO	279,217.45	1,392,164.66
Current Account- 100215275 P/Ling Transport	40,925.81	776,291.81
Current Account-79- Void Money Order	1,399.00	109,434.00
Current Account- 101281703 - Tsimasham PO	8,766.26	38,855.26
Current Account- 101415514 – Samtse	55,380.25	263,408.25
Current Account- 101728560 – Gomtu	11,748.00	55,575.00
Current Account- 102486073 – Gedu	18,539.62	25,953.62
Current Account - 200725156 – Trashicholing	160,804.00	346,484.00
Total (iv)	714,142.84	3,547,870.05
WESTERN REGION		
Current Account -100891763 Thimphu GPO	692,670.30	1,183,414.64
Current Account- 102079215 – Wangdue	41,064.50	242,963.50
Current Account- 102253650 – Paro	42,500.30	164,598.30
Current Account- 102403244 - Haa	29,220.00	35,439.00
Current Account- 102646925 – Punakha	33,245.70	109,565.70
Current Account- 200612722 – Gasa	17,188.00	82,983.00
Total (v)	855,888.80	1,818,964.14
Grant Total (i+ii+iii+iv+v)	3,446,642.44	9,737,138.34
7.3 Current Accounts (Recoupment)		
CENTRAL REGION		
CD A/c. 0100004086017 - Tingtibi PO	1,000.00	41,927.00
CD A/c. 101214317 - Gelephu GPO	4,580.00	1,000.00

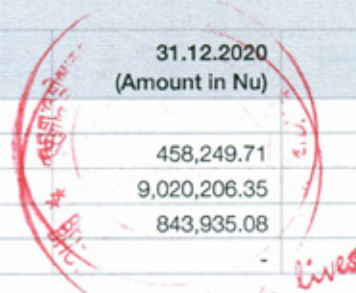


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CD A/c. 101610194 – Tsirang	1,000.00	13,000.00
CD A/c. 101912593 – Bumthang	1,000.00	2,501.00
CD A/c. 102353202 – Trongsa	1,000.00	999.60
CD A/c. -102536751- Zhemgang	1,000.70	1,000.20
CD A/c. -102536900- Parbhang	4,135.00	1,000.00
CD A/c. -102747661- Sarpang	1,000.00	1,000.00
CD A/c. -200787099- Dagana	1,000.21	1,000.00
CD A/c. - 201012289202- Chumey	1,000.00	
Total (i)	16,715.91	63,427.80
EASTERN REGION		
CD A/c. 000927160010 – Kanglung	3,299.00	1,000.00
CD A/c. 0002727150002 – Jomotsangkha	1,000.00	1,000.00
CD A/c. 010002400001 – Gyelposhing	5,751.50	1,001.50
CD A/c. 0100036440001 – Rangjung	2,881.00	1,000.00
CD A/c. 101096617 – Samdrupjongkhar	1,000.00	1,000.87
CD A/c. 101536694 – Trashigang	2,500.04	1,000.04
CD A/c. 101539924 – Wamrong	4,866.50	1,000.20
CD A/c. 101832015 – Mongar	1,000.00	1,000.00
CD A/c. -102574458- Lhuentse	6,225.00	1,000.00
CD A/c. -102695940- Pemagatshel	4,657.50	3,000.50
CD A/c. -102972028- Deothang	5,023.25	1,000.00
CD A/c. - 103026885 – Trashiyangtse	1,000.00	1,000.00
CD A/c. -103026896- Doksum	8,600.25	1,000.25
CD A/c. -103075899- Nganglum	5,750.00	1,000.00
CD A/c. -2006733490- Samdrupcholing	1,000.00	1,000.00
CD A/c.- 201800025302- Khaling	3,613.00	
Total (ii)	58,167.04	17,003.36
SOUTHERN REGION		
CD A/c. 100215286 – Phuentsholing	1,000.00	15,134.34
CD A/c. 101281714 – Tsimasham	5,393.35	1,000.00
CD A/c. 101415525 – Samtse	3,800.77	1,000.25
CD A/c. 101420147 – Trashicholing	5,000.00	1,000.00
CD A/c. 101727168 – Gomtu	1,000.00	1,000.00
CD A/c. -102486084- Gedu	9,612.00	697.00
Total (iii)	25,806.12	19,831.59
WESTERN REGION		
CD A/c. 100924133 - Thimphu GPO	1,832,299.50	183,560.00
CD A/c. 102079226 – Wangdue	1,000.60	176,018.50
CD A/c. 102253661 – Paro	41,303.71	255,137.00
CD A/c. -102403313- Haa	7,502.50	33,593.00
CD A/c. -102647373- Punakha	1,000.00	169,774.00
CD A/c.-103084973- Gasa	1,000.00	
Total (iv)	1,884,106.31	818,082.50
Total (i+ii+iii)	1,984,795.38	918,345.25



