




BUSINESS STRATEGY 2026 - 2030

Food Corporation of Bhutan Limited



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**“ We must have the courage to take risk
and embrace change for the betterment of our nation”**

-His Majesty Jigme Khesar Namgyel Wangchuck



Business Strategy (2026 to 2030)

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Business Strategy

2026 to 2030

Food Corporation of Bhutan Limited



“With changing times, we will confront new challenges, but if we pledge to work together in an intelligent, resourceful manner, like our ancestors have before us, we will overcome every difficulty”.

His Majesty the Druk Gyalpo's address
to the nation on the 107th national day
17th December, 2014



In profound reverence and gratitude, we dedicate this strategy to the 70th Birth Anniversary of His Majesty the Fourth Druk Gyalpo, Jigme Singye Wangchuck. Under His Majesty's visionary leadership, the Food Corporation of Bhutan Limited (FCBL) was established in 1974, laying the foundation for national food security and self-reliance.

This strategy is a humble tribute to His Majesty's enduring legacy and unwavering commitment to the prosperity and well-being of the people of Bhutan.



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Business Strategy (2026 to 2030)

Acronyms and Abbreviations

NSFR	National Food Security reserve
ACGR	Annual Compounded Growth Rate
AMD	Agriculture Marketing Division
APC	Annual Performance Compact
CAPEX	Capital Expenses
CHQ	Corporate Headquarters
CMA	Crisis Management Plan
DAMC	Department of Agricultural Marketing & Cooperatives
DoCB	Department of Corporate Business
DoCS	Department of Corporate Service
EBIT	Earnings Before Income Tax
EEU	Estate and Engineering Unit
ERP	Enterprise Resource Planning
FAD	Finance and Accounts Division
FCBL	Food Corporation of Bhutan Limited
FECD	Food & Essential Commodity Division
FIFO	Fist-In-First-Out
GMC	Gelephu Mindfulness City
HRAD	Human Resource & Administration Division
IAU	Internal Audit Unit
ICTRD	Information & Communication Technology and Research Division
M&E	Monitoring and Evaluation
MoAL	Ministry of Agriculture and Livestock
MoF	Ministry of Finance
MTO	Motor Transport Officer
NDMA	National Disaster Management Authority
OPEX	Operating Expenses
PAT	Profit After Tax
RAA	Royal Audit Authority
RGOB	Royal Government of Bhutan
CSR	Corporate Social Responsibility
SFP	School Feeding Program
SoE	State-Owned Enterprise
AI	Artificial Intelligence
FTA	Free Trade Agreement
ISO	International Organization for Standardization
BAC	Board Audit Committee
MT	Metric ton
MSP	Minimum Support Price

Background

Food Corporation of Bhutan Limited was established in 1974 under a Royal Charter issued by His Majesty the Fourth King of Bhutan. This makes it one of the oldest and largest companies in the country, combining social and corporate mandates effectively. The company was later incorporated as a State-Owned Enterprise, bearing registration no. L19920808BHU015 under the Companies Act of the Kingdom of Bhutan on July 8, 1992, with its headquarters in Phuntsholing, Chukha dzongkhag. Since its inception, the company has been responsible for stabilizing market prices of essential goods and maintaining the national and SAARC food reserve to address emergencies. It manages logistics for the School Feeding Program and distributes dry ration, fruits and vegetables to Gyalsung Academic Centres.

The company operates across all 20 dzongkhags through three strategically located regional offices in Phuntsholing, Gelephu, and Sumdrup Jongkhar. The Phuntsholing region manages the supply of food and essential items to seven western dzongkhags, the Gelephu region oversees operations for six central dzongkhags and Sumdrup Jongkhar serves seven eastern dzongkhags. The company collaborates with major technical institutions, including schools, the Royal Bhutan Police, and Gyalsung Academic Centres, as well as private institutions and retail outlets. It operates four auction yards in Samtse, Phuntsholing, Gelephu, and Sumdrup Jongkhar to facilitate the marketing of home-grown agricultural products.

Inspired by the 21st-century National Economic Roadmap, the company has formulated a strategy aimed at contributing

to the key national objectives. In particular, the initiatives planned between 2026-2030 holds a significant potential to directly contribute to the agriculture sector which is one of the key sectors identified for the 21st-century National Economic Roadmap. It specifically aims to strengthening of strategic food reserve, resilient supply chain to mitigate the risk from disruptions. Several other initiatives were carefully planned to help contribute to actualizing the national objective of market (domestic and international) expansion, increase export and promote high value agricultural crops. The strategy begins with an assessment of current internal strengths and weaknesses, as well as external threats and opportunities.

It outlines clear targets and strategic mechanisms to achieve these goals. This includes strengthening operational systems, diversifying business, and entering new markets. The plan also explores avenues to serve broader segments of society by opening new outlets and introducing digital and mobile marketing services.

Given that both the export and import businesses are significantly influenced by external and internal regulations, as well as evolving market dynamics domestically and internationally, the strategy takes into account two potential scenarios: a favorable scenario and a worst case scenario. The company aims to achieve revenue growth of Nu. 10.62 billion during a favorable scenario and Nu. 4.50 billion during a worst-case scenario by 2030, contributing directly to the aspirations of the 21st-century national economic transformation dream.



1.1) Vision: Maintain national strategic food reserves, help stabilize the market price and facilitate the market for agricultural products.

1.2) Mission: Ensuring availability, affordability and accessibility of quality food for all by providing a reliable and sustainable marketing platform for agricultural products and effective distribution of essential commodities across the country.

SECTION I

VISION, MISSION & CORE VALUES

1.3) Core Values: Solidarity, Team spirit, Responsibility, Efficiency, Networking, Growth, Trust and Honesty



- o **Solidarity:** Always stand together with optimism and forward-looking attitude to support each other personally and professionally.
- o **Team building:** Invest in attracting, building and retaining good team by fostering an environment filled with encouragement, motivation and support system.
- o **Responsibility:** Take responsibility with sincerity and highest integrity as if you work for your own company.
- o **Efficiency:** Focus on a systemic and operational excellence and leverage on business opportunities to create competitive advantage in all affairs of service delivery.
- o **Networking:** Prioritize on enriching and maintaining relationships that foster collaboration with business partners, clients, stakeholders and well-wishers.
- o **Growth:** Possess strong sense of commitment to personal and professional development by opening up for feedback, learning from mistakes and embracing change.
- o **Trust:** Create a positive work environment through trust and confidence to foster strong relationship within the organization, with customers, business partners and the stakeholders.
- o **Honesty:** Promote ethical conduct by maintaining openness and two-way information sharing to ensure transparency, accountability and efficiency at all levels.

FCBL's Core Services





SECTION II

SITUATIONAL ANALYSIS

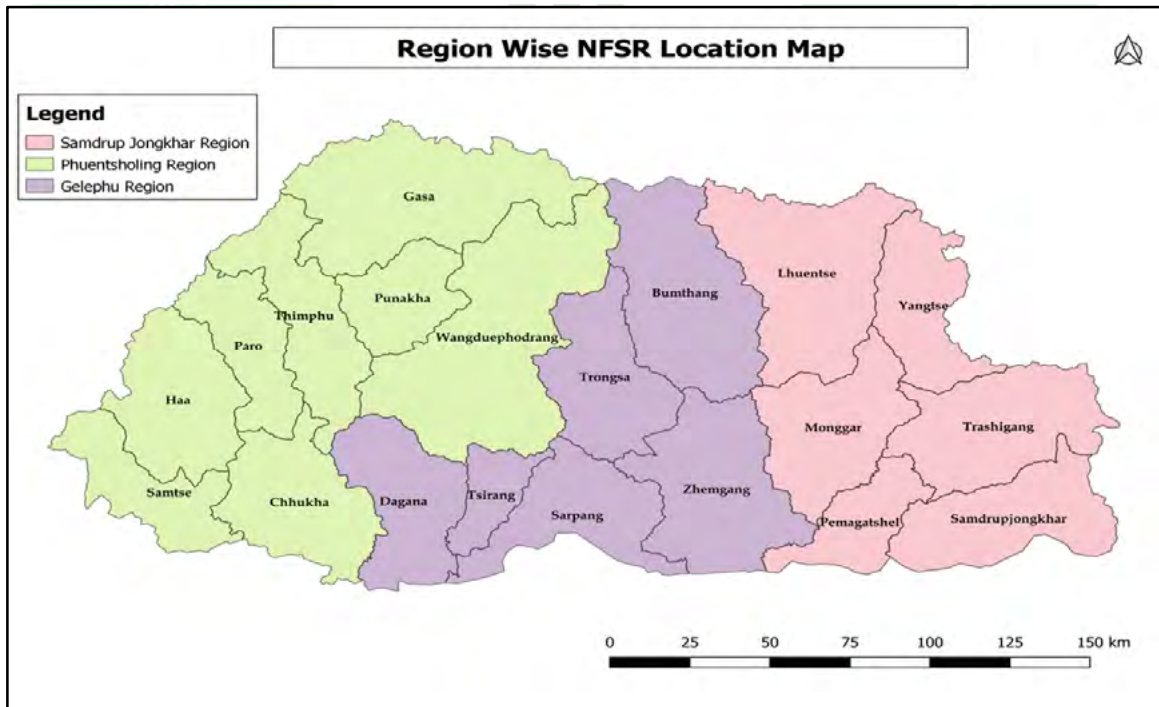
SECTION II: SITUATIONAL ANALYSIS

2.1) National Food Security Reserve

Bhutan's reliance on food imports exposes the nation to significant uncertainty and volatility in international trade. The country's vulnerability to climate change, including flash floods, droughts, and landslides, heightens the risk of food shortages. To mitigate these challenges, food reserves are essential for improving access and distribution of food, as well as safeguarding affected populations.

