



ANNUAL REPORT

2024



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"We must have the courage to take risks and embrace change for the betterment of our nation."

MESSAGE FROM THE CHAIRMAN

It is with great pride and deep sense of responsibility that I present this message for the Annual Report-2024 of the Food Corporation of Bhutan Limited (FCBL).



Established in 1974 under the visionary leadership of His Majesty the Fourth Druk Gyalpo, FCBL was founded with a noble mission: to manage Bhutan's food security at all times.

For over five decades, FCBL has honored this mandate with unwavering dedication, evolving into a cornerstone of Bhutan's socio-economic development.

From managing the National Food Security Reserve (NFSR) and the SAARC Food Reserve to

facilitating agricultural exports and supporting the School Feeding Programme (SHP), FCBL's contributions have touched the lives of countless Bhutanese citizens. Our role in strengthening the nation's food systems continues to remain critical, especially in an era of growing uncertainties and global food supply chain vulnerabilities.

The year 2024 marked a significant milestone in our journey. FCBL recorded an impressive profit of Nu. 62.05 million, more than doubling the previous year's earnings of Nu. 25.10 million. This remarkable financial performance reflects strong growth in the supply of essentials, food grains, and farm produce, underpinned by disciplined cost management and operational efficiency. This is the second consecutive year of positive turnaround following the challenges of the past, an achievement made possible by the dedication and perseverance of FCBL's entire team.

Beyond financial growth, 2024 was a year of transformation and new beginnings. FCBL proudly embarked on a strategic partnership with Gyalsung, a visionary national initiative inspired by His Majesty the Druk Gyalpo. This partnership signals a bold new chapter in FCBL's history, one characterized by innovation, resilience, and a renewed sense of purpose. It's an immense privilege and pride to serve FCBL as the chairman at this pivotal moment in FCBL's journey.

As we look ahead, we are mindful of the evolving challenges: our continued dependence on imported food and essential commodities, and the dynamic nature of regional and international markets. Yet, I remain confident that with strategic foresight, innovation, and the unwavering dedication of our management, employees, and partners, FCBL will not only overcome these challenges but emerge stronger and more agile than ever before.

Our commitment to supporting Gyalsung supplies reflects our readiness to adapt, innovate, and contribute meaningfully to the aspirations of our nation. This journey is about more than business, it is about national service, and about safeguarding the well-being and future of every Bhutanese citizen.

On behalf of the Board of Directors, I extend my deepest gratitude to the Ministry of Finance (MoF), the Ministry of Agriculture and Livestock (MoAL), our business partners, stakeholders, and above all, the hardworking team at FCBL. Your dedication is the foundation of our continued success.

As we step into 2025, I invite each one of you to embrace this new chapter with renewed energy, optimism, and determination. Together, let us build on our proud legacy, delivering resilience, growth, and unparalleled service to our beloved nation.



Minjur Dorji

Chairman

Food Corporation of Bhutan Limited

FROM THE DESK OF CHIEF EXECUTIVE OFFICER

Kuzuzangpo La!

As we draw the curtain on the year 2024, I am filled with immense pride and gratitude in extending my heartfelt appreciation to all our valued stakeholders. This year has been a testament to our collective resilience, unwavering dedication, and our continued commitment to fulfilling the national mandate entrusted to the Food Corporation of Bhutan Limited (FCBL).



The year 2024 holds special significance in our journey, as we proudly celebrated the Golden Jubilee of FCBL, marking 50 years of dedicated service to the people and the nation. This historic milestone was more than a celebration; it was a tribute to the visionary leadership of His Majesty the Fourth Druk Gyalpo, whose profound foresight and noble aspirations led to the founding of this noble institute in 1974. It has been a year of transformative progress, renewed purpose, and deep reflection on the legacy we carry forward.

In fulfilling our core responsibilities; ensuring national food security and facilitating trade facilitation services of agricultural goods, FCBL has effectively navigated evolving socio-economic landscapes and emerging challenges. Despite a market environment increasingly influenced by private sector dynamics, we strategically managed our inventory to preserve national food reserves while minimizing financial exposure. Furthermore, our outreach to rural communities through the distribution of essential goods has improved access to basic necessities and played a vital role in stabilizing prices.

In the education sector, our commitment to nourishing young minds remained unwavering. We successfully ensured the uninterrupted delivery of school feeding services to 495 schools, positively impacting the lives of 79,700 students across the country. Even amid logistical disruptions caused by monsoon-related roadblocks, our dedicated teams upheld delivery timelines, reinforcing our service reliability.

On the export front, FCBL facilitated the trade of 15,728.20 metric tons of agricultural produce, resulting in revenue of Nu. 467.91 million. While potato exports faced challenges amid increasing private sector participation, the growth in vegetable exports highlights encouraging market potential and growing demands for

Bhutanese produce. The launch of the Potato Trade Facilitation Center in Gangtey, Wangdue Phodrang, marked a significant advancement, improving trade efficiency through online auctions enhancing the export services. Similarly, our intervention in the cardamom sector led to the aggregation and marketing of 159.22 metric tons, connecting farmers directly to buyers and thereby fostering inclusive rural economic growth.

Financially, 2024 was a breakthrough year. FCBL recorded a profit of Nu. 62.05 million, more than doubling last year's earnings of Nu. 25.10 million, driven by strong sales of essentials, food grains, and farm produce, along with disciplined cost optimization. This marks year of profitability, affirming a successful turnaround from the operational setbacks of the past.

Investments in infrastructure have further strengthened our foundation. New food reserve warehouses and cold storage facilities in Wangdue Phodrang, Nganglam, and Zhemgang enhance our capacity to preserve reserves and support rural supplies.

A defining highlight of the year was our proud collaboration with the Gyalsung initiative. By supplying dry rations, fresh fruits, and vegetables to all four Gyalsung Academic centers, FCBL is privileged to contribute meaningfully to this visionary national endeavor.

As we look forward, we remain deeply grateful for the continued trust and support of the Royal Government of Bhutan (RGoB), all our valued partners, customers and our dedicated team. Their encouragement empowers us to pursue our shared mission with renewed vigour.

I extend my heartfelt gratitude to the FCBL Board of Directors, and our shareholder for their steadfast guidance. I am equally indebted to my colleagues, both at the headquarters and in the field, whose unwavering dedication underpins every success we celebrate today. Your collective commitment remains instrumental in realizing our vision of managing food security for the nation at all times.

With renewed optimism and determination, we step into the future prepared to build on these achievements for an even more impactful tomorrow.

Thank you and Tashi DeleK!



Dorji Tashi
Chief Executive Officer

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CORPORATE PROFILE

MISSION & VISION



Ensuring Food Security for the Nation at all times.



Ensuring availability, affordability and accessibility of quality food for all by providing reliable and sustainable marketing platform and distribution chain for farm produce and essential commodities across the country



AREAS OF OPERATIONS



COMPANY AT A GLANCE

01
CENTRAL
WAREHOUSE

04
AUCTION
YARDS

02
REGIONAL
WAREHOUSES

03
RETAIL
OUTLETS

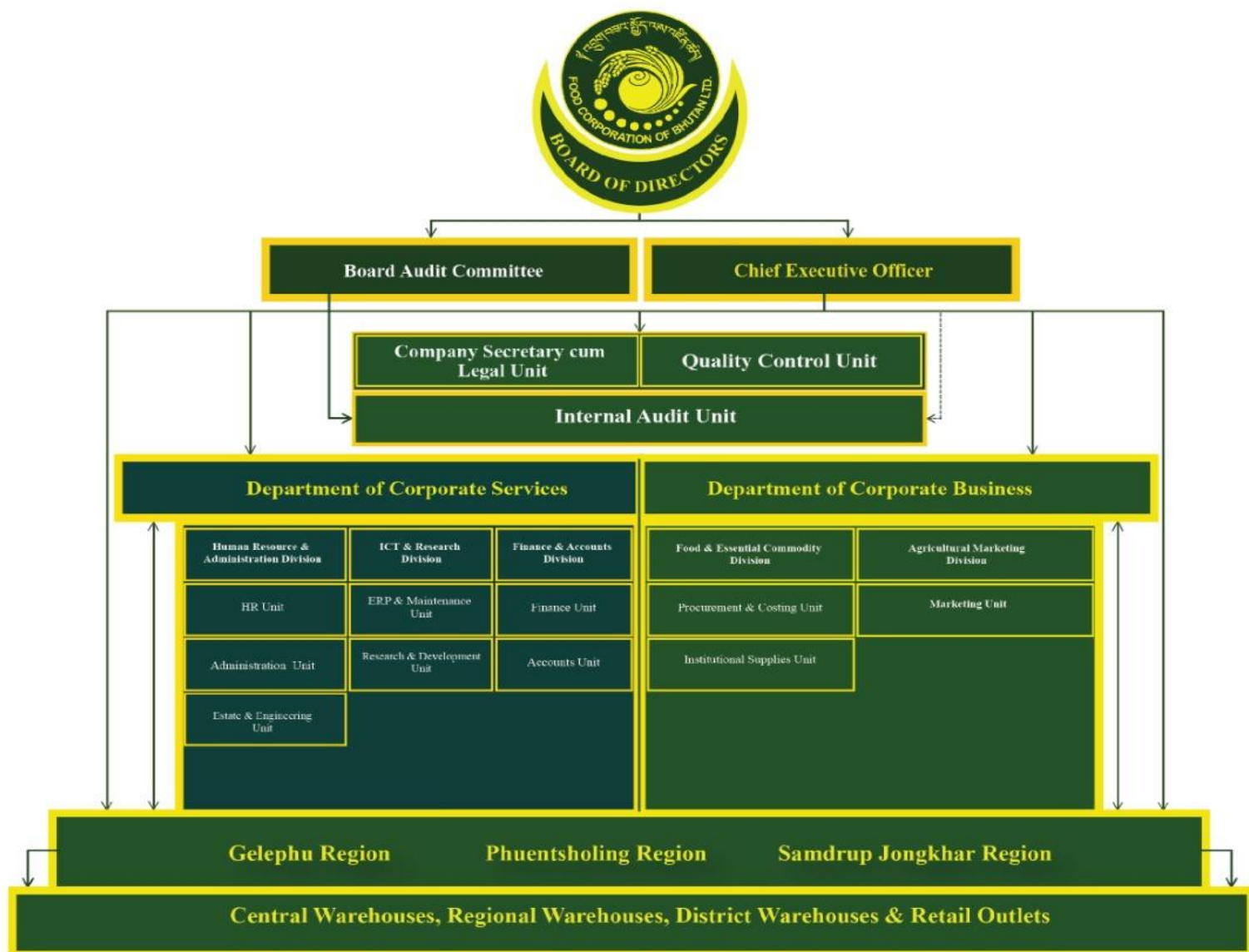
22
DISTRICT
WAREHOUSES

02
WHOLESALE
OUTLETS

2,979.63
million
TOTAL TURNOVER

323
EMPLOYEES

ORGANIZATION STRUCTURE



CORE VALUES STRENGTH



INTERNAL CONTROL MECHANISM



BOARD OF DIRECTORS



MR. MINJUR DORJI

Chairman
Dzongdag,
Samtse Dzongkhag



MR. SONAM TSHERING DORJI

Board Director
Director, Department of Trade,
Ministry of Industry,
Commerce and Employment



MR. UGYEN TSHERING

Board Director
Regional Director
Ministry of Finance
Department of Revenue and Customs



MR. PHUNTSHO NAMGAY

Board Director
Specialist,
Royal Monetary Authority



MR. TSHERING TENZIN

Board Director
Director, Bank of Bhutan



MR. TASHI DORJI

Board Director
Director, Department of Agricultural
Marketing and Cooperatives, Ministry
of Agriculture and Livestock



MR. DORJI TASHI

Executive Board Director
Chief Executive Officer,
Food Corporation of Bhutan
Limited

MANAGEMENT STAFF



DORJI TASHI
CEO



PEMA WANGCHUK
ACTING DIRECTOR



UGYEN CHOIDUP
RD, GELEPHU



TSHEIRNG DORJI
RD, P/LING



UGYEN
RD, S/JONGKHAR



CHIMI TSHEWANG
GM, HRAD



DORJI GYELTSHEN
LEGAL OFFICER CUM
COMPANY SECRETARY



JIT BDR. BISWA
GM, ICTRD



TSHOKI WANGMO
GM, FECD



DAWA TSHERING
HEAD, FAD



UGYEN LHENDUP
INTERIM HEAD, AMD



PENDEN CHODEN
HEAD, IAU



SONAM PELDON
HEAD, QCU



CURRENT STATUS



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CURRENT STATUS

Headquartered in Phuentsholing, the company operates through three regional offices located in Phuentsholing, Gelephu, and Samdrup Jongkhar. Its nationwide operations are supported by a central warehouse, 23 district warehouses, four retail outlets and four auction-yards, with a team of 323 dedicated employees.

Established on August 16, 1974, though the noble vision of His Majesty the Fourth Druk Gyalpo, the company was later registered as the first State-Owned Enterprise under the Companies Act of

the Kingdom on July 8, 1992. Since its inception, FCBL has been functioning primarily to:

- ✚ Maintain National Food Security Reserve (NFSR) for the nation at all times.
- ✚ Stabilise the price of commodities through the operation of fair price wholesale and retail outlets.
- ✚ Provide a reliable platform for farmers to trade their agricultural produce.
- ✚ Facilitate smooth functioning of the school feeding programme.

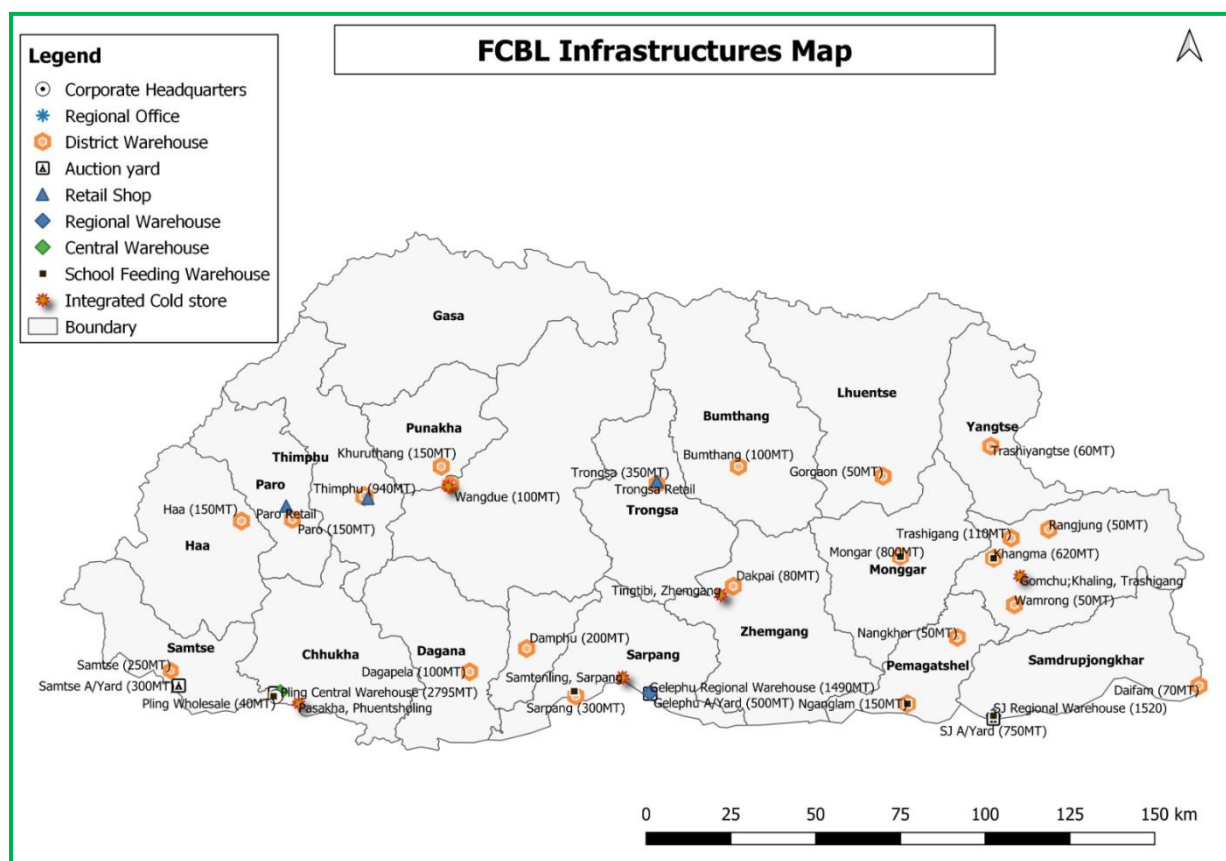


Figure 1: FCBL Infrastructures Map.

Lately, FCBL has undertaken a broader mandate to supply dry rations, fresh fruits and vegetable to Gyalsung academies across the country. Besides maintaining safe level of NFSR stock consisting of Rice, Oil and Pulse, FCBL deals in diversified other essential items while meeting customers' needs and demand. Currently, FCBL deals with 36 food grain items and 387 select essential items from 30 principal companies of India. Despite the

fluctuations between 2020 to up until 2022 due to Covid-19 pandemic, the overall trend for the food grain business shows an increasing trend.

In 2024, 20544.70 metric tons of food grain items worth Nu. 1053.18 million were imported. Both the volume and value of food grain imports slightly increased by 3.06 % and 13.71%, respectively, compared to the previous year, as illustrated in Figure 2.

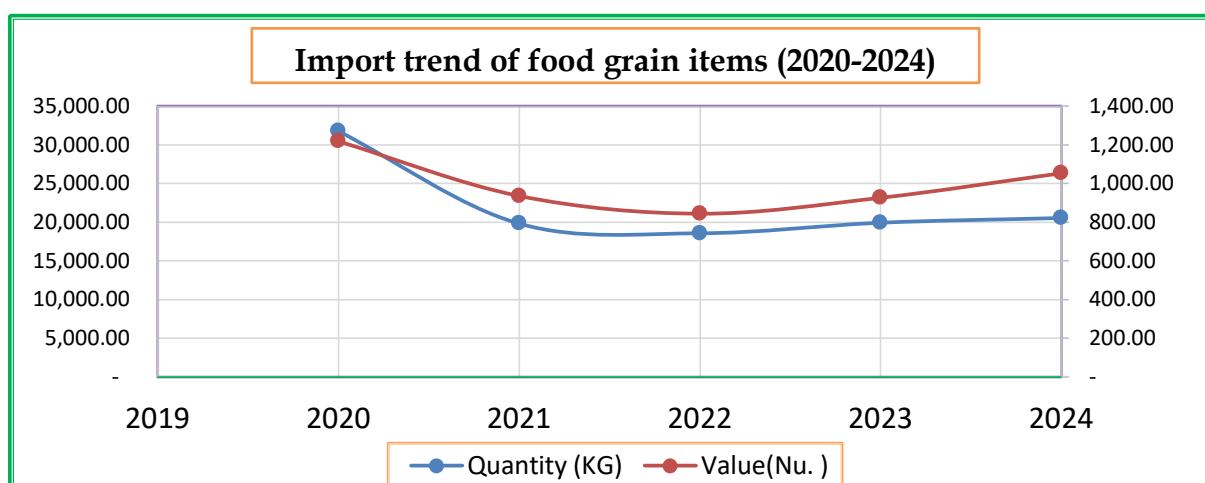


Figure 2: Import trend of food grain items in volume and value (2020-2024).