7.4 Current Accounts (Headquarters)				
Current Account- 8739005 BNB- Philatelic		77,725.27		2,859,698.40
Current Account- 201766873 - Bhutan Post Rental Account		476,074.59		3,251,757.65
Current Account - 100894367 – Fedex		2,231,717.22		1,334,059.26
Current Account- 100904489 - Philatelic (BoB)		36,739.23		2,363,983.23
Current Account- 201766862 - Philately (GNH BoB)		57,428.27		54,280.86
FC Account - 200365102 – IMR		3,780,136.34		18,865,718.31
Current Account-100902834 -Head Quarter		2,431,978.46		(9,474,679.48)
Current Account- 100925818 Pension Delivery		-		1,833.00
Current Account - 100903338 - eCommerce CD Account		237,129.02		242,216.51
Total		9,328,928.40		19,498,867.74
7.5 Current Accounts (Western Union)				
Current Account- 000127170019- BDBL WUMT		941.00		904,269.93
Current Account - 11065 (100894594) TT WUMT		7,506,495.14		1,888,535.95
Current Account- 9385 (100903043) Imprest WUMT				(37,644.89)
FC Account - 1362 (100931537) WUMT		5,382,726.11		23,747,828.67
CD A/c - 201012289201 – Chumey		51,000.00		50,950.00
CD A/c - 0100004086019 – Tingtibi		1,000.00		
CD A/c- 201006230601 – Rangjung		23,239.00		
CD A/c- 20100607501 – Kanglung		77,762.00		49,950.00
Total		13,043,163.25		26,603,889.66
7.6 Saving Account				
Saving Accounts-5003769005 BNB		33,038,853.46		43,612,955.80
Saving Account-100524384 - BOB Thimphu		14,311,585.81		49,211.70
Total		47,350,439.27		43,662,167.50
8 Loans and Advances - Current Assets				
Particulars		31.12.2020 (Amount in Nu)		31.12.2019 (Amount in Nu)
Advance Balance with Contractors & Suppliers (Gelephu)		10,248,987.58		12,100,816.94
Advance Balance with Lhaki Steel & Rolling Pvt. Ltd. Gelephu		31,855.50		4,362,400.00
Staff Advance - Staffs (Personal)		-		154,573.23
Staff Advance - Staffs (Official)		1,937,877.54		4,538,787.15
Loan & Advances - Fax MO Imprest		37,000.00		1,190,000.00
Loan & Advances - POL Imprest		713,992.49		698,992.49
Loan & Advances - City Bus Services		-		12,837.50
Loan & Advances – WUMT		-		11,910,000.00
Loan & Advances - Vehicle Loan 8 & 20 Bikes		1,083,248.20		1,628,381.20
Total		14,052,961.31		36,596,788.51
CONSIDERED DOUBTFUL		-		-
		14,052,961.31		36,596,788.51
LESS: PROVISION FOR DOUBTFUL ADVANCES		-		-
Total (Considered Good)		14,052,961.31		36,596,788.51
9 Other Financial Assets:				
Particulars		31.12.2020 (Amount in Nu)		31.12.2019 (Amount in Nu)
Current Assets - Inbound Shipment FedEx				2,407,252.00
Current Assets - Air Conveyance APO Semtokha		458,249.71		433,417.71
Current Assets - Air Conveyance (IMR)		9,020,206.35		7,070,860.92
Current Assets - Receivable Grant on Fixed Assets		843,935.08		843,935.08
Current Assets - Receivable from RRCO		-		64,656.98



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	Current Assets - Mineral Water	78,900.00	65,857.00
	Other, Receivable	1,008,037.44	2,346,932.89
	Total	11,409,328.58	13,232,912.58
	Less: Provision for Doubtful Advance	-	-
	Considered Good	11,409,328.58	13,232,912.58
10	Other Current Assets:		
	Particulars	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	Prepaid Expenses	126,781.72	156,041.62
	Tax Deducted at Source (Refer 10.1)		634,794.31
	Corporate Tax Paid in Advance	-	4,738,387.96
	Total	126,781.72	5,529,223.89
	10.1 Tax Deducted at Source		
	TDS (HQ)	-	634,794.31
	TDS (Philately)		-
	Total	-	634,794.31
11	Share Capital		
	Particulars	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	Authorized:		
	1000000 Equity Shares of Nu.100.00 Each	100,000,000.00	100,000,000.00
	Subscribed and Paid up		
	Amount against Equity Shares	23,595,200.00	23,595,200.00
	235952 Nos. of Shares of Nu. 100 fully paid		
12	Retained Earnings, General Reserve and Capital Reserve:		
	Particulars	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	12.1 A. Retained Earning as per Annexed Account	104,903,391.70	128,077,398.69
	B. Capital Reserve:	16,550,393.00	16,550,393.00
	C. General Reserve as per last Account	37,537,733.46	-
	Less: Adjustment for taxation	-	-
	Add: WUMT Reserve nad surplus	-	-
	Add: Transfer from Profit and Loss Account	-	37,537,733.46
	12.2 Total General & Capital Reserve	54,088,126.46	54,088,126.46
13	Deferred Capital Grant		
	Particulars	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	Deferred Capital Grant	16,691,256.75	17,440,660.02
	Total	16,691,256.75	17,440,660.02
14	Financial Liabilities		
	14.1 Long-Term Borrowings		
	Particulars	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	Term Loan from Bank for P/Ling G+4 Building	41,942,957.06	43,692,871.93
	Term Loan from Bank for Gelephu Building Construction	73,224,171.90	42,903,472.84
	Total	115,167,128.96	86,596,344.77
	14.2 Provision-Gratuity		
	Particulars	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	Gratuity Provision	43,312,710.00	35,006,974.00
	Total	43,312,710.00	35,006,974.00