Accordingly, FCBL has been mandated to maintain strategic food reserve of 8,613 metric tons of rice, 825 metric tons of oil, and 333 metric tons of pulses to serve 50% of the population for a three-month period, based on a projected total population of 717,678 (2024) aged 5-75 years.

However, private traders hold a significant share of the food stock, allowing FCBL to maintain approximately 20% of the overall market. As long as the combined stock maintained by FCBL and the private sector is adequate, this arrangement is deemed acceptable. Although FCBL has strategically located warehouses nationwide, many were built years ago with limited storage capacity. Several dzongkhags, including Gasa, Dagana, Lhuntse, Trashiyangtse, and Zhemgang, currently lack warehouses. To address this, FCBL plans to construct two additional warehouses in Lhuntse and Trashiyangtse by 2025, while some existing facilities will be expanded to accommodate the mandated food reserve.



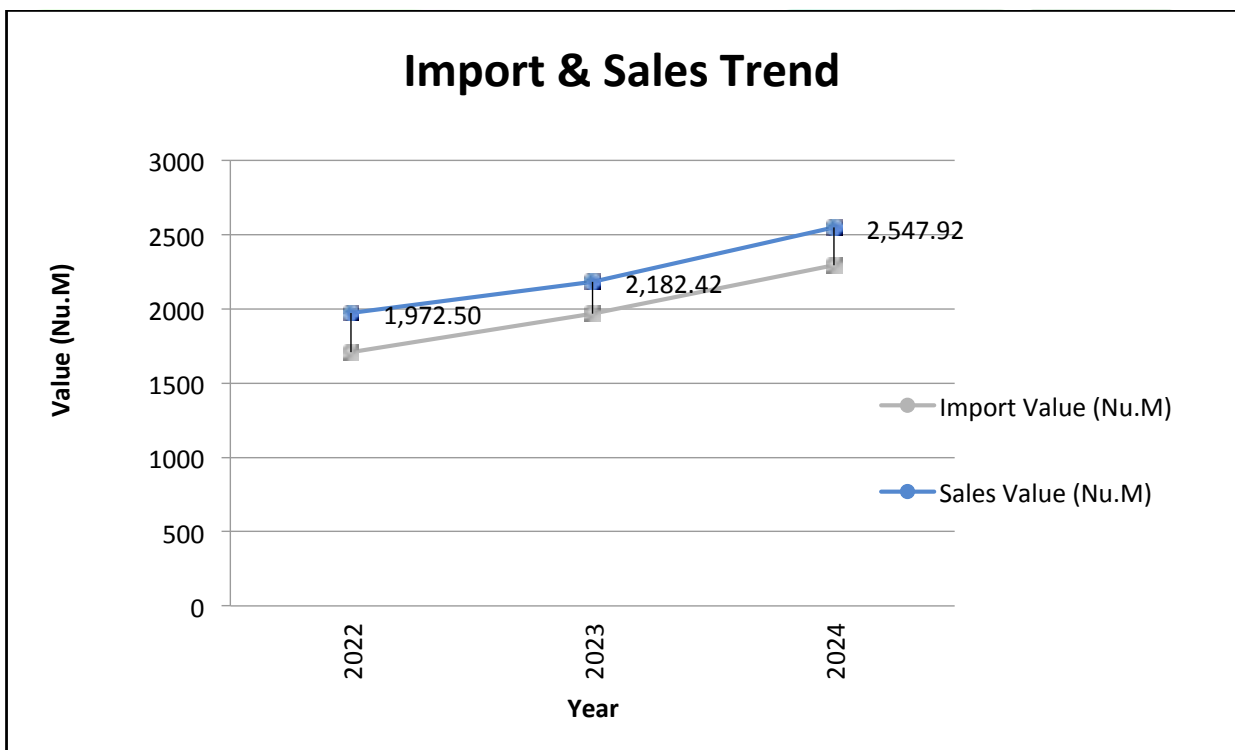
2.2) Import of Essential Food Commodities

In addition to rice, oil, pulses, and salt, FCBL imports a variety of essential commodities primarily aimed at stabilizing market prices and supporting the national food reserve. These commodities not only help to replenish the national food reserve but also help cover the substantial expenses incurred in managing warehouses across the nation. As part of the replenishment strategy, FCBL sells food grains and essential items to private retail outlets at wholesale rates, thereby directly supporting rural entrepreneurs and enhancing the accessibility of essential food items nationwide. FCBL also manages rations for critical institutions such as schools, the Royal Bhutan Police, and Gyalsung.

The diagram below illustrates the import and sale of food and essential items nationwide over the past three years (2022 to 2024).

Changes in regulations in India significantly impact the import of essential food items. For example, restrictions on the export of wheat and raw rice, along with the introduction of floor prices for Basmati rice in 2023, have disrupted imports and contributed to notable food inflation in Bhutan.

The ongoing Russia-Ukraine conflict has further escalated the price of edible oil, exacerbating food inflation



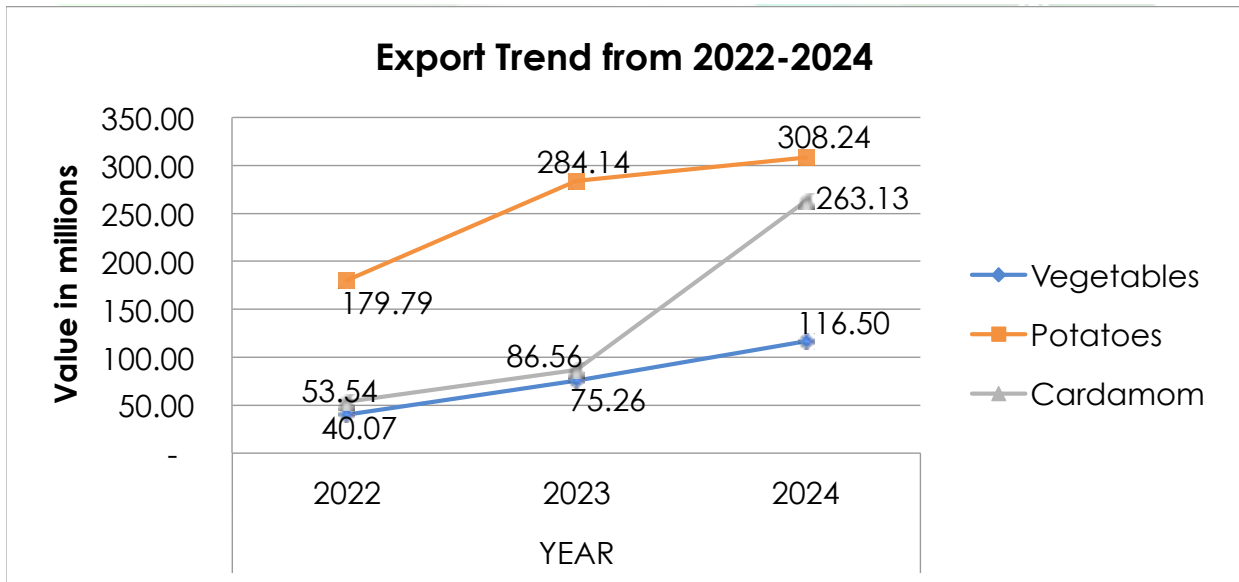
2.3) Export of Agricultural Products

Since its establishment in 1974, FCBL has been instrumental in facilitating the export of agricultural products, particularly potatoes, thereby enhancing farmers' incomes.

Potatoes, a widely cultivated cash crop, serve as a livelihood for thousands of households. FCBL manages potato exports through auction yards located in Phuntsholing and Samdrup Jongkhar. Additionally, FCBL has established Potato Trade Facilitation Centres in Gangtey and Bumthang, offering grading, cleaning, packing, and online auction services to growers. Supported by the Royal Government of Bhutan, this initiative aims to improve supply chain management and provide convenient services to producers.

The table below shows the export of potatoes, vegetables, and cardamom over the past three years (2022-2024).

However, increasing production coupled with limited market opportunities necessitates a strategic approach to sustainable solutions. Informal trade, which creates unfair competition and market volatility, poses serious threats to the export business. Addressing these challenges requires collaborative efforts from various stakeholders along with strategic interventions focused on enhancing market outreach, improving operational efficiency, processing, value addition, and bolstering financial resources to foster a competitive and sustainable agricultural marketing system in Bhutan.



