

# 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

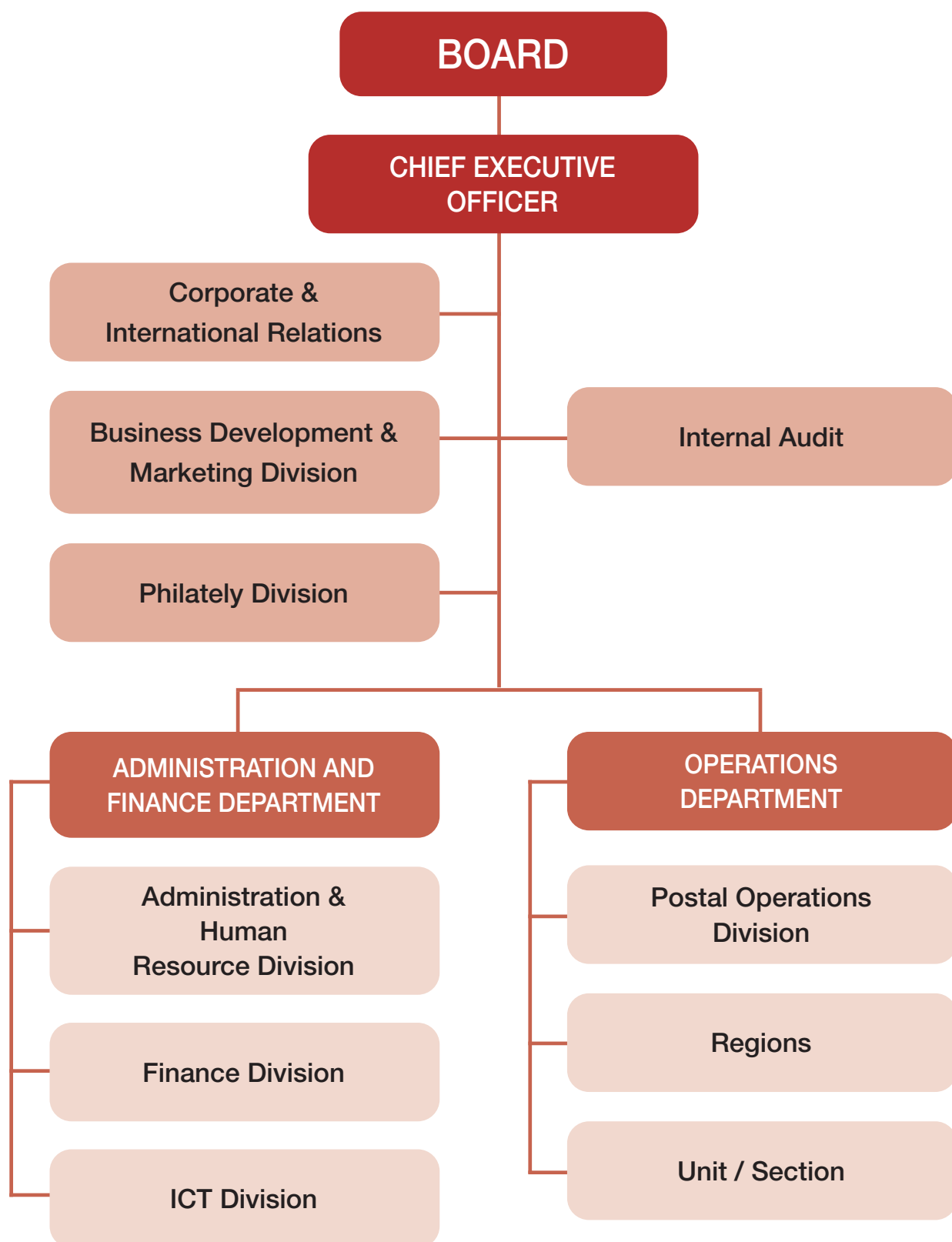


### MEMBER SECRETARY

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, Operations Department	Mr. Jigme Tenzin
3	General Manager, Corporate & International Relations	Ms. Tshering Chhokie
4	Head, Admin. & Finance Department	Mr. Tshewang Rinzin
6	Head, Business Development & Marketing Division	Ms. Kezang Norden Dekar
7	Head, Internal Audit Unit	Mr. Tashi Phuntsho
8	Head, Information & Communication Technology Division	Mr. Jamyang Phuntsho
9	Head, Finance Division	Ms. Rinchen Zangmo
10	Offtg. Head, Philately Division	Ms. Nima Lhamo
REGIONAL OFFICES		
11	Regional Manager, Western Region	Mr. Thinley Wangchuk
12	Acting Regional Manager, Southern Region	Mr. Dawa
13	Regional Manager, Central Region	Ms. Sarmila Chhetri
14	Regional Manager, Eastern Region	Ms. Pema Deki

# BOARD OF DIRECTORS REPORT -2021

## 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 2021.

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 with no international visitors.

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 lead to decline in revenue for Philately and also some extent the international mail. Alternate flight cost more for carriage of mail while some countries did not open their postal network. However, Bhutan Post earned a gross revenue of **Nu.223.721 million** in **2021** as compared to **2020** when it could generate a gross revenue of **Nu.134.901 million** which is an **increase of 66%**.

The company however, incurred a net loss of **Nu.1.252 million** which is a decrease by **Nu.23.075 million** when compared to **2020**.

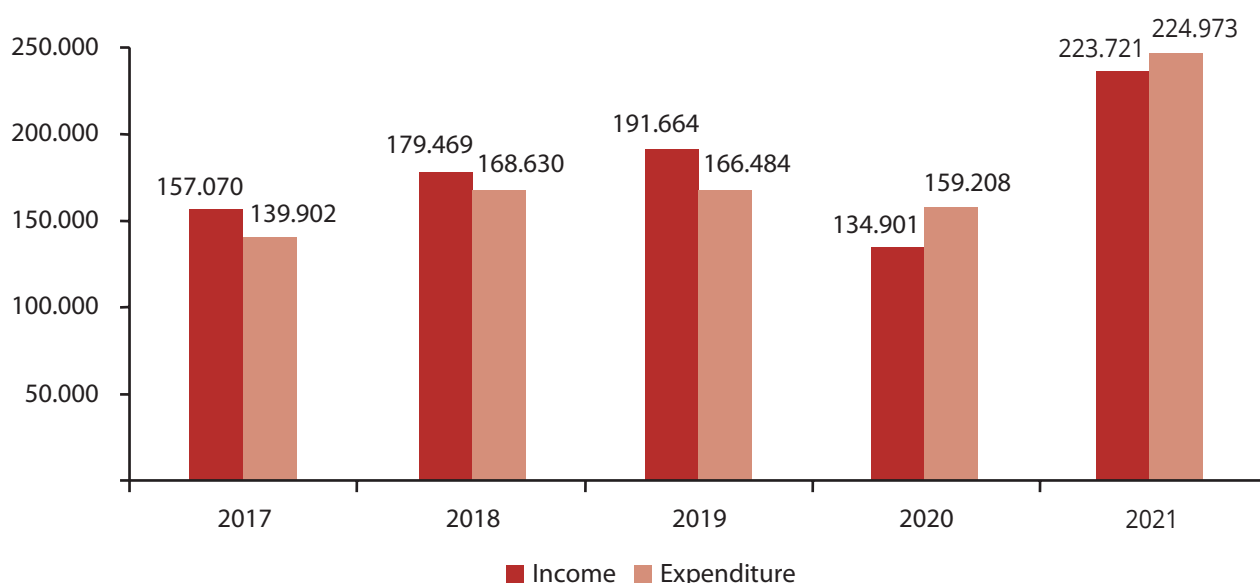
## REVENUE, EXPENDITURE AND NET PROFIT for 2021

### a) Revenue

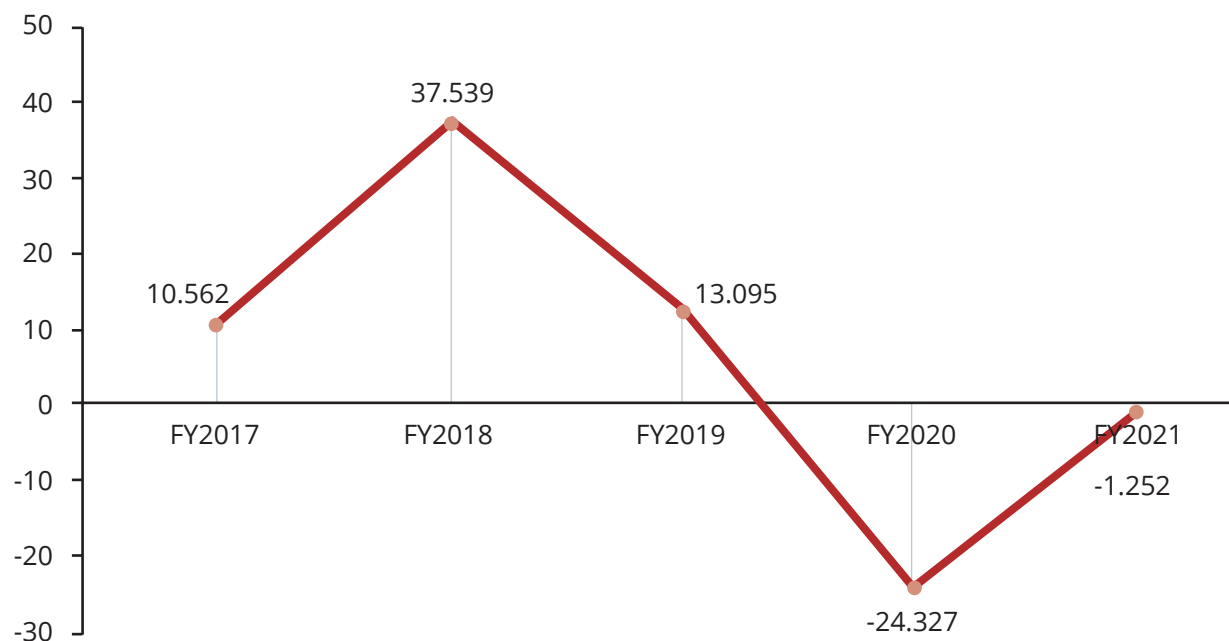
The Corporation earned gross revenue of **Nu.223.721 million** in **2021**. In **2020**, the gross revenue was **Nu.134.901 million**. Compared to **2020**, the revenue in **2021** has increased by **Nu.88.82 million** or **66%**.

### b) Expenditure

The Corporation incurred a total expenditure of **Nu.224.973 million** in **2021**. The total expenditure for the financial year **2020** was **Nu.159.208 million**. Compared to **2020**, the expenditure has increased by **Nu.65.765 million** or **41%**.



## Net profit



### c) Net Profit/Loss

In **2021** the company incurred a net loss of **Nu.1.252 million**. In **2020** the net loss was **Nu.24.327 million**. Compared with **2020**, the net loss decreased by **Nu.23.075 million**.