Similarly, the volume of imports of other essential items shows an increasing trend. In 2024, the volume and value of business has increased by 13.99% and

18.52% respectively as compared to the previous year as shown in Figure 3. In 2024, essential items worth Nu. 1233.56 million were imported.

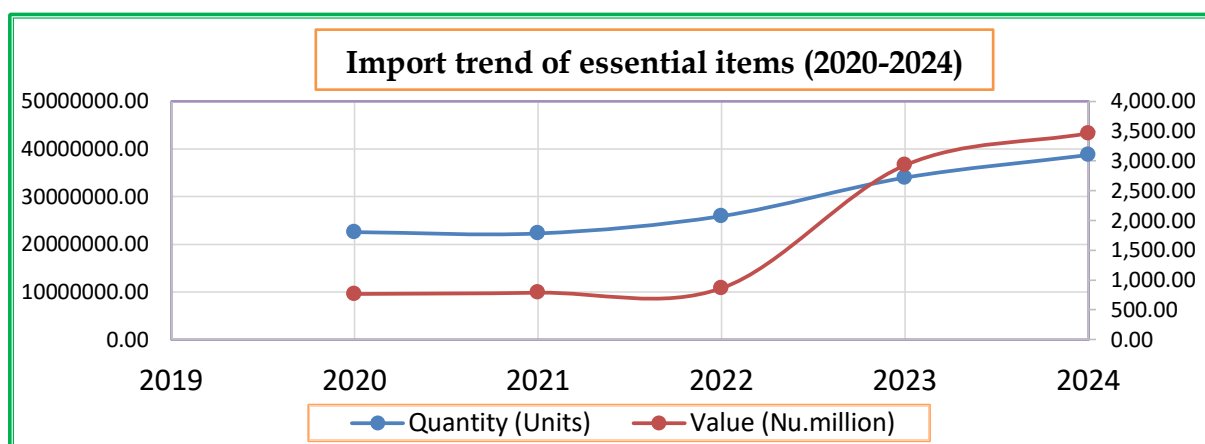


Figure 3: Import trend of essential items in volume and value (2020-2024).

The export of potatoes experienced a significant downturn during the 2020 and 2021 seasons due to the COVID-19 pandemic, reaching its lowest point. However, a steady recovery followed, culminating in a record-high export volume of 19,263.87 metric tons in 2023.

Despite this upward trajectory, 2024 saw a sharp decline of 42.41% in potato exports in terms of volume, mainly due to increased participations of private traders, with only 11,093 metric tons exported. The revenue generated stood at Nu. 114.94 million. (Figure 4).

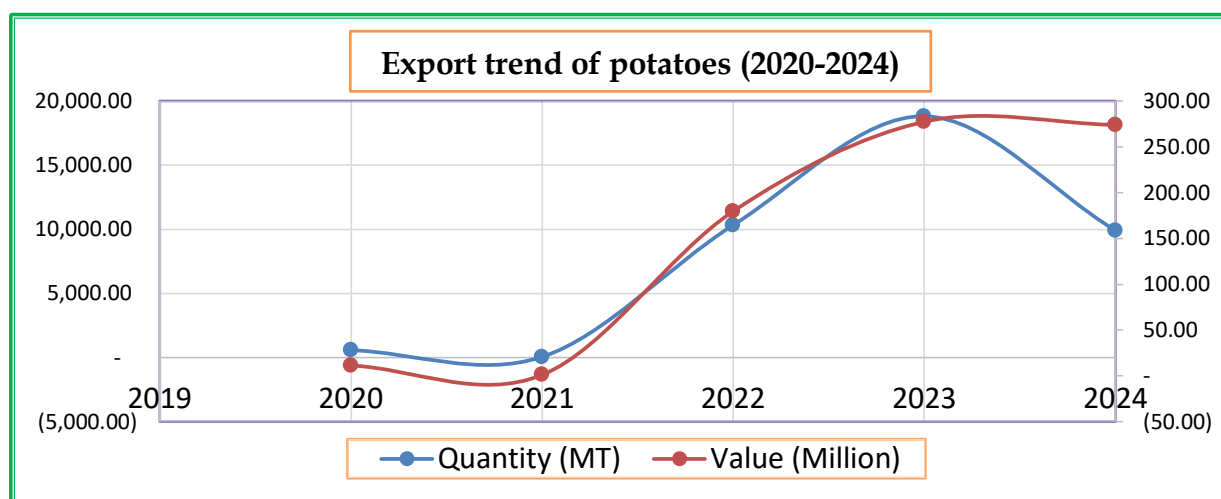


Figure 4: Export trend of potato in volume and value (2020-2024)

On the other hand, the export of vegetables has demonstrated a steady upward trend in the post-pandemic period, rebounding from its lowest point during the 2020-2021 seasons. In 2024, vegetable exports saw a significant surge, with volume increasing

by 24.2% and export value rising by 52.76% compared to 2023 (Figure 5). A total of 2,975.85 metric tons of vegetables were exported, generating Nu. 114.97 million in revenue, reflecting strong market demand.

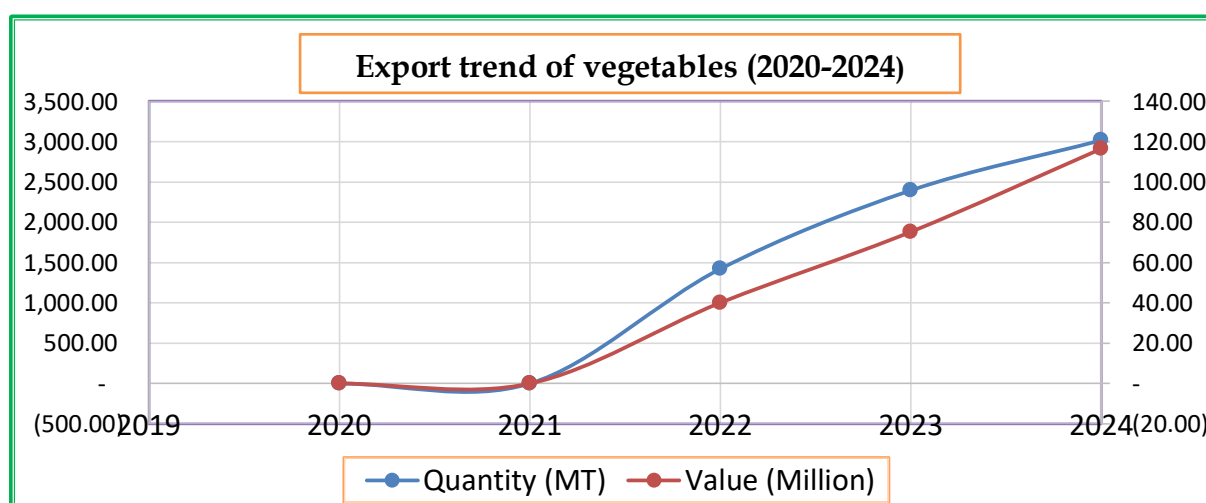


Figure 5: Export trend of vegetables in volume and value (2020-2024)

In addition to potatoes and vegetables, assorted produce such as fruits, areca nut, citrus and spices were also exported.

In 2024, the total export volume of these commodities stood at 1,659.12 metric tons, generating revenue of Nu. 44.68 million. While the export volume plummeted by 92.78% compared to the previous year, the export value surged by an impressive 131.5%, indicating a

significant increase in unit prices or a shift toward higher-value produce.

FCBL also ventured into time-bound RNR business in cardamom procurement and export. In 2024, FCBL procured 159.22 metric tons of cardamom valuing Nu. 263.13 million, a significant increase in both the quantity and the value by 65.65% and 36.90% respectively compared to the previous year.



Photo: A farmer participating in an online potato auction at Gangtey, Wangdue



Photo: Vehicles fully loaded with potatoes for export at Auction Yard, Phuentsholing



OPERATIONAL HIGHLIGHTS



NATIONAL FOOD SECURITY RESERVE (NFSR)

One of the primary mandate of this company is to maintain a reserve of essential food items and make it accessible, available, and affordable across the country at all times. The reserve primarily consists of three

essential items: rice, edible oil, and pulses. However, FCBL has gone beyond for additional items such as salt, sugar, tea and other essential items to fulfill basic need of our society.



Photo: Food grain stock at the FCBL Central Warehouse in Phuentsholing

As per the NFSR policy, FCBL is required to maintain reserves capable of sustaining at least 50% of the population for three months. However, due to the growing private sector that collectively maintains and caters to 80 % of the market share, FCBL has maintained a safe level of reserves to prevent losses from damages due to

prolonged storage. Nevertheless, FCBL has been careful to ensure that FCBL and private sector combined maintain the required level of stock as per the NFSR policy at all times. In addition to above, FCBL is committed to upholding the mandated reserve and even more, if necessary, during emergencies and times of need.



Kuensel

December 26, 2020

FCBL maintains it has stocked up enough essentials

The Food Corporation of Bhutan Limited (FCBL) has enough essentials stocked.

Rice, oil and pulses are the three main essentials as per the National Food Security Reserve (NFSR).

<https://kuenselonline.com/fcbl-maintains-it-has-stocked.../>

As of 31st December 2024, FCBL maintained the following levels of National Food Security Reserve (NFSR) stock.

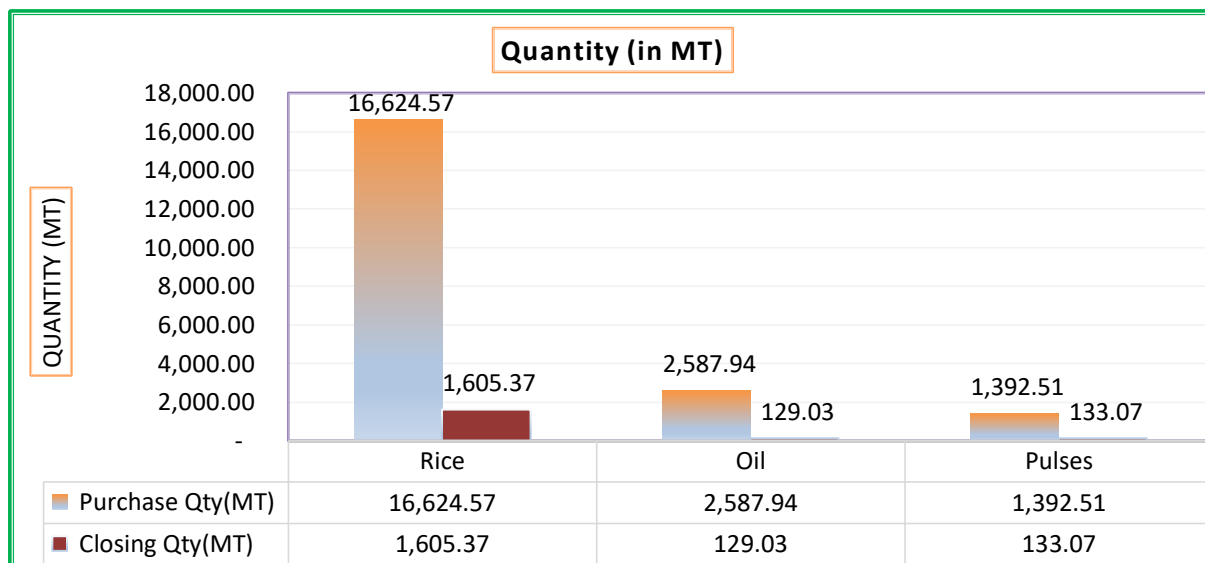


Figure 6: Maintained NFSR Stock-2024



Photo: Stock of NFSR items

DISTRIBUTION AND SALE OF FOOD GRAIN ITEMS

As part of maintaining the National Food Security Reserve (NFSR), FCBL distributes a range of food grain items through its warehouses, wholesale and retail outlets nationwide.

In 2024, a total of 20,719.28 metric tons of food grains items were sold across

various FCBL warehouses and sales outlets, generating a revenue of Nu. 1,166.99 million.

The overall quantity sold and revenue generatio increased by 3.91 % and 15.25 %, respectively, compared to the previous year.

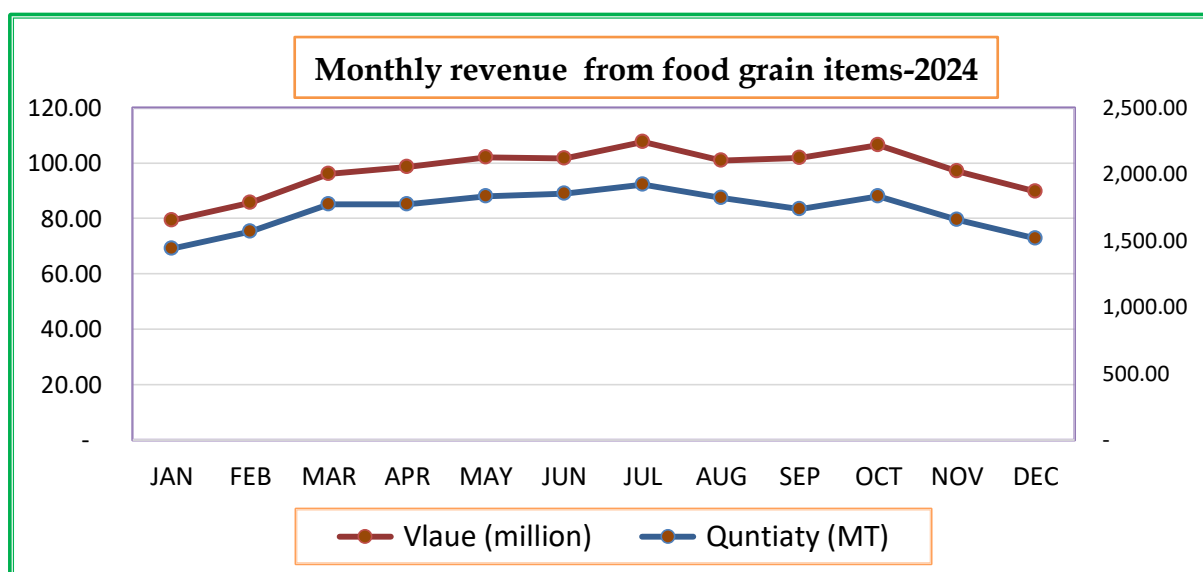


Figure 7: Monthly sales and revenue trends of food grain items.

July and January saw months recorded the highest and the lowest revenue generation, amounting to Nu. 107.69 million and 78.28 million respectively. The revenue, on average remained at 97.25 million.

Likewise, the quantity of goods sold followed similar trend with a maximum

quantity sold in July (1,922.68 metric tons) as shown in Figure 7.

Among the 155 food grain items, the 20-Kg Zheychem Chogjor rice was sold the highest, generating revenue of Nu. 129.20 million followed by Sugar S 30 50-Kg (Nu. 49.30 million) and Zheychem Gongma 26-KG rice (Nu. 45.50 million) as shown in Table 1.

Table1: Top ten revenue generating food grain items

SI No	Item List	Revenue (Nu. million)
1	Zheychem Chogjor 20 Kg	129.20
2	Sugar S 30 50 Kg	49.30
3	Zheychem Gongma 26 Kg	45.50
4	Oil Refine Namans First Choise 5Ltr*4	44.15
5	Rice 551 New	43.61
6	Dalda Ruchi Pch 1 Ltr*16	40.23
7	Rice Dubar Saahi Dinner 26 Kg	35.01
8	Zheychem Dangpa 20 Kg	26.76
9	Rice SK Gold JPC 26 Kg	25.47
10	Rice Tibar Saahi Dinner 26 Kg	23.49

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EVERYONE'S
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In 2024, Thimphu Regional Warehouse earned the highest revenue of Nu. 253.40 million followed by Paro

wholesale earning 70.91 million and Mongar warehouse earning Nu. 64.86 million (Figure 8).

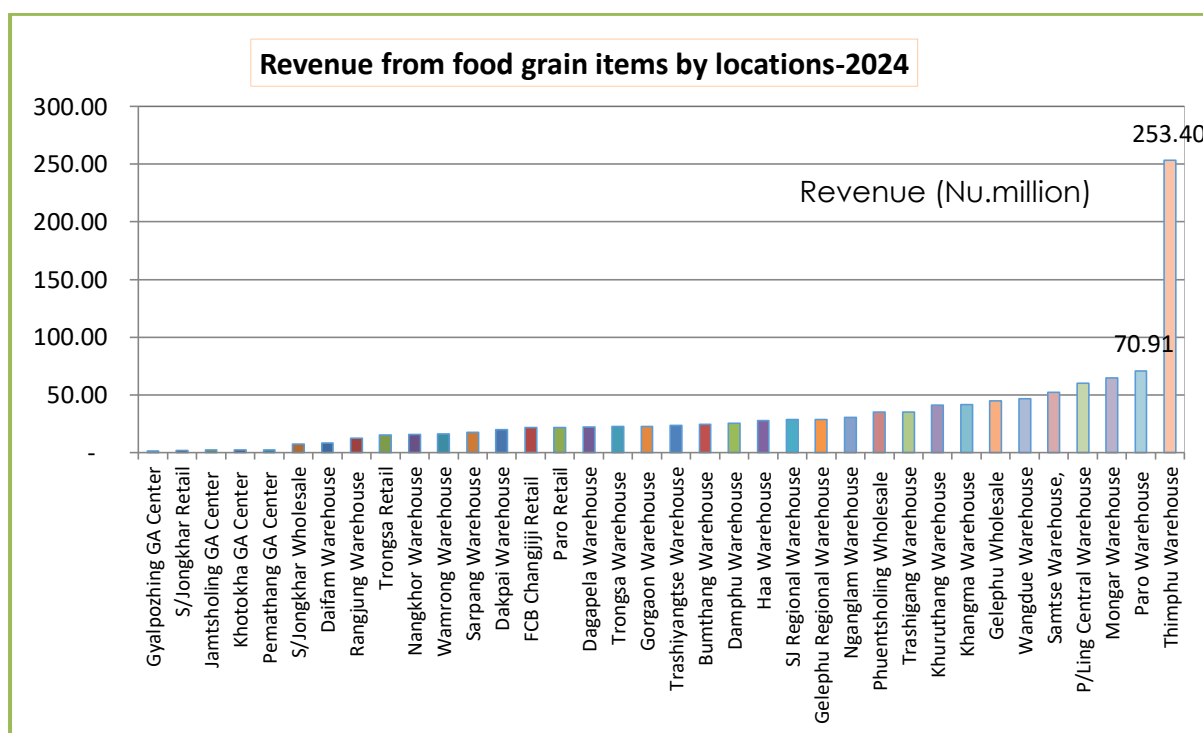


Figure 8: Sales revenue of food grain items by locations



Photo: Stock of food grain items

DISTRIBUTION AND SALE OF ESSENTIAL ITEMS

Beyond the National Food Security Reserve (NFSR), FCBL plays a vital role in distributing other essential items to various sections of society, ensuring that people across the country have direct access to basic necessities. By making these items available in the market, FCBL also helps stabilise prices, aligning with its core mandate.

