

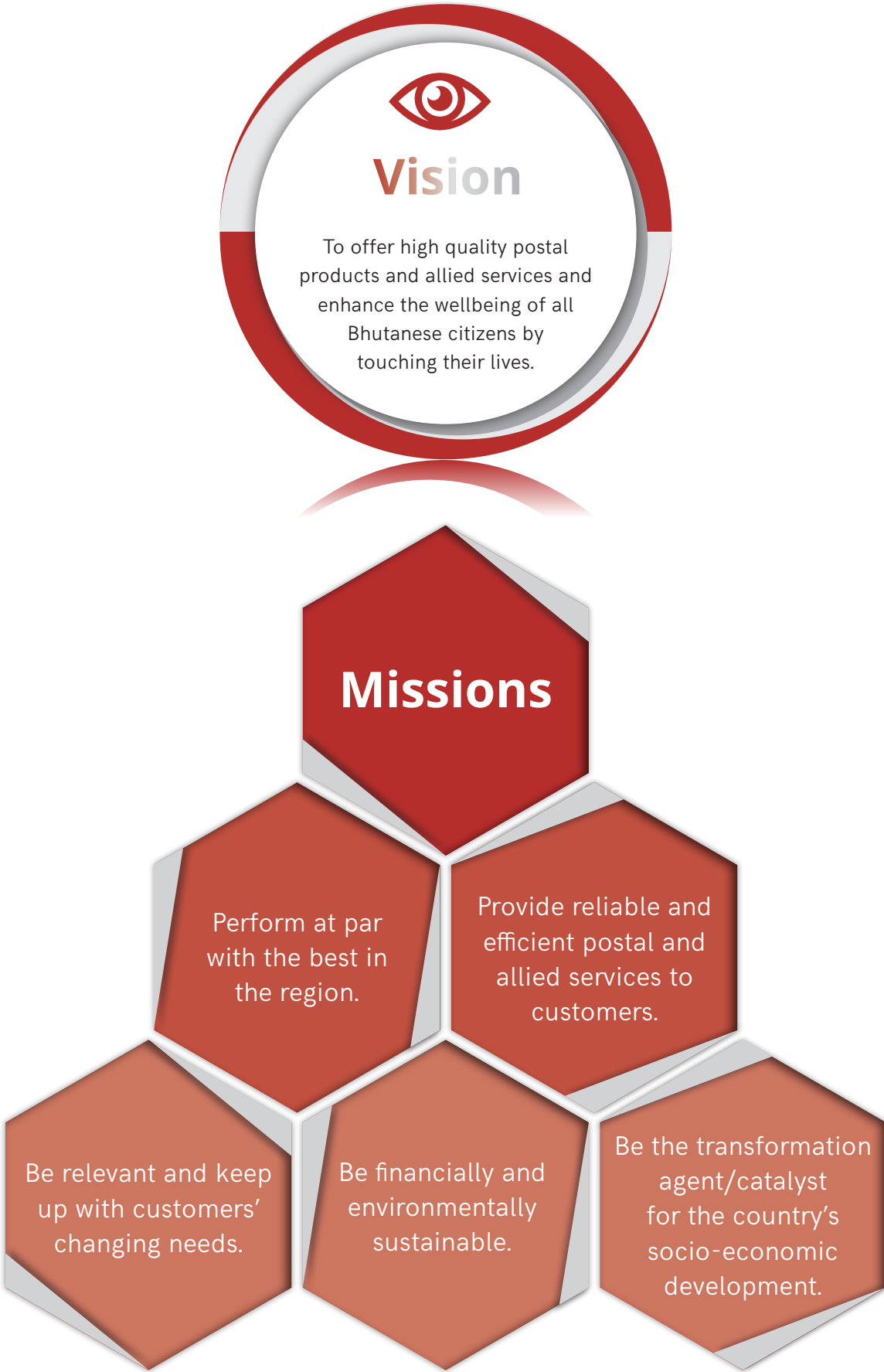


BOARD OF DIRECTORS REPORT

2023

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EXECUTIVE SUMMARY

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the brief annual report on the performance and activities of Bhutan Postal Corporation Limited for the financial year 2023.

Financial Performance:

Bhutan Post serves as the primary service provider for postal-related services across Bhutan, driven by its universal service obligation to ensure delivery at a single uniform rate.

Unlike other Corporations whose primary objective is profit generation, Bhutan Post thrives and sustains its operations with a strong focus on fulfilling its social as well as commercial obligations.

Revenue:

In 2023, Bhutan Post earned a gross revenue of **Nu. 284.90 million**, exceeding the target of **Nu. 250.70 million**.

In 2022, Bhutan Post had earned **Nu. 184.12 million**. This represents an increase of **54.74% (Nu. 100.78 million)** in 2023 compared to 2022.

Expenditure:

The Corporation incurred a total expenditure of **Nu. 212.75 million** in 2023, compared to **Nu. 198.89 million** in 2022 which represents an increase of **6.97% (Nu. 13.86 million)** compared to 2022.

Net Profit/Loss:

In 2023, the company earned a profit of **Nu. 72.1 million** before Corporate Income Tax (CIT), and **Nu. 50.2 million** profit after tax after incurring losses from 2020-2022 mainly due the global pandemic.

Operational Highlights:

In 2023, Bhutan Post, through participation in the Quality Service Fund Project, was granted three dedicated hiluxes by the Universal Postal Union (UPU) to connect and enhance connectivity for our mail delivery along with 20 postal bikes for last-mile delivery.

Bhutan Post submitted an application to the UPU in 2023 for Postal Security Certification by participating in the UPU's on-going Operational Readiness for E-Commerce (ORE-3) project cycle (2022-2025).

Additionally, Bhutan Post in collaboration with both national airlines carriers of Bhutan started selling stamps using their inflight sale, increasing the visibility of philately products to visitors/tourists.

In 2023, Bhutan Post was once again awarded the Best Customer Care Award for EMS by the UPU for excelling in customer quality response as per UPU norms.

Bhutan Post was also applauded by the Bhutan Council for School Examination and Assessment (BCSEA) for the successful delivery of confidential exam papers for classes VI, VIII, X, and XII. Furthermore, Bhutan Post participated in significant milestones, ensuring the secure delivery of Postal Ballots for both the National Council and National Assembly elections in 2023, supporting the Election Commission of Bhutan's goal of conducting free and fair elections.

As part of its Corporate Social Responsibility (CSR), Bhutan Post started implementing the online solution for Carbon analysis (OSCAR) by reporting annually the greenhouse gas emissions. By participating in this program, Bhutan Post is keeping track of carbon emissions to ensure that postal services are provided with minimal carbon footprints.

CONCLUSION

In conclusion I would also like to state that Bhutan Post has successfully adapted to the evolving postal landscape through business diversification as directed by the Board and Ministry of Finance (shareholder) for self-sustainability and improved revenue generation.




The employees of Bhutan Post are dedicated to driving the corporation to even greater heights, demonstrating a commitment to adaptability and increased growth in the coming years.