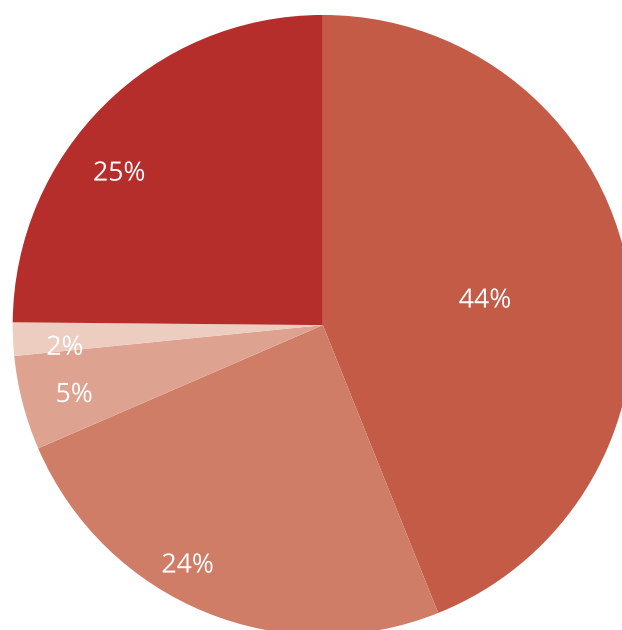
### d) Revenue Share of Top 5 Businesses

In 2021, the top five revenue earners were Express Mail Service (EMS) both international and domestic, International Mail Revenue (IMR), Estate Management and Investment Western Union Money Transfer and Registered Letters, which together earned **Nu.175.443 million** of the total revenue. Their share of revenue as a percentage of total revenue were as follows:

#### 1. Express Mail Service (EMS)

In 2021, revenue from Express Mail Service (EMS) was **Nu.92.858 million** against **Nu. 36.867 million** in **2020**. Compared with the revenue in **2020** that is an increase by **Nu. 55.991 million** or **152%**.

## Top 5 Businesses



- Express mail service
- International mail Revenue
- Estate Management & investment
- western Union Money transfer
- Registered Letter

## 2. International Mail Revenue (IMR)

Revenue from International Mail Revenue (IMR) was **Nu.24.659 million** in **2021** against **Nu.13.318 million** in **2020**. Compared with the revenue in 2020 that is an increase by **Nu.11.341 million** or **85%**.

## 3. Estate Management & Investment

In **2021**, revenue from Estate Management & Investment was **Nu.23.605 million** against **Nu.28.433 million** in **2020**. Compared with the revenue in **2020** that is decreased by **Nu.4.828 million** or **17%**.

## 4. Western Union Money Transfer (WUMT)

Bhutan Post has been collaborating with the Western Union since **2002** for transfer of money between Bhutan and other countries (inbound remittances). The revenue for **2021** was **Nu.17.839 million** against **Nu.16.864 million** in **2020** which is Increased by **Nu.0.975 million** or **6%**.

## 5. Registered Letters

In **2021**, revenue from Registered Letter was **Nu.16.482 million** against **Nu.8.869 million** in **2020**. Compared with the revenue in **2020** that is an increase by **Nu.7.613 million** or **86%**.

### e) Audit Observations

RAA had audited Bhutan Post for the period 2015 - 2018 in 2019 from which we have 15 unresolved observations as of 31<sup>st</sup> December 2021, with most in advanced stages of our efforts to resolve them.

The Corporation as on date has 2 unresolved observations of the 5 that was issued in 2019 with no unresolved observations for the years 2020 and 2018.

# KEY ACHIEVEMENTS IN 2021

## 1. Securities Brokerage Business:

Bhutan Post was granted license to engage in Securities Brokerage Service by the Royal Monetary Authority of Bhutan (RMA) on 6<sup>th</sup> April 2021. Simultaneously, the training for the Broker representatives was conducted by the Royal Securities Exchange of Bhutan (RSEBL) from 5<sup>th</sup>-9<sup>th</sup> April 2021. However, RMA granted clearance for the Broker representatives on 10<sup>th</sup> May 2021, which was mandatory for starting the stock brokerage operations. We started the operations from June 2021.

Currently there are seven Broker representatives/ Postmasters spread in 5 Dzongkhags. Detail of Trained Broker representatives is as per below table:

Sl No.	Post Office	Dzongkhag	Broker Representative
1	Thimphu HQ	Thimphu	1
2	Thimphu GPO		1
3	Paro PO	Paro	1
4	Monggar PO	Monggar	1
5	Trashigang PO	Trashigang	1
6	Rangjung PO		1
7	Trashiyangtse PO	Trashiyangtse	1

After the operation started, we got an opportunity to participate in the events- sale of RICBL and BNBL shares owned by Sungchob and Kidu Funds, floated to the public on 15 June - 15 July 2021. The sale process followed was bidding/auction method. Through our post offices we were able to reach the far flung population, which was also one of the main aspirations of His Majesty the King. The seven brokers carried out the technical system updates when other postmasters assisted in receiving share subscription forms and forwarding it to the trained

brokers. From this trade, we made gross revenue of **Nu.1.03 Million**. In terms of financial transactions, the total amount transacted through our brokers was **Nu.366 Millions** only, out of the total transacted amount of **Nu.2,257.75 Millions**, for the whole event. Bhutan Post was able to capture about 16% of the total.

Bhutan Post also participated in the additional offer of RICBL shares in the market through bidding method on 20 August - 3 September 2021. From this event Bhutan Post could transact **Nu.2.34 Millions** only, earning a gross commission of **Nu.0.023 Millions** only.

The direct costs involved are the trading fees payable to Royal Securities Exchange of Bhutan, which is **0.00175** on the total transaction value and an annual fee of **Nu. 75,000/-** only.

As of date, Bhutan Post Securities has about 3000 clients registered with us and is still growing. We also have in the pipeline the plan to appoint broker representatives in other post offices, who shall be trained in batches in the coming years.

Apart from the revenue earning, we could provide value additions by enabling the farmers and housewives residing in remote areas to participate in the share purchase events. We also feel that we helped create more awareness on the share market in Bhutan.

As on 31<sup>st</sup> December 2021, commission earned was **Nu.1.091 Million** only

### 2. Agent to Royal Insurance Corporation of Bhutan (RICBL):

Bhutan Post submitted a proposal to collaborate as RICBL corporate agents to disburse RICBL products through our locations in November 2020. A total of 49 staff were identified as RICBL Agents. The training to these agents started from 8<sup>th</sup> March 2021 and all the agents have been trained and issued with the Agent Certificates. Bhutan Post and RICBL signed an Agreement for operation dated 7<sup>th</sup> May 2021.

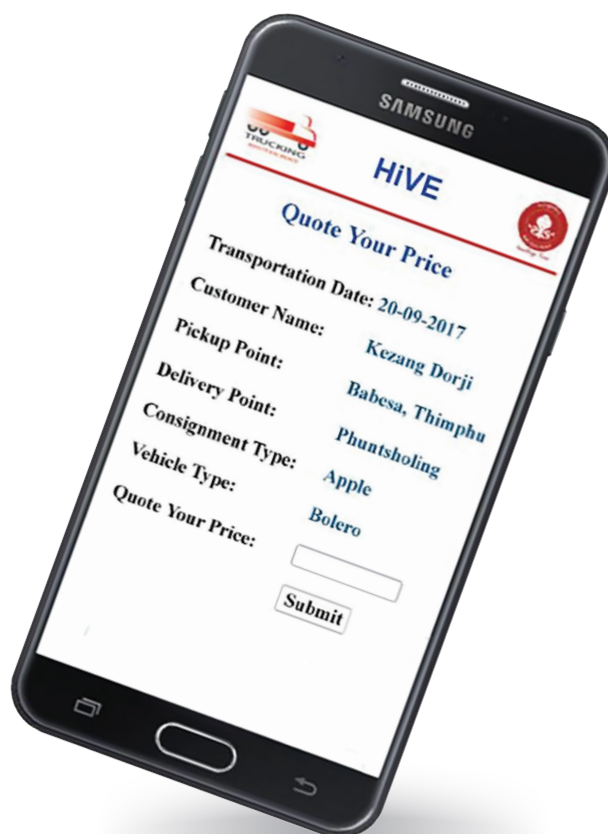
Our trained agents provide insurance services both General and Life. In addition, Postal transit insurance has been included as one of the products and the insurance service is provided from all our post offices.

Bhutan Post earns commissions on the premium amount, ranging from 5% to 15% and apart from few stationery costs, it does not involve other recurring operational costs. Commission earning shall entirely depend on the initiative taken by our trained staff for General and Life insurance products. For Postal transit insurance, our own customers can choose to avail the service.

Since the start of service, Commission revenue earned as of **31.12.2021** is **Nu.78,878.14** only.

### 3. HiVE- Hire Vehicle System:

*HiVE system description:* There are three types of users that interact with the system: customer, vehicle owner and administrator. Each of these three types of users have different uses of the system so each of them has their own requirements. The customer will



use the application to book a vehicle. The customer can search for a type of vehicle and choose/book a vehicle from that search. The vehicle owners will also use the mobile application to manage the information about their vehicle, for example descriptions of the vehicle, contact information, view available tasks and submit their bid prices on the tasks. The administrator will interact with the web portal. Administrator manages the overall system so there is no incorrect information within it. The administrator can manage the information for each vehicle and the vehicle owners.

Overall, the system allows vehicle owners to register their vehicles (viz.; trucks, pick-ups Bolero ,DCM and others too) and offer their services online. The customers can book vehicles as per their requirement and convenience. This service will create convenience to the general public to ship their consignments at a preferred destination within the domestic locations. When customers search for vehicles, requests will be sent to nearby registered vehicles. The result will be based on the criteria the customer inputs. Based on the criterion submitted by the customers, the vehicle owners shall submit their Expression of Interest (Eoi) with the quoted rates for the consignment. The result can be viewed in a list view. The list view shall have one list item for each vehicle matching the search criteria and show details of its Eoi so that the customers can identify the transportation arrangement. The customers will be able to select a vehicle based on the lowest quoted rates or as per preference. When customers decide to accept the EOI sent by the driver, they shall be prompted to make a nominal service fee payment. Once the service payment is confirmed, the contact details shall be shared and the assignment can be taken offline between the driver and the customer.

#### **Current Status:**

The Hire Vehicle system requirement was conceptualized towards the end of 2017 and the development initiatives were started in 2018. Now the software development is complete, and with the approval from the Board and the management, we

launched our HiVE (Hire Vehicle System) on February 21, 2021, coinciding with the Birth Anniversary of His Majesty the King. The advertisement related to the system has been given through our facebook page, inviting Truckers and vehicle owners to register on our system.

In the year, few additional updates on the system were carried out by ICTD, in co-ordination with the system developers.

Following which, paid social media marketing were carried out which could create awareness on the system. After good numbers of vehicle owners have registered on the system, the marketing can be continued and extended to the final end users- the actual customers, to make the system operational.