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15	Trade and Other Payable:			
	Particulars		31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	Current Liabilities - Payable to CBS (Smart Card Fund)			7,500,000.00
	Sundry Debtor - Philatelic (Agent)		15,444.00	386,656.33
	Sundry Creditors for IMR		20,314,168.73	16,090,984.12
	Payable to RGoB for Revenue & Judicial Stamps (Refer 15.1)		4,332,550.48	4,640,560.73
	Advance from Customers		2,331,371.50	441,108.79
	Foreign Money Order Payable		33,523,950.40	31,204,750.40
	Void Money Order Payable		960.00	101,410.00
	EMO Provision		125,071.97	125,071.97
	Fax MO Payable		1,000.00	36,219.00
	Other Payable		-	225,002.08
	Sundry Creditor - FedEx		115,981.16	1,339,173.77
	Sundry Creditor - HQ Parties Bill		8,877,549.96	6,873,798.52
	Sundry Creditor - Credit Cards (eCommerce)		-	96,565.88
	Total		69,638,048.20	69,061,301.59
	15.1 Payable to RGoB for Revenue & Judicial Stamps			
	Judicial Stamps		3,806,890.58	3,980,990.58
	Revenue Stamps		525,659.90	659,570.15
	Total		4,332,550.48	4,640,560.73
16	Other Current Liabilities:			
	Particulars		31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	Security Deposit /EMD		19,122,614.69	32,659,912.34
	Current Liabilities - Remittances (Refer 16.1)		-	75,389.59
	Current Liabilities - Postal Museum		222,873.20	222,873.20
	Current Liabilities - Payable Pension		721,170.00	345,191.00
	Current Liabilities - Disbursement Account		2,323,509.20	3,824,580.95
	Current Liabilities - Overdraft Account (Western Union) (Refer 16.2)		(2,966,738.39)	2,060,566.14
	Current Liabilities - Western Union Payable (\$ 10,000/-)		703,600.00	703,600.00
	Current Liabilities - Unclaimed Money		3,805,959.68	
	Current Liabilities - Other payable (EMO and salary payable)		1,233,672.00	-
	Current Liability - Excess received from Customer		27,171.50	-
	Current liability- Capital Grant		1,839,543.68	1,804,293.31
	Current Liability- Rental Prepaid		500.00	
	Current Liability - Inter Unit Activities (Refer 16.3)		-	9,905.00
	Total		27,033,875.56	41,706,311.53
	16.1 Current Liabilities – Remittances			
	Current Liability – GIS		-	24,423.67
	Current Liability - Inter Unit PSWF		-	(5,064.00)
	Stale Cheques		-	56,029.92
	Total		-	75,389.59
	16.2 Current Liabilities - Overdraft Account (Western Union)			
	OD Bank Account – CR			
	OD Account No. 101221540 - Gelephu		(716,705.58)	330,452.68
	OD Account No. 101613515 - Tsirang		(255,439.91)	506.99
	OD Account No. 101913824 - Bumthang		(130,864.53)	131.89
	OD Account No. 102353870 - Trongsa		(18.97)	77,622.53