Business Strategy (2026 to 2030)

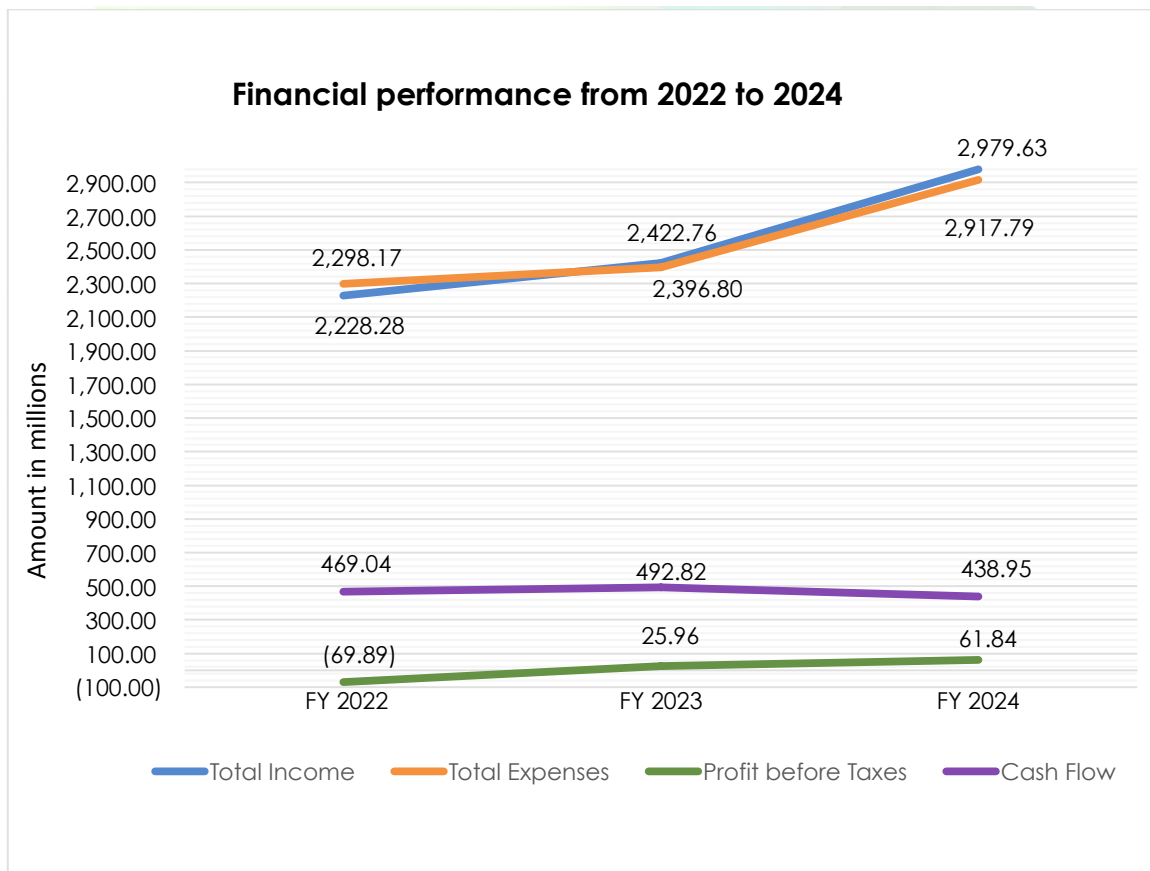
2.4) Financial performance

Although FCBL experienced varying degrees of losses for six consecutive years (2018-2022), the company achieved a significant turnaround in 2023, realizing a modest profit of Nu. 25.10 million. In 2024, FCBL further improved its performance, posting a profit of Nu. 65 million. Revenue has grown steadily, with a compound annual growth rate (CAGR) of 10.2% in total income. This growth has enabled the company to achieve a remarkable 143.2% increase in EBIT in FY 2024. Strategic investments, inventory optimization, new business collaborations, and expense management have collectively contributed to this progress.

The diagram below illustrates the trend in financial performance, including revenue, expenses, profit, and cash flow over the past three years (2022-2024).

However, rising bad debts from Indian traders involved in procuring agricultural products pose a significant threat to cash flow and financial stability.

While discontinuing credit sales could resolve this issue, the limited purchasing power of buyers and increasing export pressures could disrupt crucial exports for farmers.



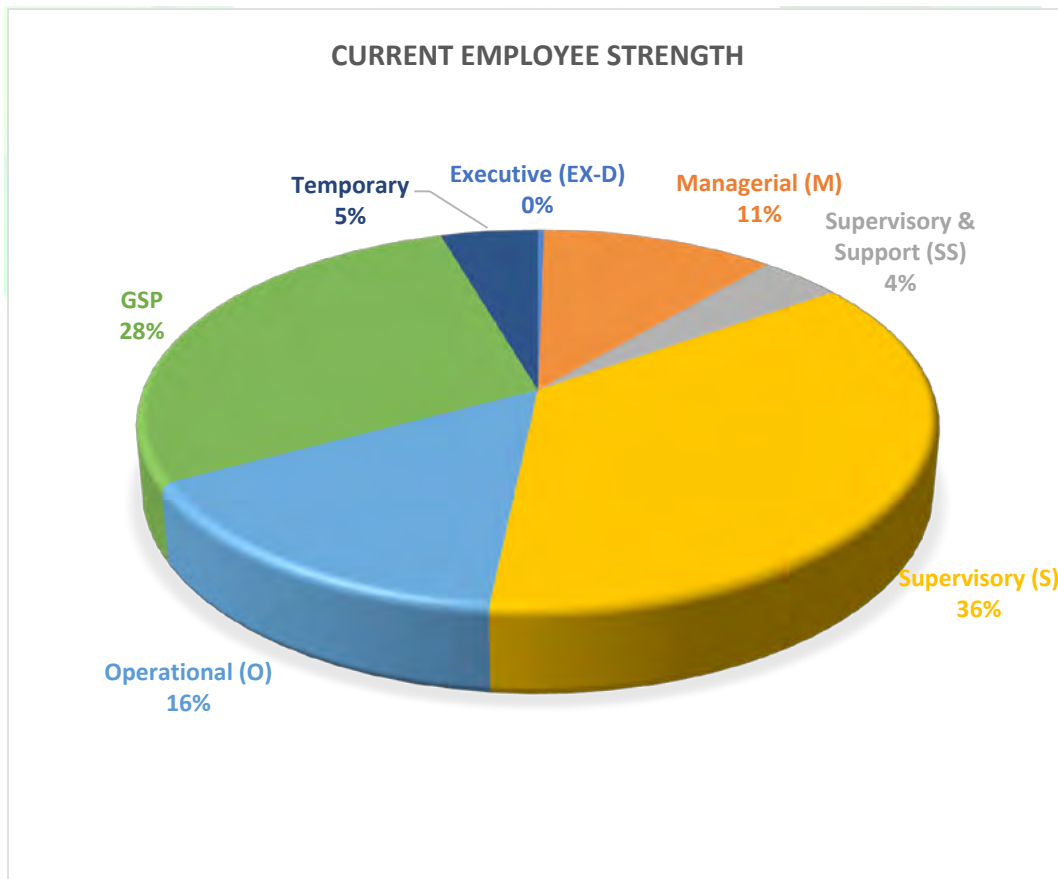
2.5) Human Resources Capacity

FCBL operates 22 warehouses across 19 dzongkhags, managed by three regional offices: Phuntsholing (covering eight western dzongkhags), Gelephu (six central dzongkhags), and Samdrup Jongkhar (six eastern dzongkhags). As of March 30, 2025, the company employs 329 individuals, including 213 regular employees, 8 contractual workers, 94 GIS personnel, and 14 temporary staff. The workforce comprises 227 males and 102 females, reflecting a strong representation of women at 45%.