**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. Bhutan Post achieved the following results from 2019 to 2021:

Quarter	Year	World Ranking
1	2019	3
2	2019	2
3	2019	1
4	2019	13
<b>Annual 2019</b>		<b>19</b>
1	2020	13
2	2020	13
3	2020	36
4	2020	21
<b>Annual 2020</b>		<b>5</b>
1		40
2		40
3		38
4		33
<b>Annual 2021</b>		<b>16</b>



**EMS Customer Care Award 2021** - 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 do they receive an EMS customer care award in recognition of the quality of their customer service call centre.

For 2021, 21 Designated Operators have achieved the award standards, and Bhutan Post is proud to be one of them for the third consecutive year.

### UPU Assistance: Procurement under Covid-19 Recovery plan

The UPU under its Technical Cooperation Project titled "Procurement under Covid-19 Recovery plan\_RAS\_21 provided 6 laptops, 24 computers, 24 printers and 22 barcode scanners with a budget of CHF 29,400. The procurement was facilitated by UNDP Office in Thimphu and equipment were received in June and October 2021 in two separate procurement cycles.

### UPU Assistance: Procurement of vehicles and bikes for mail delivery

With the support from the UPU QSF Project titled "Procurement of vehicles for strengthening the mail conveyance capabilities", Bhutan Post will be procuring 2 containerized mail trucks and 5 motor bikes. The mail trucks will be used for secured and regular mail transfers from Paro to Thimphu and Thimphu to Post Offices in the East and vice versa. The bikes will be used for mail delivery from Post



Offices to the Gewogs. The total budget approved for the project is **USD 51,301.40**

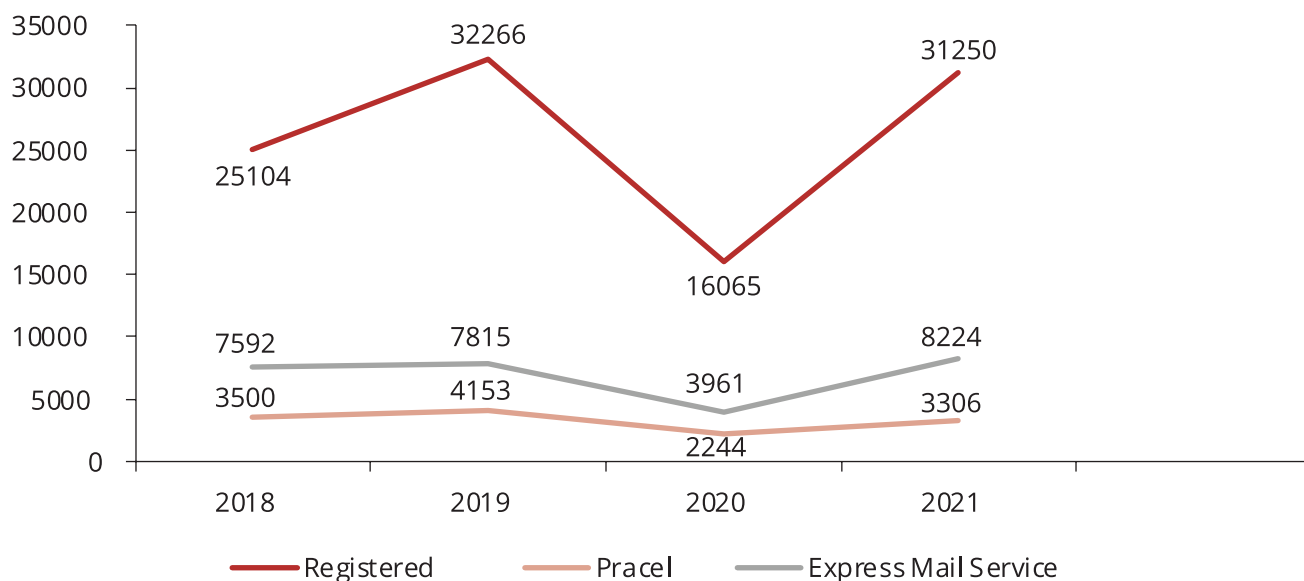
### Postal Ballot delivery for the local government elections

With agreement with Election Commission of Bhutan, Bhutan Post delivered Postal ballots for the Thromde Election for Thimphu, Phuntsholing and Gelephu, Bye-election for National Assembly Member for Monggar and NganglamDemkhong, local government election for 205 Gewogs, 16 Dzongkhag Thromde and SamdrupJongkhar Thromde in 2021. With COVID situation it was challenging. However, with support from all the stake holders, the task was completed without major problem.





## International Mail Volume



## OPERATIONAL HIGHLIGHTS

### 1. International Mail Volume:

The incoming mail volume for registered mail was 31,250 in 2021. Compared to 2020 the mail volume increased by 15,185 which works out to 94.52%.

For Parcels both incoming and the outgoing saw a slight increase in 2021. The outgoing parcel volume increased from 7 in 2020 to 10 in 2021. The incoming Parcel volume increased from 2,244 in 2020 to 3,306 in 2021 which works out to 47% increase.

EMS volume for both outgoing and incoming increased in 2021. The incoming EMS increased from 3,961 in 2020 to 8,224 which is a 108% increase. The outgoing EMS volume increased from 5,967 in 2020 to 11,573 in 2021 which is an increase of 94%.

Overall, the COVID situation had led to an increase in mail volume for Bhutan Post and the revenue from the postal operations despite difficulty in transport connectivity due to suspension/reduction of the international flight operations.

### 2. Transport, Cargo & Logistics:

The revenue from transport, cargo and logistics for the year 2021 was **Nu.3.461 million** against **Nu.5.709 million** in 2020. There was a decrease by **Nu.2.248 million** or **39%** compared with its revenue in 2020.



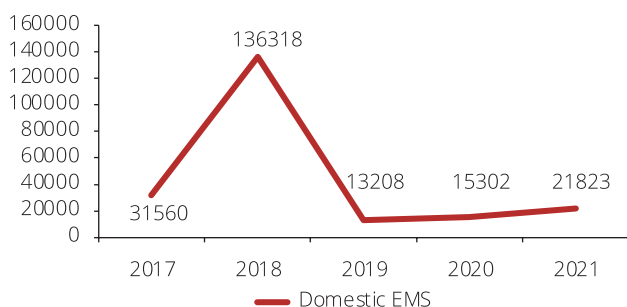
### 3. Philately:

The revenue from Philately for the year **2021** was **Nu.1.845 million** against **Nu.3.035 million** in **2020**. Compared to the revenue in **2020**, the revenue in **2021** has decreased by **Nu.1.190 million** or **39%**. Bhutan Post issued the following stamps in 2021:

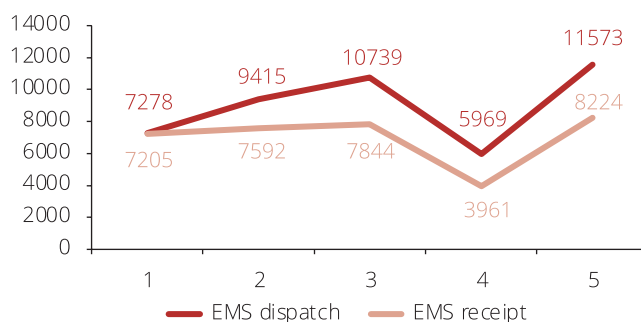
1. 50<sup>th</sup> United Nation (Joint Issue)
2. 21 Tara (Rayol Silk stamp)



#### Domestic EMS



#### International EMS



### 4. Express Mail Service (EMS)

The revenue for domestic express mails service for the year **2021** was **Nu.9.933 million** against **Nu.6.257 million** in **2020**. Compared to the revenue in **2020**, there was an increase by **Nu.3.676 million** or **59%** in **2021**.

The revenue for international EMS for the year **2021** was **Nu.82.925 million** as against **Nu.30.610 million** in **2020**. Compared to the revenue for international EMS in **2020**, there was Increased by **Nu.52.315 million** or **171%** in **2021**.

### 5. Estate Management & Investment

In **2021**, revenue from Estate Management & Investment was **Nu.23.605 million** against **Nu.728.433 million** in **2020**. Compared with the revenue in **2020** that is decreased by **Nu.4.828 million** or **17%**.

### 6. Western Union Money Transfer (WUMT)

Bhutan Post has been collaborating with the Western Union since 2002 for transfer of money between Bhutan and other countries (inbound remittances). The revenue for **2021** was **Nu.17.839 million** against **Nu.16.864 million** in **2020** which is increase of **Nu.0.975 million** or **6%** over the past year.

## 7. FedEx and TNT

Bhutan Post signed a 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 **2021** was **Nu.3.947 million** for FedEx and TNT combined against **Nu.1.577 million** in **2020**, which is an increase of **Nu.2.370 million** or **150%**.

## OTHER SERVICES

The revenue earned as commission from Electronic Money Order (eMO) exchanged with India decreased from **Nu.0.128 million** in **2020** to **Nu.0.068 Million** in **2021**. It decreased by **Nu.0.060 million** or **47%**. The decrease in revenue is expected as COVID situation affected the construction sector employing maximum Indian Labourers who use eMO to send money to their family in India.

The revenue earned as commission from Fax Money Order revenue in **2021** saw a decrease from **Nu.0.130 million** in **2020** to **Nu.0.037 million** in **2021** recording a decrease of **Nu.0.093 million** or **72%**. This is due to increasing reach of Financial Institutions and ATM machines. However, the service is popular where commercial banking services are not available.

## Human Resource

As of December 2021, there were a total of 228 employees in Bhutan Post. Of these 81 were females and 147 were males. There were 194 regular employees at the headquarters and post offices,

- Regular employees : 194
- Contract Employees : 24
- Temporary employees : 10

**1) Recruitment:** During the year 2021, Bhutan Post recruited 7 new employees.

**2) Transfers:** A total of 7 staff members at various levels were transferred within the Bhutan

Post Headquarters and Thimphu GPO, Phuentsholing, Gelephu which included Dy. Manager, Supervisors, Postmasters and Senior Managers.

**3) Separation and Resignation:** During the year, a total of 15 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.4.638 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; and (d) payment of Western Union Money Transfer (WUMT) during the lockdown among others, (e) Importing expert laborer and training our youth, and (f) Rental Waiver to Tenants affected by Covid 19. The abstract of the services is as below:

Loan Amount (Nu.)	Interest Waiver – Period	Waiver (%)	Amount Waived (Nu.)	Lending Institute
44,500,000 @ 8.5% p.a for Phuntsholing Construction	1 Jan – 31 Dec 2021	50%	2,010,817.28	BOB
150,000,000 @ 7.62% p.a for Gelephu Construction	1 Jan – 31 Dec 2021	50%	2,627,167.58	BOB
<b>Total Benefit from Interest Waiver</b>			<b>4,637,984.86</b>	

Sl. No	Particulars	Amount
1	Rental Waiver	2,059,991.06
2	WUMT services during Lockdown worth	47,969,193.00
3	Medicine & Essential delivery services	2,009,169.00
	<b>Total</b>	<b>52,038,353.06</b>

## CONCLUSION

2021 was a not a fruitful year for Bhutan Post. As flight schedules got cancelled or rescheduled and countries suspended some of the services. 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, compared to 2020, Bhutan Post managed to increase its revenue in **2021** by **Nu.88.82 million** or **66%**.