Chairman
BOARD OF DIRECTORS

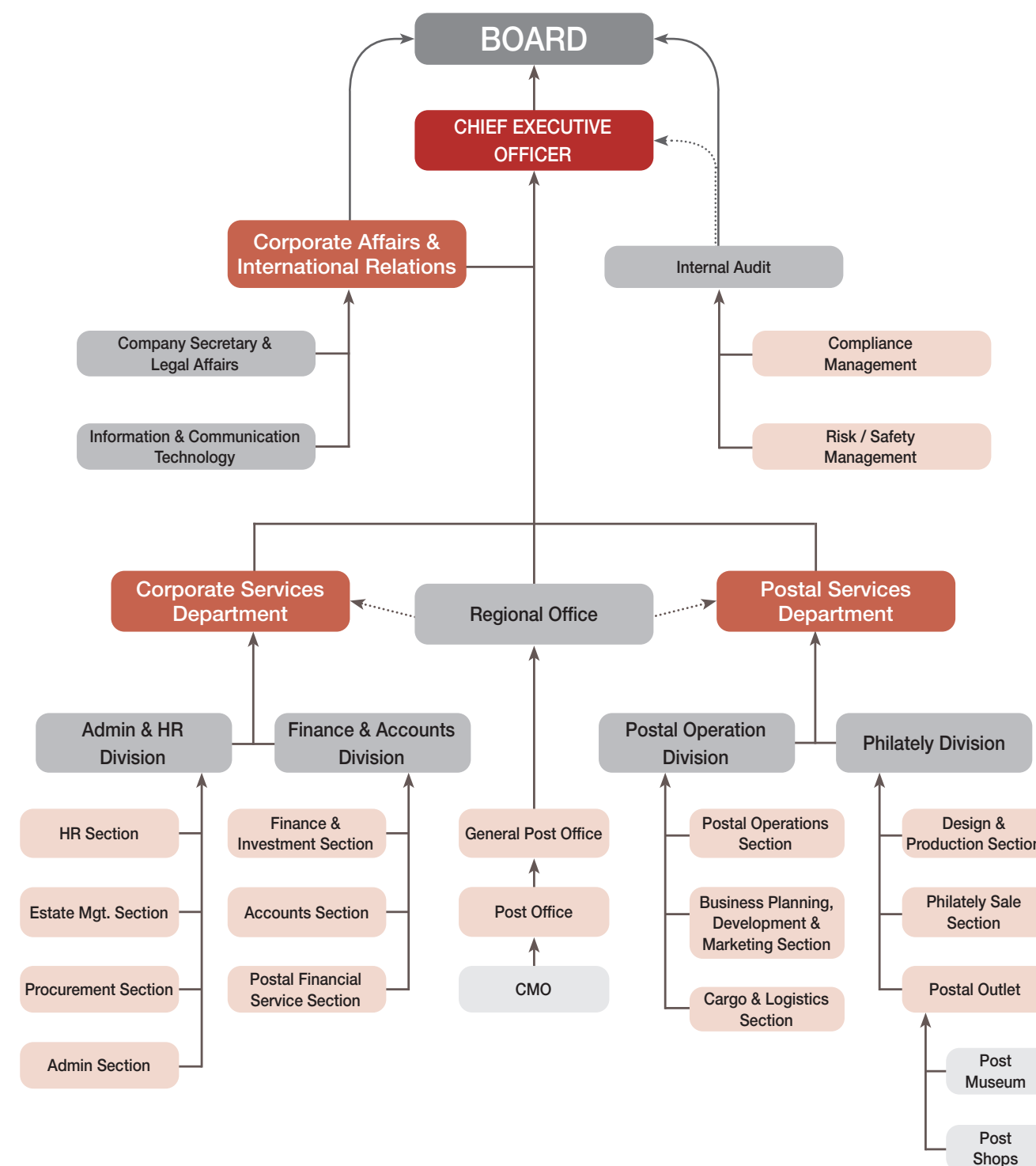


BOARD OF DIRECTORS

 Dasho Phuntsho Tobgay Chairman Date of appointment: May 25, 2023 Month of Completion: May 25, 2026	 Ms. Rinchen Lhazom Board of Director Date of appointment: May 26, 2023 Month of Completion: May 26, 2026	 Ms. Kinzang Wangmo Board of Director Date of appointment: April 7, 2023 Month of Completion: April 7, 2025	 Mr. Sonam Penjor Board of Director Date of appointment: April 7, 2023 Month of Completion: April 7, 2025
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 Mr. Dilli Ram Dhungyel Board of Director Date of appointment: 13 th March 2020 Month of Completion: 13 th March 2023	 Mr. Karma Nidup Board of Director Date of appointment: 13 th March 2020 Month of Completion: 13 th March 2023	 Mr. Karma Nidup Member Secretary/CEO Bhutan Post Date of appointment: May 25, 2023 Month of Completion: May 25, 2026
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ORGANOGRAM



MANAGEMENT TEAM

Chief Executive Officer	Mr. Karma Nidup	
General Manager, Corporate Service Department	Mr. Jigme Tenzin	
Head, Postal Service Department	Ms. Yeshey Peldon	
Manager, Corporate Division	Ms. Tshering Wangmo	
Head, Internal Audit Unit	Mr. Sonam Penjor	
Head, Information and Communication Technology Division	Mr. Jamyang Phuntsho	
Head, Finance Division	Ms. Rinchen Zangmo	
Head, Philately Division	Ms. Nima Zangmo	
Regional Manager, Western Region	Mr. Thinley Wangchuk	
Acting Regional Manager, Southern Region	Mr. Dawa	
Regional Manager, Central Region	Ms. Sarmila Chhetri	
Regional Manager, Eastern Region	Ms. Pema Deki	



KEY HIGHLIGHTS

Inflight Stamps Product:

Bhutan Post partnered with Airlines of Bhutan to sell philatelic stamps in the airline’s magazine. Sales agreements were signed with DrukAir and Tashi Airline on 07/09/2023 and 21/09/2023, respectively. These stamps have been available for purchase in the magazine since the third quarter of 2023.. This initiative aims to provide convenience to tourists and customers while boosting revenue for the company. Selling stamps during flights also increases the visibility of Bhutanese stamps. As of 2023, Bhutan Post has earned **Nu. 112,200.00** from the sale of stamps.



NFT Stamps & Lunar Rabbit Year 2024 Stamps

In 2023, Bhutan Post introduced four NFT stamps featuring subjects such as Bhutanese Monasteries like “Taktsang,” Musical Instruments of Bhutan, Four Mythical Animals, and the Six Elements of Longevity. Additionally, on an annual basis, Bhutan Post issues Lunar Stamps to commemorate the new year, offering collectors worldwide a new set to add to their collections.

Gelephu Building

The previous regional office in Gelephu had limited occupancy to accommodate modern office amenities. Therefore, the Board and the management appraised the development of a regional office and commercial building on a **60 decimal land** to the Ministry of Finance. The Ministry, considering the proposal, approved the construction of a B+G+4 storied building in Gelephu, recognizing its potential to generate sustainable income for the company. The construction of this building cost **Nu.180.43 million**.

The board and the management endorsed it as the biggest project ever adventured in real estate by Bhutan Post. With a plinth coverage of 38 decimals, this building shall be an eye-catching icon in the core town.



Construction of B+G+4+Jamthok Storey Office & Commercial Building

Visit of Finance Minister to Bhutan Post:



Bhutan Post's CEO and management team warmly welcome the Finance Minister.

Bhutan Post had the privilege of hosting the Finance Minister's visit on October 11, 2023, at its campus. During the visit, all staff at Headquarters and Thimphu GPO had the opportunity to meet the Minister personally and engage in a nice interactive session. The Finance Minister provided directives to diversify the business portfolio with advancements in digital technology that are resilient to current transformational changes.



The CEO delivers a welcoming address to the Honorable Finance Minister

OPERATIONAL READINESS OF ECOMMERCE (ORE-3)

Bhutan Post joined the ORE-3 project cycle from 2022-2025 and it will be the future mainstream of postal development, focusing on e-commerce as the main product. The Universal Postal Union (UPU), in collaboration with postal operators worldwide, is focusing on e-commerce as the main source of revenue. To achieve this, the UPU has framed guidelines and a framework that includes:

- a) Minimum operational, technical, and regulatory requirements
- b) Electronic data interchange and mail visibility
- c) Data quality and compliance

- d) Supply chain integration
- e) End-to-end reliability and quality improvement
- f) Certification
- g) E-commerce integration

Every year, with funding from UPU, Bhutan Post actively participated in the workshop and in 2023 Bhutan Post attended the workshop on UPU operational efficiency and quality management certification July 3- July 7, 2023 and Bhutan Post had initiated the Quality Management Certification and Postal Security Certification which was submitted to UPU and started the review process too.



Bhutan Post team attended Bangkok workshop, July 3-7, 2023, represented by Mr. Thinley Wangchuk (Country Project Manager) and Mr. Kencho Dorji (Security Focal Officer).

Bhutan Post team attended the Bangkok workshop, November 27- December, 2024 represented by Mr. Thinley Wangchuk (Country Project Manager) and Mr. Phuntsho Dorji (IT).

Bhutan Post attended the ORE-3 workshop from November 27 to December 1, 2023, focusing on IT tools. During the workshop, Bhutan Post achieved compliance with Electronic Advance Data (EAD) requirements and scored 87% in meeting customs' advance data regulatory requirements.



Best Customer Care Awards 2023 for EMS:

Recipient of certificate and Trophy from UPU-2023

In 2023, Bhutan Post was awarded with the Best Customer Care Award for EMS among 192 countries. This prestigious award acknowledges the high standards achieved by EMS member postal operators in their customer service call centers. EMS customers expect excellent service when sending items internationally, and this award recognizes Bhutan Post's unwavering commitment to delivering top-tier customer care.

Bhutan Post and the Election Commission of Bhutan (ECB) have signed a Memorandum of Understanding (MoU) for the delivery of postal ballots.

Bhutan Post was entrusted by the Election Commission of Bhutan for the delivery of postal ballots and participated in delivering the ballots for two assembly elections. The National Council postal ballot was held in April 2023, during which Bhutan Post delivered 1,05,513 ballots across the nation, earning **Nu. 31.10 million**. For the National Assembly, both the primary and secondary rounds were held on 30th November 2023. Bhutan Post delivered 1,21,728 ballots for these rounds, generating **Nu. 36.58 million**. Additionally, 1,12,143 general round ballots were delivered, generating **Nu. 33.41 million**.



BCSEA Paper Delivery:

Bhutan Post serves as the dedicated logistics partner for the Bhutan Council for School Examinations and Assessment (BCSEA). Every year, Bhutan Post ferries BCSEA confidential papers for classes V, VIII, X, and XII to schools across the Country, ensuring the utmost safety and security measures in place. In 2023, Bhutan Post earned **Nu. 3.72 million** for its services in ferrying the logistics of BCSEA papers.



Postal Ballot Collection and Sorting Process.



BCSEA for Class VI,VIII,X,&XII delivery across the Country.

Procurement of Vehicle & Bikes for mail delivery through UPU Assistance



Bhutan Post acquires postal bikes through assistance from the Universal Postal Union (UPU).

The Universal Postal Union, as part of its development cooperation activities aimed at improving mail delivery, supported Bhutan Post in procuring 3 Utility Hilux and 20 motorcycles with an estimated budget of **CHF 75,000**. The Utility Hilux and motorcycles were procured by the UNDP Country Office in Bhutan on behalf of the UPU. The Utility Hilux vehicles were distributed to Regional Offices in Samdrup Jongkhar, Gelephu, and Phuentsholing, while the motorcycles were distributed to Post Offices for mail delivery. This support is intended to enhance the delivery of mail services in Bhutan, improving speed and quality, ensuring customer satisfaction, and enhancing regional connectivity.