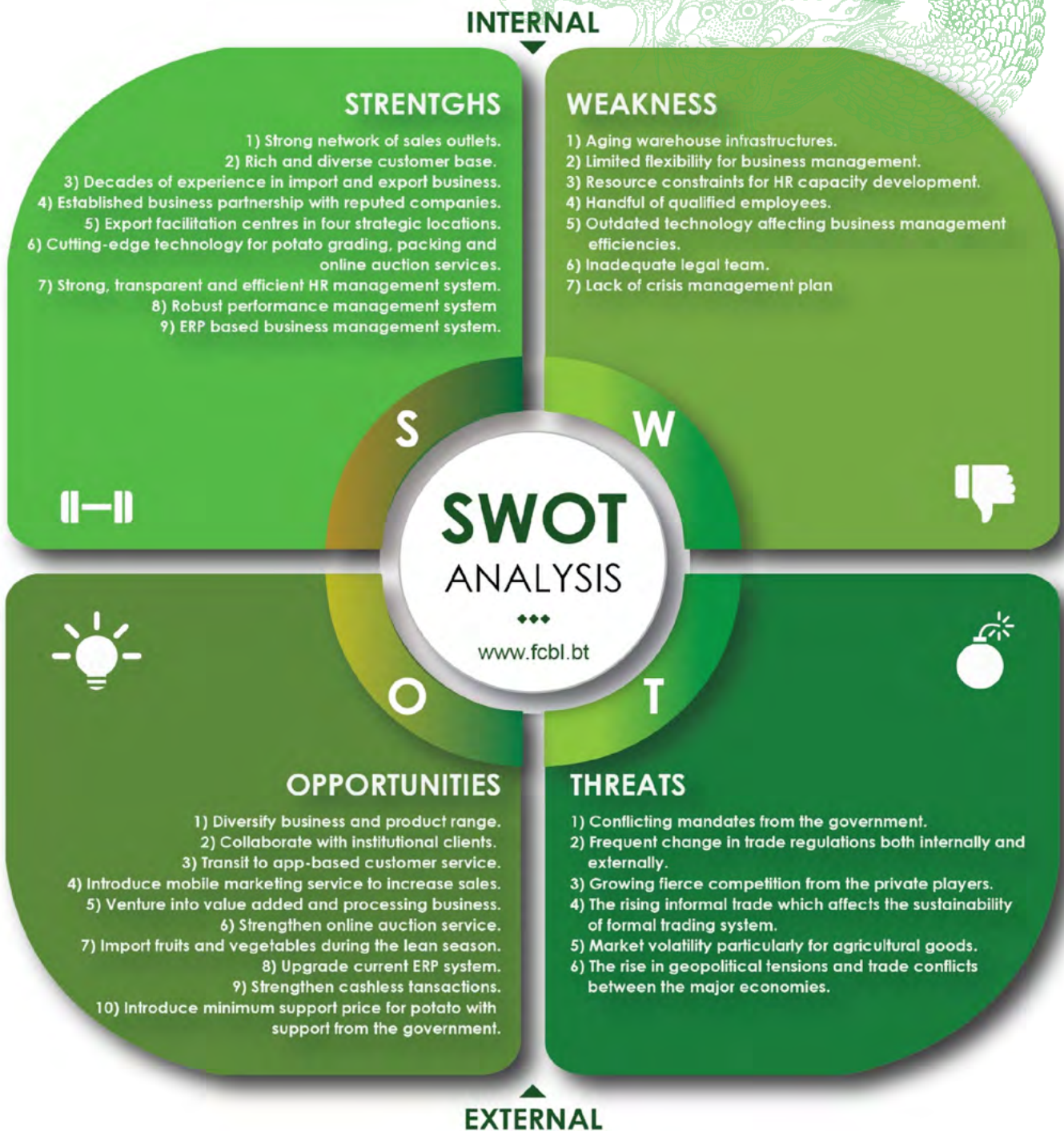
Currently, 11.25 % employees hold university degrees, while the majority are high school graduates or below. While high school graduates

are well-suited for positions such as sales personnel, billers, and auctioneers, there is a need to enhance HR competencies, especially in Corporate Headquarters and Regional Offices. FCBL prides itself on its well-established HR management systems, including comprehensive rules and regulations, guidelines for finance and accounts management, credit and CSR policies, and power delegation protocols.

These systems drive transparency, accountability, and efficiency at all levels. Moreover, FCBL has implemented warehouse and quality management guidelines to ensure food safety and minimize storage losses.



2.9) SWOT ANALYSIS





SECTION III

STRATEGY OBJECTIVES

SECTION III – STRATEGY OBJECTIVES

3.1) Strategy Objectives:

This strategy aims to achieve financial security, economic stability, and social fulfillment for FCBL, thereby positioning itself as the leading State-owned Enterprise (SoE) in the country. The following six specific objectives guide this vision:

- i) Contribute to the aspirations of the 21st-century national economic transformation dream by generating a revenue growth of Nu. 10.62 billion by 2030,
- ii) Support the national objective of strengthening national strategic food reserves and resilient supply chains across the nation.
- iii) Expand domestic & international market, increase export and promote high value agricultural products.
- iv) Stabilize market price of the essential food commodities including fruits and vegetables.
- v) Manage logistics of essential food items for schools and other strategic institutions and national projects.
- vi) Foster an entrepreneurial mindset, promote enlightened leadership, and encourage creative thinking among employees.

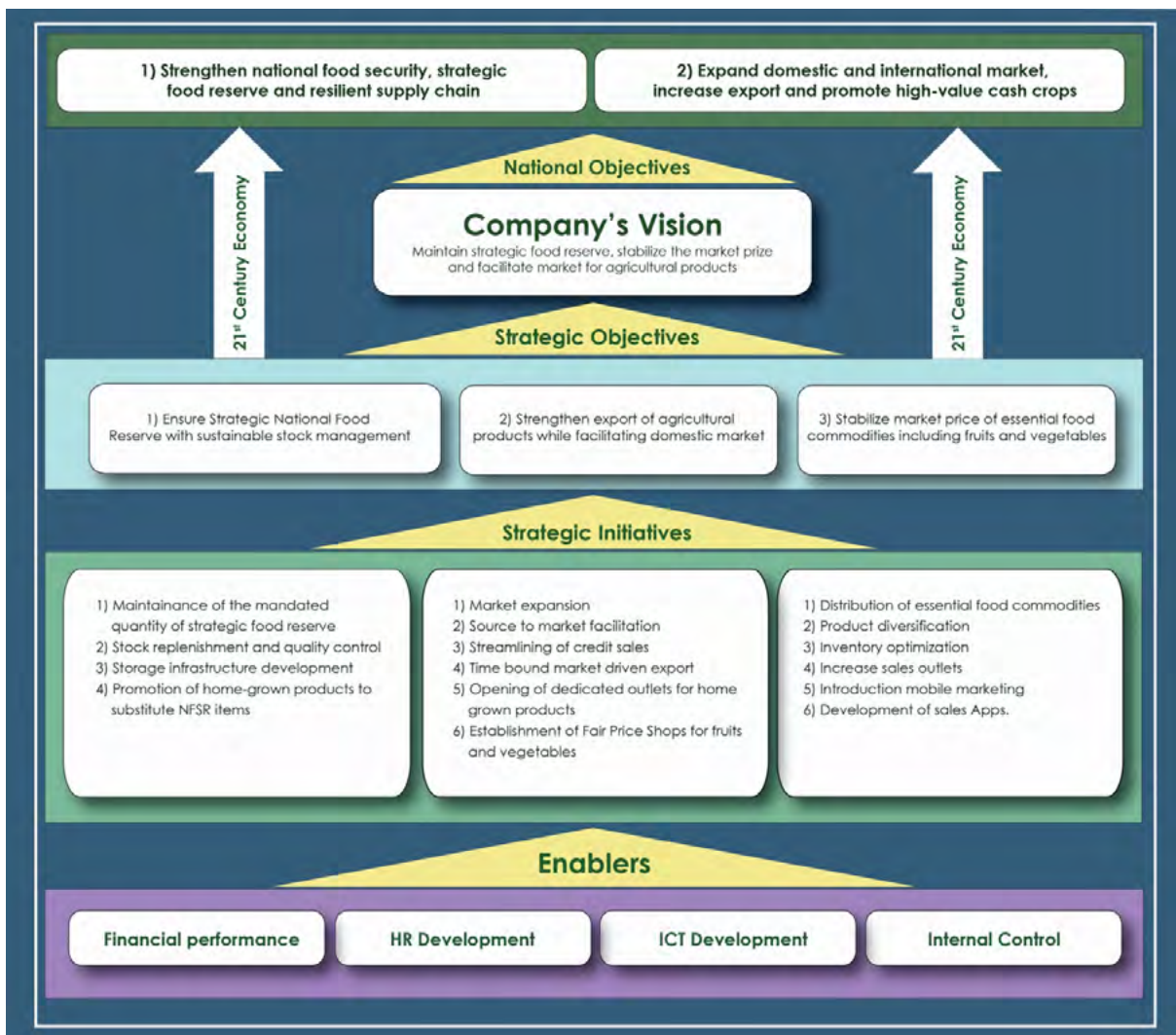


SECTION IV

JOURNEY TOWARDS 2030

SECTION IV- JOURNEY TOWARDS 2030

The diagram below shows how the company's strategic objectives and initiatives - supported by the key enablers - contribute to the vision of the 21st Century Economic Roadmap. It contributes to two main objectives of the agriculture sector which is identified as one of the core sectors in the 21st Century Economic Roadmap



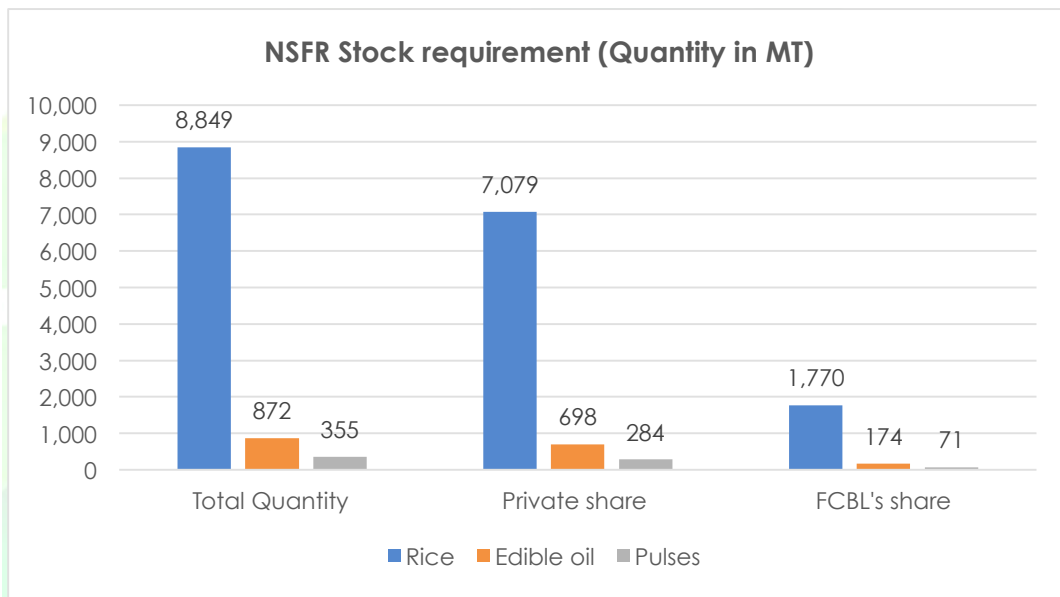
4.1) National Strategic Food Reserve

i) **NSFR requirement:** FCBL is mandated to maintain strategic food reserve of 8,613 metric tons of rice, 825 metric tons of oil, and 333 metric tons of pulses at all times. Additionally, 360 metric tons of rice must be maintained as part of the SAARC food reserve for emergencies. Given the presence of multiple importers and grocery shops engaged in the food sector, FCBL will maintain at least 20% of the total requirement unless otherwise directed. Should private importers and retail outlets fail to maintain adequate food stock, FCBL will take the lead in importing the necessary quantity to meet the overall requirements.