In addition to above, venturing into essential items not only strengthens the NFSR but also contribute significantly to the company's financial performance which is absolutely necessary to achieve financial security and economic sustenance of the company. Presently, FCBL collaborates with 30 principal Indian companies for the supply of select essential items.



In 2024, the overall sales of essential items in terms of volume and value have increased by 16.20% and 18.04% respectively, compared to the previous year generating total revenue of Nu. 1,380. 94 million.

The monthly sales trend indicated the highest revenue generation in April with Nu. 121.87 million and the lowest in January with Nu. 106.22 million as shown in Figure 9. Overall average sale remained at Nu. 115.08 million.

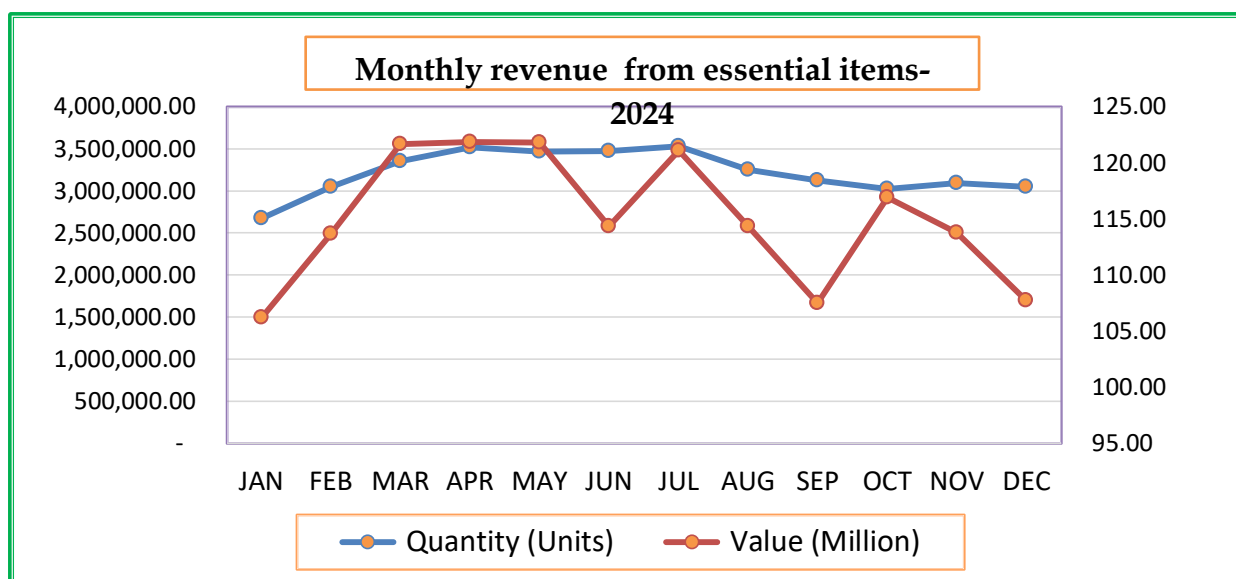


Figure 9: Monthly sales and revenue trends of essential items.

Among the 378 different essential items sold, Amul Taaza Tonned 1 ltr*1 generated the maximum revenue of Nu. 169.15 million, followed by Everyday Diary

Whitner 1 kg*12 (Nu. 58.75 million) and Milky Mist Double Tonned Milk 1 ltr*12 as (58.60 million) as outlined in table below:

Table 2: Top 10 Essential Items

SL No	Item List	Revenue (Nu. Million)
1	Amul TaazaTonned 1 ltr*12	203.38
2	Amul TaazaTonned 200 ml*30	58.75
3	Milky Mist Double Tonned Milk 1 ltr*12	58.60
4	Everyday Diary Whitner 1 kg*12	51.71
5	Jumpy Mango Drink 160 ml*40	49.32
6	Britania Cheese Block 1 kg*12	46.71
7	Maggi Noodles Masala 56 gm*96	44.20
8	Amul Butter CB 500 gm*30	43.22
9	Amul Special Pouch 1 Kg*12	37.05
10	Everyday Diary Witner Plain 800 gm*20	34.52

Thimphu Regional Warehouse generated the highest sales revenue of Nu. 196.94 million. It was followed by Paro Warehouse and Wangdue

Warehouse, generating Nu. 110.73 million and Nu. 97.31 million respectively. (Figure10)

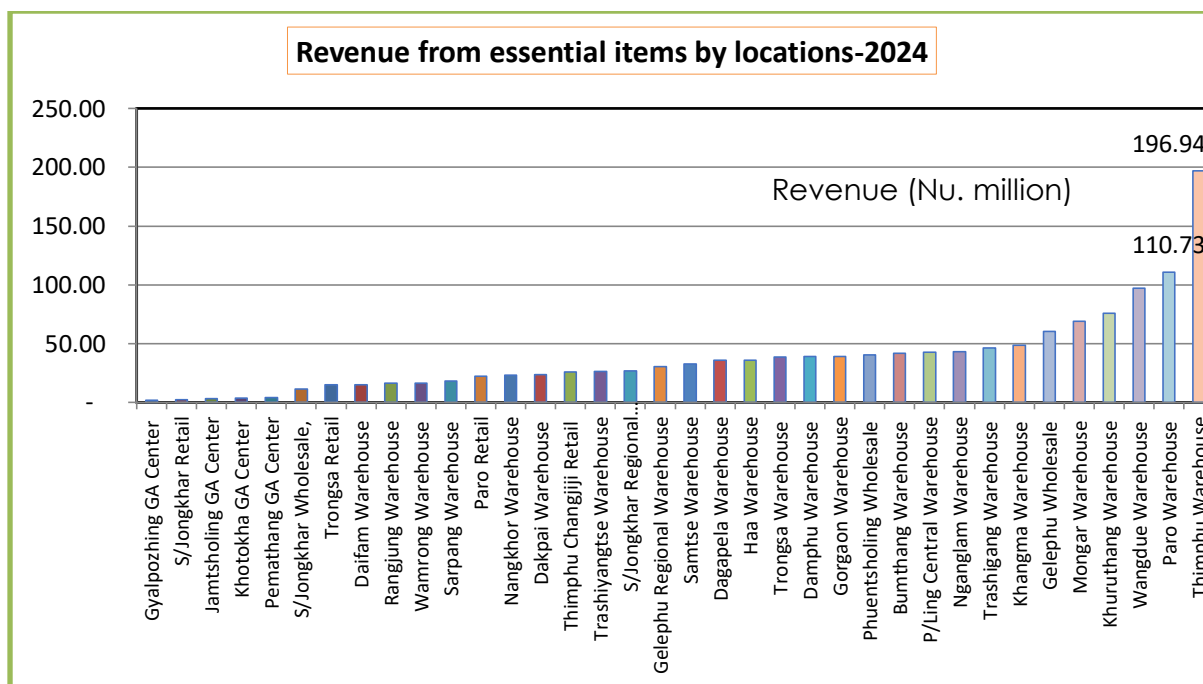


Figure 10: Sales revenue of Essential items by locations



Photo: List of essential items in Central Warehouse, Phuentsholing

EXPORT FACILITATION SERVICES

In 2024, a total of 15,728.20 metric tons of agricultural products were exported, generating revenue of Nu. 467.91 million.

Potatoes accounted for 70% of the total exports, with a volume of 11,093.23 metric tons, contributing Nu. 308.24 million in revenue.

Vegetables made up 19% of the exports, amounting to 2,975.85 metric tons and generating Nu. 114.97 million. The remaining 11% comprised other commodities such as fruits, areca-nuts, spices, and citrus, which collectively contributed Nu. 44.69 million to the total revenue.



Photo: Potation auction at Auction-yard, Phuentsholing.

Table 3: Quantity and value of agricultural produce exported in 2024

Items	Quantity (METRIC TONS)	Value (Nu. millions)
Potato	11,093.23	308.24
Vegetable	2,975.85	114.97
Fruits	10.39	0.34
Areca-nut	1,302.05	33.47
Spices	184.81	6.56
Citrus	161.87	4.31
Total	15,728.20	467.91

Following the Export Awareness Program conducted in collaboration with the Department of Agriculture & Marketing Cooperatives (DAMC) and the Royal Securities Exchange of Bhutan Ltd. (RSEBL) across all potato-

growing regions, exports commenced as usual in the month of May.

Potato exports peaked in July and August, while vegetable exports reached their highest levels in August and October (Figures 11 and 12).

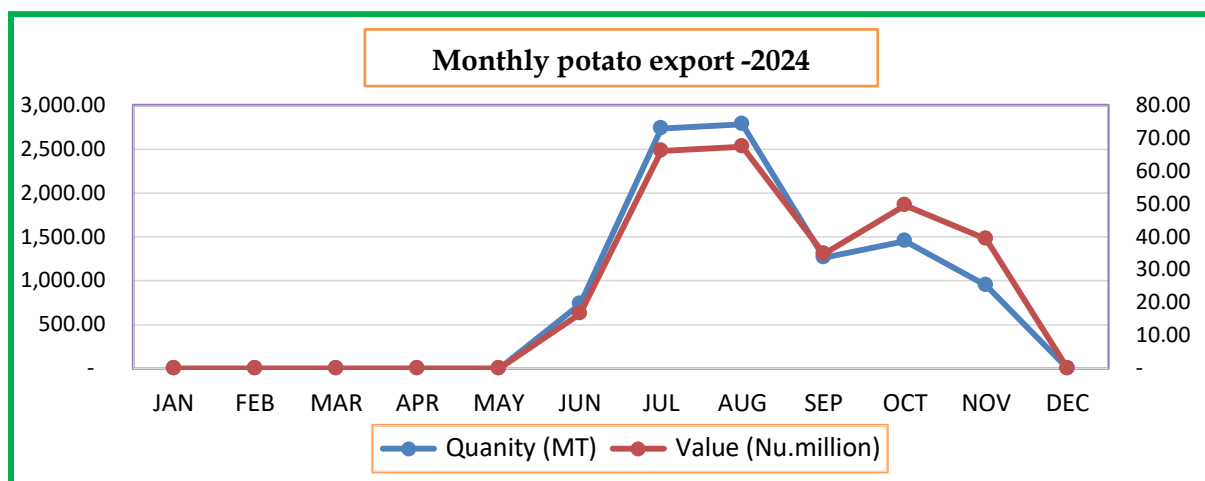


Figure 11: Monthly export trends of potatoes

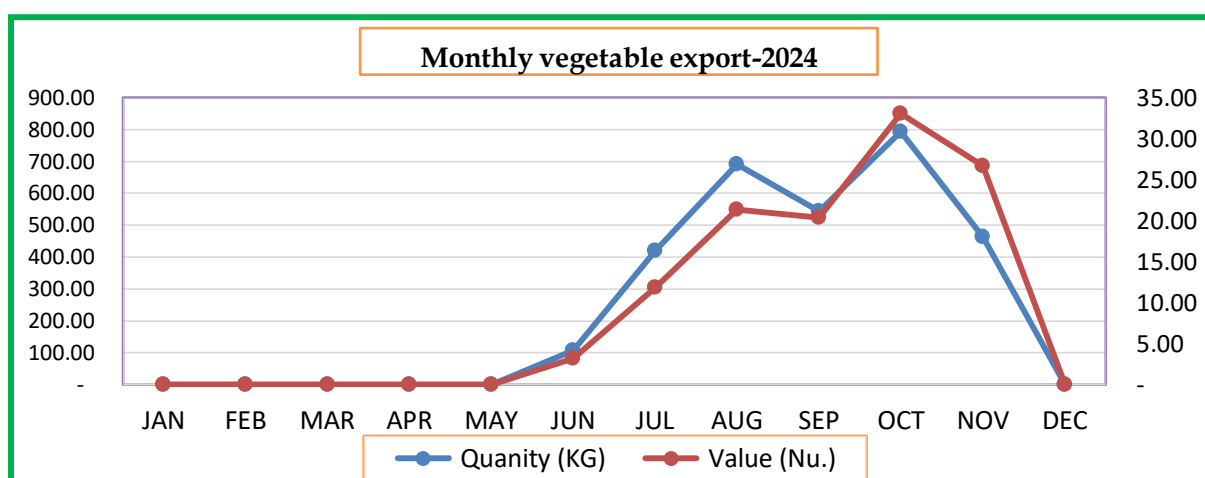


Figure 12: Monthly export trends of vegetables

In a significant development, the launch of the Potato Trade Facilitation Center in Gangtey, Wangdue Phodrang in April 2024 boosted the potato trading through online auctions. The total volume traded

through online auction surged from 442.85 metric tons in 2023 to 1,180.05 metric tons in 2024, generating total sales revenue of Nu. 34.28 million, a remarkable growth compared to Nu. 6.67 million in 2023.

Online potato auction boosts trade and revenue

Potato trade has seen a major transformation since the launch of the online auction system under the Bhutan Commodities Exchange Initiative (BCEI) in 2016. Designed to streamline agricultural trade, standardise quality, and enhance market efficiency, the initiative was developed in collaboration with the Royal Securities Exchange of Bhutan Ltd. (RSEBL), the Food Corporation of Bhutan Limited, and the Department of Agricultural Marketing and Cooperatives under Ministry of Agriculture and Livestock.

March 31, 2025

Fruits were primarily composed of apples, accounting for 94% of total fruit exports, while the remaining 6% included peaches, pears, and plums, which had the lowest export volume at 10.3 metric tons, generating Nu. 0.34 million in revenue. Citrus exports, mainly mandarins, totaled 161.87 metric tons, contributing Nu. 4.31 million.

Areca-nut exports reached 1,302.05 metric tons, generating Nu. 33.47 million in revenue.

Spices were predominantly ginger, with an export volume of 184.81 metric tons, contributing Nu. 6.56 million in revenue.

In 2024, Auction yard in Phuentsholing marked a historic milestone, with potato prices reaching an all-time record high of Nu. 60 per kilogram. This remarkable surge has effectively doubled farmers' earnings compared to previous years, bringing unprecedented returns to their hard work.



BBS

November 18, 2024 · 🌐

Farmers fetch record-high price of Nu 60 per kg for potatoes at Phuentshogling FCB

In a record-breaking year for Bhutanese potato farmers, the Food Corporation of Bhutan's auction yard in Phuentshogling has registered its highest-ever potato selling price. Farmers are fetching nearly Nu 60 per kilogramme, a significant increase that has doubled their earnings compared to last year.



Photo: During potato awareness campaign

SCHOOL FEEDING PROGRAMME (SFP)

As mandated, FCBL is responsible for distributing ration supplies to schools across the country, a role supported by the Royal Government of Bhutan (RGoB). This responsibility was assumed in 2018,

following the phase-out of the World Food Programme (WFP), with FCBL taking over the nationwide management of school feeding supplies.



Photo Source: World Food Programme (WFP)

For 2024, a total of 7,581.22 metric tons (Figure 13) of nine non-perishable items were catered to 495 schools to feed 79,700 students in line with the

requirements from the Ministry of Education and Skills Development (MoESD).

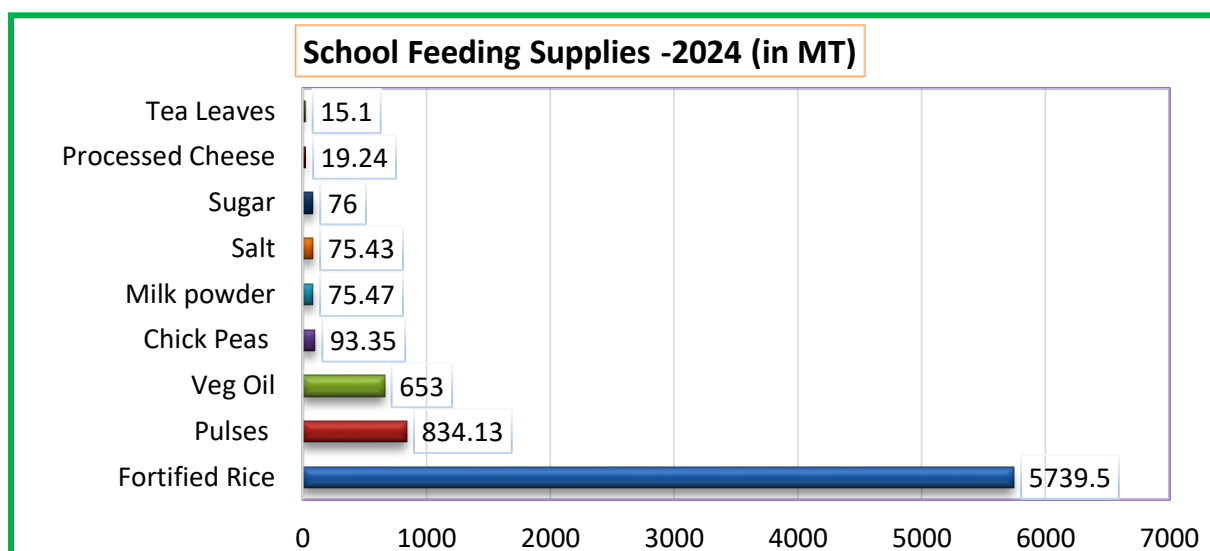


Figure 13: Rations supplied under School Feeding Programme (SFP) in MT

Despite challenges posed by the natural calamities resulting in road blocks and flash floods, FCBL managed to successfully provide uninterrupted service to schools on time through our dedicated teams from six strategic locations;

Phuentsholing, Gelephu, Samdrup Jongkhar, Mongar, Trashigang and Nanglam. Delivery of rations and related services to schools earned the service charge of Nu. 23.81 million from RGoB, 25.98 % increase than the previous year.