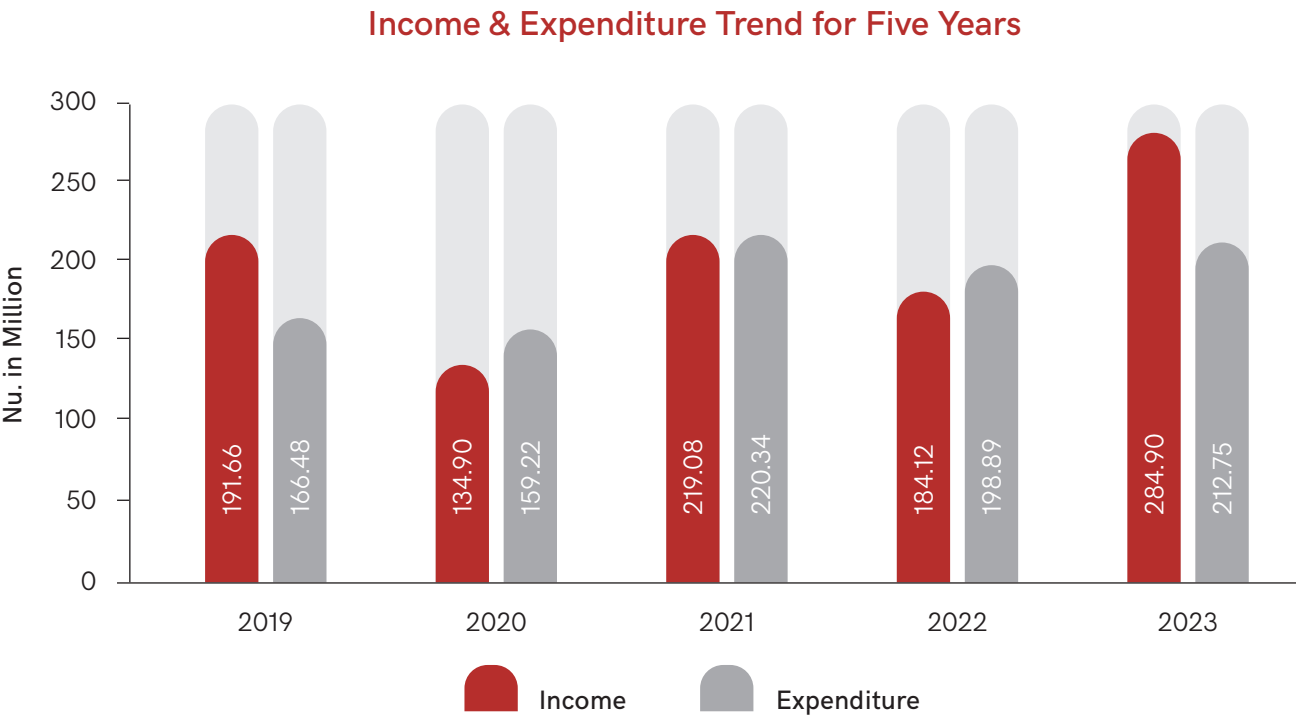
FINANCIAL PERFORMANCE

Bhutan Post serves as the primary service provider for postal-related services across the country, driven by a social obligation to ensure delivery at a single uniform rate. Unlike other SOEs whose primary objective is profit generation, Bhutan Post thrives and sustains its operations with a strong focus on fulfilling its social obligations.

a) Revenue:
The Corporation earned a gross revenue of **Nu. 284.90 million** in 2023, compared to **Nu. 184.12 million** in 2022. This represented an increase of **54.74% (Nu. 100.78 million)** compared to 2022.

b) Expenditure:
The Corporation incurred a total expenditure of **Nu. 212.75 million** in 2023, compared to **Nu. 198.89 million** in 2022. This represented an increase of **6.97% (Nu. 13.86 million)** compared to 2022.

c) Net Profit/Loss:
In 2023, the company earned a net profit of **Nu.51.95 million**, whereas in 2022, a net loss of **Nu.(14.78) million** was generated. The PAT increased by **Nu.66.73 million** in 2023 as compared to 2022.



CORPORATE GOVERNANCE

Corporate governance is a crucial framework for governing State-Owned Enterprises (SOEs) under the Ministry of Finance, providing uniform guidelines for fostering a strong focus on the best corporate culture. Bhutan Post has consistently and persistently adhered to the principles of good corporate governance, as outlined in the Corporate Governance Guidelines 2019.

These guidelines aim to ensure transparency, accountability, and ethical behavior within Bhutan Post's operations. They emphasize the importance of

effective leadership, clear roles and responsibilities, and the protection of shareholders' interests.

Additionally, the guidelines promote the establishment of efficient communication channels, both internally and externally, to enhance stakeholder engagement and maintain trust. Bhutan Post's commitment to these principles underlines its dedication to upholding the highest standards of corporate governance, contributing to its overall success and sustainability as a key service provider in Bhutan.

BOARD MEMBER'S ATTENDANCE FOR 2023

Board Of Directors	Board Meeting	Board Audit Committee	Board Tender Committee	Board HR Committee
Mr. Phuntsho Tobgay	4	-	-	-
Mr. Karma Nidup	1	-	1	-
Mr. Sonam Penjor	3	2	-	1
Mr. Kinzang Wangmo	2	2	-	1
Ms. RinchenLhazom	3	2	1	1
Mr. Karma Nidup	4	-	1	-

BOARD/COMMITTEE MEETING HELD IN FY 2023

Month of FY 2023	Board Meetings	Other Committee Meetings	AGM
January	115 th Board meeting		
April	116 th Board meeting		18 th AGM
July	117 th Board meeting		
December	118 th Board meeting		

DIRECTORS ATTENDANCE IN BOARD MEETINGS

Board Members	115 th Meeting	116 th Meeting	117 th Meeting	118 th Meeting	Extraordinary Meeting	Total Meetings	Number of Meetings Attended
Dasho Phuntsho Tobgay, Chairman	Present	Present	Present	Present	Present	5	5/5
Mr. Karma Nidup, Director	Present	Absent	Absent	Absent	Absent	5	1/5
Mr. Sonam Penjor, Director	Absent	Present	Present	Present	Present	5	4/5
Ms. Kinzang Wangmo, Director	Absent	Present	Absent	Present	Present	5	3/5
Ms. Rinchen Lhazom, Director	Present	Absent	Present	Present	Absent	5	3/5
Mr. Karma Nidup, Member Secretary	Present	Present	Present	Present	Present	5	5/5

OPERATIONAL HIGHLIGHTS

International Mail

Bhutan Post attributes its main deliveries to both inbound and outbound international mail. For delivering international mail to the last doorstep, Bhutan Post is remunerated through the Express Mail Service (EMS) Imbalance rate. For parcel delivery, it is remunerated through the Inward Land Rate (ILR), and for letter item delivery, Bhutan Post receives terminal dues. The rates earned by Bhutan Post from these settlement rates are collectively referred to as International Mail Revenue (IMR). More inward mail contributes to higher IMR, while more outbound mail results in Bhutan Post paying more IMR-related expenses to other destination countries.

International Mail Statistics for 2023

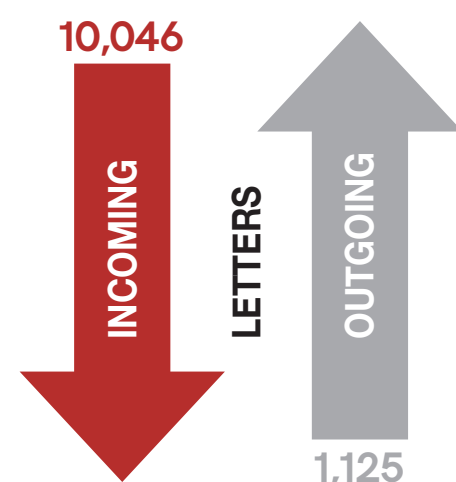
Products	2023		2022	
	Inbound	Outbound	Inbound	Outbound
EMS	5,352	8,702	5,843	8,920
Parcel	2,546	13	2,439	16
Letters	10,046	1,125	11,181	989

Remittance Income 2023:

Our main remittance income source comprises both Western Union Money Transfer(WUMT) and Eurogiro provided through Bhutan Post and due to its wide network coverage, remittance service is available at all Post Offices. The revenue for 2023 was **Nu. 15.49 million**, compared to **Nu. 15.54 million** in 2022, reflecting a slight decrease of **Nu.0.05 million** or 0.33% from the previous year.

FedEx

FedEx, known for its premium courier services, upholds well-established standards for both imports and exports, boasting end-to-end solutions developed by the company itself. Bhutan Post entered into a Joint Operating Agreement with FedEx & TNT on January 22, 2017, and has continued to offer services under this agreement to the present. In 2023, the combined revenue for FedEx and TNT amounted to **Nu. 9.25 million**, an increase from **Nu. 5.67 million** in 2022. This growth represents a rise of **Nu.3.58 million**, or **63.21%**.



Human Resources:

Human Resources (HR) is a multifaceted function that plays a critical role in managing an organization's most valuable asset: its people. The effectiveness of HR practices directly contributes to the overall success and sustainability of the organization.