ii) **Stock replenishment & quality control:** Food items are highly susceptible to infestation and require replenishment every three months. FCBL will implement timely replenishment using a First-In-First-Out (FIFO) method, collaborating actively with

institutions, wholesalers and retail outlets. To champion the quality management, the company will invest in obtaining ISO certification for QMS by 2030.

iii) **Warehouse and logistics:** Three regional warehouses in Phuntsholing, Gelephu and S/Jongkhar will play a critical role to facilitate the procurement of the required food items, store it and distribute to dzongkhags warehouses within their respective region. Phuntsholing regional warehouse will distribute to eight western dzongkhags; Haa, Paro, Thimphu, Gasa, Punakha, Wangdue, Samtse and Chukha. Whereas, Gelephu regional warehouse will manage supplies to six central dzongkhags; Bumthang, Trongsa, Zhemgang, Sarpang, Tsirang and Dagana. Similarly, S/Jongkhar regional warehouse will manage food reserve for eight eastern dzongkhags; Mongar, Lhuntse, Tashiyangtse, Trashigang, Pemagatshel and Sumdrup Jongkhar.



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To ensure effective logistic management during the emergencies, it is necessary to have at least one warehouse in every dzongkhags. Some dzongkhags such as Gasa, Dagana and Zhemgang do not currently have a warehouse. Furthermore, the existing warehouses in Thimphu, Bumthang and Pemagatshel require expansion to accommodate the mandated food reserve. FCBL will seek one-time government assistance for constructing three new warehouses and expanding three existing ones.

FCBL will ensure to make the stocks readily available at all times at the dzongkhag level through the operation of their warehouses. However, during the times of emergencies, the distribution of food items to the affected areas shall be handled as per the national disaster management plan.

iv) Home-grown products to substitute NSFR: Recognizing the uncertainties surrounding food items and the need to increase local production, FCBL will work closely with relevant departments, such as the Department of Agriculture and the Department of Agriculture Marketing & Cooperatives, to promote homegrown products and gradually substitute imported items.

Among various homegrown products, FCBL will explore avenues to promote local rice, wheat, buckwheat, frozen French fires and Kharang as rice substitutes, as well as Rajma beans for pulses and locally manufactured edible oil to replace imports.

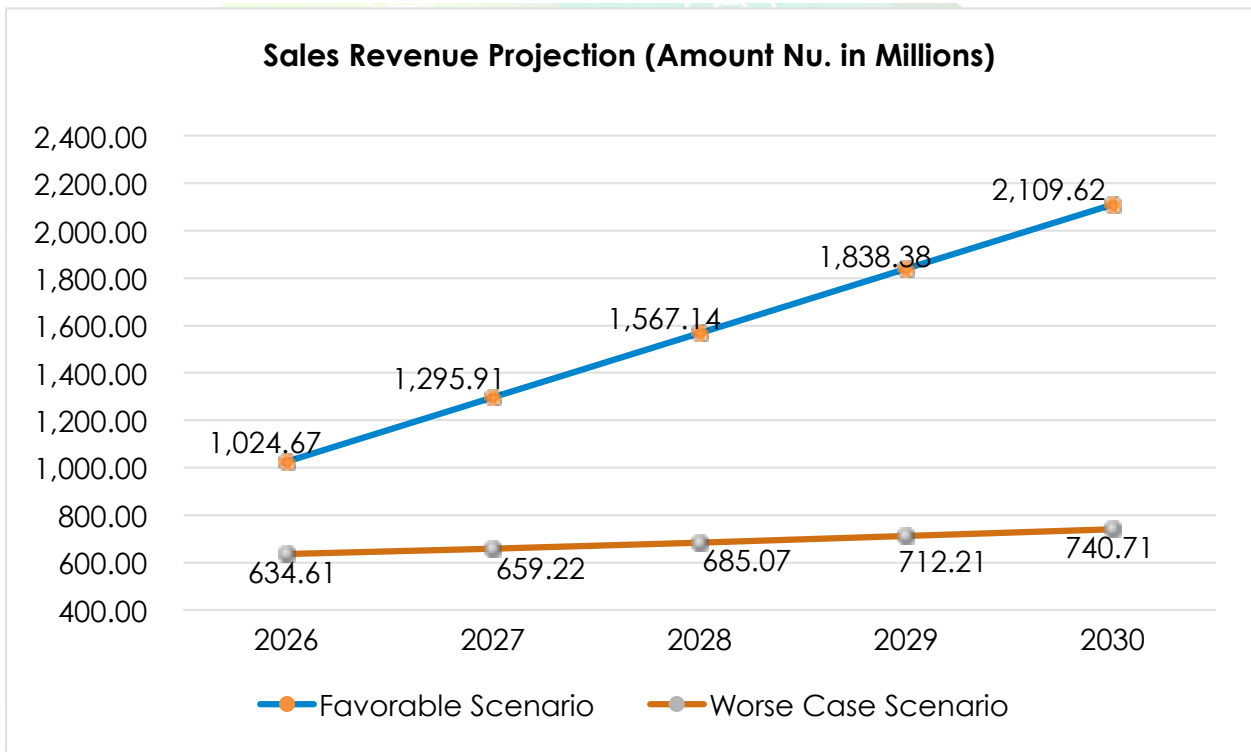
Warehouse Construction Plan

Location	Capacity (MT)		Cost (in million)	Year-wise Infra. Development Plan				
	Existing	Proposed		2026	2027	2028	2029	2030
Bumthang	100	300	10.24		-	-	xxx	-
Dagapela	-	400	15.92	xxx	-	-	-	-
Gasa	-	100	4.69	-	-	-	xxx	-
Zhemgang	-	300	18.86	-	xxx			
Thimphu	940	2,100	73.38	-				xxx
Pemagatshel	50	300	10.65	-		xxx		

4.2) Export of Agricultural Products

i) Market expansion: India has historically been the primary market for Bhutanese vegetables and potatoes. However, frequent regulatory changes and market disruptions impact agricultural exports significantly. Therefore, it is crucial to explore alternative markets, including Nepal, Bangladesh, Malaysia, and Thailand. FCBL will collaborate with the Department of Agriculture Marketing and Cooperatives (DAMC) and other relevant agencies to ensure new market. For Bangladesh, FCBL will pursue opportunities to export seed potatoes, which are legally permitted.