Photo: School children enjoying their school feeding meals (Source: WFP)

TIME BOUND BUSINESS

Cardamom cultivation has long been a vital livelihood for many rural households across the country, but challenges such as high transportation costs and dependence on middlemen have often hindered farmers from realizing fair profits. To address these concerns, FCBL

started offering a door-door- service, taking market service to the source and offered competitive rates to the farmers.

Through this service, farmers benefitted immensely without having to bear transportation and other associated cost.



In 2024, FCBL procured 159.22 metric tons of cardamom valuing Nu. 263.13 million, a notable increase in both the

quantity and the value by 65.65% and 36.90% respectively compared to 2023.



Photo: FCBL staffs collecting cardamom directly from the source

RICE FORTIFICATION

FCBL's fortification plant, located in Phuentsholing, has a production capacity of five metric tons per hour. Through this facility, FCBL has been

supplying fortified rice to schools across the country under the School Feeding Program, providing essential nutritional support to students.



Photo: Fortified rice bags at Fortification Plant at Phuentsholing ready for distribution

In 2024, FCBL supplied a total of 5833.89 metric tons of fortified rice, generating revenue of Nu. 9.47 million, an 18.82% increase compared to the previous year.

This growth was primarily driven by the newly introduced supply requirements for Gyalsung academies, which commenced from the third quarter of 2024.

FORTIFIED RICE

Fortified rice contains vitamin premix that has eight critical micronutrients including iron, zinc, folic acid, B12, vitamin A, B1, B3 and B6.

RENTAL AND TRANSPORT SERVICES

FCBL owns 69 residential units, multiple cold storage facilities, and four auction yards. All residential units are rented exclusively to company employees, while other facilities are partially utilized by FCBL for its operations, with the remaining spaces rented out.

In 2024, rental income from these properties amounted to Nu. 14.64 million.

To optimize costs while ensuring efficiency, FCBL engages private transporters for transportation management and logistics. Additionally, FCBL also operates its own fleet. In 2024, FCBL maintained 12 heavy vehicles, 15 medium vehicles and 4 marketing vans to enhance transportation services across regions. Revenue generated from backload service charges for these vehicles in 2024 totaled Nu. 10.66 million.

INVESTMENT & INFRASTRUCTURE DEVELOPMENT

CONSTRUCTION OF POTATO INTEGRATED LINES (PIL)

Potato trading facility at Gantey in Wangdue Phodrang, developed to facilitate an online e-auction platform, was officially inaugurated on 23rd July 2024.

The facility was constructed with a total investment of Nu. 75.67 million, jointly funded by GEF-LDCF, UNDP, FAO, and the Royal Government of Bhutan(RGoB).



Photo: During the inaugural ceremony of Potato Trading Facility at Gantey.

CONSTRUCTION OF FOOD RESERVE WAREHOUSES

The Food Reserve Warehouse in Wangdue Phodrang, with a capacity of 800 metric tons, was successfully completed on October 18, 2024, with a capital investment of Nu. 13.33 million. In a strategic move, this facility, along with the 180 metric tons Integrated Cold Store in Rinchengang has been exchanged for warehouses previously owned by Farm Machinery Corporation Ltd. (FMCL) in Bajo.

The newly acquired warehouse is strategically located to ensure the

seamless distribution of essential food supplies to the public, particularly during emergencies. Additionally, a new warehouse with a capacity of 1,300 metric tons is currently under construction in Nganglam and is expected to be completed in 2025. This facility will help maintain an adequate reserve of NFSR items and will significantly enhance the distribution of food and essential supplies to six dzongkhags in the Samdrup Jongkhar region.



Photo: New warehouse under construction in Nganglam.



CONSTRUCTION OF INTEGRATED COLD STORES (ICS)

A new Integrated Cold Store (ICS) with a capacity of 180 metric tons has been constructed in Zhemgang, adding to the existing cold storage facilities of FCBL. This cold store, valued at 47.42 million, was funded by

the Global Environment Facility Least Developed Countries Fund (GEFLDCF) as part of the National Adaptation Program of Action (NAPA)-3 project, UNDP.



Photo: Inauguration of the newly Integrated Cold Store at Zhemgang inaugural

FCBL currently operates four cold store facilities located in Phuntsholing, Sarpang, Zhemgang and Trashigang. While it was constructed as part of the government undertakings with noble

objectives, FCBL has been able to only utilize it partially due to lesser demand. However, FCBL hopes to optimize its utility through its own initiatives and by collaborating with private entities.



Photo: Newly constructed cold store facility at Zhemgang.

NEW COLLABORATIONS

FCBL AS AN AGGREGATOR TO GYALSUNG SUPPLIES

As a State-Owned Enterprise (SoE), FCBL is honored to have entered into this collaboration with Gyalsung; a landmark national initiative envisioned and established under the dynamic and farsighted leadership of His Majesty the Druk Gyalpo in pursuit of nation-building.

Under this collaboration, FCBL serves as the primary aggregator and supplier of dry rations, fresh fruits and vegetables to the Gyalsung academies across the country. With the formal agreement signing ceremony which took place on June 21, 2024, at the Gyalsung Headquarters in Thimphu, FCBL entered into another chapter of FCBL's history in the service of the nation.

Following the agreement, FCBL promptly initiated the aggregation

plans and strategies for the home-grown fresh fruits and vegetables in collaboration with the Department of Agricultural Marketing and Cooperatives (DAMC), Dzongkhag Agricultural Officers (DAOs), and local farmers' groups across the country, after which FCBL started supplying dry rations, fresh fruits & vegetables to all four Gyalsung academic centers at Khotokha (Wangdue Phodrang), Jamtsholing Samtse, Pemathang (SamdrupJongkhar) and Gyalpozhang (Mongar) towards the third quarter of 2024.

As on 31st December 2024, FCBL successfully delivered 195.04 metric tons dry ration worth Nu. 17.62 million and 79.62 metric tons of fresh fruits and vegetables, valued at Nu. 6.67 million.



Photo: During the signing of MOU between FCBL and Gyalsung.

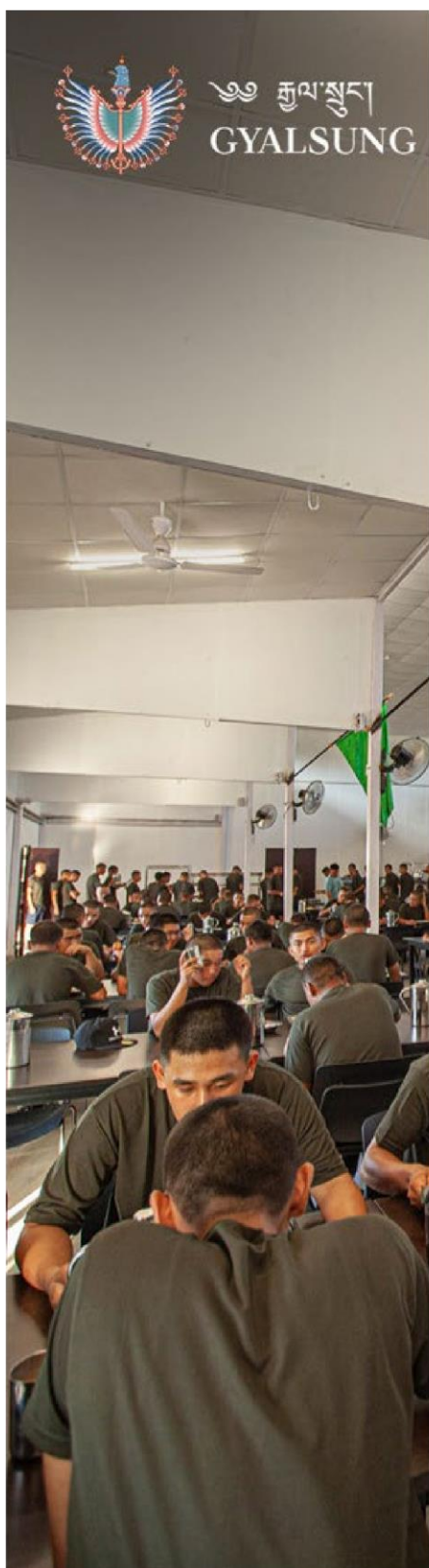


Photo Source: Gyalsung FB Page

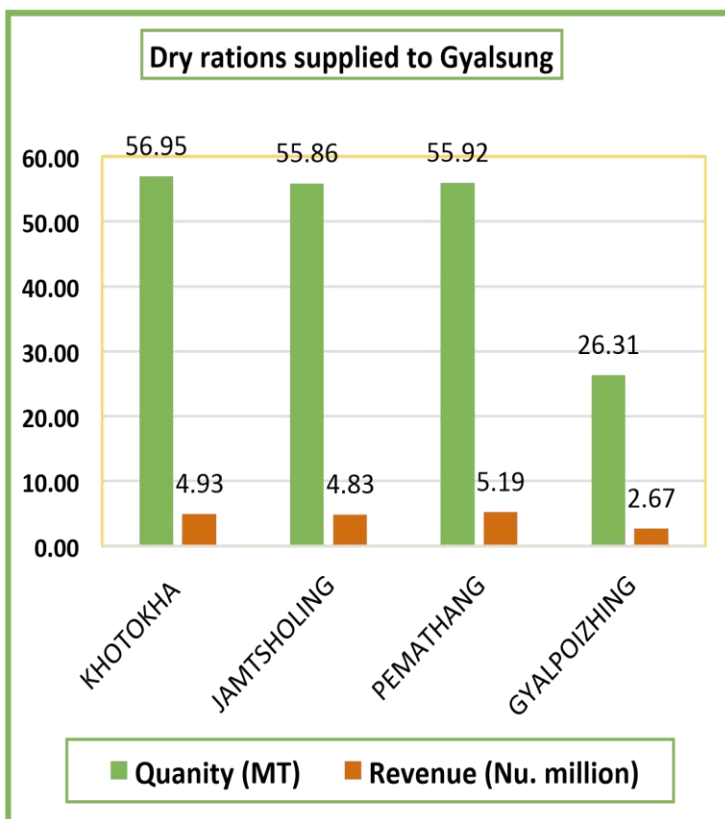


Figure 14: Dry Rations supplied to Gaylsung

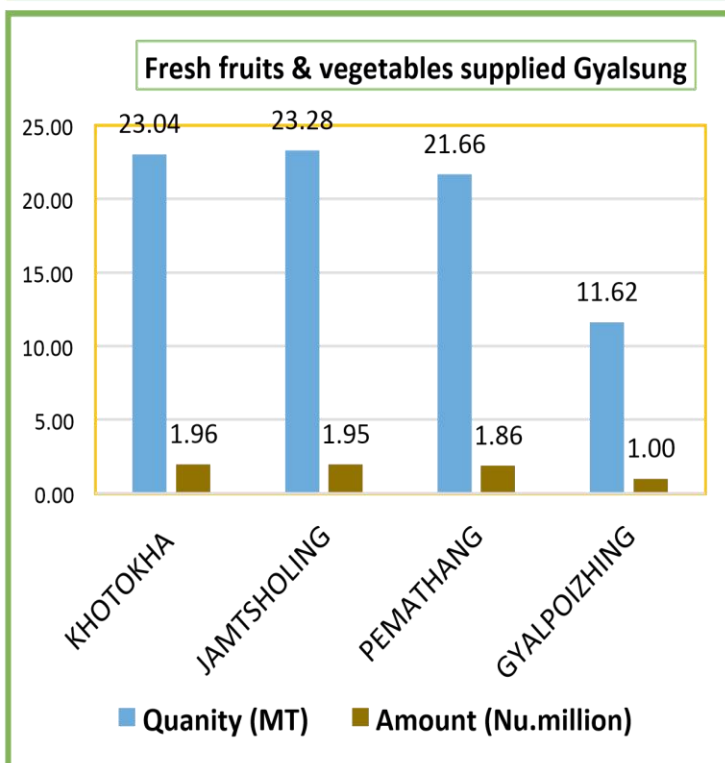


Figure 15: FFV supplied to Gaylsung academies.



Photo: During the signing of MOU between FCBL and Gyalsung.



BBS ✓

July 31, 2024 · 🌐

FCB connects Khothangkha farmers with Gyalsung Academy for new market opportunity

Farmers of Khothangkha Chiwog at Wangdue Phodrang's Ruebisa Gewog are excited as they now have a ready market for their agricultural produce. The Food Corporation of Bhutan (FCB) has stepped in to bridge the gap between them and the market, promising to deliver their fresh vegetables to the nearby Gyalsung Academy. As a result, farmers have started scaling up vegetable cultivation.



Photo: Prime Minister, Dashi Tshering Tobgay sharing meal with the Gyalsups

INTRODUCTION OF KHAMTEY RICE IN THE MARKET

In a step towards promoting locally produced goods in the country, FCBL launched Druk-gi Khamtey, a rice variety in collaboration Farm Machinery Corporation Limited (FCBL)

aimed at supporting and promoting home-grown agricultural products while also contributing to national food security.



Photo: During the launch of Khamtey rice in Phuentsholing

Under this collaboration FCBL successfully marketed 17.75 metric tons of Khamtey rice worth Nu. 1.51 million through its sales in Thimphu and Phuentsholing. Moving forward, both institutions plan to scale up

production and expand market reach, aiming greater availability of this premium rice while also introducing more varieties to diversify and strengthen home grown products.





HUMAN RESOURCE



WORKFORCE PROFILE

FCBL continued to prioritize human resource optimization and strategic workforce planning to align with the corporation's goals and operational demands.

As of 31st December 2024, the company employed a total of 323 staff, marking a 4.3% increase from 309 employees in 2023. The workforce composition for 2024 is illustrated in Figures 15, 16, and 17.

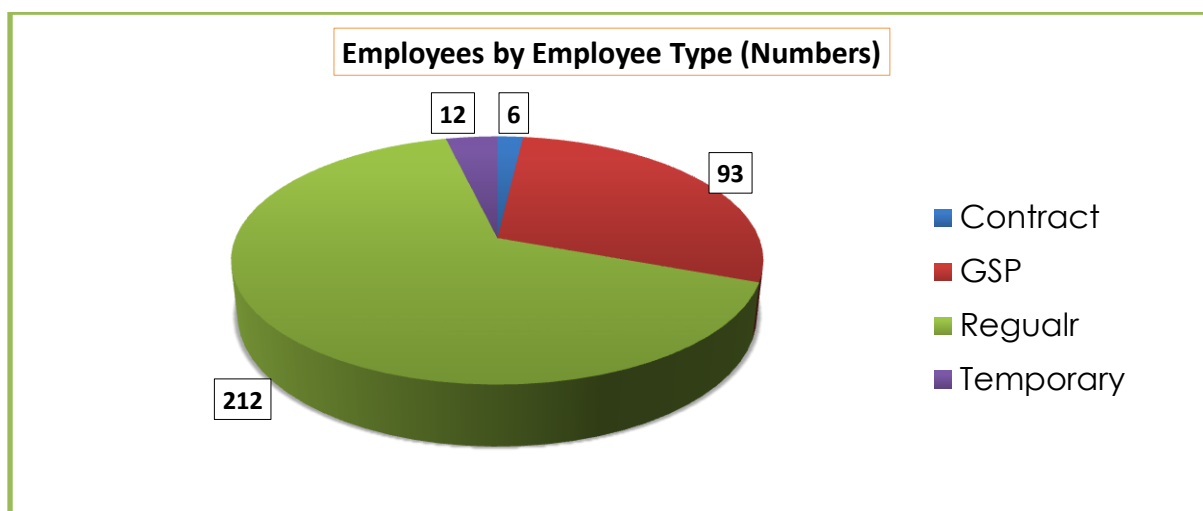


Figure 16: Employee composition by Employee Type

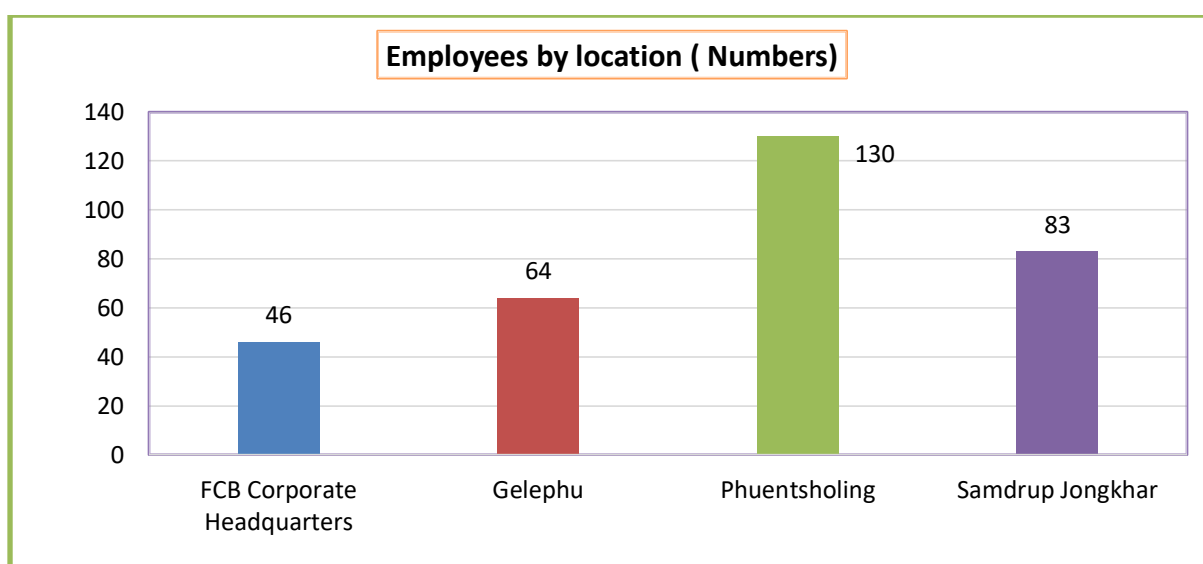
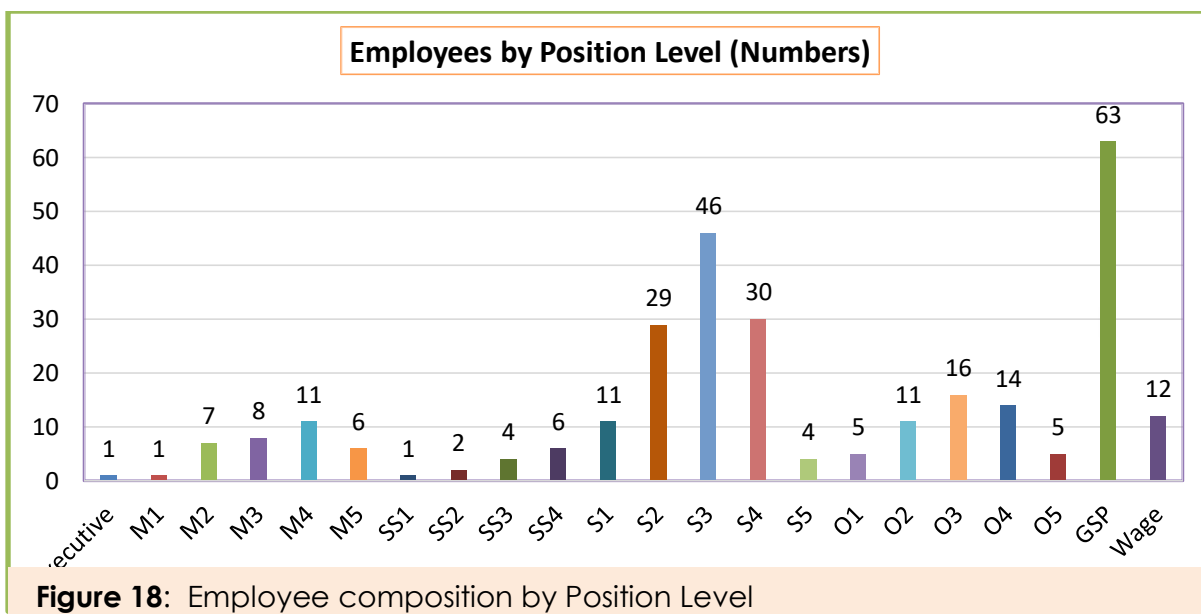