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OD Account No. 102538589 - Zhemgang	65.84	180.36
OD Account No. 102750561 - Sarpang	288.09	54,882.23
OD Account No. 102793221 - Dagana	(624.59)	46,402.31
OD Account No. 200743889 - Pangbang	10,209.62	23,700.86
Sub Total (i)	(1,093,090.03)	533,879.85
OD Bank Account – ER		
CD A/c- 20100607501 - Kanglung		-
OD Account No. 101097543 - Samdrupjongkhar	29.99	40.53
OD Account No. 101540703 - Trashigang	13.21	50,728.72
OD Account No. 101832355 - Mongar	131.50	32,304.73
OD Account No. 103028588 - Trashiyangtse	62,255.47	10,054.13
OD Account No. 200088411 - Nganglum	(146.34)	96.73
OD Account No. 200102528 - Lhuentse	(20,613.62)	40,648.42
OD Account No. 200710955 - Wamrong	0.05	70.82
OD Account No. 200716221 - Doksum	49.88	61.50
OD Account No. 200736532 - Deothang	54.77	29,421.41
OD Account No. 201747748 - Samdrupcholing	293.69	13,588.94
OD Account No. 201751618 - Gyelposhing	(2.29)	-
OD Account No. 201751889 - Jomotsangkha	64.12	64,682.72
OD Account No. 102697595 - Pemagatshel	56.37	89.81
Sub Total (ii)	42,186.80	241,788.46
OD Bank Account – SR		
OD Account No. 100234333 - Phuentsholing	(222,637.25)	476,490.63
OD Account No. 101420501 - Samtse	(37,907.14)	(9,758.06)
OD Account No. 101420512 - Trashicholing (Sipsu)	101,774.34	222,073.06
OD Account No. 101731118 - Gomtu	10,516.94	10,221.85
OD Account No. 102488989 - Gedu	123,890.00	(6,255.02)
OD Account No. 200080524 - Tsimatsham	(92.41)	78.94
OD Account No. 201751471 - Lhamoizangkha	36.38	87,917.67
Sub Total (iii)	(24,419.14)	780,769.07
OD Bank Account – WR		
OD Account No. 102083970 - Wangdue	(180,330.15)	180,757.12
OD Account No. 102256447 - Paro	(1,615,981.02)	275,595.50
OD Account No. 102405491 - Haa	(114,494.57)	124.53
OD Account No. 102650089 - Punakah	19,389.36	47,651.61
OD Account No. 200746915 - Gasa	0.36	-
Sub Total (iv)	(1,891,416.02)	504,128.76
Grand Total (i+ii+iii+iv)	(2,966,738.39)	2,060,566.14
16.3 Current Liability - Inter Unit Activities		
Inter Unit Current Account		9,905.00
Total		9,905.00
17 Provisions		
Particulars	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
Provision for Doubtful Debtors (FedEx & Philately)	285,628.88	138,321.75
Provision for Doubtful Receivables (B/S)	-	199,928.00
Audit Fee	87,000.00	86,515.00
Audit Expenses	300,000.00	500,000.00
Incentives		-
Leave Encashment	6,377,949.37	5,806,054.16



Gratuity Provisions			2,434,922.00	9,681,185.00
TAXATION	Opening			
	Less: Adjusted during the Year		-	-
	During the year (Net)		-	8,662,936.63
Total			9,485,500.25	25,074,940.54

18	Postal Income		
	Particulars	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	COMMISSION ON:		
	Electronic Money Order	127,750.25	111,775.00
	Fax Money Order	129,664.00	418,952.00
	Revenue/Judicial Stamps (Refer 18.1)	2,612,087.50	3,519,373.90
	Sub-Total (i)	2,869,501.75	4,050,100.90
	MAIL SERVICES:		
	Income – BCSEA	11,854.00	3,021,588.44
	Domestic Express Mail Services	6,256,646.00	6,087,381.00
	International Express Mail Services	30,610,305.00	41,311,205.00
	Local Urgent Mail	3,388,721.00	4,288,100.00
	Special Drawing for Consignment /Mail Carriage (Refer 18.2)	1,342,013.50	1,416,901.81
	Income - Cargo/Logistic	2,641,461.20	1,954,260.00
	Mail Services - International Mail Revenue (Refer 18.3)	13,318,166.60	23,024,163.98
	Fax Revenue (Refer 18.4)	31,157.00	250,183.00
	Sale of Postage Stamps	667,664.00	1,162,684.60
	Registered Letter (Refer 18.5)	8,869,013.00	8,276,484.00
	Sub-total (ii)	67,137,001.30	90,792,951.83
	OTHER POSTAL INCOME:		
	Income - eCommerce (Refer 18.6)	103,402.25	982,067.36
	Income Postage of Commodities	559,924.00	-
	Mail Services - Post Box Rent	1,908,414.00	1,983,300.00
	Parcel Postage (Refer 18.7)	-	391,126.00
	Postal Ballot Revenue	788,067.00	102,451.00
	Clearing and Forwarding	752,845.00	1,345,526.00
	Postal Museum Revenue	34,745.00	489,425.00
	Mail Services - FedEx Revenue (Refer 18.8)	1,275,160.29	3,215,005.23
	Mail Services - TNT Revenue (Refer 18.9)	302,261.66	492,694.19
	Mail Services - Post Overnite Courier	5,615.00	81,526.00
	Mail Services – DTDC	84,007.00	207,744.00
	Sale of News Papers/Magazines (Refer 18.10)	168,611.00	267,528.20
	Miscellaneous Postal Revenue (Refer 18.11)	760,387.83	1,100,885.69
	Sub-Total (iii)	6,743,440.03	10,659,278.67
	Total (i+ii+iii)	76,749,943.08	105,502,331.40
	18.1 Revenue/Judicial Stamps		
	Commission - Judicial Stamps	2,319,931.00	3,038,536.50
	Commission - Revenue Stamps	292,156.50	480,837.40
	Total	2,612,087.50	3,519,373.90
	18.2 Special Drawing for Consignment /Mail Carriage		
	Mail Service Income - Gati	154,613.50	195,751.53
	Mail Services Income - Sugam Parivahan	198,311.00	140,794.28
	Mail Services - Mail Carriage	796,167.00	974,756.00
	Mail Services - Contract Mail Services	192,922.00	105,600.00
	Total	1,342,013.50	1,416,901.81