Table 1: Distribution of employees by gender and age group for the year 2023

Age Group	Female	Male	Total
20-29	3	10	13
30-39	33	53	86
40-49	22	31	52
50-59	3	26	29
60-69	0	1	1
Total	61	122	181

Table 2: Distribution of employees by qualification

Qualification	Female	Male	Total
Master's degree	2	2	4
Bachelor's degree	9	10	19
Certificate/Diploma	6	5	11
Class XII	19	31	50
Class VII-X	23	50	73
Primary (I-VI)	0	19	
No Education	2	4	6
Total	61	122	181

Table 3: Distribution of employees by locations:

Gender	HQ	Western	Southern	Central	Eastern	Total
Male	24	31	26	18	21	120
Female	21	19	8	9	4	61
Total	45	51	34	27	25	181

Table 4: Number of Employees by Year (2019-2023)

Gender	2019	2020	2021	2022	2023
Male	154	151	143	137	120
Female	80	76	81	75	61
Total	234	227	224	212	182

Table 5: Overall staff by gender and employment type in 2023

Gender	Regular	Contract	Total
Male	111	9	120
Female	59	2	61
Total	170	11	181

Table 6: Employment-type across different job cadres:

Gender	Executive	Professional	Supervisory	Support	Total
Female	0	13	37	11	61
Male	2	15	43	60	120
Total	2	28	80	71	181

CORPORATE SOCIAL RESPONSIBILITY

The UPU delivers climate solutions. Determined to steer the postal sector towards a low-carbon future, the Universal Postal Union (UPU), the United Nations specialized agency for postal services, is committed to advancing climate solutions. To that end, the UPU has developed a programme to measure, report and reduce the climate impact on the postal industry. OSCAR – the Online Solution for Carbon Analysis and Reporting for the Postal Industry – is the newest tool available to UPU’s 192 members. OSCAR enables Posts to measure their annual greenhouse gas (GHG) emissions and identify mitigation opportunities. Provided free of charge and accessible on the secure. POST top-level domain, OSCAR can be configured

in six different languages. The collected data is kept confidential. Posts can choose whether they wish to enter raw data or report audited carbon emissions. Bhutan Post annually participates in the Universal Postal Union (UPU) program OSCAR, which requires all 192 member countries’ postal operators to submit questionnaires on their carbon footprint. This initiative ensures that postal operators worldwide are committed to conducting their business in environmentally friendly ways. By participating in this program, Bhutan Post is keeping carbon emissions resilient and providing postal businesses with less carbon emissions.

CONCLUSION

Bhutan Post proudly announces its successful adaptation to the evolving postal landscape through business diversification. With directives from the Ministry of Finance emphasizing self-sustainability and diversification of postal operations, and constant guidance from the Board, Bhutan Post excelled in delivering services in 2023. This success was evident through achievements such as efficient Postal ballot

delivery, receiving the Best Customer Care award from the UPU, and the ongoing development of digital innovations. These efforts are crucial for ensuring the stability and sustainability of the corporation’s future growth. The employees of Bhutan Post are dedicated to driving the corporation to even greater heights, demonstrating a commitment to adaptability and growth.



AUDITOR'S REPORT & FINANCIAL STATEMENTS



Dechok & Associates Private Limited

Auditing, Accounting and Tax Services

Thimphu : Bhutan

Independent Auditor's Report on the Financial Statements for the year ended 31 December 2023

To

The Shareholders of Bhutan Postal Corporation Limited (BPCL)
Thimphu

Opinion

We have audited the financial statements of **Bhutan Postal Corporation Limited** ('the Company'), which comprises the Statement of Financial Position as at 31 December 2023, and the Statement of Comprehensive Income, the Statement of Changes in Equity and the 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 December 2023, and its financial performance and cash flows for the year then ended in accordance with Bhutanese Accounting Standards.

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 basis for our opinion.

Emphasis of Matter:

The Company's transition from the BAS for SMEs to the BAS 2020 in 2023 involved the adoption of several key standards as follows:

- i. The company has transitioned to BFRS 16, Leases from 2023 and had opted to apply a modified approach which permits restatement of Right of use of assets and lease liability as at the beginning of the date of application of the standard i.e. on 1/1/2023. Any impact on the financial statements are adjusted at the beginning of the financial year 2023 through retained earnings.
- ii. As a result of the adoption of the BAS 2020, there were changes in the accounting estimates. The accounting estimate is now based on the estimated useful life of the assets and their residual values rather than on the fixed percentage as applied in the prior years. The company shall be required to reassess useful life and residual values at the end of each financial year end. Since the change is not an accounting policy change but a change in the estimates, there is no requirement to restate the prior year financial statements.
- iii. The Company has also transitioned from incurred loss model of provisioning receivables to Expected Credit Loss Model under BFRS 9. We noted that application of the ECL model was a huge challenge for the company due to lack of expertise and proper information.

Our opinion is not modified in these respects.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the year under audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For the year under audit, we have not come across any issue, except our observations mentioned under the Management Report section of the Report.

Information Other than the Financial Statements and Auditor’s Report Thereon

The management and the Board of the Company is responsible for the other information. The other information comprises the information included in the Director’s Report (but does not include the financial statements and our auditor’s report thereon), which is expected to be made available to us after the date of this audit report.

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

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

When we read the Director’s report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company’s management is responsible for the preparation and fair presentation of the financial statements in accordance with BAS 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 fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the 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, actions taken to eliminate threats or safeguards applied.

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.

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:

- i. We have obtained all the information and explanations to the best of our knowledge and belief were necessary for the purpose of the audit;
- ii. In our opinion, proper books of accounts have been kept by the Company insofar as it appears from our examination of those books;
- iii. 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; and
- iv. 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.

For Dechok and Associates Private Limited



Yeshi Jamtsho FCCA
(Membership No. 2641177)
Partner
Place: Thimphu

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 not conducted physical verification of fixed assets for the period under audit;
2. The company has a reasonable and adequate system of physical verification. The physical verification was not conducted for stores, spares and raw materials during the year;
3. The Company had closing stock of Nu.42.098 million reported as at the year-end;
4. 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;
5. 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;
6. *The company has outstanding bank loans with Bank of Bhutan Limited of Nu.34.403 million for construction of G+4 Building in Phuentsholing and Nu.135.612 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;*
7. 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;
8. 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.1.313 million as of 31.12.2023 lying receivable/adjustable from suppliers and contractors involved with constructions in Gelephu;*
9. 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 the particular individual are generally avoided;
10. 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;
11. 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;
12. The company has not entered into purchase and service transaction with the directors or other parties related to the director;
13. Expenses charged to the company accounts represent legitimate business expenses and no personal expenses are charged to the Company;
14. The company is generally regular in depositing rates and taxes, duties, provident funds and other statutory dues with the appropriate authority;
15. There was no undisputed amount payable in respect of rates, taxes, duties, provident fund and other statutory deduction at the year-end;

REPORT ON MINIMUM AUDIT EXAMINATION REQUIREMENTS



16. The company has formulated a standard credit sales policy, which has been implemented. There is no system of credit rating of customers;
17. The Company has not selected/appointed commission agents for selling its products/services during the period under audit;
18. There is a reasonable system for continuous follow-up with debtors and other parties for recovery of outstanding amounts. Also age-wise analysis of outstanding amounts is carried out for management information and follow-up actions;
19. 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;
20. Activities carried out by the management are lawful and intra-vires the Articles of Incorporation of the Company;
21. The Company has established a budgetary control system;
22. Other than the sitting fees to the directors, no other payments in the nature of remuneration and commission have been paid to the Directors.
23. 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;
24. 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;
25. Proper records are kept for inter-unit transactions/services and arrangements for services made with other agencies engaged in similar activities; and
26. 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. 2023 and audited by us in accordance with the BAS 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 a sick business entity. 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 2023 and 2022 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, and also the Corporate Governance Guidelines 2020.

For Dechok and Associates Private Limited

Yeshi Jamtsho FCCA
(Membership No. 2641177)
Partner
Place: Thimphu

16. The company has formulated a standard credit sales policy, which has been implemented. There is no system of credit rating of customers;
17. The Company has not selected/appointed commission agents for selling its products/services during the period under audit;
18. There is a reasonable system for continuous follow-up with debtors and other parties for recovery of outstanding amounts. Also age-wise analysis of outstanding amounts is carried out for management information and follow-up actions;
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For Dechok and Associates Private Limited

Yeshi Jamtsho FCCA
(Membership No. 2641177)
Partner
Place: Thimphu

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023			
ASSETS	Note No.	31.12.2023 (Nu)	31.12.2022 (Nu)
NON CURRENT ASSETS			
Property, Plant And Equipment	2	49,070,435.55	97,057,230.18
Investment Property	2	57,958,908.65	85,774,626.08
Right of Use Asset	2	651,860.88	0.00
Capital Work In Progress	2	188,648,871.81	127,247,559.82
Intangible Assets	2	808,812.57	1,204,274.80
Investments	3	54,867,977.24	52,222,132.04
Other Non Current Assets	4	4,767,358.65	4,414,834.73
TOTAL NON CURRENT ASSETS		356,774,225.35	367,920,657.65
CURRENT ASSETS			
Inventories	5	42,098,056.17	43,022,716.26
Trade And Other Receivables	6	107,276,391.30	35,576,867.22
Cash And Bank Balances	7	48,009,496.43	67,028,609.58
Advances	8	8,166,201.85	17,065,791.50
TOTAL CURRENT ASSETS		205,550,145.75	162,693,984.56
TOTAL ASSETS		562,324,371.10	530,614,642.21
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	SOCE	23,595,200.00	23,595,200.00
Retained Earning	SOCE	134,099,328.38	82,401,024.55
Revaluation Reserve	SOCE		73,381,111.57
General & Capital Reserve	SOCE	54,088,126.46	54,088,126.46
TOTAL EQUITY		211,782,654.84	233,465,462.58
NON-CURRENT LIABILITIES			
Deferred Capital Grant	9	22,127,966.75	18,409,828.19
Long-Term Borrowings	10	170,015,450.37	149,140,045.09
Gratuity provision	11	45,340,733.54	46,464,775.00
Other Non- Current Liabilities	12	13,298,623.48	10,470,716.34
TOTAL NON-CURRENT LIABILITIES		250,782,774.14	224,485,364.62
CURRENT LIABILITIES			
Deferred Tax liabilities	31	384,031.42	0.00
Lease Liability	13	458,882.64	0.00
Trade And Other Payables	14	40,091,305.72	45,506,100.74
Other Current Liabilities	15	12,995,719.03	11,117,016.72
Provisions	16	45,829,003.31	16,040,697.55
TOTAL CURRENT LIABILITIES		99,758,942.12	72,663,815.01
TOTAL EQUITY AND LIABILITIES		562,324,371.10	530,614,642.21

For Dechok & Associates Pvt. Ltd.