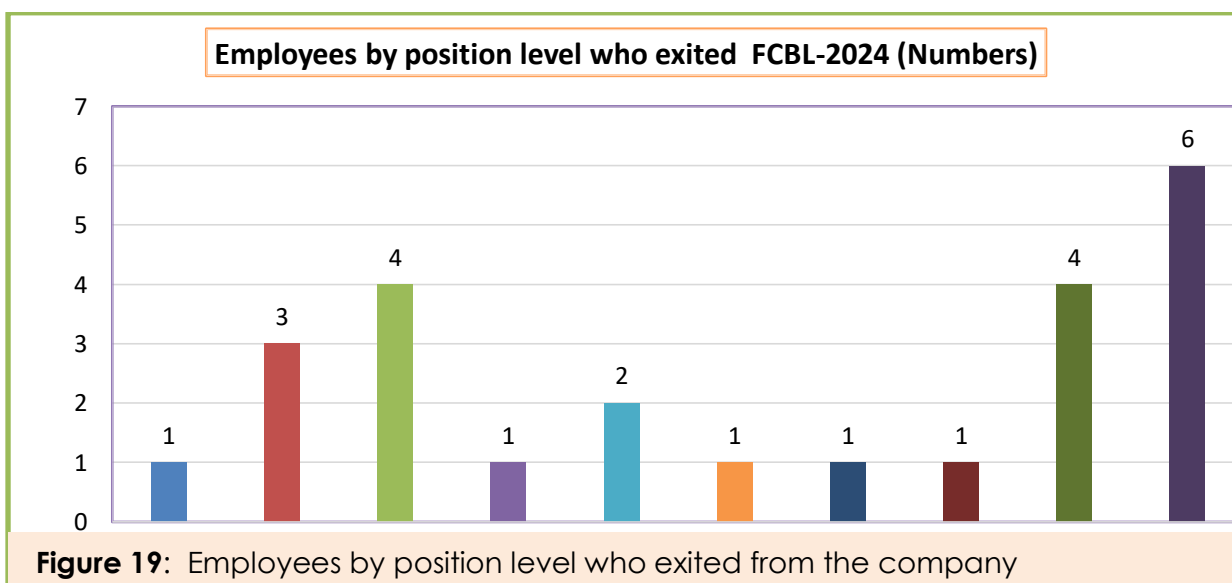
Figure 17: Employee composition by Corporate Headquarters and 3 Regions



WORKFORCE DYNAMICS

Despite a challenging period marked by significant employee turnover in previous years, the corporation experienced the departure of 24 more employees in 2024 (Figure 19).

This departure was part of an ongoing workforce dynamic that required adaptive responses and strategic interventions.



In response to the fluctuations in the workforce, FCBL remained agile and focused on addressing key resource gaps. The corporation also recruited 46 new employees (Figure 20) across various positions.

This strategic move was essential in maintaining operational efficiency and ensuring adequate staffing levels.

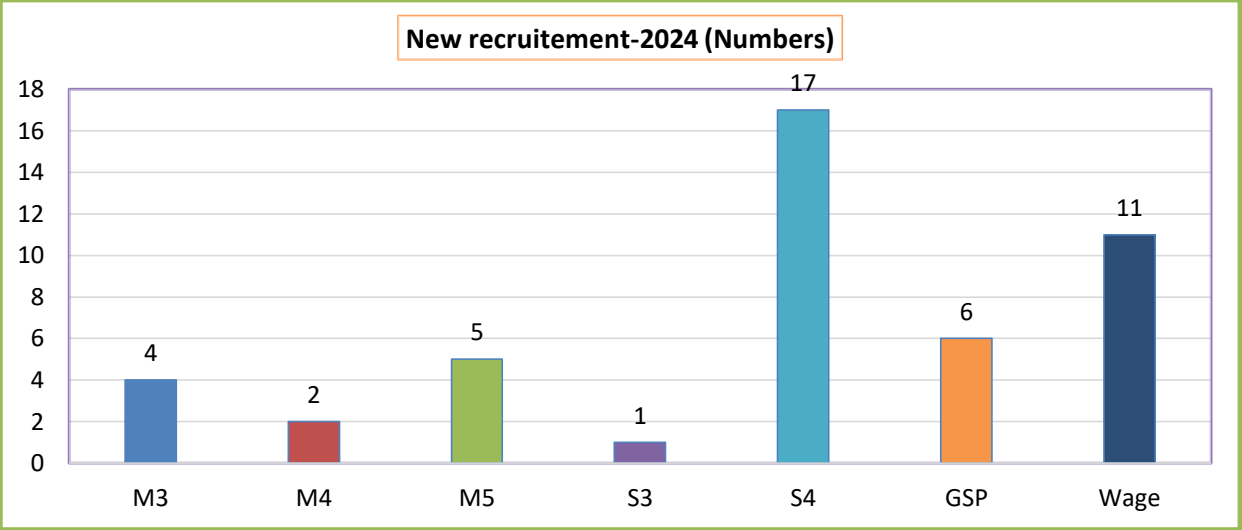


Figure 18: New employees recruited by position level

MULTI-TASKING AND LEDERSHIP ADAPTABILITY



Photo: Appointment of the Acting Director, DoCB



Photo: Appointment of new Regional Director of Samdrup Jongkhar region.

FCBL continued to embrace a multi-tasking strategy across all functional levels, including the top leadership. The Chief Executive Officer continued to shoulder the dual role of Business Director, following the unfortunate demise of the Acting Director within the same year of his appointment. The late Acting Director had been appointed from the position of Regional Director, Samdrup Jongkhar to lead the Business Department at the Corporate Headquarters.

In a further development, the Samdrup Jongkhar Region witnessed the appointment of a new Regional Director, who previously served as the Head of the Human Resource and Administration Division, was selected to lead the region. His selection for the role came after an open interview competition among eligible in-house candidates.

Furthermore, several key officials were entrusted with additional responsibilities to meet operational needs:

- ❖ The General Manager of Human Resource & Administration Division concurrently managed the role of Service Director.
- ❖ The General Manager of ICT took on the responsibility for overseeing research activities.
- ❖ The CEO's driver took on a dual role as the Personal Assistant (PA) to the CEO.

EMPLOYEE ENGAGEMENT AND WELFARE

Recognizing that a positive work culture is key to organizational success, FCBL has placed strong emphasis on fostering an inclusive and respectful environment.

Initiatives have been undertaken to ensure that all employees, irrespective of their role or background, feel appreciated and empowered.



Photo: Employees from regions during Annual Meeting held at Phuentsholing.

The organization actively engaged employees in team-building activities, both formal and informal, to strengthen interpersonal relationships, enhance open communication, and promote cooperation across all levels. Furthermore, FCBL introduced

recognition programs to celebrate exceptional performances, whether in everyday tasks or special projects. Both monetary and non-monetary rewards played a crucial role in making employees feel recognized and motivated.



Photo: FCBL team representing at regional football and volleyball tournament

TRAININGS AND DEVELOPMENT

The Corporation also placed a strong emphasis on staff development by actively encouraging employees to participate in various capacity-building initiatives. These included in-house and external training programs, professional workshops, and certification courses relevant to their fields of work.

In the year 2024 alone, a total of 28 employees were nominated and successfully participated in various short-term training programs, with the vast majority conducted within the country. These trainings covered diverse areas such as supply chain management, financial analysis, legal systems, customer service, and leadership development.

Course/Training	Nos.
Anticipatory Action Training (Disaster Management)	1
Capacity Building Training on Testing Salt Iodine and Monitoring Salt Brands in the Market	1
Electric Vehicle Training	1
Introduction to International Commercial Arbitration	1
Leadership Training for Industries-Business Management and Strategic Governance	1
Market-Oriented Agriculture and Value Chain Model	1
Training of Trainer for Focal Persons of Asset Declaration & Integrity Vetting System	1
Financial Modeling	2
Logistics Capacity Assessment Workshop/Training	2
Training on Bhutan Account Standard (BAS)	4
Domestic House Wiring	13
Totals:	28





FINANCIAL HIGHLIGHTS

PROFIT & LOSS ACCOUNT TREND (2017-2025)

A JOURNEY FROM LOSSES TO PROFITABILITY

Over the last eight years, the financial performance has witnessed a significant transformation. Here's a year-by-year breakdown (Nu. In million):

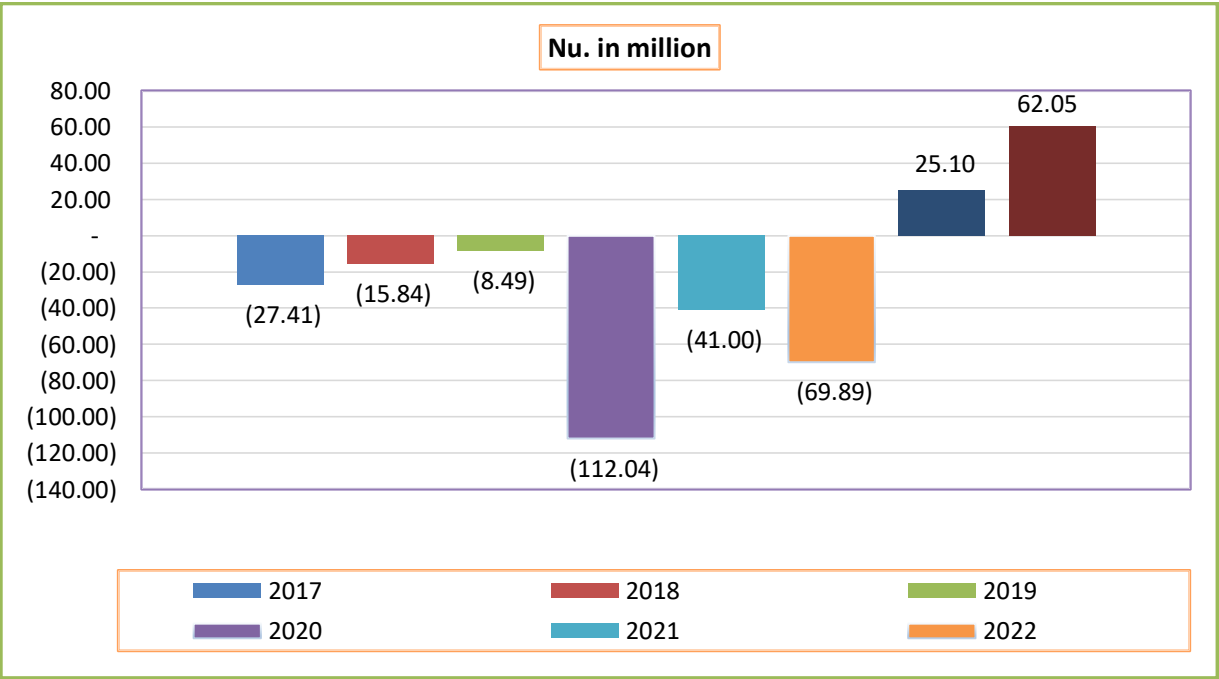


Photo: FCBL team representing at regional football and volleyball tournament

2017–2022: The organization experienced consistent losses, with the lowest point in 2020 at a loss of Nu. 112.04 million largely attributed to the operation of Farm Shops (Sonam Tshongkhangs).

In 2023, the organization made a remarkable comeback with a profit of

Nu. 25.10 million, turning around from years of negative performance. The momentum continued into 2024, with the profit further improving to Nu. 62.05 million, more than double the previous year's figure.

REVENUE

In 2024, the organization recorded strong revenue growth across its main income streams. Revenue from sales rose by 22.48% to Nu. 2,832.47 million, while service charges increased by 25.18% to

Nu. 59.06 million. Although other income saw a slight decline of 5.44%, the overall revenue performance reflects continued operational growth and financial stability.

Table 4: Major Revenue Sources

Major Revenue Sources	2024 (Nu. million)	2023 (Nu. million)	Variation (%)
Revenue from Sales	2,832.47	2,312.59	22.48
Revenue from Service Charge	59.06	47.18	25.18
Other Income	72.26	76.41	5.44

CASH FLOW TREND

The trend shows that while cash outflows increased from 2022 to 2023, there was a notable improvement in 2024, indicating a potential recovery or better financial management.

The upward movement from 2023 to 2024 suggests that the situation is stabilizing and may continue to improve in the future.

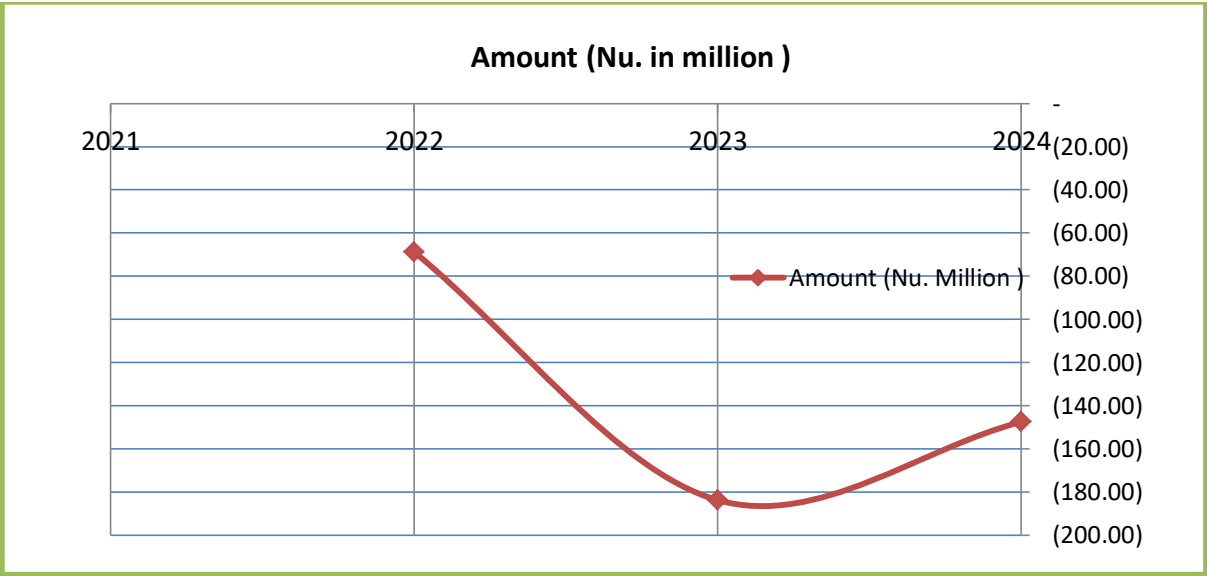


Photo: Figure 20. Cash Flow trend (2022-2024)

RATIO ANALYSIS TREND

FINANCIAL HEALTH

The ratio trends of financial health of the company for the

consecutive years are represented in the graph below: (Figure 21)

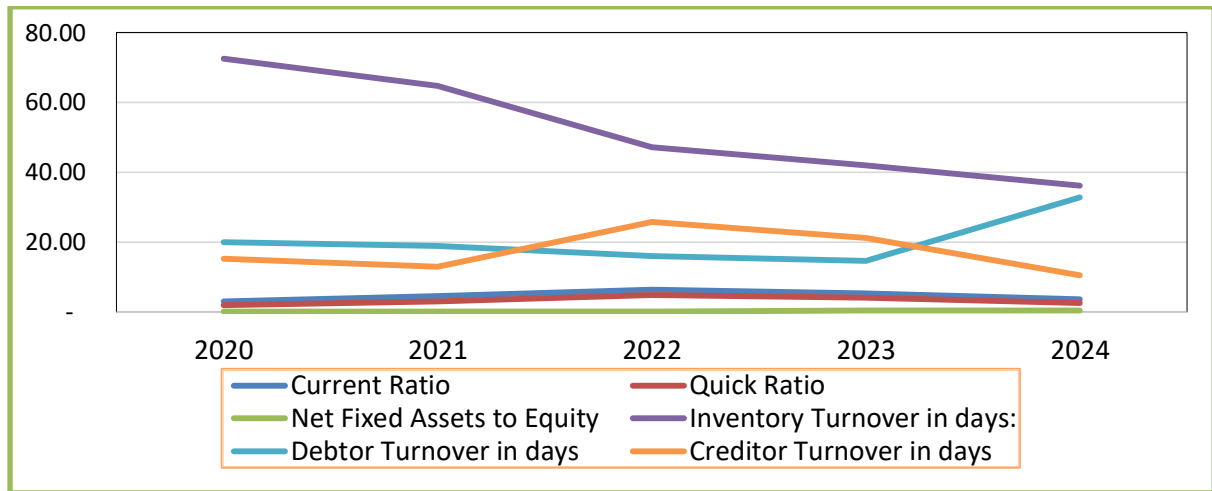


Figure 21: Ratio Trend-Financial Health of the company

Current Ratio has decreased mainly due to increase in current liabilities.