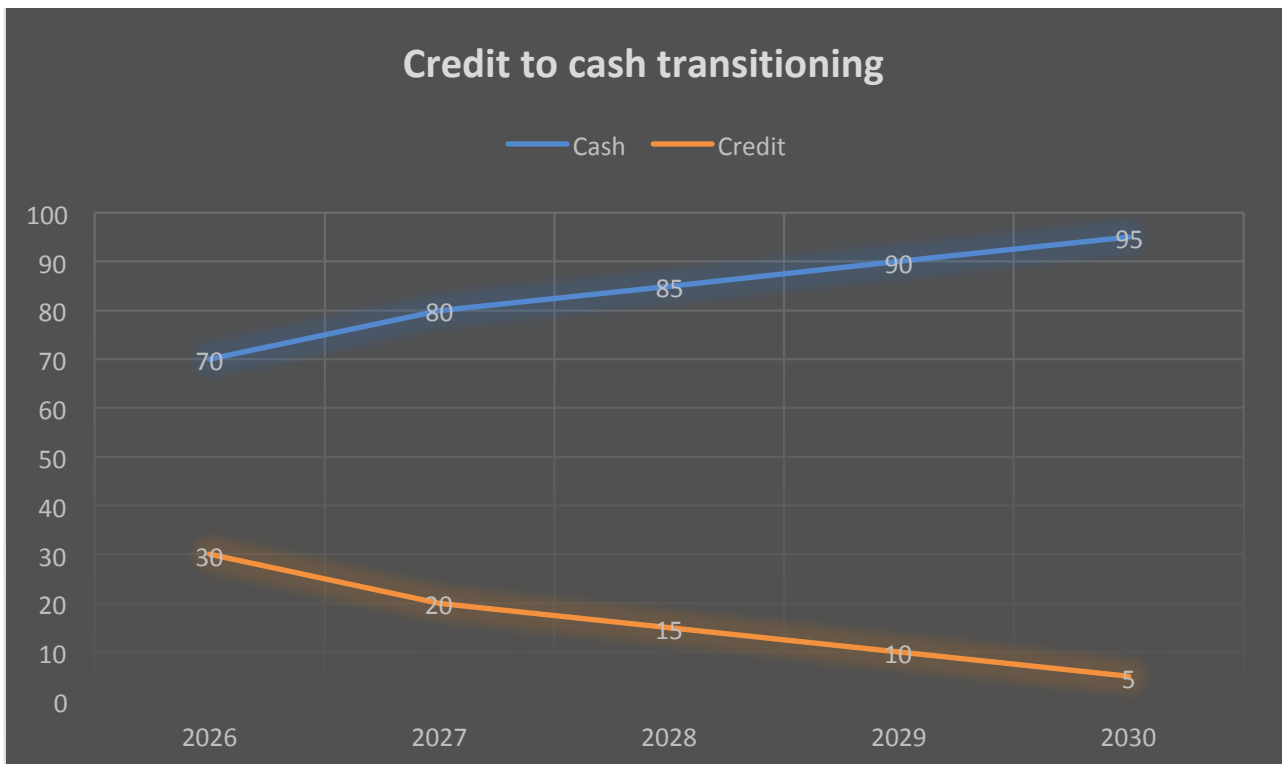
ii) Source - to - market facilitation: With the establishment of Potato Trade Facilitation Centres at strategic locations, seasonal grading, packing, and online auction services will be provided to growers in Bumthang and Wangdue (Gangtey, Phobjikha, and Bjena). A similar facility will be established in Khaling, Trashigang, with support from the Ministry of Agriculture and Forests, catering to residents of Mongar, Tashiyangtse, and Trashigang. The online auction platform will be strengthened for convenience and ease of use among buyers.



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iii) Streamline credit sales: Credit sales to Indian buyers represent 30% of total exports and carry significant risks, resulting in considerable bad debts. While FCBL has historically offered credit sales to support Bhutanese farmers, the associated risks threaten the sustainability of the auction service. Therefore, transitioning to upfront payments will be prioritized, with an approach to gradually reduce credit sales. Although this may impact export service revenue, eliminating bad debt risk is crucial. To facilitate this transition, 2% of the total 7.5% service charge will be allocated to cover potential losses from credit sales, with a structured plan outlined below:

iv) Time-bound market-oriented export: In addition to regular auction exports, FCBL will prioritize executing time-bound targeted business initiatives based on market-driven approaches to maximize profits and minimize losses. Specific cash crops, such as cardamom, ginger, and avocado, will be prioritized. The execution process will entail identifying potential markets and buyers, obtaining offer rates, conducting cost analyses to establish prices for farmers, and deploying dedicated teams with clear Terms of Reference (ToR) at strategic locations. This initiative aims to achieve a win-win outcome for both farmers and FCBL by delivering services directly to producers and ensuring assured revenue.



v) Dedicated outlet for Home-grown products: In an attempt to promote and support home-grown authentic Bhutanese agricultural products, a dedicated outlet will be established in major urban settlements starting from Thimphu. This initiative is aimed at fostering a vibrant entrepreneurial ecosystem by creating marketing platforms for the Bhutanese entrepreneurs to sell their products thereby encouraging, supporting and motivating young minds venture into more innovative ventures.

vi) Establishment of Fair-price Fruits & vegetable outlets; It has been noticed that fresh fruits and vegetables are sold at the exorbitant price, making it difficult for the poor urban-dwellers to buy. Vegetables vendors retain as high as 100% or more margin, especially for the imported vegetables, which needs to be stabilized to make it more affordable. FCBL will open fair-price outlets in strategic locations, not to compete but to help stabilize the price to protect the consumers. By executing six strategies as highlighted above, the sales from the export business is expected to increase from Nu. 1.02 billion in 2026 to Nu. 2.10 billion in 2030 with year-on-year growth of 9.65%.

4.3) Food and Essential Commodities

i) **Product diversification:** In response to changing market demands and the emergence of new products, diversifying the product range is imperative to cater to customer preferences. FCBL should explore opportunities to enter the Thai food product market, where products are performing well. Additionally, essential commodities from countries like Malaysia, South Korea, and China will be assessed for potential inclusion in the

portfolio, following thorough evaluations of product performance, market demand, profit margins, and supply capacity. Successful diversification of sought-after essential goods will contribute significantly to enhancing revenue, supporting the National Food Security Reserve, which is at the core of FCBL's mandate.

ii) **Inventory optimization:** Given the wide range of products, efficient inventory management is critical. A comprehensive annual performance assessment for each product will be conducted, focusing on all cost components (including but not limited to purchase price, transportation, labor charges, and draft charges) to evaluate profit contributions. Following the assessment, underperforming items will be promptly removed to prevent stock stagnation and create opportunities for new items with better potential.

iii) **Increase sales outlet:** The national aspiration of the Gelephu Mindfulness City project, expected to attract thousands of foreign laborers and expatriates, presents an unparalleled opportunity for FCBL. The company will proactively prepare to establish high-standard supermarkets in three strategic locations within GMC, in consultation with GMC Administration. These supermarkets will offer a diverse range of premium food products, including seafood, fresh fruits, and vegetables. Given urban expansions, particularly in Thimphu, Paro, and Phuntsholing, FCBL will open additional sales outlets to ensure convenient access to essential goods for the general public. At least two new outlets will be established in Thimphu (Taba and Babesa), along with dedicated outlets in Thimphu, Paro, and Phuntsholing to promote homegrown products, supporting startups and making a variety of local products available under one roof.

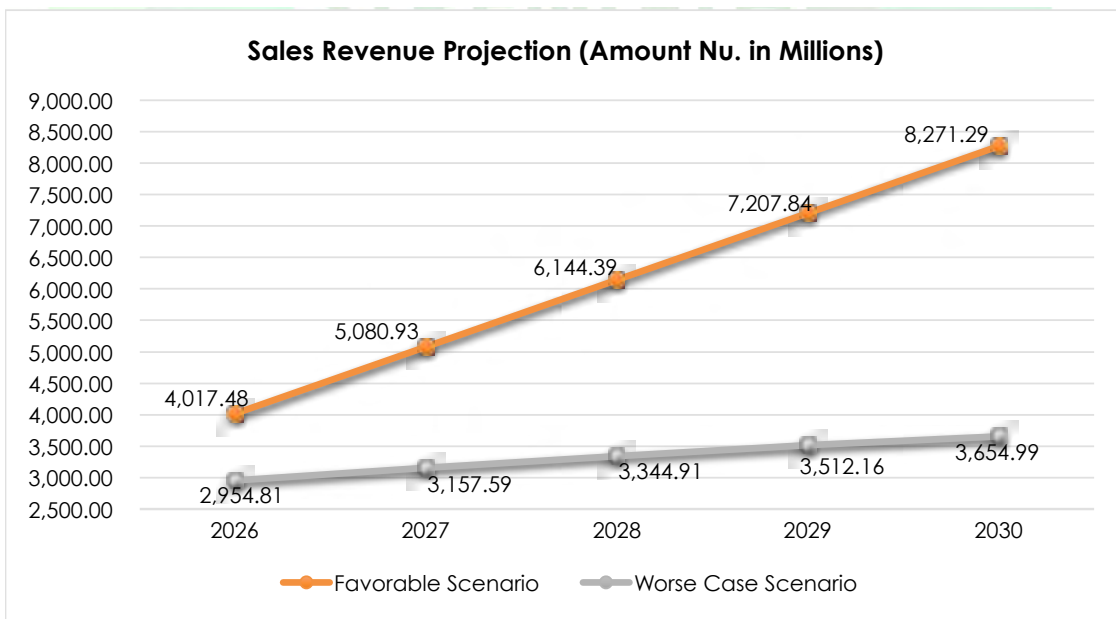
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iv) Introduce mobile marketing: Currently, FCBL operates only one warehouse or sales outlet in every dzongkhag, making it challenging to serve communities beyond the main dzongkhags areas.

While establishing sales outlets in every community may be ambitious, introducing mobile marketing presents an effective solution.

This initiative will enable FCBL to meet community demands for food and essential items. To initiate this program, two customized marketing trucks will be introduced to serve the central and eastern regions of Bhutan, managed by the Samdrup Jongkhar and Gelephu regional offices.

v) Sales Apps: As the market becomes increasingly competitive, customers are seeking faster, more convenient, and efficient services. To address this trend, FCBL plans to undergo digital transformation by developing and launching a mobile application titled “Druk Food” by 2027. This app will include features such as an up-to-date inventory list with pricing, a customizable food basket for simplified product selection, the ability to place instant purchase orders with flexible payment options, including online payment gateways, and home delivery services. The app will be fully integrated with the ERP system managing the company’s overall business, finance, and accounts operations. All-in-all, the sales from the food and essential items will be increased from Nu. 3.4 billion in 2026 to Nu. in 7.13 billion 2030 with year-on-year growth of 9.65%.