 Yeshe Jamtsho FCCA
 Membership No: 2641177
 Partner

For Bhutan Postal Corporation Ltd.


 Rinchen Zangmo
 (Finance Officer)


 Karma Nidup
 (Chief Executive Officer)


 Phuntsho Tobgay
 (Chairman)

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023			
PARTICULARS	Note No.	31.12.2023 (Nu)	31.12.2022 (Nu)
REVENUE			
Postal Income	17	219,545,418.34	124,384,353.50
Philately Income	18	13,515,504.02	7,996,441.98
Transport Income	19	9,161,112.10	9,671,206.85
Estate Management and Investment Income	20	24,149,361.11	24,209,925.61
Remittance Income	21	15,485,252.21	15,536,346.56
Grant Income	22	3,041,098.40	2,318,821.05
TOTAL REVENUE		284,897,746.18	184,117,095.55
EXPENDITURE			
Postal Expenses	23	75,571,729.75	71,784,841.58
Philately Expenses	24	2,105,050.53	470,778.61
Transport Expenses	25	5,393,366.43	7,711,240.20
Estate Management Expenses	26	3,533,254.74	8,673,594.85
Remittance Expenses	27	2,688,414.77	1,529,284.24
Employee Compensation and Benefit Expenses	28	90,687,900.16	84,813,798.60
Depreciation and Amortisation Expenses	29	10,841,064.46	10,679,778.90
Administration Expenses	30	21,929,516.22	13,229,994.88
TOTAL EXPENSES		212,750,297.06	198,893,311.86
Profit Before Income -Tax		72,147,449.12	(14,776,216.31)
Current Income Tax Expense		21,540,826.86	
Deferred Tax Expense		384,031.42	
PROFIT AFTER INCOME -TAX		50,222,590.84	(14,776,216.31)
OTHER COMPREHENSIVE INCOME			
Remeasurement of defined benefit plans		1,646,401.39	2,113,074.00
Depreciation for Revaluation Asset			(7,125,029.27)
NET OTHER COMPREHENSIVE INCOME		1,646,401.39	(5,011,955.27)
TOTAL COMPREHENSIVE INCOME		51,868,992.23	(19,788,171.58)
BASIC EARNING PER SHARE		212.85	(62.62)

For Dechok & Associates Pvt. Ltd.


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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023		
PARTICULARS	31.12.2023 (Nu)	31.12.2022 (Nu)
I. Cash Flows from Operating Activities :		
Net profit/(Loss) before Tax	72,147,449.12	(14,776,216.31)
Depreciation / Amortisation	10,841,064.46	10,679,778.90
Operating Profit/(Loss) before changes in Operating Assets & Liabilities (i)	82,988,513.58	(4,096,437.41)
(Increase)/Decrease in Assets:		
(Increase)/Decrease in Investment	(2,645,845.20)	(2,020,678.71)
(Increase)/Decrease in Non Current Assets	(352,523.92)	(378,766.55)
(Increase)/Decrease in Stock	924,660.09	524,770.11
(Increase)/Decrease in Debtors	(71,699,524.08)	15,756,015.25
(Increase)/Decrease in Advances	8,899,589.65	7,841,250.14
Sub-Total in Increase/Decrease in Assets (ii)	(64,873,643.46)	21,722,590.24
Increase/(Decrease) in Liabilities		
Movement in Retained Earning	1,475,713.00	(920,966.86)
Increase/(Decrease) in Non Current Liabilities	26,297,409.52	26,566,657.06
Increase/(Decrease) in Current Liabilities and Provisions	27,095,127.11	(23,182,926.49)
Sub-Total in Increase/Decrease in Liabilities (iii)	54,868,249.63	2,462,763.71
Tax Paid (iv)	(21,924,858.28)	0.00
Net Cash flow from Operating Activities (A=i+ii+iii+iv)	51,058,261.47	20,088,916.54
II. Cash Flow from Investment Activities:		
Payments to acquire intangible fixed assets		(71,850.00)
Payments to acquire tangible fixed assets(Property, Plant, Equipment)	(72,810,719.93)	(42,037,161.17)
Receipts from sale of tangible fixed assets & Refund	2,733,345.31	3,237,906.53
Net Cash flow from Investing Activities (B)	(70,077,374.62)	(38,871,104.64)
III. Cash Flow from Financing Activities:		
Net Cash Flow From Financing Activities C	0.00	0.00
Net Increase/(Decrease) in Cash and Bank Balance (A+B+C)	(19,019,113.15)	(18,782,188.10)
Cash and Bank balances at the beginning of the year	67,028,609.58	85,810,797.68
Cash and Bank balances at the end of the year (Refer Note No. 7)	48,009,496.43	67,028,609.58

For Dechok & Associates Pvt. Ltd.


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 Partner

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 (Finance Officer)


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 Phuntsho Tobgay
 (Chairman)

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STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023					
Particulars	Fully Paid Up Capital	Retained Earning	General & Capital Reserve	Revaluation Reserve	Total
Balance As At January 2022	23,595,200.00	98,098,207.72	54,088,126.46	80,506,140.84	256,287,675.02
Profit After Income-Tax		(14,776,216.31)			(14,776,216.31)
Actuarial Gain/Loss		2,113,074.00			2,113,074.00
Tax Waiver for 2020 and 2021		(1,489,634.06)			(1,489,634.06)
Write back of Provision		178,101.00			178,101.00
Earlier Year Tax		(-1,722,507.80)			(1,722,507.80)
Depreciation on Reval-ued Asset				(7,125,029.27)	(7,125,029.27)
BALANCE AS AT 31.12.22	23,595,200.00	82,401,024.55	54,088,126.46	73,381,111.57	233,465,462.58
Balance As At January 2023	23,595,200.00	82,401,024.54	54,088,126.46	73,381,111.57	233,465,462.57
Profit After Income-Tax		50,222,590.84			50,222,590.84
Actuarial Gain/Loss		1,646,401.39			1,646,401.39
Philately Stamp		138,610.00			
Revenue double booked		(123,360.00)			
Depreciation Adjust-ment		(490,170.08)			
TDS not remitted to RRCO Written off		(20,863.45)			
Payable written off		126,083.20			
Retain Earning ROU		199,011.94			
Reversal on Revalued Asset				(73,381,111.57)	(73,381,111.57)
BALANCE AS AT 31.12.23	23,595,200.00	134,099,328.38	54,088,126.46	0.00	211,953,343.23

For Dechok & Associates Pvt. Ltd.


 Yeshe Jamtsho FCCA
 Membership No: 2641177
 Partner

For Bhutan Postal Corporation Ltd.


 Rinchen Zangmo
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 (Chairman)

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NOTE 2: ASSET SCHEDULE

TANGIBLE ASSET SCHEDULE FOR THE YEAR 31.12.2023

1(A) Property, Plant and Equipment

Sl. No.	Particulars of Items	Gross Block Value				Depreciation/ Amortization			Net Block Value		As on 31.12.2022 (10=1-5)
		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 31.12.2023 (9=4-8)	
1	Grant Assets										
a	Other Grants	37,604,080.95	7,727,795.50		45,331,876.45	16,846,347.35	3,041,098.40		19,887,445.75	25,444,430.70	20,757,733.60
A	Sub Total	37,604,080.95	7,727,795.50	-	45,331,876.45	16,846,347.35	3,041,098.40	-	19,887,445.75	25,444,430.70	20,757,733.60
2	Artifacts	894,462.85	155,452.72	-	1,049,915.57					1,049,915.57	894,462.85
3	Land	486,250.00		-	486,250.00					486,250.00	486,250.00
4	Plant & Machinery	139,500.00			139,500.00	9,520.33	52,016.51	57.84	61,479.00	78,021.00	132,585.52
5	Building (Permanent)	28,485,401.70	139,000.00		28,624,401.70	23,955,673.25	345,698.47	2,247,604.23	22,053,767.49	6,570,634.21	45,226,323.22
6	Building (Semi-Permt)	2,816,253.38	80,000.00	178,263.40	2,717,989.98	766,788.44	232,484.59	281,108.72	718,164.31	1,999,825.67	2,365,191.64
7	Furniture & Fixtures	12,074,424.86	226,288.00	633,941.71	11,666,771.15	9,891,018.05	777,777.33	1,552,949.87	9,115,845.51	2,550,925.64	5,791,661.40
8	Equipment	22,056,062.81	3,080,871.72	5,188,699.64	19,948,234.89	15,590,388.11	3,289,655.09	5,066,976.34	13,813,066.86	6,135,168.03	9,061,715.48
9	Elct. Installation	3,798,988.41			3,798,988.41	452,915.27	186,150.43	15,597.31	623,468.39	3,175,520.02	3,760,184.17
10	Vehicles	20,447,405.33		6,525,302.97	13,922,102.36	17,526,129.97	1,004,806.83	6,188,579.15	12,342,357.65	1,579,744.71	8,581,122.30
B	Sub Total	91,198,749.34	3,681,612.44	12,526,207.72	82,354,154.06	68,192,433.42	5,888,589.25	15,352,873.46	58,728,149.21	23,626,004.85	76,299,496.58
Total A+ B		128,802,830.29	11,409,407.94	12,526,207.72	127,686,030.51	85,038,780.77	8,929,687.65	15,352,873.46	78,615,594.96	49,070,435.55	97,057,230.18
1(B) WORK IN PROGRESS											-
a	Gelephu Construction	125,610,962.32	61,401,311.99		187,012,274.31		-	-	-	187,012,274.31	125,610,962.32
b	P/Ling Construction	1,626,597.50			1,626,597.50		-	-	-	1,626,597.50	1,626,597.50
c	ERP	10,000.00			10,000.00					10,000.00	10,000.00
	Total	127,247,559.82	61,401,311.99	-	188,648,871.81	-	-	-	-	188,648,871.81	127,247,559.82
2. Intangible Assets											-
2	Software	3,165,210.00	-	-	3,165,210.00	1,889,956.51	522,772.96	56,332.04	2,356,397.43	808,812.57	1,204,274.80
											-
3	Right of Use Asset	704,812.57			704,812.57	-	52,951.69		52,951.69	651,860.88	
Investment Property											-
4	Investment Property	70,297,482.05			70,297,482.05	11,806,794.84	1,335,652.16	803,873.60	12,338,573.40	57,958,908.65	85,774,626.08
	Grand Total	330,217,894.73	72,810,719.93	12,526,207.72	390,502,406.94	98,735,532.12	10,841,064.46	16,213,079.10	93,363,517.48	297,138,889.46	311,283,690.88