Quick Ratio decreased due to an increase Current Liabilities.

Net Fixed Assets to Equity increased due to increase in value of Property, Plant & Equipment.

Inventory Turnover in Days declined due to increase in revenue turnover.

Debtor Turnover in Days increased due to increase in trade receivables.

Creditors Turnover in Days decreased due to decrease in Trade Payables.

BUSINESS PROFITABILITY

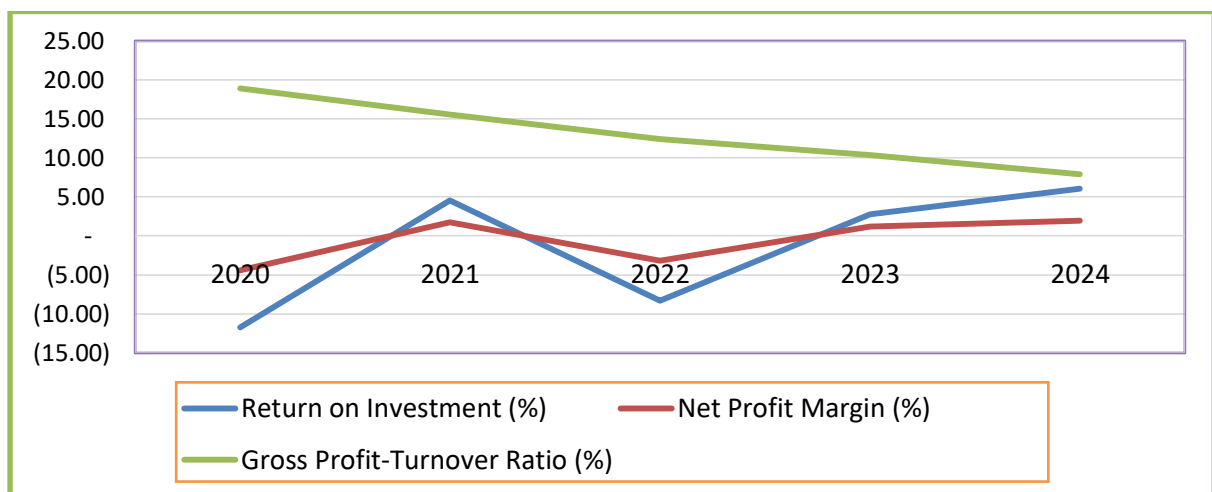


Figure 22: Business profitability ratio trend



PERFORMANCE AGAINST APC

PERFORMANCE AGAINST THE TARGETS

The Annual Performance Compact (APC) is a crucial agreement signed each year between the Chief Executive Officer and the Ministry of Finance (MoF). It serves as a strategic framework for setting, reviewing, and evaluating annual performance targets. Once established, the APC is systematically cascaded throughout the organization, from the CEO to departments, divisions, units, regional offices, and ultimately to individual staff members. Importantly,

APC also forms the foundation for assessing Performance-Based Variable Incentives (PBVI), ensuring that all performance evaluations are aligned with the organization's goals. This structured approach promotes a culture of accountability, transparency, and results-driven performance at every level of the company.

In 2024, the APC targets were structured with 60% allocated to financial targets and 40% to non-financial performance.



Photo: Management team during the signing of the APC.

FINANCIAL TARGETS:

The financial targets comprised six key performance indicators (KPIs) as shown in (Table 5).

The company set an ambitious revenue target of Nu. 2,571.30 million, with a 6.0%

increase over the previous year. The company not only met this target but exceeded it by Nu. 1.2 million, achieving total revenue of Nu. 2,982.50 million. Overall, the company successfully met 100% of its financial targets.

Table 5: Table 5: Financial KPIs – Targets, Weights, and Achievements

Financial KPI	Target (Revenue in millions)	Achievement (Revenue in millions)
Revenue (Nu. millions)	2,571.30	2,982.50
Expense (Nu. millions)	2,552.30	2,919.40
Profit after tax (PAT) (Nu. millions)	19.00	62.05
Operational Efficiency (%)	99.30	97.90
Revenue per employee (Nu. millions)	7.90	8.60
Return on Equity (%)	2.90	7.10

NON-FINANCIAL TARGETS:

On the non-financial front, the organization achieved an impressive 92.85% of its set objectives. The KPIs were strategically distributed across five performance perspectives: Customer (15%), Digitization

&Automation (5%), Company-Specific/Industry Benchmark (5%), Risk & Control (5%), and Organizational Capacity, Learning & Growth/People (10%).



GOLDEN JUBILEE HIGHLIGHTS

COMMEMORATING FIVE DECADES OF SERVICE TO THE NATION

The year 2024 marked a historic chapter in the journey of FCBL, as it proudly celebrated its Golden Jubilee, commemorating 50 years of dedicated service to the people and the nation. This momentous occasion was organised to pay tribute to His Majesty the Fourth Druk Gyalpo, whose noble vision and foresight led to the establishment of FCBL in 1974.

Over the past five decades, FCBL has grown to become one of most vital State-Owned Enterprises (SOEs), playing a pivotal role in managing national food

reserves, facilitating agricultural marketing, and distributing essential commodities across the country.

The Golden Jubilee Celebration, held on 16th August 2024, coinciding with FCBL's Foundation Day, was organized at the Royal Institute for Governance and Strategic Studies (RIGSS), Phuentsholing.

The occasion served as a profound moment of pride, reflection, and renewed commitment for the entire FCBL family.

KEY MOMENTS FROM THE EVENT:

The event was graced by His Excellency the Minister for Agriculture and Livestock as the Chief Guest, and attended by a host of distinguished dignitaries, including senior

government officials, stakeholders, business partners, and past and present employees from across the regions.



Photo: Management team during the signing of the APC.

LAUNCH OF COMMEMORATIVE BOOK AND THE ANNUAL REPORT 2023:

As part of the event, FCBL launched a commemorative publication titled “**50 Years Through the Grains of Time**”, a special edition book that encapsulates the corporation's legacy, growth, and

transformation over the past five decades. In conjunction with this, the Annual Report 2023 was officially unveiled.



Photo: Management team during the signing of the APC.

RECOGNISING OF SERVICE AND PARTNERSHIP

In recognition of loyalty and service, longest-serving employees and key business partners were honored for

their dedicated contributions to the organization's growth and resilience.



Photo: Awarding longest serving employee



Photo: Awarding longest serving business partners

REWARDING OPERATIONAL EXCELLENCE

To foster a culture of excellence and motivate continued high performance, recognition was awarded to the best-performing sales outlets across all regions. These outlets were acknowledged for

their outstanding service delivery, operational efficiency, and consistent contribution to the corporation's overall business performance.



Photo: Awarding best performing sales outlets

LAUNCH OF NEW UNIFORM TO WAREHOUSE MANAGERS:

The event also marked the introduction and distribution of new work uniforms for warehouse managers, aimed at enhancing work place standards, encourage professionalism, and fostering a strong sense of pride and identity.

By providing this thoughtful gesture, the organization aimed to acknowledge the dedication, hard work, and commitment that warehouse managers consistently demonstrate in their roles.

ACKNOWLEDGING FRONT LINE EFFORTS:

Special appreciation was extended to all employees of the corporation for their unwavering dedication and extraordinary service to the nation, especially during the challenging times

of the COVID-19 pandemic. Amid unprecedented circumstances, FCBL played the critical frontline role in ensuring the uninterrupted supply of essential food items across the country.

The commitment and resilience shown by every employee, from warehouse staff to management, ensured that the nation's needs were met during an uncertain and difficult period. Their collective efforts went beyond their regular duties, often requiring long hours, adaptability, and a relentless focus on the safety and well-being of themselves

and the public. This recognition reflects the profound impact their hard work had in supporting the national service, and acknowledges the exceptional role FCBL played in sustaining the community during one of the most challenging times in recent history.



Photo: The FCBL family with the Hon'ble Minister, MoAF during the Golden Jubilee



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Corporate governance is a crucial framework for governing State-Owned Enterprises (SOEs) under the Ministry of Finance (MoF), providing uniform guidelines for fostering a strong focus on the best corporate culture.

FCBL has consistently and persistently adhered to the principles of good corporate governance, as outlined in the Corporate Governance Guidelines 2019.

These guidelines are designed to uphold transparency, accountability, and good conduct across all operations, accentuating strong corporate governance.

FCBL'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 MEETINGS

Currently, FCBL's board consists of six members, all representing government agencies except the company's CEO who serves as an Executive Member. Apart from their diverse expertise and

academic backgrounds, board directors bring rich experience from diverse fields, crucial for guiding the management and directing the company effectively.



Photo: During Board Meeting held at FCBL corporate Head Quarters, Phuentsholing



In 2024, FCBL held the company held four board meetings as under:

Meeting No.	Meeting Date	Members Present	Leave of Absentee
133 rd Board Meeting	11 th April 2024	6	None
134 th Board Meeting	30 th July 2024	5	None
135 th Board Meeting	7 th October 2024	4	1
136 th Board Meeting	27 th December 2024	6	1

BOARD SUB-COMMITTEE MEETINGS

The Board Audit Committee of FCBL holds meetings to review and discuss important matters and provide recommendations to the full board. It provides an independent review and objective assessment of the company's financial operations, including audits of the company's financial statements,

reviewing internal controls, and overseeing risk management activities. The committee's recommendations and findings are presented to the full board for further deliberation and action. During the year, the company held three Board Audit Committee meetings as under:

Meeting No.	Meeting Date	Members Present	Leave of Absentee
9 th BAC Meeting	8 th April, 2024	4	None
10 th BAC Meeting	15 th July, 2024	3	None
11 th BAC Meeting	18 th December, 2024	3	None



CORPORATE SOCIAL RESPONSIBILITY



CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a State-Owned Enterprise (SOE), most of the services rendered by FCBL are aimed at benefiting the public and the rural communities as a whole. Giving back to society has been a guiding principle of our business activities ever since FCBL was instituted.

One of our key roles has been stabilizing food prices by ensuring the consistent distribution of essential commodities.

Additionally, by facilitating the export of agricultural products, FCBL provides crucial support to rural farmers who

depend on farming for their livelihoods. Moreover, FCBL serves as a lifeline for many budding entrepreneurs, providing essential credit facilities vital for either startups or continuing and sustaining their business.

Beyond its core operations, FCBL also upholds its commitment to Corporate Social Responsibility (CSR) by allocating a modest fund for small-scale welfare activities.

In 2024, FCBL contributed a modest amount of Nu. 0.29 million to needy beneficiaries as follows:

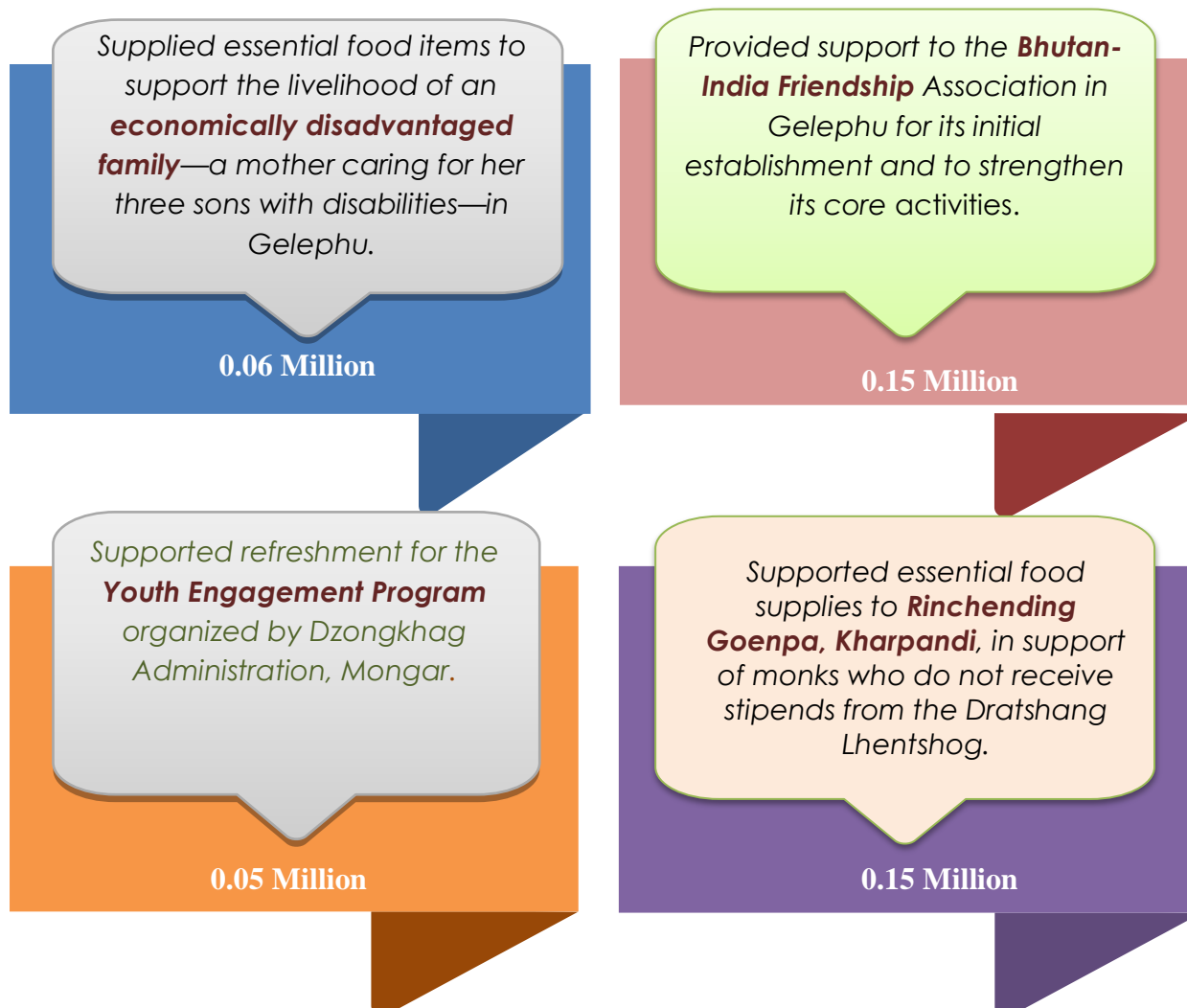




Photo: Economically disadvantaged family in Sarpang receiving essential relief

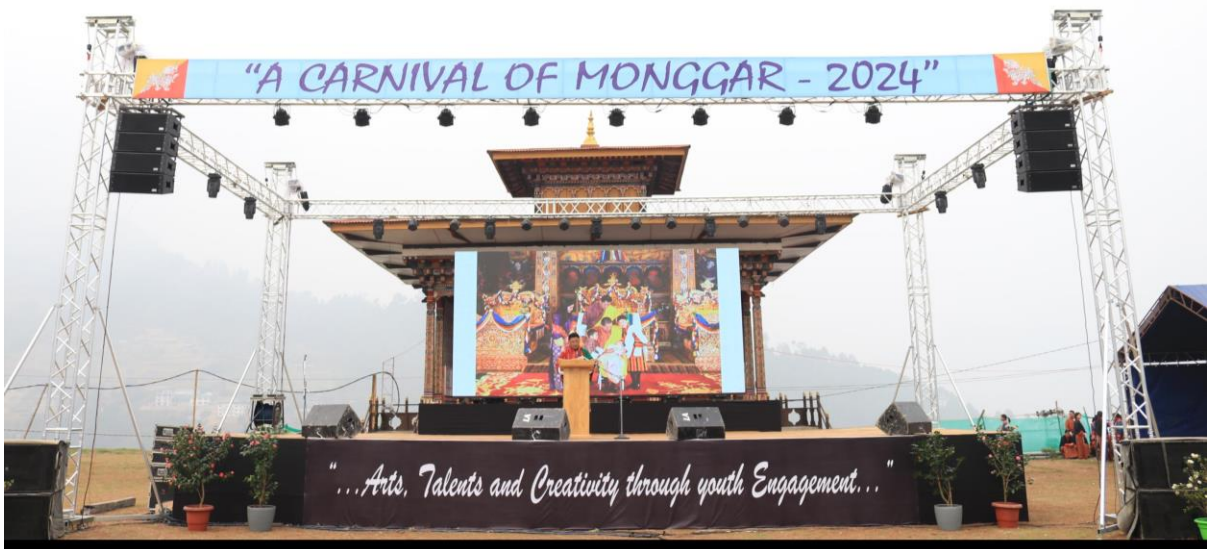


Photo: Economically disadvantaged family in Sarpang receiving essential relief

”The 6-day Carnival of Mongar 2024, organized for the first time to commemorate the 44th Birth Anniversary of His Majesty the King, concluded on the night of February 24, 2024. With theme “Arts, Talents, and Creativity through Youth Engagement”, the program unfolded seamlessly, drawing active participation from nearby schools and the public of Mongar. This success owes much to the generous support extended by sponsors who contributed financially, provided resources, or shared their expertise”

Dzongkhag Administration, Mongar, 24th February, 2024



INDEPENDENT AUDITOR'S REPORT

Key Audit Matters

Key Audit Matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2024. 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. We have nothing to report under the KAM.

For the year under audit, we have not come across any issue, except our observations mentioned under Management Report section of the Report, which in our opinion does not requires mentioning under this section.

Other Matters:

The company have a centralized books of account maintained in the ERPv1.6. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable, and also, we were given access to system and data are directly generated from the accounting system without any further manual modifications. We have performed our audit procedures and relied upon the system generated data to obtain reasonable satisfaction over the completeness and accuracy of these transactions. We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid condition.

Our audit opinion is not modified in respect of this matter.