In terms of customer service, Bhutan Post fulfilled the standards set out by the EMS Cooperatives for 2021 and Bhutan Post for the thoird year in a row amongst 21 Designated Operators who have achieved the customer service award standards for 2021.

We are committed and confident to continue all round improvement and growth of postal 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.

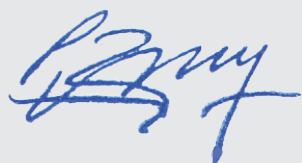
I would like to thank the Board of Directors for their valuable contributions and guidance provided to the Corporation in 2021.

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**  
**Board of Directors**  
**Bhutan Post**

# **AUDITOR'S REPORT & FINANCIAL STATEMENTS**





འཛིགས་མེད་ཕྱི་མཁོ་ཞིབ་དང་དཔྱད་འགྲེལ།

**JIGMI Audit & Financials**  
(A Private Limited Company)

**Independent Auditor's Report on the Financial Statements for year ended 31 December 2021**

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. 2021, and the Statement of Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 Dec. 2021, 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 other ethical responsibilities 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.







འཛིགས་མེད་ཕྱིས་ཞིབ་དང་དུལ་འབྲེལ།

## JIGMI Audit & Financials

(A Private Limited Company)

### 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 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:

- 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;
- 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;
- To evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- 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
- 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 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.





འཛིགས་མེད་རྩིས་ཞིབ་དང་དངུལ་འབྲེལ།

## JIGMI Audit & Financials

(A Private Limited Company)

### 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.

Jigmi Rinzin FCCA

(Membership No. 0283308)

Partner

Place: Thimphu

Date: 20 July 2022



## MINIMUM AUDIT EXAMINATION AND REPORTING REQUIREMENTS

In compliance with the ISA as adopted and issued by the Accounting and Auditing Standards Board of Bhutan (AASBB), and as required by Section 266 of the Companies Act of Bhutan, 2016, and on the basis of such checks 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;
2. The fixed assets were revalued during the year under audit as disclosed under **Note No. 30**;
3. The company has reasonable and adequate system of physical verification. The physical verification was conducted for stores, spares and raw materials during the year;
4. The Company had closing stock of Nu.43.01 million reported as at the year-end;
5. 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;
6. 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;
7. *The company has outstanding bank loans with Bank of Bhutan Limited of Nu.38.679 million for construction of G+4 Building in Phuentsholing and Nu.86.107 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;*
8. 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;
9. 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 Gelephu. *The company has advances of Nu.21.972 million as of 31.12.2021 lying receivable/adjustable from suppliers and contractors involved with constructions in Gelephu;*
10. 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;
11. 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;
12. 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;
13. The company has not entered into purchase and service transaction with the directors or other parties related to the director;
14. Expenses charged to the company accounts represent legitimate business expenses and no personal expenses are charged to the Company;





15. The company is generally regular in depositing rates and taxes, duties, provident funds and other statutory dues with the appropriate authority;
16. There was no undisputed amount payable in respect of rates, taxes, duties, provident fund and other statutory deduction at the year-end;
17. The company has formulated a standard credit sales policy, which has been implemented. There is no system of credit rating of customers;
18. The Company has not selected/appointed commission agents for selling its products/services during the period under audit;
19. 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;
20. 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;
21. Activities carried out by the management are lawful and intra-vires the Articles of Incorporation of the Company;
22. The Company has established a budgetary control system;
23. 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 31: Related Party Transactions** of this Report;
24. 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;
25. 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;
26. Proper records are kept for inter-unit transactions/services and arrangements for services made with other agencies engaged in similar activities; and
27. 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;

## General

### 1. Going Concern

Based on the net asset position reflected by the statement of financial position as at 31 Dec. 2021 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.

*Ja*

Further, in view of Bhutan Postal Corporation Limited as one of the vital SOEs 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 2021 and 2020 in respect of the company is presented separately in the annexure.

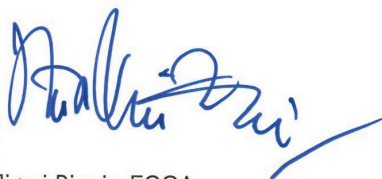
## 3. Compliance with the Companies Act of Bhutan

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 Pvt. Ltd.



Jigmi Rinzin FCCA

(Membership No. 0283308)

Partner

Place: Thimphu

Date: 20 July 2022



# AUDITOR'S REPORT & FINANCIAL STATEMENT

## STATEMENT OF FINANCIAL POSITION as at 31 December 2021

ASSETS	Notes	31.12.2021 (Nu)	31.12.2020 (Nu)
<b>NON-CURRENT ASSETS</b>			
Property, Plant And Equipment	2	102,895,271.02	50,809,829.59
Capital Work In Progress	2	96,975,029.01	69,982,234.82
Intangible Assets	2	1,659,670.24	1,573,184.88
Investment Property	2	88,687,424.14	63,512,409.73
Investments	3	50,201,453.33	90,972,442.02
Other Non Current Assets	4	4,036,068.18	3,978,420.07
<b>TOTAL NON CURRENT ASSETS</b>		<b>344,454,915.92</b>	<b>280,828,521.11</b>
<b>CURRENT ASSETS</b>			
Inventories	5	43,017,488.37	41,813,745.50
Trade And Other Receivables	6	42,117,154.85	31,071,958.12
Cash And Bank Balances	7	85,810,797.68	83,911,529.04
Loans And Advances	8	23,440,094.38	14,052,961.31
Other Financial Assets	9	9,655,424.04	11,409,328.58
Other Current Assets	10	90,301.58	126,781.72
Deferred Tax Asset	28	1,466,947.26	544,118.50
<b>TOTAL CURRENT ASSETS</b>		<b>205,598,208.16</b>	<b>182,930,422.77</b>
<b>TOTAL ASSETS</b>		<b>550,053,124.08</b>	<b>463,758,943.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY-</b>			
Share Capital		23,595,200.00	23,595,200.00
Retained Earning		98,098,207.72	104,747,097.70
Revaluation Reserve		80,506,140.84	-
General & Capital Reserve		54,088,126.46	54,088,126.46
<b>TOTAL EQUITY</b>		<b>256,287,675.02</b>	<b>182,430,424.16</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Capital Grant	11	16,472,238.56	16,691,256.75
Long-Term Borrowings	12.1	124,786,201.30	115,167,128.96
Employee Benefit Liabilities	12.2	49,887,885.00	43,312,710.00
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>191,146,324.86</b>	<b>175,171,095.71</b>
<b>CURRENT LIABILITIES</b>			
Deferred Capital Grant	11	1,875,472.57	1,839,543.68
Trade And Other Payables	13	58,149,029.58	69,638,048.20
Other Current Liabilities	14	28,691,699.93	25,194,331.88
Provisions	15	13,902,922.13	9,485,500.25
<b>TOTAL CURRENT LIABILITIES</b>		<b>102,619,124.21</b>	<b>106,157,424.01</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>550,053,124.08</b>	<b>463,758,943.88</b>

For JIGMI Audit & Financials Pvt. Ltd.

  
Jigmi Rinzin FCCA  
Membership No: 0283308  
Partner



For Bhutan Postal Corporation Ltd.

  
Rinchen Zangmo  
(Finance Officer)



  
Karma Nidup  
(Chief Executive Officer)

  
Phuntscho Tobgay  
(Chairman)

*touching lives*



# AUDITOR'S REPORT & FINANCIAL STATEMENT

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021			
Particulars	Notes	31.12.2021 (Amount in Nu)	31.12.2020 (Amount in Nu)
<b>INCOME-</b>			
Postal Income	16	168,287,639.75	76,749,943.08
Philately Income	17	1,845,637.14	3,034,954.79
Transport Income	18	380,073.00	3,067,934.00
Estate Management & Investment	19	23,604,655.19	28,432,877.38
Remittance Income	20	17,895,014.29	16,863,951.92
Other Income	21	9,696,653.46	4,834,545.92
Grant	11	2,010,909.31	1,917,071.90
<b>TOTAL INCOME</b>		<b>223,720,582.14</b>	<b>134,901,278.99</b>
<b>EXPENDITURE-</b>			
Employee Benefit Expenses	22	95,587,117.55	88,982,165.81
Administration And Other Expenses	23	108,318,612.16	50,663,751.57
Transport Operation Expenses	24	754,843.49	1,999,816.06
Philately Expenses	25	2,058,046.64	2,381,754.93
Finance Cost	26	8,697,057.20	3,418,420.68
Depreciation/Amortisation	2	9,557,330.08	11,761,863.93
<b>TOTAL EXPENDITURE</b>		<b>224,973,007.12</b>	<b>159,207,772.98</b>
<b>Profit Before Income -Tax &amp; Prior Period Items</b>		<b>(1,252,424.98)</b>	<b>(24,306,493.99)</b>
Prior Period (Income)/Expenditure -Net	27	-	20,964.00
<b>Profit Before Income -Tax</b>		<b>(1,252,424.98)</b>	<b>(24,327,457.99)</b>
<b>Income Tax Expense</b>		<b>-</b>	<b>-</b>
<b>PROFIT AFTER INCOME -TAX</b>		<b>(1,252,424.98)</b>	<b>(24,327,457.99)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Remeasurement of defined benefit plans including - actuarial Losses	29	(5,396,465.00)	997,157.00
Revaluation Gains		80,506,140.84	-
<b>NET OTHER COMPREHENSIVE INCOME</b>		<b>75,109,675.84</b>	<b>997,157.00</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>73,857,250.86</b>	<b>(23,330,300.99)</b>
<b>BASIC EARNING PER SHARE</b>		<b>(5.31)</b>	<b>(103.10)</b>

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)