Note 3: Investment

Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Fixed Deposits		
A. BOBL, Thimphu	1,048,878.27	981,655.69
B. BOBL, Thimphu	13,219,267.16	13,089,610.13
C. RICBL, Thimphu	40,599,831.81	38,150,866.22
Grand Total	54,867,977.24	52,222,132.04
Note: Current year figures are measured at amortised value		

Note 4: Other Non Current Assets

Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Department of Power	551.67	551.67
Revenue & Customs	100,000.00	100,000.00
Telecome Authority	6,321.00	6,321.00
Clearing and forwarding Trade License, Pasakha	100,000.00	100,000.00
Clearing and forwarding Trade License, Thimphu	100,000.00	0.00
EMD/Other SD	68,397.00	68,397.00
Deposit UPU	4,392,088.98	4,139,565.06
Total	4,767,358.65	4,414,834.73

Note 5: Inventories

Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Philately Stamps	39,936,507.75	40,973,540.57
Packing Materials	662,914.15	404,069.75
Procurement Store	1,498,634.27	1,645,105.94
Total	42,098,056.17	43,022,716.26





Note 6: Trade and Other Receivable:		
Sundry Debtors	31.12.2023 (Nu)	31.12.2022 (Nu)
Sundry Debtors WUMT	4,972,368.00	355,267.00
Sundry Debtor Euro giro	2,860,790.88	1,726,850.57
Sundry Debtors CR	13,704,765.00	60,935.00
Sundry Debtors ER	23,381,884.00	21,500.00
Sundry Debtors HQ	96,642.05	1,866,192.53
Sundry Debtors SR	23,919,157.28	10,154,172.12
Sundry Debtors WR	19,910,769.90	1,148,061.50
Sundry Debtor FedEx	329,393.88	1,921,829.77
Sundry Debtor IMR	7,758,890.80	9,537,562.82
Sundry Debtor Air Conveyance APO Simtokha	462,665.71	462,665.71
Sundry Debtor Philately	342,754.06	387,484.16
CuSundry Debtor Air Conveyance (IMR)	6,817,654.58	5,109,355.93
Mineral Water	17,760.00	17,760.00
Other Receivable		157,804.49
Prepaid Expenses	2,700,895.16	2,649,425.62
Total	107,276,391.30	35,576,867.22

Note 7: Cash and Bank Balances:		
Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Cash in Hand: (Refer 7.1)	4,627,539.00	7,834,401.84
Total	4,627,539.00	7,834,401.84
Balance with Bank:		
Current Accounts (Revenue) (Refer 7.2)	4,201,832.91	6,658,131.56
Current Accounts (Recoupment) (Refer 7.3)	37,001.20	47,395.99
Current Accounts (Ngotshab) (Refer 7.4)	950,000.00	908,409.16
Current Accounts (Head Quarter) (Refer 7.5)	2,869,891.81	4,490,088.25
Current Accounts (Western Union) (Refer 7.6)	13,296,627.97	9,593,274.96
Savings Account (Refer 7.7)	22,026,603.54	37,496,907.82
Total	43,381,957.43	59,194,207.74
Total	48,009,496.43	67,028,609.58

Note 7.1: Cash in Hand		
Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Cash - Post Offices	52,290.00	104,400.84
Pilately Cash		13,700.00
Cash - Western Union	4,575,249.00	7,716,301.00
Total	4,627,539.00	7,834,401.84



Note 7.2: Current Accounts (Revenue)		
FMO ACCOUNT	1,801.21	3,006.63
CENTRAL REGION	579,802.17	999,325.57
EASTERN REGION	221,119.91	829,415.91
HEAD QUARTER	914,550.66	1,069,927.85
SOUTHERN REGION	455,556.18	1,176,232.66
WESTERN REGION	2,029,002.78	2,580,222.94
Grant Total	4,201,832.91	6,658,131.56

Note 7.3: Current Accounts (Recoupment)		
CENTRAL REGION	11,000.60	10,000.60
EASTERN REGION	14,000.00	16,000.00
SOUTHERN REGION	6,000.00	15,385.39
WESTERN REGION	6,000.60	6,010.00
Total	37,001.20	47,395.99

Note 7.4: Current Accounts (BNB Ngotshab)		
CENTRAL REGION	400,000.00	400,000.00
EASTERN REGION	150,000.00	128,317.00
SOUTHERN REGION	100,000.00	100,000.00
WESTERN REGION	300,000.00	280,092.16
Total	950,000.00	908,409.16

Note 7.5: Current Accounts (Headquarters)		
Current Account -100894367 - Fedex	97,686.17	333,267.70
FC Account - 200365102 - IMR	773,419.94	302,986.18
Philately	585,356.24	
Current Account -100902834 - Head Quarter	1,413,429.46	3,853,834.37
Total	2,869,891.81	4,490,088.25

Note 7.6: Current Accounts (Western Union)		
HEAD QUARTER	11,808,941.63	8,934,732.24
CD CR	2,000.00	2,000.00
CD ER	52,000.00	52,000.00
CD WR	1,000.00	1,000.00
Euro Giro Account	1,432,686.34	603,542.72
Total	13,296,627.97	9,593,274.96

Note 7.7: Saving Account		
Saving Accounts -5003769005 BNB	21,679,989.29	23,666,638.96
Saving Account-100524384 - BOB Thimphu	346,614.25	13,830,268.86
Total	22,026,603.54	37,496,907.82





Note 8: Advances		
Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Advance Balance with Contractors & Suppliers (Gelephu)	31,855.50	8,140,340.80
Mobilization Advance Gelephu Construction	1,281,104.72	5,771,971.81
Staff Advance - Staffs (Official)	2,376,308.99	304,130.30
POL Advance CR	25,000.00	15,000.00
POL Advance ER	45,000.00	35,000.00
POL Advance HQ	40,000.00	60,000.00
POL Advance SR	365,000.00	470,000.00
POL Advance WR	146,474.99	146,474.99
Tax Advance	58,859.65	1,933,982.45
Loan & Advances - Vehicle Loan 8 & 20 Bikes	3,796,598.00	188,891.15
Total	8,166,201.85	17,065,791.50

Note 9: Deferred Capital Grant		
Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Deferred Capital Grant	22,127,966.75	18,409,828.19
Total	22,127,966.75	18,409,828.19

Note 10: Long-Term Borrowings		
Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Term Loan from Bank for P/Ling G+4 Building	34,403,241.22	36,315,457.06
Term Loan from Bank for Gelephu Building Construction	135,612,209.15	112,824,588.03
Total	170,015,450.37	149,140,045.09

Note 11: Provision-Gratuity		
Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Gratuity Provision	41,220,728.48	41,744,787.00
LE Provision	644,232.42	1,109,219.00
RB Carriage Charge	580,374.68	600,205.00
RB Transfer Grant	1,453,529.65	1,507,933.00
RB Travel Allowance	1,441,868.31	1,502,631.00
Total	45,340,733.54	46,464,775.00

Note 12: Other Non- Current Liabilities		
Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Retention Money 10%, Gyalcon Infra. Pvt. Ltd. Gele	7,103,018.48	7,672,151.39
Retention Money 10%, Karma Sonam Yarpel Construction		139,092.47
Retention Money 10%, Norlha Trading		173,489.80
Retention Money 10%, Pyelber Lokchey Pvt. Ltd.		148,742.68
Bike Recovery	3,789,240.00	
Euro Giro	1,576,265.00	1,511,840.00
Western Union Payable (\$ 10,000/-)	830,100.00	825,400.00
Total	13,298,623.48	10,470,716.34

Note 13: Lease Liability		
Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Lease Liability	458,882.64	0.00
Total	458,882.64	-