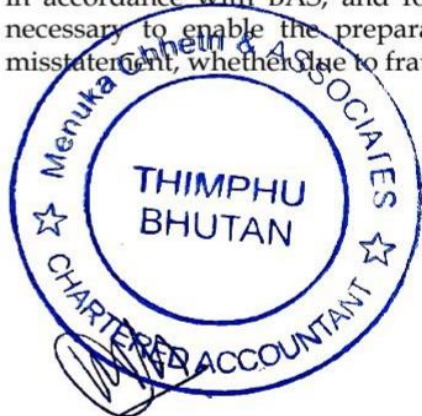
Information other than the Financial Statements and Auditor's Report thereon

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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



A handwritten signature in blue ink, appearing to be "T. D." or similar.



Those charged with governance are responsible for overseeing the Company's financial reporting process.

Our objectives are to obtain reasonable assurance, whether the financial statements as a whole are free from material misstatement, fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the users based on these financial statements.

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control;
- ii. 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 purpose of expressing an opinion on the effectiveness of the Company's internal control;
- iii. Evaluate the appropriateness of accounting policies used and also the reasonableness of the accounting estimates and related disclosures made by management;
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that the material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a Going concern; and
- v. 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 are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to 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 by Section 265 of the Companies Act of Bhutan 2016, we report that:

- a) We have obtained all the information and explanation, which to the best of our knowledge and beliefs were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of the books.
- c) The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the company has complied with other legal and regulatory requirements.

For Menuka Chhetri & ASSOCIATES

Chartered Accountants

Firm Registration No.: 331825E

Address: Room No. 2D, 2nd Floor, Changangkha
Residency, Kawang Damisa, Lower Motithang,
Thimphu

Menuka Chhetri
Managing Partner
Membership No.: 534365

Place: Thimphu, Bhutan
Date: 13-05-2025



FOOD CORPORATION OF BHUTAN LIMITED
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

(Amount in Nu.)

PARTICULARS	Note	31-Dec-24	31-Dec-23	1-Jan-23
ASSETS				
Non-Current Assets				
Property, Plant & Equipment		382,163,811	348,025,062	351,505,309
Right of Use Assets	2	1,753,406	1,937,910	1,937,910
Capital Work in Progress		189,276,358	98,239,120	98,239,120
Other Financial Assets	3	215,668,507	52,998,507	381,584
Deferred Tax Assets	4	1,064,297	857,134	-
Loans and Advances	5	748,971	620,227	620,227
Total Non-Current Assets		790,675,351	502,677,960	452,684,151
Current Assets				
Inventories	6	287,191,655	271,525,391	271,525,391
Cash and Cash Equivalent	7	137,660,299	285,204,143	492,821,067
Short-Term Investment	8	86,000,000	155,000,000	-
Trade and Other Receivables	9	260,537,769	94,614,666	94,614,666
Loans and Advances	10	199,848,064	278,715,263	278,715,263
Tax Deducted at Source	11	14,830,949	7,020,486	7,020,486
Total Current Assets		986,068,736	1,092,079,949	1,144,696,872
TOTAL ASSETS		1,776,744,087	1,594,757,910	1,597,381,023
LIABILITIES				
Non-Current Liabilities				
Deferred Capital Grant	14	541,671,859	480,029,344	482,288,101
Deferred Tax Liabilities	15	-	-	232,431
Lease Liability	16	2,058,461	2,197,838	2,197,838
Provisions	17	48,254,821	50,979,987	44,158,644
Total Non-Current Liabilities		591,985,141	533,207,168	528,877,014
Current Liabilities				
Borrowings	18	71,937,442	-	-
Other Liabilities	19	86,530,834	50,597,907	50,597,907
Trade and Other Payables	20	76,826,464	124,223,290	124,223,290
Provisions	21	33,092,658	26,102,972	32,924,315
Total Current Liabilities		268,387,397	200,924,169	207,745,512
TOTAL LIABILITIES		860,372,538	734,131,337	736,622,525
EQUITY				
Share Capital	12	15,000,000	15,000,000	15,000,000
Reserves and Surplus	13	785,755,206	785,755,206	785,755,206
Retained Earnings	13	115,616,344	59,871,366	60,003,293
TOTAL EQUITY		916,371,549	860,626,572	860,758,498
TOTAL LIABILITIES & EQUITY		1,776,744,087	1,594,757,910	1,597,381,023

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

For Menuka Chhetri & ASSOCIATES

Chartered Accountant
Firm Registration No. 33182551

CA. Menuka Chhetri
Managing Partner
Membership No. 534365

Place: Thimphu, Bhutan
Date: 13-05-2025



On behalf of FCBL Board


(Dasho Minjur Dorji)
Chairman


(Mr. Dorji Tashi)
Chief Executive Officer



FOOD CORPORATION OF BHUTAN LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2024
(Amount in Nu.)

Particulars	Note	31-Dec-24	31-Dec-23	1-Jan-23
Income				
Revenue from Operations	22	2,891,525,305	2,359,769,179	2,359,769,179
Other Income	23	72,255,612	78,670,879	76,412,123
Increase/ (Decrease) of Stock in Trade	24	15,849,992	(13,416,627)	(13,416,627)
Total Income		2,979,630,909	2,425,023,432	2,422,764,675
Expenses				
Direct Material Expenses	25	2,646,503,507	2,128,549,720	2,128,549,720
Selling and Distribution Expenses	26	59,677,849	49,780,193	49,780,193
Financing Cost	27	4,176,141	3,015,568	3,015,568
Employee Benefit Expenses	28	163,680,228	139,735,347	139,735,347
Other Administrative Expenses	29	22,291,705	52,156,143	52,156,143
Depreciation & Amortization	2	21,463,456	27,044,103	23,563,855
Total Expenses		2,917,792,886	2,400,281,075	2,396,800,827
Profit before Taxes		61,838,022.99	24,742,357	25,963,848
<u>Tax Expenses:</u>				
Current		-	-	-
Deferred		207,163	226,395	(863,170)
Profit after Taxes		62,045,186	24,968,752	25,100,678
Actuarial Gains/ (Losses) on Employee Benefits		(6,300,210)	3,753,955	3,753,956
Total Other Comprehensive Income		55,744,976	28,722,707	28,854,634
Earnings Per Share (Basic & Diluted)		3,716	1,915	1,924
The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.				

For **Menuka Chhetri & ASSOCIATES**
Chartered Accountant
Firm Registration No. 331825E

On behalf of FCBL Board

CA. Menuka Chhetri
Managing Partner
Membership No.: 534565

Place: Thimphu, Bhutan
Date: 13-05-2025




(Dasho Minjur Dorji)
Chairman


(Mr. Dorji Tashi)
Chief Executive Officer



FOOD CORPORATION OF BHUTAN LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE MONTH ENDED DECEMBER 31, 2024

(Amount in Nu.)

Particulars	Share Capital	Capital Reserve	Retained Earnings	Total
Balance as at 1st January 2023	15,000,000	785,755,206	40,883,498	841,638,703
Changes during the year			(9,734,838)	(9,734,838)
Profit or Loss for the year	-	-	28,722,707	28,722,707
Balance as at 31st December 2023	15,000,000	785,755,206	59,871,367	860,626,572
Balance as at 1st January 2024	15,000,000	785,755,206	59,871,367	860,626,572
Changes during the year			-	-
Profit or Loss for the year	-	-	55,744,976	55,744,976
Balance as at 31st December 2024	15,000,000	785,755,206	115,616,344	916,371,549

This is the statement of changes in equity referred to in our Report of even date.

For **Menuka Chhetri & ASSOCIATES**
Chartered Accountant
Firm Registration No. 331825E

On behalf of FCBL Board

CA. Menuka Chhetri
Managing Partner
Membership No.:534365
Place: Thimphu, Bhutan
Date: 13-05-2025




(Dasho Mingdar Dorji)
Chairman


(Mr. Dorji Tashi)
Chief Executive Officer



FOOD CORPORATION OF BHUTAN LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amount in Nu.)

Particular	31-Dec-24	31-Dec-23	1-Jan-23
Operating Activities			
Comprehensive Income before tax	61,838,023	24,742,357	25,963,848
Depreciation Charges	21,463,456	27,044,103	23,563,855
Deferred Tax	207,163	226,395	(863,170)
Actuarial Gain/Loss	(6,300,210)	3,753,955	3,753,956
Interest on Short-Term Borrowing	727,244	-	-
Movement in Retained Earnings	-	(8,739,742)	(9,734,838)
Interest on Fixed Deposit	(15,767,661)	(13,347,846)	(13,347,846)
Operating Profit before Changes in Working Capital	62,168,015	33,679,222	29,335,804
(Increase)/Decrease in Inventories	(15,666,264)	14,395,949	14,395,949
(Increase)/Decrease in Trade & Other Receivables	(165,923,103)	2,384,041	2,384,041
(Increase)/Decrease in Other Financial Assets	(162,670,000)	(207,616,923)	-
(Increase)/Decrease in Loans & Advances	77,674,157	28,195,776	28,195,776
Increase/(Decrease) in Non-Current Liabilities	58,777,973	92,026,179	92,258,610
Increase/(Decrease) in Current Liabilities	67,463,229	25,283,733	25,283,733
Net Cash Flow from Operating Activities before Tax	(77,318,860)	(11,652,023)	191,853,913
Tax deducted at source	(7,810,463)	11,698,225	11,698,225
Net Cash Flows from Operating Activities (A)	(85,129,323)	46,202	203,552,138
Investing Activities			
Purchase of Property, Plant & Equipment	(55,417,700)	(188,978,949)	(185,498,701)
Acquisition of Right of Use Assets (ROU Assets)	-	(2,277,162)	(2,277,162)
Difference in NBV of Assets as per trial and Note 2 (Opening)	-	154,765	154,765
Increase in Capital - Work-In-Progress	(91,037,238)	(6,187,320)	(6,187,320)
Purchase of Investments	69,000,000	-	-
Difference in Disposals	-	61,354	61,354
Interest on Fixed Deposit	15,767,661	13,347,846	13,347,846
Net Cash Flows from Investing Activities (B)	(61,687,278)	(183,879,466)	(180,399,218)
Financing Activities			
Interest on Short-Term Borrowing	(727,244)	-	-
Net Cash Flows from Financing Activities (C)	(727,244)	-	-
Net Cash Flows During the Year(A+B+C)	(147,543,845)	(183,833,264)	23,152,920
Opening Balance	285,204,143	469,037,408	469,037,408
Closing Balance of Cash & Cash Equivalents	137,660,299	285,204,143	492,821,067
Break up of closing Cash & Cash Equivalents			
Cash on Hand	3,435,126	2,245,313	2,245,313
Cash at Bank	134,225,173	182,958,831	182,958,831
Add: Fixed Deposit with Banks having Maturity period more than 3 months but less of 12 Months	-	-	52,616,923
Add: Fixed Deposit with Banks having Maturity period more of 12 months	-	100,000,000	255,000,000



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Closing Balance of Cash & Cash Equivalents	137,660,299	285,204,143	492,821,067
This is the statement of cash flows referred to in our report of even date.			

For **Menuka Chhetri & ASSOCIATES**
Chartered Accountant
Firm Registration No. 331825E

On behalf of FCBL Board

CA. Menuka Chhetri
Managing Partner
Membership No.:534365

Place: Thimphu, Bhutan
Date: 13-05-2025




(Dasho Minjur Dorji)
Chairman


(Mr. Dorji Tashi)
Chief Executive Officer



NOTE 1:

SIGNIFICANT ACCOUNTING POLICIES

a) General Information

The Food Corporation of Bhutan Limited is 100% State Owned Enterprise established under the Royal Charter of by the Fourth King of Bhutan His Majesty Jigme Singye Wangchuck in 1974. It was registered under The Companies Act of Kingdom of Bhutan, 1989 with the registered office located in Phuentsholing, Bhutan.

The Company's main mandate and the activities includes maintaining National and SAARC (South Asian Association for Regional Cooperation) Food Security Reserves, trading in food and essential commodities, auctioning of agricultural products and providing the procurement and distribution support to the School Feeding Programme of the Royal Government of Bhutan. It currently has 26 nos. warehouses, 4 nos. of Retail shops and 4 nos. of Auctionyards spread across the country.

The Company follows the calendar year as its financial year and the functional currency is Bhutanese Ngultrum (BTN).

b) Transition to the Bhutanese Accounting Standards (BAS)

Until the financial year ended December 31, 2022, the company prepared its financial statements in accordance with Bhutanese Accounting Standards (BAS for SMEs) and the provisions of the Companies Act of the Kingdom of Bhutan, 2016.

In pursuant of the directives from the Accounting and Auditing Standards Board of Bhutan (AASBB) and The Companies Act of Bhutan 2016, the Company has transited and adopted all relevant provisions in Bhutanese Accounting Standards (BAS) with effect from 1st of January 2023.

c) Summary of Significant Accounting Policies

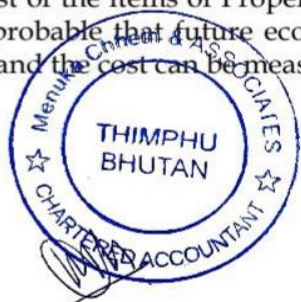
The summary of the Significant Accounting Policies adopted by the Company in the preparation and presentation of the financial statements are given below:-

- **Basis of Preparation**

The Financial Statements of the Company are prepared on historical cost convention and on accrual basis unless otherwise stated. It is also in compliance to the Bhutanese Accounting Standards (BAS) and relevant sections in The Companies Act of Bhutan 2016.

- **Property, Plant & Equipment**

Property, Plant and Equipment are initially recognized at cost. The initial cost comprises of the purchase price, taxes and any direct expenses incurred to render the asset ready for use and the cost of the items of Property, Plant & Equipment are recognized as asset only and if only it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.



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Depreciation on Property, Plant & Equipment is provided on Straight Line Method over the useful life of assets which has been estimated by the Management.

The established estimated useful life of the assets for depreciating the Property, Plant & Equipment is as follows: -

Particulars	Depreciation Rate (in %)	Useful life of Asset (in years)	Residual Value (in %)
Building & Civil Structures			
<i>Permanent</i>	2.50%	40	5%
<i>Semi-Permanent</i>	20%	5	NIL
<i>Temporary</i>	100%	1	NIL
Office Equipment	20%	5	NIL
Furniture & Fixtures	15%	6.67	NIL
Plant & Machinery	10%	10	5%
Tools & Tackles	20%	5	NIL
Heavy Vehicles	15%	6.67	15%
Light Vehicles	10% & 15%	6.67 & 10	15%
Intangible Assets	20%	5	NIL

Free hold land is not depreciated as it has unlimited useful life. Depreciation on Fixed Assets acquired during the financial year is charged on a pro-rata basis from the date of issue of the asset for use.

The assets valuing up to Nu. 5,000/- is considered as consumables and charged off to the statement of income.

- **Intangible Assets**

Intangible Assets are stated at cost. Amortization is recognized on a Straight-Line basis over the useful life of intangible assets determined by the Management.

- **Capital Work-in-Progress (CWIP):**

Cost incurred for the generation of qualifying assets is initially recorded in CWIP until the asset is not completed and not functional. Cost incurred is transferred from CWIP to fixed assets only when it starts generating economic benefits and upon receipt of completion certificate from the concerned authority.

- **Lease Accounting**

BRFS 16 establishes a unified lessee accounting framework mandating lessee to record assets and liabilities for all leases exceeding 12 months, unless the leased asset holds low value. Lessees are obliged to acknowledge a right-of-use asset, denoting their entitlement to utilize the leased asset, alongside a lease liability, indicating their commitment to fulfill lease payments.

- **Inventories**

Inventories of Food Grains, Essential Items and Renewable Natural Resources Products are valued at landed cost on weighted average basis or estimated net realizable value whichever is lower. Landed cost comprises cost of goods, Bhutan Sales Tax, transportation charges



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handling/labor charges and net of discounts. Store items including packing materials are valued at weighted average cost or net realizable value whichever is lower.

- **Trade and Other Receivables**

Trade receivable (Sundry Debtor) represents the amount receivable from the customers in the ordinary course of business for sale of goods on credit. Trade receivables are classified as current assets if it is expected to be realized within twelve months from the date of financial statement, if not they are classified as non-current assets.

- **Loans and Advances**

Loans and advances represent advances given to the suppliers for supply of goods, claims receivable for rendering of services, other miscellaneous receivables and claims. Loans and advances are recognized at the value of cash advanced or claims receivable or netted off against impairment charges assessed by the Management.

Loans and advances are classified as current assets if it is likely to be realized within twelve months from the date of financial statement, if not it is classified as non-current assets.

- **Trade and Other Payables**

Trade payables are the amount payable to suppliers for supply of goods on credit and obligations to the company which occurred in the course of its activities. Trade Payables are classified as current and non-current liabilities depending on their likelihood of being paid within twelve months from date of Financial Statement.

- **Fixed Deposit**

Fixed deposits and short-term deposits are classified based on their maturity period, where deposits with a tenure of more than 12 months are recognized as non-current assets, while those with a maturity period exceeding 3 months but less than 12 months are classified as current assets under "short term deposit." Fixed deposits are presented under Investing Activities in the cash flow statement, whereas short-term deposits are also included in Investing Activities but do not qualify as cash equivalents. Interest income from both types of deposits is recognized on an accrual basis in the statement of profit or loss. Deposits with a maturity of 3 months or less are classified as cash equivalents if they are highly liquid and readily convertible into cash with an insignificant risk of value change.

- **Cash & Cash Equivalent**

Cash and cash equivalent include cash on hand, balance in the current accounts and any fixed deposits with the banks with the maturity less than three months.

- **Investments**

Long term investments are stated at cost of acquisition.



- **Employees Benefit**

Defined Contribution Scheme

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

Defined Benefit Scheme

The company makes retirement payments based on the last monthly basic salary and number of completed years of services. The gratuity is accrued on the basis of estimated valuation. Changes in service and interest are charged to the statement of comprehensive income.

Other Benefits

Other benefits such as gratuity, leave encashment, carriage charges, transfer grant and travelling allowance are accrued at year end on the basis of actuarial valuation. Employee benefit liabilities are also classified as current and non-current liability depending upon the likelihood of it getting settled within twelve months from the date of Financial Statement.

Borrowing Costs

borrowing costs are recognized in profit or loss in the period in which they are incurred.

- **Direct Material Cost**

Direct Material Costs are stated at cost net off discounts from the suppliers. The purchases are recognized in books of accounts on receipt basis based on the Goods Receipt Note. Direct Material Cost includes the purchase price, Bhutan Sales Tax, Transportation Cost and Labor Cost.