Particulars	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
18.3 Mail Services - International Mail Revenue		
Sale Account -IMR	13,171,130.60	22,861,271.98
Air Conveyance Revenue	147,036.00	162,892.00
Total	13,318,166.60	23,024,163.98
18.4 Fax Revenue		
Mail Services - Fax Revenue/Service Charge	29,917.00	241,205.00
Mail Services - Fax Delivery Fee	1,240.00	8,978.00
Total	31,157.00	250,183.00
18.5 Registered Letter		
Mail Services - Domestic Registered Letter	8,499,090.00	6,786,645.00
Mail Services - International Registered Letter	369,923.00	1,489,839.00
Total	8,869,013.00	8,276,484.00
18.6 Income - eCommerce		
Income -eCommerce	81,596.25	183,222.26
Income -e-commerce Delivery	21,806.00	798,845.10
Total	103,402.25	982,067.36
18.7 Parcel Postage		
Mail Services - Domestic Parcel Postage:		4,615.00
Mail Services - International Parcel		386,511.00
Total	-	391,126.00
18.8 Mail Services - FedEx Revenue		
Postal Ballot FedEx		21,145.00
Sale - FedEx	746,635.01	2,208,860.33
Commission - FedEx	58,078.99	77,611.30
Delivery Charge - FedEx	437,159.04	907,388.60
Denials Receivable	33,070.45	-
Income - FedEx	216.80	-
Total	1,275,160.29	3,215,005.23
18.9 Mail Services - TNT Revenue		
Sale - TNT	266,240.00	401,669.00
Delivery Charge - TNT	36,021.66	91,025.19
Total	302,261.66	492,694.19
18.10 Sale of News Papers/Magazines		
Sale of Newspaper & Magazines -P/Ling	144,661.00	226,382.10
Commission - Sale of Kuensel	23,950.00	41,146.10
Total	168,611.00	267,528.20
18.11 Miscellaneous Postal Revenue		
Mail Services - Service Charges	26,180.00	46,390.00
Other Income - Charo APPS	-	1,090.00
Miscellaneous Revenue	45,769.19	179,065.08
Mail Services - Telephone Bill Distribution	52,329.00	50,320.50
Other Income - Fine & Penalties	422,039.64	499,312.11
Other Income - Packing Materials	214,070.00	324,708.00
Total	760,387.83	1,100,885.69
19 Philately Income		
Sale of Philately Stamps/Albums	2,411,241.60	17,528,204.06
Philately Income - Rate Fluctuation Gain	36,308.19	257,002.00
Sale of Philately Products	73,627.00	101,664.61
Joint Issue/Commission on Outside Products (Refer to 10.1)	513,778.00	1,555,773.00
Total	3,034,954.79	19,442,643.67

	Particulars	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	19.1 Joint Issue/Commission on Outside Products		
	Commission on Outside Products	63,778.00	655,773.00
	Joint Issue Income	450,000.00	900,000.00
	Total	513,778.00	1,555,773.00
20	Transport Income:		
	Income - Sale of Bus Ticket (Refer 20.1)	1,106,312.00	4,459,721.00
	Income - Other Transport Revenue (Refer 20.2)	1,961,622.00	7,457,106.00
	Total	3,067,934.00	11,916,827.00
	20.1. Income - Sale of Bus Ticket		
	Income - Sale of Bus Tickets (Gedu- Thimphu)	26,652.00	111,932.00
	Income - Sale of Bus Tickets (Kolkata-P/ling)	328,634.00	1,337,460.00
	Income - Sale of Bus Tickets (P/ling-Kolkata)	269,020.00	1,370,141.00
	Income - Sale of Bus Tickets (P/ling-Thimphu)	228,023.00	623,285.00
	Income - Sale of Bus Tickets (Thimphu-P/Ling)	253,983.00	1,016,903.00
	Total	1,106,312.00	4,459,721.00
	20.2 Income - Other Transport Revenue		
	Consignment - Kolkata - P/Ling	1,368,916.00	6,241,094.00
	Consignment - P/Ling - Kolkata	158,737.00	739,332.00
	Consignment - P/Ling - Thimphu	94,610.00	303,190.00
	Consignment - Thimphu- P/ling	8,192.00	
	Transport - Freight	47,750.00	127,850.00
	Transport - Hiring	277,397.00	26,000.00
	Transport - Storage	6,020.00	19,640.00
	Total	1,961,622.00	7,457,106.00
21	Real Estate and Investment		
	Interest Earned on Savings Bank Account	2,618,551.63	1,503,900.60
	Interest Earned on Investment Account (Refer 21.1)	8,783,248.69	6,200,055.35
	Rental Income - Office Building	15,497,758.06	15,072,194.93
	Rental Income - Guest House (SR)	127,000.00	161,100.00
	Rental Income - Employee	1,283,823.00	1,197,832.00
	Other Income - Income from Land	122,496.00	132,431.00
	Total	28,432,877.38	24,267,513.88
	21.1 Interest Earned on Investment Account		
	Interest Earned on Fixed Deposits	2,737,493.57	2,944,492.26
	Interest Earned on Gratuity Fund Account	6,045,755.12	3,255,563.09
	Total	8,783,248.69	6,200,055.35
22	Commission on Western Union Money Transfer		
	Commission on Inbound Settlement	10,531,452.50	6,117,323.72
	Commission on outbound Settlement	-	1,508.53
	Foreign Currency Gain Inbound	6,319,305.31	11,746,439.60
	Foreign Currency Gain Out Inbound	-	10.00
	Decimal Gain	13,194.11	(438.30)
	Total	16,863,951.92	17,864,843.55
23	Other Income		
	Sale of Tender Form	5,000.00	23,000.00
	Excess Physical Inventories		66,675.00