Note 14: Trade and Other Payable		
Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Sundry Creditor Philately- Agent	158,843.50	176,491.50
Sundry Creditor Philately- Ordinary Customer	47,048.84	43,557.14
Sundry Creditor Philately- Standing Customer	299,175.32	263,646.02
Advance from Customers Philately- Tourism Council of Bhutan	229,000.00	229,000.00
Philately- GNH C	9,681.83	56,603.04
Unclaimed Money Fund	77,412.45	78,748.95
Sundry Creditors for IMR	16,665,861.73	21,414,399.35
Payable to RGoB for Revenue & Judicial Stamps	1,689,428.00	4,359,021.43
WUMT Payable	1,344,625.00	
Foreign Money Order Payable	472,350.00	9,851,345.22
Void Money Order Payable	960.00	960.00
Sundry Creditor - FedEx	1,892,007.92	3,055,571.53
Sundry Creditor - HQ Parties Bill	17,204,911.13	5,976,756.56
Total	40,091,305.72	45,506,100.74

Note 15: Other Current Liabilities		
Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Current Liabilities - S.Deposit ER	80,580.00	80,580.00
Current Liabilities - S.Deposit HQ	2,499,338.10	2,805,540.36
Current Liabilities - S.Deposit SR	1,459,854.97	1,379,280.97
Current Liabilities - S.Deposit WR	5,280.00	
Current Liabilities - GIS Refund		21,103.22
Current Liabilities - Insurance Refund		13,365.30
Current Liabilities - Unclaimed Money	155,490.88	173,821.78
Current Liabilities - RAA	2,241,318.53	1,864,887.00
Current Liabilities - Capital Grant	2,982,403.51	2,347,905.41
Current Liabilities - Postal Museum	79,693.20	116,148.20
Current Liabilities - Disbursement Account	17,000.00	9,384.76
Current Liabilities - Overdraft Account (Western Union)	3,474,574.84	2,288,999.72
Current Liability- Rental Prepaid	185.00	16,000.00
Total	12,995,719.03	11,117,016.72

Note 16: Provisions		
Particulars	31.12.2023 (Nu)	31.12.2022 (Nu)
Provision for Doubtful Debts	9,452,148.80	353,850.55
Provision for PBVI	6,511,736.55	
Provision Income Tax	16,921,616.48	
Audit Fee	120,000.00	120,000.00
Audit Expenses	50,000.00	50,000.00
RB Carriage Charge	208,193.51	342,048.00
RB Transfer Grant	329,712.06	536,633.00
RB Travel Allowance	343,148.76	543,910.00
Gratuity Provisions	4,325,390.12	6,724,944.00
Leave Encashment	6,567,057.03	6,369,312.00
Provision legal settlement	1,000,000.00	1,000,000.00
Total	45,829,003.31	16,040,697.55



Note 17: Postal Income	31.12.2023 (Nu)	31.12.2022 (Nu)
Postal Income - Fax Money Order	18,454.00	22,511.00
Postal Income - BNBL Agency Banking	290,000.00	607,000.00
Postal Income - RSEBL Stock Trading (Brokerage)	47,416.63	20,016.55
Postal Income - RICBL Agent	207,172.75	239,964.74
Postal Income - Domestic Express Mail Services	4,695,607.00	5,774,423.00
Postal Income - International Express Mail Services	66,358,510.00	71,444,308.00
Postal Income - Local Urgent Mail	2,723,100.00	2,785,447.00
Postal Income - Postage of Commodities		1,335,618.76
Postal Income - Sale of Postage Stamps	195,825.00	262,705.00
Postal Income - Rate fluctuation HQ	86,750.99	468,711.33
Postal Income - Diplomatic Mail Bag Carriage	146,097.00	82,314.40
Postal Income - Clearing and Forwarding	1,052,700.00	921,440.00
Postal Income - DTDC Delivery	13,620.00	0.00
Postal Income - Postal Ballot	98,416,209.40	197,160.00
Postal Income - Postal Museum	678,045.00	120,020.00
Postal Income - Post Box Rent	1,491,920.00	1,301,910.00
Postal Income - Fine & Penalties	516,677.33	499,043.86
Postal Income - EMD Forfeit	972.00	1,540.00
Postal Income - Packing Materials	629,277.00	456,810.00
Postal Income - Service Charges		7,500.00
Postal Income - Telephone Bill Distribution	1,365.00	22,085.00
Postal Income - Contract Mail Services	1,026,100.00	756,270.00
Postal Income - Domestic Registered Letter	7,690,742.95	11,687,325.00
Postal Income - International Registered Letter	109,110.00	70,160.00
Postal Income - Domestic Parcel Postage	2,580.00	
Postal Income - Fax Delivery Fee		0.00
Postal Income - Fax Revenue/Service Charge		3,440.00
Postal Income - eCommerce Delivery	2,480.00	0.00
Postal Income - Parking Tickets	731,555.00	655,100.00
Postal Income - Sale of Assets/Stationery	1,150,253.86	1,371,750.00
Postal Income - Sale of Tender Form	14,500.00	37,500.00
Postal Income - Xerox Copies	99,290.00	63,368.00
Miscellaneous Income	1,753.42	24,497.84
Postal Income - International Mail Revenue	21,898,002.95	17,477,143.39
Postal Income - FedEx	9,234,565.80	5,604,757.89
Postal Income - TNT	14,765.26	62,512.74
Total Postal Income	219,545,418.34	124,384,353.50

Note 18: Philately Income	31.12.2023 (Nu)	31.12.2022 (Nu)
Income Commission on Outside Products	198,684.00	69,251.00
Income Joint Issue		0.00
Income Rate Fluctuation Philately	67,261.67	8,865.13
Income Sale of Philately Products	5,38,210.00	61,951.00
Postal Income - Commission from Judicial Stamps	3,920,226.00	3,663,620.80
Postal Income - Commission from Revenue Stamps	299,597.00	344,209.00
Income Crypto/ NFT Stamps	81,442.35	132,403.81
Income Sale of Philately Stamps/Albums	8,410,083.00	3,716,141.24
Total Philately Income	13,515,504.02	7,996,441.98

Note 19: Transport Income	31.12.2023 (Nu)	31.12.2022 (Nu)
Transport Income - BCSEA	5,304,837.10	4,730,031.85
Transport Income - Cargo/Logistic	3,141,589.00	3,672,397.00
Transport Income - Renting of vehicle	298,438.00	778,620.00
Transport Income - Gati	0	13,327.00
Transport Income - Others	69,480.00	
Transport Income - Sugam Parivahan	33,878.00	28,287.00
Transport Income - Sale of Bus Tickets (Gedu- Thimphu)		23,650.00
Transport Income - Sale of Bus Tickets (P/ling-Thimphu)	194,940.00	300,955.00
Transport Income - Sale of Bus Tickets (Thimphu-P/Ling)	83,750.00	100,588.00
Transport Income - Consignment (P/Ling - Thimphu)	34,200.00	23,351.00
Total Transport Income	9,161,112.10	9,671,206.85

Note 20: Estate Management and Investment	31.12.2023 (Nu)	31.12.2022 (Nu)
Rental Income - Employee	1,470,583.00	1,363,968.00
Rental Income - Guest House (SR)	60,300.00	199,450.00
Other Income - Income from Land	132,380.00	123,420.00
Rental Income - Office Building	18,337,786.02	18,016,492.38
Interest Earned on Savings Bank Account	1,502,466.89	1,913,269.67
Interest Earned on Fixed Deposits	196,879.61	398,015.27
Interest Earned on Gratuity Fund Account	2,448,965.59	2,195,310.29
Total Estate Management and Investment	24,149,361.11	24,209,925.61

Note 21: Remittance Income	31.12.2023 (Nu)	31.12.2022 (Nu)
Western Union Money Transfer Income	14,359,764.55	15,057,141.86
Euro Giro Income	1,125,487.66	479,204.70
Total Remittance Income	15,485,252.21	15,536,346.56

Note 22: Grant Income		
Grant Income	3,041,098.40	2,318,812.05





Note 23: Postal Expenses	31.12.2023 (Nu)	31.12.2022 (Nu)
Mail Service Expenses- Diplomatic Mail Bags	27,934.00	33,800.40
Mail Service Expenses- Packing Materials	255,760.60	102,286.25
Mail Service Expenses- Postal Ballots	5,676,205.17	1,784.00
Mail Service Expenses- DTDC	140.00	83,860.00
Mail Service Expenses- Postal Insurance charges	1,779,042.65	384,607.67
Mail Service Expenses - Daily Allowance	605,362.00	958,383.00
Mail Service Expenses- Transportation of Mails	2,406,390.06	1,994,663.26
Mail Service Expenses	10,750,834.48	3,559,384.58

International Mail Expenses- Bank charges	29,763.89	55,935.54
International Mail Expenses- Rate Fluctuation	8,185,443.70	3,605,999.91
International Mail Expenses- Terminal Dues/EMS/Parcel	48,667,685.16	57,890,260.47
International Mail Expenses	56,882,892.75	61,552,195.92

FedEx Expenses- Air Conveyance Outbound	409,351.00	307,013.00
FedEx Expenses- Membership	99,446.00	65,415.00
FedEx Expenses- Bank Charges		
FedEx Expenses- Rate Fluctuation	380,091.58	31,802.58
FedEx Expenses- Insurance		
FedEx Expenses- Raw Rate payment	3,236,040.26	1,801,699.16
FedEx Expenses	4,124,928.84	2,205,929.74

TNT- Air Conveyance Outbound		13,247.00
TNT- Expense Raw Rate payment		
TNT	0.00	13,247.00