*touching lives*

  
**Phuntscho Tobgay**  
 (Chairman)



# AUDITOR'S REPORT & FINANCIAL STATEMENT

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021		(Amount in Nu.)
Particulars	31.12.2021	31.12.2020
<b>I. Cash Flows from Operation Activities:</b>		
Net profit/(Loss) before Tax	(1,252,424.98)	(24,327,457.99)
Depreciation/Amortisation	9,557,330.08	11,761,863.93
Interest Paid	8,697,057.20	3,418,420.68
Remeasurement of defined benefit plans including actuarial gains	(5,396,465.00)	997,157.00
Interest Received	(6,435,689.96)	(11,401,800.32)
<b>Operating Profit/(Loss) before changes in Operating Assets &amp; Liabilities (i)</b>	<b>5,169,807.34</b>	<b>(19,551,816.70)</b>
<b>(Increase)/Decrease in Current Assets:</b>		
(Increase)/Decrease in Stock	(1,203,742.87)	(609,644.21)
(Increase)/Decrease in Debtors	(11,045,196.73)	545,150.67
(Increase)/Decrease in Loans and Advances	(9,387,133.07)	22,543,827.20
(Increase)/Decrease in Non Current Assets	(57,648.11)	(176,551.97)
(Increase)/Decrease in Other Current Assets	36,480.14	5,402,442.17
(Increase)/Decrease in Other Current Assets	(922,828.76)	(544,118.50)
(Increase)/Decrease in Other Financial Assets	1,753,904.54	1,823,584.00
(Increase)/Decrease in Investment	40,770,988.69	6,974,090.04
<b>Sub-Total in Increase/Decrease in Current Assets (ii)</b>	<b>19,944,823.83</b>	<b>35,958,779.40</b>
<b>Increase/(Decrease) in Current Liabilities</b>		
Increase/(Decrease) in Non Current Liabilities	15,975,229.15	36,127,116.92
Increase/(Decrease) in Current Liabilities	(3,538,299.81)	(29,685,129.65)
<b>Sub-Total in Increase/Decrease in Current Liabilities (iii)</b>	<b>12,436,929.34</b>	<b>6,441,987.27</b>
<b>Net Cash flow from Operating Activities (A=i+ii+iii)</b>	<b>37,551,560.51</b>	<b>22,848,949.97</b>
<b>II. Cash Flow from Investment Activities:</b>		
Payments to acquire intangible fixed assets	(608,950.00)	(362,326.00)
Payments to acquire tangible fixed assets	(35,085,419.02)	(51,579,551.61)
Receipts from sale of tangible fixed assets & Refund	2,303,444.39	2,352,768.63
<b>Net Cash flow from Investing Activities (B)</b>	<b>(33,390,924.63)</b>	<b>(49,589,108.98)</b>
Interest received	6,435,689.96	11,401,800.32
Interest paid	(8,697,057.20)	(3,418,420.68)
<b>Net Cash Flow From Financing Activities C</b>	<b>(2,261,367.24)</b>	<b>7,983,379.64</b>
<b>Net Increase/(Decrease) in Cash and Bank Balance (A+B+C)</b>	<b>1,899,268.64</b>	<b>(18,756,779.37)</b>
<b>Cash and Bank balances at the beginning of the year</b>	<b>83,911,529.04</b>	<b>102,668,308.41</b>
<b>Cash and Bank balances at the end of the year-Refer Note No. 7</b>	<b>85,810,797.68</b>	<b>83,911,529.04</b>

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)



*touching lives*

  
Phuntsho Tobgay  
(Chairman)



# AUDITOR'S REPORT & FINANCIAL STATEMENT

## STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 December 2021

Particulars	Fully Paid-up capital	Retained Earning	General & Capital Reserve	Revaluation Reserve	Total
Balance as At 1 January 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)
<b>Balance as at 31.12.2020</b>	<b>23,595,200.00</b>	<b>104,747,097.70</b>	<b>54,088,126.46</b>		<b>182,430,424.16</b>
Balance As At January 2021	23,595,200.00	104,747,097.70	54,088,126.46	-	182,430,424.16
Profit After Income-Tax		(1,252,424.98)			(1,252,424.98)
Remeasurement of defined benefit plans including - actuarial Losses		(5,396,465.00)			(5,396,465.00)
Reserve on Revaluation Surplus				80,506,140.84	80,506,140.84
<b>BALANCE AS AT 31.12.21</b>	<b>23,595,200.00</b>	<b>98,098,207.72</b>	<b>54,088,126.46</b>	<b>80,506,140.84</b>	<b>256,287,675.02</b>

For JIGMI Audit & Financials Pvt. Ltd.

  
Jigmi Rinzin FCCA  
Membership No: 0283308  
Partner



For Bhutan Postal Corporation Ltd.

  
Rinchen Zangmo  
(Finance Officer)

  
Karma Nidup  
(Chief Executive Officer)

  
Phuntsho Tobgay  
(Chairman)



*touching lives*

## NOTE 2: ASSET SCHEDULE

1A. PLANT, PROPERTY AND 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)	Revaluation	As on 31.12.2021 (9=4-8)	As on 31.12.2020 (10=1-5)
1	Grant Assets		31,063,367.42	1,827,820.00	15,950.00	32,875,237.42	12,532,566.99	2,010,909.31	15,950.00	14,527,526.30		18,347,711.12	18,530,800.43
A	Sub-Total		31,063,367.42	1,827,820.00	15,950.00	32,875,237.42	12,532,566.99	2,010,909.31	15,950.00	14,527,526.30		18,347,711.12	18,530,800.43
2	Artifacts		894,462.85			894,462.85	-	-	-	-		894,462.85	894,462.85
3	Land	0%	486,250.00			486,250.00	-	-	-	-		486,250.00	486,250.00
4	Plant & Machinery	15%	48,669.00	24,500.00	42,169.00	31,000.00	43,816.49	2,434.93	42,169.00	4,082.42	2,605.85	29,523.43	4,852.51
5	Building (Permanent)	3%	28,620,392.97		134,991.27	28,485,401.70	21,238,534.23	429,657.60	134,991.27	21,533,200.56	40,696,594.77	47,648,795.91	7,381,858.74
6	Building (Semi-Permanent)	20%	1,157,429.11	925,156.38	786,271.81	1,296,313.68	1,157,424.11	74,847.92	786,271.81	446,000.22	315,726.70	1,166,040.16	500
7	Furniture & Fixtures	15%	14,556,446.82	138,170.00	3,248,752.64	11,445,864.18	10,049,658.58	1,165,894.50	3,236,630.88	7,978,922.20	3,608,254.59	7,075,196.57	4,506,788.24
8	Equipment	15%	42,103,738.77	2,105,286.00	22,533,287.83	21,675,736.94	34,497,614.03	1,965,161.86	22,316,411.13	14,146,364.76	2,596,040.78	10,125,412.96	7,606,124.74
9	Elct. Installation	5%	1,426,484.00		46,500.00	1,379,984.00	339,192.15	68,999.20	46,500.00	361,691.35	414,111.03	1,432,403.68	1,087,291.85
10	Vehicles	15%	27,510,095.48		244,182.52	27,265,912.96	19,273,146.18	1,279,014.35	244,182.52	20,307,978.01	5,659,846.94	12,617,781.89	8,236,949.30
B	Sub Total		116,803,969.00	3,193,112.38	27,036,155.07	92,960,926.31	86,599,385.77	4,986,010.36	26,807,156.61	64,778,239.52	53,293,180.66	81,475,867.45	30,204,583.23
11 Asset Inventories not yet issued but are available for use as on 31.12.2021													
a	Furnitures & Fixtures		69,953.47		69,953.47	-	-	-	-	-		-	69,953.47
b	Equipment		1,176,458.50	1,304,475.63	1,176,458.50	1,304,475.63	-	-	-	-		1,304,475.63	1,176,458.50
c	Soft ware		453,207.96	71,780.97	453,207.96	71,780.97	-	-	-	-		71,780.97	453,207.96
d	Grant		374826	1,624,915.85	374826	1,624,915.85	-	-	-	-		1,624,915.85	374,826.00
e	Crache		70,520.00			70,520.00	-	-	-	-		70,520.00	-
C	Sub-Total		2,074,445.93	3,071,692.45	2,074,445.93	3,071,692.45	-	-	-	-		3,071,692.45	2,074,445.93
Total A+B+C			149,941,782.35	8,092,624.83	29,126,551.00	128,907,856.18	99,131,952.76	6,996,919.67	26,823,106.61	79,305,765.82		102,895,271.02	50,809,829.59
1B. WORK-IN-PROGRESS													
a	Gelephu Construction		68,323,288.04	26,992,794.19		95,316,082.23	-	-	-	-		95,316,082.23	68,323,288.04
b	Phuentsholing Construction		1,658,946.78			1,658,946.78	-	-	-	-		1,658,946.78	1,658,946.78
Total			69,982,234.82	26,992,794.19		96,975,029.01	-	-	-	-		96,975,029.01	69,982,234.82
2	Software	15%	2,484,410.00	608,950.00	-	3,093,360.00	911,225.12	451,485.95	-	1,362,711.07	(70,978.69)	1,659,670.24	1,573,184.88
Total			2,484,410.00	608,950.00	-	3,093,360.00	911,225.12	451,485.95	-	1,362,711.07	(70,978.69)	1,659,670.24	1,573,184.88
1C. INVESTMENT PROPERTY													
1	Building (Permanent)	3%	70,297,482.05			70,297,482.05	6,785,072.32	2,108,924.46		8,893,996.78	27,283,938.87	88,687,424.14	63,512,409.73
Grand Total			292,705,909.22	35,694,369.02	29,126,551.00	299,273,727.24	106,828,250.20	9,557,330.08	26,823,106.61	89,562,473.67	27,212,960.18	290,217,394.41	185,877,659.02

lines touching





## Note 3: Investment

Particulars	Fixed Certificate No.	Interest Rate	31.12.2021 (Nu)	31.12.2020 (Nu)
<b>Fixed Deposits</b>				
A. BOBL, Thimphu	50700220269140081'	7.50%	918,632.62	857,964.00
B. BDBL, Thimphu	555800016801	7.50%	-	22,023,143.50
C. BOBL, Thimphu	201738824	6.50%	15,289,617.93	14,408,120.48
<b>Total</b>			<b>16,208,250.55</b>	<b>37,289,227.98</b>
<b>Gratuity Fund</b>				
D. RICBL, Thimphu	TMT-II/2015/00009	8.00%	33,993,202.78	31,965,702.57
E. BIL, Thimphu	BIL/TH/GF/2015/E23	7.00%	-	21,717,511.47
<b>Total</b>			<b>33,993,202.78</b>	<b>53,683,214.04</b>
<b>Grand Total</b>			<b>50,201,453.33</b>	<b>90,972,442.02</b>

Note: Current year figures are measured at amortised value

## Note 4: Other Non Current Assets

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
<b>Security Deposits</b>		
Department of Power	551.67	551.67
Revenue & Customs	200,000.00	100,000.00
Telecom Authority	6,321.00	6,321.00
EMO/FMO Imprest	38,500.00	38,500.00
EMD/Other SD	68,397.00	67,308.00
Deposit UPU	3,722,298.51	3,765,739.40
<b>Total</b>	<b>4,036,068.18</b>	<b>3,978,420.07</b>

## Note 5: Inventories (as taken, valued & certified by the management)

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Philately Stamps	40,258,659.03	37,167,215.60
Packing Materials	501,024.50	23,175.00
Procurement Store	2,257,804.84	4,623,354.90
<b>Total</b>	<b>43,017,488.37</b>	<b>41,813,745.50</b>

## Note 6: Trade and Other Receivable:

Sundry Debtors	31.12.2021 (Nu)	31.12.2020 (Nu)
Sundry Debtors - WUMT	78,757.73	-
Sundry Debtors - Headquarters	19,882,316.78	11,263,807.17
Sundry Debtor - Fedex Unit	508,064.45	541,939.09
Sundry Debtors - IMR	20,759,725.39	18,401,919.36
Sundry Debtor - Philatelic (Dues)	358,292.50	334,292.50
Sundry Debtors Philatelic (Post Office)	529,998.00	530,000.00
<b>Total</b>	<b>42,117,154.85</b>	<b>31,071,958.12</b>

## Note 6.1: Details of Sundry Debtors as on 31.12.21

Particulars	DOUBTFUL	GOOD	Total
Sundry Debtors - WUMT		78,757.73	78,757.73
Sundry Debtors - Headquarters		19,882,316.78	19,882,316.78
Sundry Debtor - Fedex Unit	259,128.88	248,935.57	508,064.45
Sundry Debtors - IMR	25,366.88	20,734,358.51	20,759,725.39
Sundry Debtor - Philatelic (Dues)	55,600.00	302,692.50	358,292.50
Sundry Debtors Philatelic (Post Office)		529,998.00	529,998.00
<b>Total</b>	<b>340,095.76</b>	<b>41,777,059.09</b>	<b>42,117,154.85</b>

Note: Debtors for More than 3 Years were considered Doubtful.