	Particulars	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	Income - Parking Tickets	518,755.00	748,295.00
	Excess Liabilities/ Provision Return	25,073.01	2,810,659.47
	Rate Fluctuation Gain (Refer 23.1)	2,586,005.66	1,841,110.75
	Other Income - Pension Delivery Fee	500,000.00	500,000.00
	Other Income - Hiring of Vehicle (Kofuku)	17,864.00	275,000.00
	City Bus Services Management Fee	492,813.45	3,250,833.90
	Xerox Copies Revenue	158,632.00	215,325.00
	Commission on E - Load, Lottery & Mineral Water (Refer 23.2)	330,314.80	285,221.51
	Income Internet Usage	160.00	-
	Write Off	199,928.00	-
	Return Shipment	-	10,727.00
	Income on Sale of Assets/Stationery	-	17,250.00
	Total	4,834,545.92	10,044,097.63
	23.1 Rate Fluctuation Gain		
	Gain on Foreign Exchange- FedEx	137,597.03	-
	Gain on Foreign Exchange- IMR	2,275,447.66	1,841,110.75
	Rate Fluctuation Gain - HQ	172,960.97	-
	Total	2,586,005.66	1,841,110.75
	23.2 Commission on E - Load, Lottery & Mineral Water		
	Bmobile Eload	69,186.80	88,986.51
	Tashi Cell E-Top up	21,570.00	37,125.00
	BNBL Agency Banking	175,255.00	-
	Mineral Water	60,883.00	129,959.00
	Lottery Tickets	3,420.00	29,151.00
	Total	330,314.80	285,221.51
24	Grant		
	Grant-Revenue	1,917,071.90	2,625,485.36
		1,917,071.90	2,625,485.36
25	Employee Benefit Expenses salaries, wages & others		
	Salaries to Officers/Staffs (Refer 25.1)	74,827,935.81	67,535,520.69
	Director's Sitting Fees	117,000.00	147,000.00
	Employer's Contribution to Provident Fund	7,426,451.00	4,846,677.00
	Gratuity	6,446,276.00	5,578,491.00
	Medical	164,503.00	32,438.00
	Total	88,982,165.81	78,140,126.69
		88,982,165.81	78,140,126.69
	25.1 Salaries to Officers/Staffs		
	Employee Benefit Expenses - LTC	3,122,647.00	2,771,986.00
	Employee Benefit Expenses - Retirement	634,349.00	492,333.50
	Employee Benefit Expenses - Leave Encashment	4,475,914.21	4,556,651.09
	Employee Benefit Expenses - Staff Salary	50,772,901.00	44,258,578.50
	PE - CMO Salary	224,700.00	305,700.00
	PE - Temporary Staff	352,984.00	351,470.00
	PE - Special Pay		50,460.00
	PE - Transfer Expenses	103,058.60	64,862.00
	PE - Sitting Fee Employee	30,000.00	97,500.00
	PE Allowance - Bike	1,625,864.00	1,428,360.00
	PE Allowance - Contract	1,371,469.00	1,322,734.00
	PE Allowance - Corporate	123,399.00	8,539,249.60