SECTION V

STRATEGIC OBJECTIVES, KPIs,
MONITORING & EVALUATION

SECTION V – Strategic Objectives, KPIs, Monitoring and Evaluation

5.1) The Monitoring and Evaluation

(M&E) framework is designed to systematically track, review, and evaluate the implementation and outcomes of the FCBL Business Strategy 2026–2030. It will ensure accountability, facilitate continuous learning, and guide evidence-based decision-making to achieve FCBL’s strategic objectives. The objectives of M&E are:

- i. Track progress towards achieving strategic objectives and key milestones.
- ii. Identify implementation bottlenecks and facilitate timely interventions.
- iii. Measure outcomes and impacts relative to planned targets.

5.2) Key Components

Component	Activity	Frequency	Responsibility
Performance Monitoring	Track implementation of strategic initiatives and KPIs.	Monthly, Quarterly, Annually	CEO and Directors
Financial Monitoring	Budget utilization, revenue, profit, and cash flow analysis.	Monthly and Quarterly	DoCS, FAD & BAC
Operational Monitoring	Food stock levels, product diversification, export facilitation and warehouse construction progress.	Monthly	FECD, AMD & HRAD
Human Resource Monitoring	Staff development programs, attrition rates, talent acquisition and retention.	Semi-Annual	HRAD
ICT System Monitoring	ERP upgrades, cybersecurity measures, ICT team capacity building.	Quarterly	ICTRD
Internal Controls Monitoring	Procurement compliance, inventory audits, crisis management drills.	Monthly and Annually	IAU and Legal Unit
Risk Monitoring	Identification and management of strategic and operational risks.	Quarterly	IAU and Risk Management Committee

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5.3) Strategic Objectives, Performance Indicators and Targets

National Objectives	Company's strategic objectives	Strategic Initiatives	Key Performance Indicators (KPI)	Performance Targets	Monitoring
Strengthen national food security through sustainable production, strategic food reserves and resilient supply chains to mitigate risks from disruption.	1. Ensure National Food Security with Sustainable Stock Management	i) Maintenance of NFSR Stock	i) Percentage of NFSR stock maintained ii) Total quantity of food reserve available by category (rice, oil, pulses) iii) NFSR stock maintained in all districts	i) Maintain a minimum of 20% (1,770 MT of rice, 174mt of oil and 71 mt of pulses) of the mandated stocks at all times. ii) Maintain NFSR stocks in all 20 districts.	i) Monthly stock reports ii) Annual physical verification report iii) Stock purchase report
		ii) Stock replenishment & Quality Control	i) No. of quality inspections carried out. ii) FFO system implemented iii) Stock damages contained within the permissible limit. iv) ISO Certification for Quality Management System (QMS) obtained	i) Ensure quality inspections for every consignment. ii) 100% FFO system compliance at all times. iii) Spoilage of FG and Essential Items contained within 0.15% and 0.1%, respectively. iv) ISO Certification for QMS obtained by 2030	i) Quality inspection reports ii) FFO compliance records iii) Spoilage/expiry reports iv) ISO Certificate
		iii) Storage Infrastructure Development	i) No. of new warehouses constructed ii) No. of existing warehouses renovated iii) Storage capacity increased	i) Build one and renovate one warehouse every year from 2026 to 2030 ii) Increase the storage capacity by 2810 mt by 2030. iii) Ensure to have one warehouse for every district.	i) Annual infrastructure development reports ii) Capital expenditure report iii) Contract agreements with the contractors iv) Project completion reports
		iv) Promotion of home-grown products to substitute NFSR items	No. of home-grown products introduced in the market through FCBL outlets.	i) Distribute at least 75 MT of rice, 10 MT of rajma beans annually from 2026. ii) Distribute at least 15 MT of kharang and 12 MT of wheat annually from 2027. iii) Distribute at least 8 MT of buckwheat flour annually from 2028.	i) Purchase & Sales reports ii) Contract agreements with the identified growers iii) Stock report

Business Strategy (2026 to 2030)

Business Strategy (2026 to 2030)

National Objectives	Company's strategic objectives	Strategic Initiatives	Key Performance Indicators (KPI)	Performance Targets	Monitoring
<p>Enhance production, expand domestic & internal market, Increase export by three folds and Export High value exports such as Quinoa, cardamom, Ginger, Wheat and Buckwheat etc</p> <p>2. Strengthen Export and Promotion of Agricultural Products</p>	<p>2. Strengthen Export and Promotion of Agricultural Products</p>	i) Export business	<ul style="list-style-type: none"> i) Percentage of sales revenue increased. ii) Quantity of agricultural products exported. 	<ul style="list-style-type: none"> i) Increase the sales to Nu. 637.69 million in 2026 to Nu. 1.30 billion by 2030. ii) Increase the export quantity by 10% annually from 2026 to 2030. 	<ul style="list-style-type: none"> i) Annual sales performance report ii) Annual export facilitation report iii) Audit reports
		ii) Market expansion	<ul style="list-style-type: none"> i) No. of market exploration trips made. ii) No. of new markets secured. iii) No. of new buyers introduced. 	<ul style="list-style-type: none"> i) Undertake at least two market exploration trips annually. ii) Secure at least one reliable market annually between 2026 to 2030. iii) Export at least 1000 MT of agricultural products to the new markets annually from 2026. 	<ul style="list-style-type: none"> i) Market exploration reports ii) List of new buyers registration iii) Business transaction records with new markets.
		iii) Source-to-market facilitation	<ul style="list-style-type: none"> i) Quantity of fruits & vegetables facilitated directly from the source. ii) No. of export facilitation centres established at different strategic sources. 	<ul style="list-style-type: none"> i) Increase the quantity to 1427.86 MT in 2026 with an incremental growth of 10% every year. ii) Establish two additional Trade Facilitation Centres at the source. 	<ul style="list-style-type: none"> i) Sales revenue report ii) Export facilitation report iii) Infrastructure development report
		iv) Streamline credit sales	<ul style="list-style-type: none"> i) Percentage of credit sales reduced ii) Percentage of cash sales increased iii) Percentage of bad debts reduced 	<ul style="list-style-type: none"> i) Reduce the credit sales to 30% of the total turnover in 2026, with a 5% reduction from thereon. ii) Reduce the bad debt by 10% annually. 	<ul style="list-style-type: none"> i) Credit and cash sales report ii) Bad debts report iii) Audit reports.
		v) Time-bound market-driven business (cardamom, ginger, avacado, & etc.)	<ul style="list-style-type: none"> i) Percentage of sales revenue generated ii) Quantity and value of time-bound products exported 	<ul style="list-style-type: none"> i) Increase the sales revenue to Nu. 375.86 million in 2026 to Nu. 773.84 by 2030. ii) Increase the quantity of time-bound products by 9.65% annually. 	<ul style="list-style-type: none"> i) Annual sales performance report ii) Audit reports iii) Completion report
		vi) Dedicated outlets for home-grown products	<ul style="list-style-type: none"> i) No. of sales outlets opened ii) Home-grown products inventory iii) Sales revenue generated 	<ul style="list-style-type: none"> i) Establish at least three dedicated sales outlets (Thimphu by 2026, Phuntsholing by 2027 and Gelephu 2028). ii) Generate sales revenue of 12 million by 2026, 24 million by 2027 and 36 million by 2028 and 10% growth thereafter annually. 	<ul style="list-style-type: none"> i) Establishment report ii) Annual sales performance report iii) Purchase report
		vii) Establishment of fair-price shop for fruits and vegetables	<ul style="list-style-type: none"> i) No. of sales outlets opened ii) Home-grown products inventory iii) Sales revenue generated 	<ul style="list-style-type: none"> i) Establish three outlets in Taba, Mutithang, & Babesa in Thimphu by 2026, Phuntsholing and Gelephu by 2027, and Paro & Punakha by 2028. ii) Generate sales revenue of 12 million by 2026, 24 million by 2027 and 36 million by 2028 and 10% growth thereafter annually. 	<ul style="list-style-type: none"> i) Establishment report ii) Annual sales performance report iii) Purchase report

Business Strategy (2026 to 2030)

Business Strategy (2026 to 2030)