# AUDITOR'S REPORT & FINANCIAL STATEMENT

## Note 7: Cash and Bank Balances:

Particulars			31.12.2021 (Nu)	31.12.2020 (Nu)
Cash in Hand: (Ref 7.1)			8,377,063.96	8,757,560.30
		Total	8,377,063.96	8,757,560.30
Balance with Bank:				
Current Accounts (Revenue) (Ref 7.2)			6,414,089.24	3,922,717.03
Current Accounts (Recoupment) (Ref 7.3)			87,141.15	1,984,795.38
Current Accounts (Headquarters) (Ref 7.4)			3,719,876.24	8,852,853.81
Current Accounts (Western Union) (Ref 7.5)			6,406,940.78	13,043,163.25
Savings Account (Ref 7.6)			51,591,494.63	47,350,439.27
Euro Giro			9,214,191.68	-
		Total	77,433,733.72	75,153,968.74
Total (Cash in Hand + Balance with bank)			85,810,797.68	83,911,529.04

## Note 7.1: Cash in Hand

Cash - Post Offices			1,653,247.96	1,860,502.30
Cash - Fedex			-	16,792.00
Cash - Western Union			6,723,816.00	6,880,266.00
Total Cash in Hand			8,377,063.96	8,757,560.30

## Note 7.2: Current Accounts (Revenue)

FMO ACCOUNT			4,012.21	292,012.21
CENTRAL REGION			843,053.57	767,028.57
EASTERN REGION			603,558.02	817,570.02
HEAD QUARTER			1,587,459.95	476,074.59
SOUTHERN REGION			771,121.89	714,142.84
WESTERN REGION			2,604,883.60	855,888.80
Total			6,414,089.24	3,922,717.03

## Note 7.3: Current Accounts (Recoupment)

CENTRAL REGION			10,002.31	16,715.91
EASTERN REGION			15,949.45	58,167.04
SOUTHERN REGION			41,546.27	25,806.12
WESTERN REGION			19,643.12	1,884,106.31
Total			87,141.15	1,984,795.38

## Note 7.4: Current Accounts (Headquarters)

Current Account- Philately			138,528.40	171,892.77
Current Account - 100894367 - Fedex			396,084.58	2,231,717.22
FC Account - 200365102 - IMR			1,669,692.46	3,780,136.34
BNB Ngotshab			909,718.12	-
Current Account-100902834 -Head Quarter			604,733.12	2,431,978.46
Current Account - 100903338 - eCommerce			1,119.56	237,129.02
Total			3,719,876.24	8,852,853.81





## Note 7.5: Current Accounts (Western Union)

Current Account- 000127170019- BDBL WUMT		891.00	941.00
Current Account - 11065 (100894594) TT WUMT		410,117.28	7,506,495.14
FC Account - 1362 (100931537) WUMT		3,471,849.50	5,382,726.11
CD CR		52,000.00	52,000.00
CD ER		52,000.00	101,001.00
CD WR		2,420,083.00	-
<b>Total</b>		<b>6,406,940.78</b>	<b>13,043,163.25</b>

## Note 7.6: Saving Account

Saving Accounts-5003769005 BNB		33,570,733.42	33,038,853.46
Saving Account-100524384 - BOB Thimphu		18,020,761.21	14,311,585.81
<b>Total</b>		<b>51,591,494.63</b>	<b>47,350,439.27</b>

## Note 8: Loans and Advances - Current Assets

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Advance Balance with Contractors & Suppliers (Gelephu)	21,940,575.19	10,248,987.58
Advance Balance with Lhaki Steel & Rolling Pvt. Ltd. Gelephu	31,855.50	31,855.50
Staff Advance - Staffs (Personal)	49,000.00	-
Staff Advance - Staffs (Official)	250,000.00	1,937,877.54
Loan & Advances - Fax MO Imprest	-	37,000.00
Loan & Advances - POL Imprest	653,992.49	713,992.49
Loan & Advances - Vehicle Loan 8 & 20 Bikes	514,671.20	1,083,248.20
<b>Total</b>	<b>23,440,094.38</b>	<b>14,052,961.31</b>

## Note 9: Other Financial Assets:

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Current Assets - Inbound Shipment FedEx		
Current Assets - Air Conveyance APO Semtokha	462,665.71	458,249.71
Current Assets - Air Conveyance (IMR)	8,249,646.68	9,020,206.35
Current Assets - Receivable Grant on Fixed Assets	767,547.16	843,935.08
Current Assets - Mineral Water	17,760.00	78,900.00
Other Receivable	157,804.49	1,008,037.44
	<b>9,655,424.04</b>	<b>11,409,328.58</b>

## Note 10: Other Current Assets:

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Prepaid Expenses	90,301.58	126,781.72
<b>Total</b>	<b>90,301.58</b>	<b>126,781.72</b>

## Note 11: Deferred Capital Grant

Particulars	Current	Non-Current	Total
Opening balance	1,839,543.60	16,691,256.75	18,530,800.43
Additional Grant	342,731.24	1,485,088.76	1,827,820.00
Income	(2,010,909.31)	-	(2,010,909.31)
Movement from non-current to current	1,704,106.95	(1,704,106.95)	-
<b>Closing Balance 31.12.21</b>	<b>1,875,472.56</b>	<b>16,472,238.56</b>	<b>18,347,711.12</b>





**Note 14.1: Current Liabilities - Remittances**

Current Liability - Unclaimed Money		3,805,959.68	-
Current Liability - Salary Recovery		<u>1,717,738.00</u>	-
<b>Total</b>		<b>5,523,697.68</b>	<b>-</b>

**Note 14.2: Current Liabilities - Overdraft Account (Western Union)**

OD Bank Account - CR		334,202.81	(1,093,090.03)
OD Bank Account - ER		60,490.47	42186.80
OD Bank Account - SR		(138,840.02)	(24419.14)
OD Bank Account - WR		<u>394,450.80</u>	<u>(1,891,416.02)</u>
<b>Grand Total</b>		<b>650,304.06</b>	<b>(2,966,738.39)</b>

**Note 15: Provisions**

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Provision for Doubtful Debtors	340,095.76	285,628.88
Audit Fee	120,000.00	87,000.00
Audit Expenses	200,000.00	300,000.00
RB Carriage Charge	503,787.00	-
RB Transfer Grant	540,872.00	-
RB Travel Allowance	551,161.00	-
Gratuity Provisions	7,429,454.00	2,434,922.00
Leave Encashment	<u>4,217,552.37</u>	<u>6,377,949.37</u>
<b>Total</b>	<b>13,902,922.13</b>	<b>9,485,500.25</b>

**Note 16: Postal Income**

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
<b>COMMISSION ON:</b>		
Electronic Money Order	67,600.00	127,750.25
Fax Money Order	36,809.00	129,664.00
Revenue/Judicial Stamps (Ref.16.1)	<u>3,702,851.00</u>	<u>2,612,087.50</u>
<b>Sub-Total (A)</b>	<b>3,807,260.00</b>	<b>2,869,501.75</b>
<b>MAIL SERVICES:</b>		
Income BCSEA	3,447,504.28	11,854.00
Income - Cargo/Logistic	3,080,959.00	2,641,461.20
Income Diplomatic Mail Bag Carriage	27,723.00	-
Income EMS Domestic	9,932,627.00	6,256,646.00
Income EMS Cancellation Charge	1,120.00	-
Income EMS International	82,924,741.00	30,610,305.00
Income Local Urgent Mail	3,228,400.00	3,388,721.00
Income Postage of Commodities	2,009,169.00	559,924.00
Income Sale of Postage Stamps	572,100.00	667,664.00
Special Drawing for Consignment /Mail Carriage (Ref. 16.2)	871,178.17	1,342,013.50
Mail Services - International Mail Revenue (Ref. 16.3)	24,659,016.01	13,318,166.60
Fax Revenue (Ref. 16.4)	7,350.00	31,157.00
Registered Letter (Ref.16.5)	<u>16,481,630.00</u>	<u>8,869,013.00</u>



*touching li*





# AUDITOR'S REPORT & FINANCIAL STATEMENT

Sub-Total (B)	147,243,517.46	67,696,925.30
<b>OTHER POSTAL INCOME:</b>		
Income Clearing and Forwarding	967,300.00	752,845.00
Income DTDC Delivery	8,582.00	84,007.00
Income Postal Ballot Revenue	9,534,000.00	788,067.00
Income Postal Museum Revenue	3,090.00	34,745.00
Income Post Box Rent	1,580,130.00	1,908,414.00
Mail Services - Post Overnite Courier	-	5,615.00
Income - eCommerce (Ref.16.6)	4,988.04	103,402.25
Mail Services - FedEx Revenue (Ref.16.7)	3,807,449.22	1,275,160.29
Mail Services - TNT Revenue (Ref. 16.8)	140,242.30	302,261.66
Sale of News Papers/Magazines (Ref.16.9)	5,094.00	168,611.00
Miscellaneous Postal Revenue (Ref.16.10)	1,185,986.73	760,387.83
Sub-Total (C)	17,236,862.29	6,183,516.03
<b>Grand Total (A+B+C)</b>	<b>168,287,639.75</b>	<b>76,749,943.08</b>

## Note 16.1: Revenue/Judicial Stamps

Commission - Judicial Stamps	3,228,139.00	2,319,931.00
Commission - Revenue Stamps	474,712.00	292,156.50
<b>Total</b>	<b>3,702,851.00</b>	<b>2,612,087.50</b>

## Note 16.2: Special Drawing for Consignment /Mail Carriage

Mail Services - Contract Mail Services	105,600.00	192,922.00
Mail Service Income - Gati	151,174.50	154,613.50
Mail Services - Mail Carriage	582,214.00	796,167.00
Mail Services Income - Sugam Parivahan	32,189.67	198,311.00
<b>Total</b>	<b>871,178.17</b>	<b>1,342,013.50</b>

## Note 16.3: Mail Services - International Mail Revenue

Sale Account -IMR	24,659,016.01	13,171,130.60
Air Conveyance Revenue		147,036.00
<b>Total</b>	<b>24,659,016.01</b>	<b>13,318,166.60</b>