	Particulars	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
	PE Allowance - Entertainment	143,400.00	144,900.00
	PE Allowance - House Rent Allowance (Gr 1-10)	5,056,357.00	434,102.00
	PE Allowance - House Rent Allowance (Gr 11-19)	4,623,881.00	381,500.00
	PE Allowance - Internet	75,600.00	74,000.00
	PE Allowance - Mobile (Non Taxable)	63,200.00	60,100.00
	PE Allowance - Mobile (Taxable)	63,200.00	60,100.00
	PE Allowance - Officiating Allowance	176,000.00	163,000.00
	PE Allowance - Over Time	1,482,412.00	1,656,934.00
	PE Allowance - Over Time to RRCO Staff	600.00	-
	PE Allowance - Transport	306,000.00	321,000.00
	Total	74,827,935.81	67,535,520.69
26	Administration and Other Expenses		
	Printing and Stationeries (Refer 26.1)	3,789,484.96	1,932,861.67
	Adm Expenses - Staff Training	527,295.94	1,874,394.00
	Postage, Telephone, Telex, Etc	551,466.87	659,351.65
	Electricity Charges	381,668.73	435,127.75
	e-commerce Expenses	4,987.49	21,260.00
	Books & Periodicals	-	59,065.00
	Hospitality & Entertainment Expenses	160,860.00	656,722.00
	Official Meeting/ Conference	121,371.55	1,896,110.85
	Staff Welfare	590,607.82	845,133.20
	Advertisement/Promotion/Marketing	604,529.00	1,187,497.50
	Air Conveyance	12,055.00	
	Rent, Rate, Taxes, Insurance, License Fees, Etc. (Refer 26.2)	1,405,489.39	1,026,156.13
	Adm Expenses - Rent	1,856,379.00	1,515,610.40
	Postage of Commodities	9,770.00	-
	Travelling and Conveyance (Refer 26.3)	1,414,464.10	2,894,415.61
	Professional Consultancy and Legal Charges	25,000.00	70,000.00
	Transportation of Mails and Others (Refer 26.4)	1,403,985.64	1,696,225.00
	Adm Expenses - BCSEA	224,520.00	458,122.00
	Adm Expenses - DTDC	21,735.00	41,477.14
	Adm Expenses - Cargo/Logistic	135,460.00	-
	International Mail Expenses (Refer 26.5)	25,931,122.61	30,288,322.07
	Adm Expenses- FedEx (Refer 26.6)	655,494.32	1,619,908.09
	Adm Expenses- TNT (Refer 26.7)	155,984.87	303,229.15
	Adm Expenses- WUMT (Refer 26.8)	3,741,070.34	392,310.18
	Adm Expenses- News Paper & Magazines	87,881.00	183,287.00
	IPS Light Subscription Fees (UPU Contribution)	1,274,305.54	745,853.25
	Bank Charges	43,581.27	119,576.23
	Audit Fee	18,917.00	86,515.00
	Audit Expenses	-	431,486.00
	Postal Ballot Expenses	2,600.00	-
	Bad Debts	147,307.13	
	Postal Museum Expenses	26,184.67	330,375.45
	Credit Card Expenses	-	411,963.41
	Internet Charges	1,119,801.44	1,125,888.92
	Sub-Total (A)	46,445,380.68	53,308,244.65
	REPAIR & MAINTENANCE		
	POL (Other than Transport)	1,784,719.54	2,645,136.31

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Particulars	31.12.2020 (Amount in Nu)	31.12.2019 (Amount in Nu)
Maintenance of Vehicle (Other than Transport)	382,743.70	809,162.08
Building	1,174,393.00	1,354,628.11
Other Repairs (Refer 26.9)	204,840.53	662,625.00
Miscellaneous Expenses (Refer 26.10)	671,674.12	777,924.26
Sub-Total (B)	4,218,370.89	6,249,475.76
Total (A+B)	50,663,751.57	59,557,720.41
26.1 Printing and Stationeries		
Other Purchase Account	425,452.86	-
ADM Expenses - Printing & Stationery	3,364,032.10	1,932,861.67
Total	3,789,484.96	1,932,861.67
26.2 Rent, Rate, Taxes, Insurance, Licence Fees, Etc		
Adm. Expenses - Taxes and Duties	411,047.77	339,989.92
License renewal	13,800.00	-
Insurance of Postal Expenses	372,316.00	-
Adm Expenses - Compensation	39,442.00	54,882.00
Insurance/Registration of Building	298,717.00	359,081.00
Insurance/Registration of Vehicle	270,166.62	272,203.21
Total	1,405,489.39	1,026,156.13
26.3 Travelling and Conveyance		
Travelling & Conveyance (Ex - Country)	79,278.10	676,271.61
Travelling & Conveyance (In - Country)	1,335,186.00	2,218,144.00
Total	1,414,464.10	2,894,415.61
26.4 Transportation of Mails and Others		
ADM Expenses - Transportation	1,271,725.64	1,547,550.00
ADM Expenses - Gati	37,610.00	43,939.00
Adm Expenses - Sugam	18,105.00	7,559.00
Adm Expenses - POC	-	28,640.00
Adm Expenses - Loading & Unloading Mails P/Ling	59,745.00	44,937.00
Adm Expenses - Loading & Unloading Consignment	5,400.00	14,000.00
Adm Expenses - Loading & Unloading Mineral Water	11,400.00	9,600.00
Total	1,403,985.64	1,696,225.00
26.5 International Mail Expenses		
International Mail Expenses	25,753,037.79	30,288,322.07
Bank Charges	35,137.19	-
Rate Fluctuation	142,947.63	-
Total	25,931,122.61	30,288,322.07
26.6 Adm Expenses- FedEx		
Air Conveyance Outbound FedEx	66,807.00	312,396.00
Bank Charges - FedEx	9,448.84	29,043.82
Bad Debts	51,935.00	-
Rate Fluctuation	2,326.34	-
Insurance Expenses - FedEx	782.00	782.00
Raw Rate payment to FedEx	524,195.14	1,277,686.27
Total	655,494.32	1,619,908.09
26.7 Adm Expenses- TNT		
Air Conveyance Outbound TNT	66,563.00	141,811.00
Raw Rate payment to TNT	89,421.87	161,418.15
Total	155,984.87	303,229.15