PE Statutory Fee - Registration Fees (Brokerage)	80,636.48	79,848.32
3% TDS	145,249.16	
PE Statutory Fee - EMS/Telematic Cooperatives/UPU Clearing	1,250,457.16	2,317,859.56
PE Statutory Fees	1,476,342.80	2,397,707.88

PE Motor Vehicle Expense- Fuel	1,302,041.03	1,443,914.11
PE Motor Vehicle Expense- Repair & Maintenance	743,254.42	343,676.00
PE Motor Vehicle Expense- Insurance and related costs	146,369.73	42,564.55
PE Motor Vehicle Expenses	2,191,665.18	1,830,154.66

PE Selling & Distribution - Discount	118,728.70	170,041.80
PE Selling & Distribution - Commission (BNB, Brokerage)	26,337.00	56,180.00
PE Selling & Distribution Expenses	145,065.70	226,221.80
Total Postal Expenses	75,571,729.75	71,784,841.58



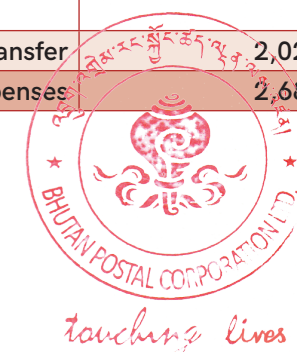
Note 24: Philately Expenses	31.12.2023 (Nu)	31.12.2022 (Nu)
Philately Expense- Commission/discount	145,846.00	143,752.25
Philately Expense- Freight/transportation costs	96,550.00	146,136.00
Philately Expense- Exhibition		10,475.96
Philately Expense- POS		1,210.00
Philately Expense- Bank charges	1,258.10	20.00
Philately Expense- Rates, taxes and duties	96,339.07	52,043.90
Philately Expense- Printing & Stationery	1,765,057.36	117,140.50
Total Philately Expenses	2,105,050.53	470,778.61

Note 25: Transport Expenses	31.12.2023 (Nu)	31.12.2022 (Nu)
Transport Expenses- BCSEA	1,941,353.63	1,758,911.04
Transport Expense - Gati		73,420.00
Transport Expense - Cargo & Logistics	15,164.00	
Transport Expense - Hiring of Vehicles	1,500.00	
Transport Expense - Sugam	1,170.00	6,264.00
Transport Expense - Fuel	2,133,012.44	3,883,416.94
Transport Expense - Repair & Maintenance	666,626.03	1,443,197.14
Transport Expense- Insurance and related costs	215,601.06	218,586.16
Transport Expense- Loading and Unloading	28,060.00	12,440.00
Transport Expense- Daily Allowance	379,300.00	300,950.00
Transport Expense- Telephon expenses	11,579.27	14,054.92
Total Transport Expenses	5,393,366.43	7,711,240.20

Note 26: Estate Management Expenses	31.12.2023 (Nu)	31.12.2022 (Nu)
Financing Costs - Interest on Borrowing Phuntsholing	2,527,784.16	7,793,843.79
Guest House - Repairs & Maintenance	16,036.00	39,590.00
Premises Cost - Insurance	244,200.94	92,554.28
Running & Maintenance Costs - Office Building	745,233.64	449,010.00
Rental Waive Off		298,596.78
Total Estate Management Expenses	3,533,254.74	8,673,594.85

Note 27: Remittance Expenses	31.12.2023 (Nu)	31.12.2022 (Nu)
Euro Giro- Rate Fluctuation Expense	663,156.12	538,646.16
Euro Giro	663,156.12	538,646.16

WUMT- Bank Charges on Remittances	318,318.83	301,322.59
WUMT- Bank Charges	10,068.13	2,287.01
WUMT- Rate Fluctuation Expense	1,669,978.88	631,019.58
WUMT- OD Interest	26,892.81	56,008.90
Western Union Money Transfer	2,025,258.65	990,638.08
Total Remittance Expenses	2,688,414.77	1,529,284.24



Note 28: Employee Compensation and Benefit Expenses	31.12.2023 (Nu)	31.12.2022 (Nu)
Salaries	43,410,982.00	48,170,299.00
Performance Based Allowances	6,511,736.55	0.00
Pension Fund - Employer's Contribution	6,467,609.00	7,120,430.00
Gratuity	5,730,391.47	6,355,455.00
Allowances	20,368,632.00	14,186,754.00
CMO Salary	104,573.00	174,000.00
Transfer Expense	533,736.20	177,222.60
RB carriage Charge	106,889.79	193,836.00
RB Transfer Grant	240,906.75	339,082.00
RB Travel Allowances	238,356.95	341,273.00
Sitting Fee Employee	40,000.00	40,000.00
Leave Travel Concession (LTC)	2,867,712.00	2,971,991.00
Leave Encashment	3,922,134.45	4,313,560.00
Temporary Staff / Intern Charges	144,240.00	429,896.00
Total Employee Compensation and Benefit Expenses	90,687,900.16	84,813,798.60

Note 29: Depreciation and Amortisation Expenses	31.12.2023 (Nu)	31.12.2022 (Nu)
Depreciation of Fixed Assets	10,841,064.46	10,679,778.90
Depreciation and Amortisation Expenses	10,841,064.46	10,679,778.90

Note 30: Administration Expenses	31.12.2023 (Nu)	31.12.2022 (Nu)
Selling & Distribution - Marketing	2,230.00	5,688.00
Premises Cost - Rental	1,976,847.72	21,28,759.00
Motor Vehicle - Fuel	212,241.20	1,90,942.54
Motor Vehicle - Repair & Maintenance	50,746.94	1,16,497.00
Motor Vehicle - Insurance and related costs	48,212.80	44,462.30
Annual Maintenance Costs for Networks/Software	158,705.00	
Repair & Maintenance costs for Hardware	84,785.00	3,53,428.00
Repair & Maintenance Costs - Office Equipment	148,059.00	
Subscriptions/Licences	5,41,671.10	
Repair & Maintenance Costs - Furniture and Fittings	45,420.00	3,250.00
Repair & Maintenance Costs - Electrical equipment	270,641.96	1,64,869.00
Outsourced Security Services	584,729.00	2,79,000.00
Travelling Expenses - In Country - Travel Allowance	101,615.00	1,10,642.00
Travelling Expenses - Ex Country	470,500.76	4,84,380.15
Meeting Expenses	114,318.20	
Short term Training In Country - DSA	9,360.00	31,000.00
Short term Training Out-Country - DSA	384,433.30	2,96,934.82
Staff Welfare - Funeral Expenses (Semso)	23,000.00	
Staff Welfare - Prayer/Ritual Expense (Rindro)	50,000.00	1,54,990.00
Staff Welfare- Medical Expenses	2,400.00	7,200.00
Staff Welfare - Tea Expenses/pantry	136,036.00	4,65,575.00
Staff Welfare - Tendrel Ceremony/Welcome & Promotion	13,995.00	
Audit Expenses	50,370.00	50,000.00
Audit Fees	120,000.00	1,20,000.00
Printing & Stationery - Stationery cost	3,498,553.67	37,59,470.74
Board Expenses - Directors' Fees	95,000.00	87,500.00
Board Expenses - Meeting Expenses	50,433.00	59,905.00

Note 30: Administration Expenses	31.12.2023 (Nu)	31.12.2022 (Nu)
Foreign Exchange Losses	18,270.59	31,051.56
Hospitality and Entertainment Expense	41,428.00	21,565.00
Gen & Admin - Bank Charges	43,882.74	32,862.51
Gen & Admin - Telecommunication Expenses (Telephone/Fax)	474,020.95	498,157.51
Gen & Admin - Telecommunication Expenses (Internet Charges)	1,069,417.88	1,260,352.10
Gen & Admin - Electricity & Lightings	392,216.06	255,632.04
Gen & Admin - Advertisement (Announcement)	30,000.00	31,160.00
Gen & Admin - Consumable Stores	78,882.15	368,246.62
Gen & Admin - Legal & Professional Fees	10,000.00	1,000,000.00
Gen & Admin - Penalties and fines	11,250.00	
Gen & Admin - Postage and Deliveries charges	90.00	
Gen & Admin - Subscriptions of newspaper	3,000.00	
Gen & Admin - Uniform and Liveries	45,169.00	
Gen & Admin - Loss on sale of assets	1,400.00	133,864.80
Gen & Admin - Write off assets	148.00	
Gen & Admin - Lease payment	31,390.01	
Consultancy Charges -Recurring	270,000.00	120,000.00
Land Tax	830,804.04	370,055.40
Water & Sewerage Tax	64,758.90	
Statutory Fees - Business License	170,785.00	178,799.00
Provision-Bad and Doubtful debts	9,098,298.25	13,754.79
Administration Expenses	21,929,516.22	13,229,994.88

Note 31: Deferred Tax Liability/ Asset (Amount in Nu)	Sl. No	Particulars	Accounting Base	Tax base	Difference	Tax rate	Asset/ Liability
	1	PPE	10,841,064.45	1,08,08,793.64	32,270.81	30%	9,681.24
	2	Provision for Gratuity	5,730,391.47	70,42,767.00	(1,312,375.53)	30%	(393,712.66)
					Total		(384,031.42)

For Dechok & Associates Pvt. Ltd.

Yeshi Jamtsho FCCA
Membership No: 2641177
Partner

For Bhutan Postal Corporation Ltd.

Rinchen Zangmo
(Finance Officer)

Karma Nidup
(Chief Executive Officer)

Phuntsho Tobgay
(Chairman)