## Note 16.4: Fax Revenue

Mail Services - Fax Delivery Fee	60.00	1,240.00
Mail Services - Fax Revenue/Service Charge	7,290.00	29,917.00
<b>Total</b>	<b>7,350.00</b>	<b>31,157.00</b>

## Note 16.5: Registered Letter

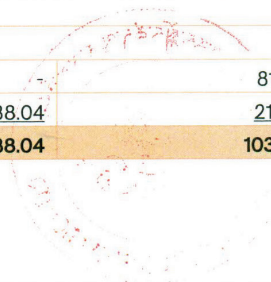
Mail Services - Domestic Registered Letter	16,310,062.00	8,499,090.00
Mail Services - International Registered Letter	171,568.00	369,923.00
<b>Total</b>	<b>16,481,630.00</b>	<b>8,869,013.00</b>

## Note 16.6: Income - eCommerce

Income -eCommerce		81,596.25
Income -eCommerce Delivery	4,988.04	21,806.00
<b>Total</b>	<b>4,988.04</b>	<b>103,402.25</b>



*touching lives*





## Note 16.7: Mail Services - FedEx Revenue

Sale - FedEx	-	746,635.01
Commission - FedEx	-	58,078.99
Delivery Charge - FedEx	-	437,159.04
Denials Receivable	-	33,070.45
Income - FedEx	3,807,449.22	216.80
<b>Total</b>	<b>3,807,449.22</b>	<b>1,275,160.29</b>

## Note 16.8: Mail Services - TNT Revenue

Sale - TNT	140,242.30	266,240.00
Delivery Charge - TNT	-	36,021.66
<b>Total</b>	<b>140,242.30</b>	<b>302,261.66</b>

## Note 16.9: Sale of News Papers/Magazines

Sale of Newspaper & Magazines -P/Ling	4,614.00	144,661.00
Commission - Sale of Kuensel	480.00	23,950.00
<b>Total</b>	<b>5,094.00</b>	<b>168,611.00</b>

## Note 16.10: Miscellaneous Postal Revenue

Other Income - Fine & Penalties	278,022.85	422,039.64
Liquidity Damage	15,000.00	
Other Income - Packing Materials	533,665.00	214,070.00
Mail Services - Service Charges	47,500.00	26,180.00
Mail Services - Telephone Bill Distribution	29,505.00	52,329.00
Miscellaneous Revenue	282,293.88	45,769.19
<b>Total</b>	<b>1,185,986.73</b>	<b>760,387.83</b>

## Note 17: Philately Income

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Sale of Philately Stamps/Albums	1,352,364.00	2,411,241.60
Philately Income - Rate Fluctuation Gain	9,228.14	36,308.19
Sale of Philately Products	26,345.00	73,627.00
Joint Issue/Commission on Outside Products (Ref. 17.1)	457,700.00	513,778.00
<b>Total</b>	<b>1,845,637.14</b>	<b>3,034,954.79</b>

## Note 17.1: Joint Issue/Commission on Outside Products

Commision on Outside Products	7,700.00	63,778.00
Joint Issue Income	450,000.00	450,000.00
<b>Total</b>	<b>457,700.00</b>	<b>513,778.00</b>

## Note 18: Transport Income:

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Income - Sale of Bus Ticket (Ref. 18.1)	-	1,106,312.00
Income - Other Transport Revenue (Ref. 18.2)	380,073.00	1,961,622.00
	<b>380,073.00</b>	<b>3,067,934.00</b>





# AUDITOR'S REPORT & FINANCIAL STATEMENT

## Note 18.1: Income - Sale of Bus Ticket

Income - Sale of Bus Tickets (Gedu- Thimphu)	-	26,652.00
Income - Sale of Bus Tickets (Kolkata-P/ling)	-	328,634.00
Income - Sale of Bus Tickets (P/ling-Kolkata)	-	269,020.00
Income - Sale of Bus Tickets (P/ling-Thimphu)	-	228,023.00
Income - Sale of Bus Tickets (Thimphu-P/Ling)	-	253,983.00
<b>Total</b>	<b>-</b>	<b>1,106,312.00</b>

## Note 18.2: Income - Other Transport Revenue

Consignment - Kolkata - Phuentsholing	-	1,368,916.00
Consignment - Phuentsholing - Kolkata	-	158,737.00
Consignment - Phuentsholing - Thimphu	17,373.00	94,610.00
Consignment - Thimphu - Phuentsholing	-	8,192.00
Transport - Freight	-	47,750.00
Transport - Hiring	362,700.00	277,397.00
Transport - Storage	-	6,020.00
<b>Total</b>	<b>380,073.00</b>	<b>1,961,622.00</b>

## Note 19: Estate Management and Investment

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Interest Earned on Savings Bank Account	1,892,223.98	2,618,551.63
Interest Earned on Investment Account (Ref. 19.1)	4,543,465.98	8,783,248.69
Rental Income - Office Building	15,614,389.23	15,497,758.06
Rental Income - Guest House (SR)	61,750.00	127,000.00
Rental Income - Employee	1,372,046.00	1,283,823.00
Other Income - Income from Land	120,780.00	122,496.00
<b>Total</b>	<b>23,604,655.19</b>	<b>28,432,877.38</b>

## Note 19.1: Interest Earned on Investment Account

Interest Earned on Fixed Deposits	1,931,248.60	2,737,493.57
Interest Earned on Gratuity Fund Account	2,612,217.38	6,045,755.12
<b>Total</b>	<b>4,543,465.98</b>	<b>8,783,248.69</b>

## Note 20: Remittance Income

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Euro Giro	55,639.00	
Commission on Western Union Money Transfer (Ref 20.1)	17,839,375.29	16,863,951.92
<b>Total</b>	<b>17,895,014.29</b>	<b>16,863,951.92</b>

## Note 20.1: Commission on Western Union Money Transfer

Commission on Inbound Settlement	17,824,750.25	10,531,452.50
Foreign Currency Gain Inbound		6,319,305.31
Decimal Gain	14,625.04	13,194.11
<b>Total</b>	<b>17,839,375.29</b>	<b>16,863,951.92</b>

## Note 21: Other Income

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Other Income - Hiring of Vehicle (Kofuku)	3,800.00	17,864.00
City Bus Services Management Fee	89,944.50	492,813.45
Other recovery	63,140.00	-
Income - Parking Tickets	883,180.00	518,755.00
Other Income - Pension Delivery Fee	250,000.00	500,000.00
Income on Sale of Assets/Stationery	50,000.00	-
Sale of Tender Form	20,000.00	5,000.00



# AUDITOR'S REPORT & FINANCIAL STATEMENT

Xerox Copies Revenue	80,875.00	158,632.00
Excess Liabilities/ Provision Return	-	25,073.01
Rate Fluctuation Gain (Ref. 21.1)	1,857,524.88	2,586,005.66
Commission on E-Load, Lottery & Mineral Water (Ref. 21.2)	1,760,204.22	330,314.80
Income Internet Usage	-	160.00
Interest Waiver on term loan -COVID-19	4,637,984.86	-
Write Off	-	199,928.00
<b>Total</b>	<b>9,696,653.46</b>	<b>4,834,545.92</b>

## Note 21.1: Rate Fluctuation Gain

Gain on Foreign Exchange-WUMT	803.00	
Gain on Foreign Exchange- FedEx		137,597.03
Gain on Foreign Exchange- IMR	1,853,433.48	2,275,447.66
Rate Fluctuation Gain - HQ	3,288.40	172,960.97
<b>Total</b>	<b>1,857,524.88</b>	<b>2,586,005.66</b>

## Note 21.2: Commission on E - Load, Lottery & Mineral Water

BNBL Agency Banking	552,000.00	175,255.00
RICBL Agent	80,487.90	
RSEBL Stock Trading	1,090,594.32	
Bmobile Eload	30,638.00	69,186.80
Tashi Cell E-Top up	1,985.00	21,570.00
Mineral Water		60,883.00
Lottery Tickets	4,499.00	3,420.00
<b>Total</b>	<b>1,760,204.22</b>	<b>330,314.80</b>

## Note 22: Employee Benefit Expenses

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
<b>SALARIES, WAGES &amp; OTHERS</b>		
Personal Emolument (Ref. 22.1)	58,976,820.60	59,686,553.81
PE Allowance (Ref. 22.2)	14,978,172.00	15,141,382.00
Director's Sitting Fees	157,000.00	117,000.00
Employer's Contribution to Provident Fund	7,410,952.00	7,426,451.00
Gratuity	6,442,717.00	6,446,276.00
Incentives	7,621,455.95	
Medical	-	164,503.00
<b>Total</b>	<b>95,587,117.55</b>	<b>88,982,165.81</b>

## Note 22.1: Personal Emolument

PE - CMO Salary	193,600.00	224,700.00
Employee Benefit Expenses - Leave Encashment	5,307,984.00	4,475,914.21
Employee Benefit Expenses - LTC	3,134,634.00	3,122,647.00
Employee Benefit Expenses - RB Carriage Charge	168,852.00	634,349.00
Employee Benefit Expenses - RB Transfer Grant	206,109.00	
Employee Benefit Expenses - RB Travel Allowance	206,185.00	
Employee Benefit Expenses - Staff Salary	49,389,069.00	50,772,901.00
PE - Temporary Staff	248,700.00	352,984.00
PE - Transfer Expenses	121,687.60	103,058.60
<b>Total</b>	<b>58,976,820.60</b>	<b>59,686,553.81</b>





## Note 22.2: PE Allowance

PE - Sitting Fee Employee	43,750.00	30,000.00
PE Allowance - Bike	1,628,614.00	1,625,864.00
PE Allowance - Contract	1,353,307.00	1,371,469.00
PE Allowance - Corporate	80,166.00	123,399.00
PE Allowance - Entertainment	145,000.00	143,400.00
PE Allowance - House Rent Allowance ( Gr 1-10)	5,015,476.00	5,056,357.00
PE Allowance - House Rent Allowance ( Gr 11-19)	4,693,500.00	4,623,881.00
PE Allowance - Internet	82,000.00	75,600.00
PE Allowance - Mobile (Non Taxable)	65,650.00	63,200.00
PE Allowance - Mobile (Taxable)	65,650.00	63,200.00
PE Allowance - Officiating Allowance	179,000.00	176,000.00
PE Allowance - Over Time	1,324,059.00	1,482,412.00
PE Allowance - Over Time to RRCO Staff	12,000.00	600.00
PE Allowance - Transport	290,000.00	306,000.00
<b>Total</b>	<b>14,978,172.00</b>	<b>15,141,382.00</b>