- **Revenue Recognition**

Sales

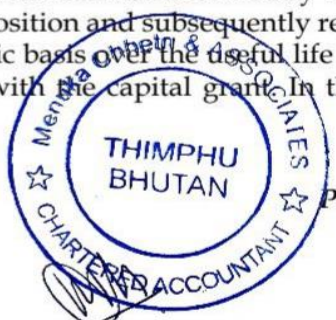
Sales are recognized once the invoice is raised to the customer and it is stated net off discount allowed to customers if any.

Other Revenues

Other incomes are recognized and accounted for on an accrual basis unless otherwise stated.

- Grants

Capital grants received are initially recognized as non-current liabilities in the statement of financial position and subsequently recognized in the statement of comprehensive income on a systematic basis over the useful life of the related funded assets on fulfilling the conditions set along with the capital grant. In the previous GAAP system, it was treated as a capital reserve.



Revenue grant is recognized as Income over the periods necessary to match the grant with the related costs that are intended to compensate. If the grant is not utilized the same has been shown as Deferred grant in the statement of financial position.

- **Income Taxes**

Current corporate tax is computed at the rate enacted or substantially enacted on the reporting date by the income tax authority on the total taxable comprehensive income. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

- **Provisions and Contingent Liabilities:**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. A contingent liability is only disclosed in the notes to the account of an outflow of resources embodying economic benefits is possible.

- **Earnings per Share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.



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NOTE 2: Property, Plant & Equipment for the FY 2024
Own Assets

Type of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01.01.2024	Additions	Disposals	As on 31.12.2024	During the Year	Adjustments	As on 31.12.2024	As on 31.12.2023
Building and Civil Structures	114,252,972	2,055,502	-	116,308,474	2,934,084	-	38,163,656	79,023,400
Furniture and Fixtures	8,751,271	444,276	-	9,195,547	431,064	-	7,507,218	1,675,118
Land	6,075,303	-	-	6,075,303	-	-	-	6,075,303
Office Equipment	19,839,805	1,159,828	-	20,999,633	1,464,431	-	18,177,475	3,126,761
Plant and Machinery	21,540,376	-	-	21,540,376	1,980,648	-	8,237,131	15,283,893
Tools and implements	17,256,634	521,515	-	17,778,149	1,056,780	-	15,588,060	2,725,354
Vehicles	50,103,234	5,276,924	-	55,380,158	3,349,981	-	35,558,818	17,894,397
Intangible Assets	3,086,157	-	-	3,086,157	-	-	3,086,153	4
Total	240,905,752	9,458,045	-	250,363,797	11,216,989	-	126,318,512	125,804,230

Right of Use Asset

Type of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01.01.2024	Additions	Disposals	As on 31.12.2024	During the Year	Adjustments	As on 31.12.2024	As on 31.12.2023
Right of Use Asset	2,277,162	-	-	2,277,162	184,504	-	523,755	1,937,910
Total	2,277,162	-	-	2,277,162	184,504	-	523,755	1,937,910

Funded Assets

Type of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01.01.2024	Additions	Disposals	As on 31.12.2024	During the Year	Adjustments	As on 31.12.2024	As on 31.12.2023
Building and Civil Structures	273,699,076	45,486,306	-	319,185,381	6,493,374	-	73,144,705	207,047,744
Furniture and Fixtures	326,851	-	-	326,851	22,327	-	257,898	91,280
Land	262,603	-	-	262,603	-	-	-	262,603
Office Equipment	892,055	-	-	892,055	179,363	-	687,711	383,706
Plant and Machinery	22,412,268	-	-	22,412,268	2,102,715	-	13,109,623	11,605,361
Tools and implements	37,886,992	37,886,992	503,402	75,270,582	1,071,863	503,402	36,013,675	1,943,265
Vehicles	1,920,768	-	-	1,920,768	192,322	-	1,824,730	2,311,728
Total	337,700,614	45,959,566	503,402	383,156,867	10,061,963	503,402	125,038,342	222,220,833



NOTE 2: Property, Plant & Equipment for the FY 2023
Own Assets

Owned Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on 01.01.2023	Addition	Reduction	As on 31.12.2023	Addition	Reduction	As on 31.12.2023	As on 31.12.2023	As on 01.01.2022
Building & Civil Structures	110,373,565	3,879,407	-	114,252,972	3,147,736	-	35,229,572	79,023,400	78,291,729
Furniture & Fixtures	9,910,306	503,400	1,662,434	8,751,271	1,415,046	1,662,435	7,076,154	1,675,118	2,586,763
Land	6,075,303	-	-	6,075,303	-	-	-	6,075,303	6,075,303
Office Equipment	26,180,189	331,034	6,671,419	19,839,805	3,179,365	6,610,065	16,713,044	3,126,761	6,036,445
Plant & Machinery	21,540,376	-	-	21,540,376	1,980,648	-	6,256,483	15,283,893	17,264,541
Right of Use Asset	-	2,277,162	-	2,277,162	184,486	-	339,251	1,937,910	-
Tools & implements	19,246,675	162,750	2,152,790	17,256,634	1,406,353	2,152,790	14,531,280	2,725,354	3,968,957
Vehicles	51,654,380	3,633,709	5,184,855	50,103,234	2,901,722	5,184,855	32,208,837	17,894,397	17,162,410
Intangible Assets	3,086,157	-	-	3,086,157	200,711	-	3,086,153	4	200,715
TOTAL	248,066,951	10,787,461	15,671,498	243,182,914	14,416,067	15,610,146	115,440,774	127,742,140	131,586,864

Funded Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on 01.01.2023	Addition	Reduction	As on 31.12.2023	Addition	Reduction	As on 31.12.2023	As on 31.12.2023	As on 01.01.2022
Building & Civil Structures	97,151,424	176,547,651	-	273,699,076	3,023,288	-	66,651,331	207,047,744	33,523,381
Furniture & Fixtures	525,639	-	198,788	326,851	40,826	198,788	235,571	91,280	132,106
Land	262,603	-	-	262,603	-	-	-	262,603	262,603
Office Equipment	960,753	-	68,698	892,055	178,869	68,698	508,349	383,706	562,575
Plant & Machinery	22,612,268	-	-	22,612,268	2,194,768	-	11,006,907	11,605,361	13,800,129
Tools & implements	43,304,250	440,750	5,758,008	37,986,992	6,916,576	5,758,008	35,445,214	2,541,778	9,017,604
Vehicles	1,920,768	-	-	1,920,768	273,709	-	1,632,408	288,360	562,070
TOTAL	166,737,706	176,988,401	6,025,494	337,700,614	12,628,036	6,025,494	115,479,781	222,220,833	157,400,467



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Note 3: Other Financial Assets

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Equity Shares in Companies (At Cost) 50,000 Equity shares of Nu. 10/- each in Bhutan Fruit Products Pvt. Ltd	381,584	381,584	381,584
Fixed Deposit against gratuity with the Banks, Maturity date more than 12 Months	52,616,923	52,616,923	-
Fixed Deposit with Bank, Maturity date more than 12 Months	162,670,000	-	-
Total	215,668,507	52,998,507	381,584

Note 4: Deferred Tax Assets

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Opening Balance	857,134	630,738	-
Deferred Tax during the year	2,273,837	226,395	-
Less: Deferred Tax Liabilities	(2,066,674)	-	-
Total	1,064,297	857,134	-

Note 5: Loans and Advances

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Security Deposit for Others	407,232	515,221	515,221
Long-Term Doubtful Advances	8,910,125	9,676,795	9,676,795
Less: Provisions for Doubtful Advances	(8,568,385)	(9,571,790)	(9,571,790)
Total	748,971	620,227	620,227

Note 6: Inventories

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Essential Items	170,930,826	141,959,146	141,959,146
Food Grains	112,632,059	124,753,894	124,753,894
Renewable Natural Resource Inputs	1,870,288	2,642,336	2,642,336
Consumable Stores and Spares	1,278,937	681,920	681,920
Packing Material	471,664	1,252,408	1,252,408
Damaged and Expired Essential Items	5,793	95,116	95,116
Damaged Food Grains	-	8,217	8,217
Damaged RNR Inputs	2,088	132,353	132,353
Total	287,191,655	271,525,391	271,525,391

Note 7: Cash and Cash Equivalent

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Cash on Hand	3,435,126	2,245,313	2,245,313
Balance with Current Accounts in Banks	134,225,173	182,958,831	182,958,831
Fixed Deposit against gratuity with the Banks, Maturity date more than 12 Months	-	-	52,616,923
Short-term Deposit with T-bank less than 3 months	-	100,000,000	255,000,000
Total	137,660,299	285,204,143	492,821,067

Note 8: Short-Term Investment

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Fixed Deposit with Bank, Maturity date less than 12 Months	86,000,000	155,000,000	-
Total	86,000,000	155,000,000	-



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Note 9: Trade and Other Receivables

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Debts Outstanding for a period of more than 180 days	37,719,431	10,046,047	10,046,047
Provision for Doubtful Debts	(42,340,889)	(43,910,606)	(43,910,606)
	(4,621,458)	(33,864,559)	(33,864,559)
Debts Outstanding for a period of less than 180 days	265,159,227	128,479,226	128,479,226
	265,159,227	128,479,226	128,479,226
Total	260,537,769	94,614,666	94,614,666

Note 10: Loans and Advances

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Other Advances	102,221,857	115,955,469	115,955,469
Receivable from RGoB for School Feeding	347,511	42,136,625	42,136,625
Interest on Fixed Deposits	15,495,840	9,343,819	9,343,819
Other Receivables	78,309,920	91,789,387	91,789,387
Prepaid Expenses	740,878	789,299	789,299
Rent Receivables	1,178,993	1,070,730	1,070,730
Service Charges Receivables	1,553,066	17,629,932	17,629,932
Total	199,848,064	278,715,263	278,715,263

Note 11: Tax Deducted at Source

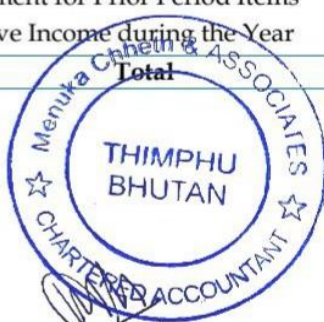
Particulars	31-Dec-24	31-Dec-23	1-Jan-23
TDS Receivables	14,830,949	7,020,486	7,020,486
Total	14,830,949	7,020,486	7,020,486

Note 12: Share Capital

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
a. Authorized Equity Share Capital			
100,000 Equity Shares @ Nu. 1,000/- each	100,000,000	100,000,000	100,000,000
b. Issued & Paid-Up Equity Share Capital			
15,000 Equity Shares @ Nu.1,000/- each	15,000,000	15,000,000	15,000,000
c. Reconciliation of Equity Share Capital			
Equity Share at the beginning of the year	15,000,000	15,000,000	15,000,000
Add: Issued during the year	-	-	-
Equity Shares at the end of the year	15,000,000	15,000,000	15,000,000
d. Details of Equity Shareholders			
15,000 Equity Shares issued to Ministry of Finance, Royal Government of Bhutan	15,000,000	15,000,000	15,000,001
e. Percentage of Equity Shareholdings	100%	100%	200%

Note 13: Reserve and Surplus

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
a. Retained Earnings			
Opening Balance as per Statement of Financial Position	59,871,366	40,883,498	40,883,498
Other Adjustment for Prior Period Items	-	(9,734,838)	(9,734,838)
Comprehensive Income during the Year	55,744,976	28,722,707	28,854,634
Total	115,616,343	59,871,366	60,003,294



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b. Capital Reserves- Land (Unaccounted Land identified, Accounted and adjusted in the books of Accounts as per the title deeds received)	2,335,511	2,335,511	2,335,511
c. Capital Reserves- NFSR (Fund Received for NFSR Items)	783,419,695	783,419,695	783,419,695
Total	785,755,206	785,755,206	785,755,206

Note 14: Deferred Capital Grant

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Non-Current			
Opening Balance as per Statement of Financial Position	480,029,344	378,315,546	378,315,546
Deferred Capital Grant received during Year	75,337,553	114,341,833	114,341,833
Transferred to Other Income	(13,695,037)	(12,628,036)	(10,369,279)
Total	541,671,859	480,029,344	482,288,101

Note 15: Deferred Tax Liabilities

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Deferred Tax Liabilities	-	-	863,170
Less: Adjustment of Deferred Tax Asset	-	-	(630,738)
Less: Adjustment of Deferred Tax Asset	-	-	-
Total	-	-	232,431

Note 16: Lease Liability

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Lease Liability during Year	2,197,838	2,197,838	2,197,838
Lease adjusted during the year	(139,377)	-	-
Total	2,058,461	2,197,838	2,197,838

Note 17: Provisions (Non-Current)

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Provision for Carriage Charges	1,894,786	1,909,222	-
Provision for Gratuity	33,955,052	36,114,740	44,158,644
Provision for leave encashment	5,875,540	7,021,328	-
Provision for Transfer Grant	3,254,435	2,964,373	-
Provision for Travelling Allowance	3,275,008	2,970,324	-
Total	48,254,821	50,979,987	44,158,644

Note 18: Borrowings

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Overdraft Account in Bank of Bhutan	71,937,442	-	-
Total	71,937,442	-	-

Note 19: Other Liabilities

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Liabilities for Expenses	2,444,996	6,211,282	6,211,282
Security Deposit Received	25,019,881	28,781,123	28,781,123
Unpaid Salary and Allowance	1,930,919	5,284	5,284
Other Liabilities	57,135,038	15,600,217	15,600,217
Total	86,530,834	50,597,907	50,597,907



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Value of Closing Stock			
a. Essential Items	170,930,826	141,959,146	141,959,146
b. Food Grains	112,632,059	124,753,894	124,753,894
c. Renewable Natural Resource Inputs	1,870,288	2,642,336	2,642,336
d. Damaged & Expired Items	7,881	235,687	235,687
	285,441,054	269,591,062	269,591,062
Total	15,849,992	(13,416,627)	(13,416,627)

Note 25: Direct Material Expenses

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
a. Purchase of Food Grains	1,053,183,689	926,227,468	926,227,468
b. Purchase of Essential Items	1,233,562,281	1,040,782,607	1,040,782,607
Add: Bhutan Sales Tax	89,740,908	74,664,543	74,664,543
	1,323,303,189	1,115,447,150	1,115,447,150
c. Renewable Natural Resource Inputs	6,884,652	315,235	315,235
d. Purchase of Farm Produce	263,131,977	86,559,867	86,559,867
Total	2,646,503,507	2,128,549,720	2,128,549,720

Note 26: Selling and Distribution Expenses

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
a. Transportation Charges (Hired)	24,554,532	15,338,841	15,338,841
b. Transportation Charges (Owned)	25,852,274	25,071,300	25,071,300
c. Direct Labour Charges	5,490,667	5,726,366	5,726,366
d. Discount on Sales	652,285	1,373,899	1,373,899
e. Marketing	276,873	-	-
e. Commission	512,775	-	-
f. Warehouse Rental	2,338,442	2,269,787	2,269,787
Total	59,677,849	49,780,193	49,780,193

Note 27: Financing Cost

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Interest on Short-Term Borrowing	10,096,212	9,549,146	9,549,146
Less: Interest Subsidy received from MoF	(9,368,969)	(9,368,969)	(9,368,969)
Bank fees and Commission	3,448,897	2,835,391	2,835,391
Total	4,176,141	3,015,568	3,015,568

Note 28: Employee Benefit Expenses

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Allowances	50,132,673	27,215,836	27,215,836
Employees Insurance	846,131	853,124	853,124
Gratuity	3,300,976	3,670,070	3,670,070
Leave Encashment	1,699,031	7,251,881	7,251,881
Leave Travel Concession (LTC)	3,776,307	5,422,489	5,422,489
Other Employee Expenses	3,857,302	4,838,157	4,838,157
Pension Fund - Employer's Contribution	7,050,752	7,436,490	7,436,490
Performance Based Variable Incentives	14,426,125	14,866,360	14,866,360
Salaries	62,055,095	61,961,429	61,961,429
Temporary Staff / Intern Charges	2,666,585	1,407,055	1,407,055
Human Resource Development Expenses	759,402	89,948	89,948
Staff Welfare Expenses	3,872,394	3,301,586	3,301,586
Travel Expenses	9,237,455	1,420,923	1,420,923
Total	163,680,228	139,735,347	139,735,347



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Note 29: Other Administrative Expenses

Particulars	31-Dec-24	31-Dec-23	1-Jan-23
Audit Engagement Expense	366,948	431,645	431,645
Board Director Expenses	317,479	462,490	462,490
Corporate Social Responsibilities and Donation	301,317	121,670	121,670
Hospitality and Entertainment Expenses	574,393	482,883	482,883
Meeting Expenses	31,380	21,669	21,669
Motor Vehicle Expenses	4,384,437	2,892,638	2,892,638
Other General and Admin expenses	9,336,015	6,337,877	6,337,877
Premises Expenses	3,689,464	2,722,710	2,722,710
Printing and Stationary Expenses	717,968	1,429,607	1,429,607
Repairs and Maintenance Expenses	1,436,800	876,658	876,658
Statutory Fees	330,684	228,361	228,361
Write-off and Damage Expenses	804,819	36,147,935	36,147,935
Total	22,291,705	52,156,143	52,156,143



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RATIO ANALYSIS

Particulars	31-Dec-24	31-Dec-23	1-Jan-23	Remarks
Ratios for Assessing Financial Health				
Current Ratio	3.67	5.44	5.51	The current Ratio has decreased mainly due to increase in Current Liabilities.
Quick Ratio	2.60	4.08	4.20	The Ratio decreased due to increase Current Liabilities.
Net Fixed Assets to Equity	0.42	0.40	0.41	The ratio increased due to increase in value of Property, Plant & Equipment.
Inventory Turnover in days:	36.25	42.00	42.00	The ratio declined due to increase in revenue turnover.
Debtor Turnover in days	32.89	14.63	14.63	The ratio increased due to increase in trade receivables.
Creditor Turnover in days	10.60	21.30	21.30	The ratio decreased due to decrease in Trade Payables.
Ratios for assessing profitability				
Return on Investment/Equity (%)	6.08	3.34	3.35	The ratio increased due to increase in profitability compared to last year.
Net Profit Margin (%)	1.96	1.22	1.22	The ratio increased due to increase in profitability compared to last year.
Gross Profit-Turnover Ratio (%)	7.93	10.37	10.37	The ratio decreased due to increase in sales turnover.

For Menuka Chhetri & ASSOCIATES
Chartered Accountants
Firm Registration No: 331825E

CA. Menuka Chhetri
(Managing Partner)
Membership No. 534365

Place: Thimphu, Bhutan
Date: 13-05-2025



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