26.8 Adm Expenses- WUMT		
Bank Charges on WUMT Remittances	288,946.37	271,214.80
Bank Charges - WUMT	2,015.43	3,300.00
OD Interest -WUMT	92,135.66	117,795.38
Rate Fluctuation	3,357,972.88	-
Total	3,741,070.34	392,310.18
26.9 Other Repairs		
Adm.Exp - Maint. Of Electricity	72,391.00	364,546.00
Adm.Exp - Maint. Of Equipment	107,389.53	185,219.00
Adm. Exp - Maint.of Furniture	25,060.00	112,860.00
Total	204,840.53	662,625.00
26.10 Miscellaneous Expenses		
Adm Expenses - Office Expenses	393,666.10	370,635.07
Adm Expenses - Packing Materials	126,552.79	165,137.00
Adm Expenses - Commission Paid on E-Load (BMobile)	9,418.93	14,060.59
Adm Expenses - Commission Paid on E-Load (TCell)	2,695.50	5,974.70
Adm Expenses - Discount	75,911.65	92,300.90
Adm Expenses - Donation	-	10,000.00
Adm Expenses - Guest House Expenses	-	360.00
Loss on disposal of Assets	54,109.15	-
Adm. Expenses - Gift	9,320.00	119,456.00
Total	671,674.12	777,924.26
27	Transport Operation Expenses	
	Petroleum, Oil and Lubricant (POL)	1,523,045.65
	Repair and Maintenance	212,326.13
	Insurance	224,823.28
	Other Charges	32,164.00
	Tyres & Tubes Consumed	7,457.00
	Total	1,999,816.06
28	Philately Expenses	
	Philatel Inventory (Printing)	1,448,100.00
	Philately Cost - Other Expenses (Refer 28.1)	933,654.93
	Total	2,381,754.93
	28.1 Philately Cost - Other Expenses	
	Philately Cost - Goods Sold	-
	Philately Cost - Maintenance of Electricity	-
	Philately Cost - Increase/Decrease in Inventories Philately	(1,030,001.49)
	Philately Cost - Rates, Taxes & Duties	1,000,000.00
	Philately Cost - Maintenance of Equipment	2,150.00
	Philately Cost - Maintenance of Furnitures	-
	Philately Cost - Bank Charges	10,888.20
	Philately Cost - Commission Paid	58,191.72
	Philately Cost - Exhibition	-
	Philately Cost - Freight Charges	800,000.00
	Philately Cost - Marketing & Publicity	-
	Philately Cost - Office Expenses	3,508.00
	Philately Cost - POS Charges 3%	495.00
	Philately Cost - POS Telephone Charges	1,220.00
	Philately Cost - Printing & Stationery	2,910.00
	Philately Cost - Rate Fluctuation Loss	51,884.50
	Philately Cost - SAC Meeting Fee	-



AUDITOR'S REPORT & FINANCIAL STATEMENT

	Philately Cost - Staff Wel fare	24,970.00	73,775.00
	Philately Cost - TA & DA Paid	-	17,196.00
	Philately Cost - Discount Allowed	7,439.00	-
	Total	933,654.93	4,228,509.88
29	Finance Cost		
	Interest on Loan	3,418,420.68	5,721,906.10
		3,418,420.68	5,721,906.10
30	Prior Period Adjustment (Dr)		
	Revamping of Thimphu GPO EMS/Parcel Room in 2017	-	59,155.00
	Refund of sales of News Paper revenue deposited in 2018	-	15,088.50
	Current Asset: Tashi Cell (Paid more than payable without booking payable)	-	20,453.76
	Tax adjustment 2019	-	2,268,236.86
	Head Quarter Cash	-	
	5% Discount for M/s Nado Poizokhang	-	15,591.50
	Increment Sonam Wangmo	5,964.00	-
	LTC Yangchen Dolker	15,000.00	-
	Total balance (Dr)	20,964.00	2,378,525.62
	LESS PRIOR PERIOD INCOME (Cr)		
	Grant adjustment for 2015 to 2018	-	2,292,316.21
	Income - Loan From Post Master (Actually Unidentified Income)	-	66,855.00
	Total balance (Cr)	-	2,359,171.21
	Net adjustments	20,964.00	19,354.41
	Total	20,964.00	19,354.41