## Note 23: Administration and Other Expenses:

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Internet Charges	863,527.29	1,119,801.44
Postage, Telephone, Telex, Etc	675,513.27	551,466.87
Advertisement/Promotion/Marketing	649,798.00	604,529.00
Air Conveyance	13,644.00	12,055.00
Audit Expenses	11,090.00	
Audit Fee	86,365.00	18,917.00
Bank Charges	61,687.54	43,581.27
Adm Expenses - BCSEA	753,811.00	224,520.00
BNBL Agency expenses	15,150.00	
Brokerage Expenses	758,406.43	
Adm Expenses - Cargo/Logistic	116,700.00	135,460.00
Professional Consultancy and Legal Charges	60,000.00	25,000.00
Adm Expenses - DTDC	160.00	21,735.00
Electricity Charges	362,677.27	381,668.73
eCommerce Expenses	-	4,987.49
Hospitality & Entertainment Expenses	315,829.00	160,860.00
License renewal	422,299.80	13,800.00
Official Meeting/ Conference	69,110.00	121,371.55
Postage of Commodities	121,770.00	9,770.00
Postal Ballot Expenses	646,916.23	2,600.00
Rate Fluctuation	58,033.85	
Printing and Stationeries (Ref. 23.1)	4,457,082.26	3,789,484.96
Rent, Rate, Taxes, Insurance, Etc (Ref. 23.2)	2,625,779.94	1,391,689.39
Adm Expenses - Rent	2,014,151.00	1,856,379.00
Staff Welfare	223,341.00	590,607.82
Adm Expenses - Staff Training	151,614.00	527,295.94
Travelling and Conveyance (Ref. 23.3)	1,666,618.00	1,414,464.10
Transportation of Mails and Others (Ref. 23.4)	2,085,510.19	1,403,985.64
International Mail Expenses (Ref. 23.5)	79,222,236.74	25,931,122.61
Adm Expenses- FedEx (Ref. 23.6)	1,353,617.62	655,494.32





# AUDITOR'S REPORT & FINANCIAL STATEMENT

Adm Expenses- TNT (Ref. 23.7)	39,036.24	155,984.87
Adm Expenses- WUMT (Ref.23.8)	1,026,278.28	3,741,070.34
Adm Expenses- News Paper & Magazines		87,881.00
IPS Light Subscription Fees (UPU Contribution)	1,273,322.04	1,274,305.54
Bad Debts	76,166.88	147,307.13
Postal Museum Expenses	-	26,184.67
<b>Sub-Total</b>	<b>102,277,242.87</b>	<b>46,445,380.68</b>
<b>REPAIR &amp; MAINTENANCE</b>		
POL (Other than Transport)	2,986,005.38	1,784,719.54
Maintenance of Vehicle (Other than Transport)	1,400,325.13	382,743.70
Building	240,754.00	1,174,393.00
Other Repairs (Ref. 23.9)	347,818.00	204,840.53
Miscellaneous Expenses (Ref. 23.10)	1,066,466.78	671,674.12
<b>Sub-Total</b>	<b>6,041,369.29</b>	<b>4,218,370.89</b>
<b>Total</b>	<b>108,318,612.16</b>	<b>50,663,751.57</b>

## Note 23.1: Printing and Stationeries

Other Purchase Account		425,452.86
ADM. Expenses - Printing & Stationery	4,457,082.26	3,364,032.10
<b>Total</b>	<b>4,457,082.26</b>	<b>3,789,484.96</b>

## Note 23.2: Rent, Rate, Taxes, Insurance, Licence Fees, Etc

Insurance/Registration of Building	268,845.00	298,717.00
Insurance/Registration of Vehicle	216,736.48	270,166.62
Fedex Insurance	782.13	
Insurance of Postal Expenses	1,692,273.36	372,316.00
ADM.Expenses - Taxes and Duties	378,892.97	411,047.77
Adm Expenses - Compensation	68,250.00	39,442.00
<b>Total</b>	<b>2,625,779.94</b>	<b>1,391,689.39</b>

## Note 23.3: Travelling and Conveyance

Travelling & Conveyance (Ex - Country)	9,250.00	79,278.10
Travelling & Conveyance (In - Country)	1,657,368.00	1,335,186.00
<b>Total</b>	<b>1,666,618.00</b>	<b>1,414,464.10</b>

## Note 23.4: Transportation of Mails and Others

ADM Expenses - Transportation	1,993,170.19	1,271,725.64
ADM. Expenses - Gati	57,200.00	37,610.00
Adm Expenses - Sugam		18,105.00
Adm Expenses - Loading & Unloading Mails P/Ling	35,140.00	59,745.00
Adm Expenses - Loading & Unloading Consignment	-	5,400.00
Adm Expenses - Loading & Unloading Mineral Water	-	11,400.00
<b>Total</b>	<b>2,085,510.19</b>	<b>1,403,985.64</b>

## Note 23.5: International Mail Expenses

International Mail Expenses	78,378,402.77	25,753,037.79
Bank Charges	54,318.09	35,137.19
Rate Fluctuation	789,515.88	142,947.63
<b>Total</b>	<b>79,222,236.74</b>	<b>25,931,122.61</b>





## Note 23.6: Adm Expenses- FedEx

Air Conveyance Outbound FedEx	215,626.00	66,807.00
Bank Charges - FedEx	6,192.74	9,448.84
Bad Debts	-	51,935.00
Rate Fluctuation	25,088.92	2,326.34
Insurance Expenses - FedEx	-	782.00
Raw Rate payment to FedEx	1,106,709.96	524,195.14
<b>Total</b>	<b>1,353,617.62</b>	<b>655,494.32</b>

## Note 23.7: Adm Expenses- TNT

Air Conveyance Outbound TNT	32,118.00	66,563.00
Raw Rate payment to TNT	6,918.24	89,421.87
<b>Total</b>	<b>39,036.24</b>	<b>155,984.87</b>

## Note 23.8: Adm Expenses- WUMT

Bank Charges on WUMT Remittances	286,721.61	288,946.37
Bank Charges - WUMT	2,195.00	2,015.43
OD Interest -WUMT	61,828.58	92,135.66
Rate Fluctuation	675,533.09	3,357,972.88
<b>Total</b>	<b>1,026,278.28</b>	<b>3,741,070.34</b>

## Note 23.9: Other Repairs

ADM.Exp - Maint. Of Electricity	161,538.00	72,391.00
ADM.Exp - Maint. Of Equipment	180,360.00	107,389.53
ADM. Exp - Maint. of Furniture	5,920.00	25,060.00
<b>Total</b>	<b>347,818.00</b>	<b>204,840.53</b>

## Note 23.10: Miscellaneous Expenses

Adm Expenses - Office Expenses	467,870.82	393,666.10
Adm Expenses - Packing Materials	243,266.75	126,552.79
Adm Expenses - Commission Paid on E-Load(B.Mobile)	14,837.20	9,418.93
Adm Expenses - Commission Paid on E-Load(T.Cell)	215.00	2,695.50
Adm Expenses - Discount	111,278.55	75,911.65
Loss on disposal of Assets	228,998.46	54,109.15
Adm. Expenses - Gift	-	9,320.00
<b>Total</b>	<b>1,066,466.78</b>	<b>671,674.12</b>

## Note 24: Transport Operation Expenses

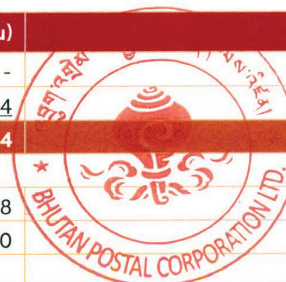
Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Petroleum, Oil and Lubricant (POL)	443,331.83	1,523,045.65
Repair and Maintenance	89,125.00	212,326.13
Insurance	201,233.66	224,823.28
Other Charges	21,153.00	32,164.00
Tyres & Tubes Consumed	-	7,457.00
<b>Total</b>	<b>754,843.49</b>	<b>1,999,816.06</b>

## Note 25: Philately Expenses

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Philatel Inventory (Printing)	-	1,448,100.00
Philately Cost - Other Expenses (Ref. 25.1)	2,058,046.64	933,654.93
<b>Total</b>	<b>2,058,046.64</b>	<b>2,381,754.93</b>

## Note 25.1: Philately Cost - Other Expenses

Philately	774,124.78	(1,030,001.49)
Philately Cost - Rates, Taxes & Duties	413,708.20	1,000,000.00
Philately Cost - Maintenance of Equipment	-	2,150.00





Philately Cost - Bank Charges	-	10,888.20
Philately Cost - Commission Paid	142,943.00	58,191.72
Philately Cost - Freight Charges	656,806.00	800,000.00
Philately Cost - Marketing and publicity	5,926.96	-
Philately Cost - Office Expenses	-	3,508.00
Philately Cost - POS Charges 3%	-	495.00
Philately Cost - POS Telephone Charges	1,215.51	1,220.00
Philately Cost - Printing & Stationery	-	2,910.00
Philately Cost - Rate Fluctuation Loss	63,322.19	51,884.50
Philately Cost - Staff Welfare	-	24,970.00
Philately Cost - Discount Allowed	-	7,439.00
<b>Total</b>	<b>2,058,046.64</b>	<b>933,654.93</b>

## Note 26: Finance Cost

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Interest on Loan	4,059,072.34	3,418,420.68
<b>Total</b>	<b>4,059,072.34</b>	<b>3,418,420.68</b>

## Note 27: Prior Period Adjustment (Dr)

Particulars	31.12.2021 (Nu)	31.12.2020 (Nu)
Increment Sonam Wangmo		5,964.00
LTC Yangchen Dolker		15,000.00
<b>Total</b>	<b>-</b>	<b>20,964.00</b>

## Note 28: Deferred Tax Asset

### Calculation of Corporate Income Tax for the year 2021

1	Computation of self-assessed net profit for period ending at 31.12.2021	
	<b>Profit Before Income -Tax &amp; Prior Period adjustment as per Audited Profit &amp; Loss Account attached</b>	<b>(1,252,424.98)</b>
2	<b>Add: Disallowances</b>	
	Entertainment Expenses & Gift Debited to P & L Account	315,829.00
	Bonus/Incentive Debited to P & L account	7,621,455.95
	Interest Debited to P & L account during Construction Period (Gelephu) for whole 2021	2,882,531.88
	Bad debt	199,242.13
	<b>TOTAL</b>	<b>9,766,633.98</b>
3	<b>Less: Admissible Expenses</b>	
	Entertainment Expenses 2% of assessable profit (Ax2%)	195,332.68
	Bonus/Incentive provision 10% of assessable profit (Ax10%)	976,663.40
	3% Depreciation on maintenance of building Paro & Kolkata	48,367.68
	3% Depreciation charge on Capitalization of Interest Gelephu Construction for year 2021	86,475.96
	<b>TOTAL</b>	<b>1,306,839.71</b>
4	<b>Net profit/ (Loss) for period ending at 31.12.2021 (B)</b>	<b>8,459,794.27</b>
	Less: Loss carried forward (17,463,097.11/3)	(8,459,794.27)
	<b>Net Taxable Amount</b>	<b>-</b>
5	<b>Corporate Tax for the year ended @ 30% (Bx30%)</b>	<b>-</b>
6	<b>Advance Tax Paid</b>	<b>-</b>
	T.D.S as per Tax Payer System (RAMIS)	922,828.76
	<b>Total</b>	<b>922,828.76</b>
7	<b>Refundable by RRCO, Thimphu</b>	<b>922,828.76</b>



touching lives