National Objectives	Company's strategic objectives	Strategic Initiatives	Key Performance Indicators (KPI)	Performance Targets	Monitoring
Strengthen national food security, strategic food reserves and resilient supply chains to mitigate risks from disruption.	3. Strengthen Food and Essential Commodities business	i) Enhance sales of food and essential commodities	i) Percentage of sales revenue increased. ii) Percentage of procurement increased. iii) Percentage of selling & distribution increased.	i) Increase the sales revenue to Nu.3.47 billion in 2026 with 9.65% growth thereafter. ii) Increase the procurement to Nu.3.11 billion in 2026 with 9.65% increase thereafter.	i) Sales performance report. ii) Procurement report iii) Audit reports
		ii) Product diversification	i) No. of new products introduced. ii) Percentage of sales revenue generated through the introduction of new products.	i) Introduce at least 25 new products annually. ii) Increase the sales revenue through new products by 5% of the total sales.	i) Annual sales report ii) Product Introduction records iii) Product profitability report
		iii) Inventory optimization	i) Product profitability assessment conducted. ii) No. of slow-moving products removed.	i) Conduct product profitability assessment annually. ii) Remove slow-moving products that contributes less than a profit of Nu.10,000 annually.	i) Product profitability report ii) Lists of slow-moving products removed.
		iv) Increase sales outlets	i) No. of new outlets opened. ii) Percentage of sales revenue increased.	i) Open an additional outlet in Thimphu, Paro, and Phuentsholing by 2027. ii) Increase sales by 5% of total sales revenue annually, exclusively through the new outlets. iii) Open high-standard supermarket in GMC by 2030	i) Updated lists of sales outlets ii) Sales report of new outlets iii) Annual directors' report
		v) Introduce mobile marketing	i) New marketing truck procured ii) Mobile marketing implemented iii) Sales performance from the mobile marketing achieved	i) Procure one marketing truck in 2026, and two marketing trucks in 2027. ii) Achieve sales revenue of at least Nu.36 million in 2026 and Nu.108 million thereafter annually.	i) Vehicle purchase receipt ii) Mobile marketing performance report iii) Annual Performance Compact (APC)
		vi) Introduce Sales App (Druk Food)	Sales App developed and operationalized	i) Develop and operationalize a dedicated Sales App by 2027. ii) Generate at least 15% of total sales revenue through the Sales App in 2028 and 10% growth thereafter.	i) Sales App made available to the customers ii) Revenue (report) generated through Sales App

Business Strategy (2026 to 2030)

5.4) Evaluation Plan

Evaluation Type	Objective	Timing
Annual Evaluation	Evaluate progress and performance annually	Annual
Mid-Term Evaluation	Assess progress and propose mid-course corrections, if needed.	2028
Final Strategy Evaluation	Comprehensive assessment of strategy outcomes and lessons learned.	2030
Thematic Evaluations	Focus on specific areas like warehouse infrastructure, export growth, digitalization.	As and when needed



SECTION VI

ENABLERS TO SUPPORT
STRATEGIC INITIATIVES

SECTION SIX: Enablers to support strategic initiatives

The company will use four key enablers financial performance, human resource development, ICT development and strengthening of internal control systems to achieve three broad strategic objectives and initiatives highlighted under each of the objective.

6.1) Financial Performance

i) Budget preparation: Developing a comprehensive budget is crucial for ensuring financial stability and operational efficiency, and it will be prioritized accordingly. The budgeting process will follow a bottom-up approach, ensuring that inputs from operational levels are accurately captured and owned. FCBL will maintain capital expenditure (CAPEX) at 3% of the total budget to control investments in fixed assets while ensuring liquidity for operational needs. Similarly, operational expenses (OPEX), excluding direct material and selling & distribution costs, will be capped at 10% of total OPEX to optimize cost efficiency.

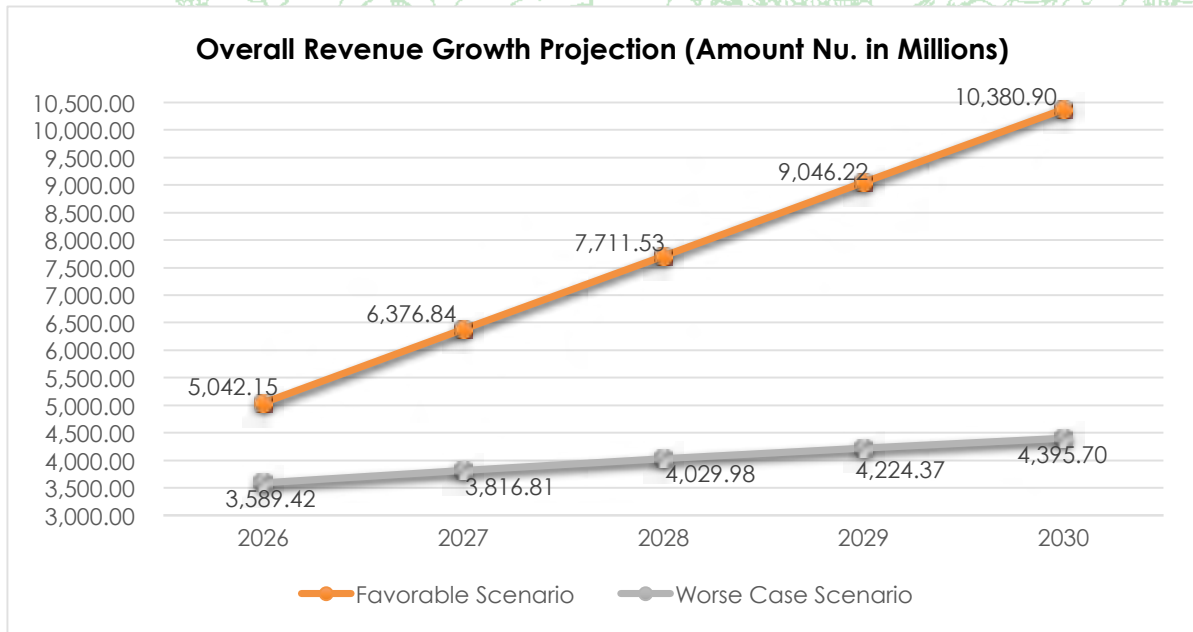
ii) Financial target / projections: Historical compound annual growth rate (CAGR) has been used as the primary basis, along with necessary assumptions, to set financial projections/targets. This projection is expected to serve as a broader target to guide the company is setting a pragmatic performance target annually. It will involve a comprehensive target setting including but not limited to forecasting revenue, expenses, profitability, and capital requirements. The company aims to increase revenue by 50% and profit before tax by 100% by 2030.

iii) Investment and resource allocation: Strategic allocation of financial resources will be executed to drive growth and development. Maximum investment will be prioritized for products or activities that has potential to contribute higher returns to the company. However, resource allocation to other revenue generating activities shouldn't come at the cost of compromising NSFR.

Budget Preparation Process



Business Strategy (2026 to 2030)



6.2) Human Resources Development

Human resources are pivotal to enhancing operations and business management. The HR function requires a robust strategy to maximize the value of this essential human capital and contribute to the organization's overall success. As FCBL seeks to significantly boost performance over the next five years, HR will continue to play a crucial role in driving the organization toward its goals. The company's ability to translate its vision into actionable results will depend largely on the quality and commitment of its employees. Consequently, FCBL is dedicated to investing in human capacity through HR strategies aligned with its objectives.

The primary focus of the HR strategy will be to attract, develop, and retain top talent while fostering an environment that encourages growth and meaningful contributions. To support this HR development strategy, the following initiatives will be implemented:

- i) Develop an HR strategy emphasizing how to attract, retain, and reward high-performing employees.
- ii) Conduct annual succession planning to mitigate disruptions caused by resignations and retirements of senior employees.
- iii) Ensure that all employees at the Corporate Headquarters and Regional Offices possess a minimum of a bachelor's degree unless otherwise necessary.
- iv) Strive to build small, efficient teams at all levels to optimize employee-related expenses.
- v) Allocate dedicated resources annually to support capacity-building programs.

6.3) Information Communication and Technology

The role of ICT is becoming increasingly vital in efficiently managing the day-to-day business and financial transactions. Considering the chain of sales outlets nationwide and a huge business turnover which is expected to grow year-on-year, it has become more important to transform the ICT system in the company by embracing the cutting-edge technology. Therefore, FCBL will carry out the following strategic interventions and developments;

i) Upgrade the current ERP to an advance system: The new ERP will be equipped with cutting-edge features and integrated Business Intelligence (BI) tools to enable real-time data analytics across all business and non-business functions. This transformation is aimed to enhance data-driven decision-making, operational efficiency, and overall organizational agility.

ii) Improve server infrastructure: As a strategic measure to enhance server architecture and ensure seamless failover mechanisms, FCBL will establish a parallel off-site server in collaboration with Thimphu Tech Park Pvt. Ltd. or any other inhouse service providers.

This setup will support automated failover systems, enabling real-time load balancing and uninterrupted service continuity. By doing so, FCBL aims to significantly improve system availability, reliability, and resilience against potential disruptions, ensuring consistent performance across all operations.

iii) Strengthen Cybersecurity Measures: FCBL will implement policies covering user access control, incident response, and data protection in line with the growing cyber-security threats. FCBL will also set up enterprise-grade firewall systems to safeguard on the growing security threats. Organization-wide cyber-security awareness program will be conducted to promote safe digital practices among all staff, ensuring a culture of security across the corporation.

iv) Align the ERP solutions with ISO Certification Standards: Robust audit trail and control features will be integrated in the new ERP system to ensure transparency, accountability, and regulatory compliance. FCBL will also collaborate with certified ISO consultants to align ERP functionalities and data management practices with ISO standards for certification, driving operational excellence across the organization.

6.4) Internal Control System

i) **Risk Management:** Both the export and import businesses of FCBL are almost entirely reliant on Indian market. Any restrictions imposed on export items from India and import of agricultural products into India directly affects FCBL's service. Additionally, in case of market crash down in India, FCBL will not be able to facilitate export of Bhutanese agriculture products.

In the light of above, it is imperative to identify risk and develop risk mitigation plan every year to effectively respond to unforeseen events or crises. The plan shall identify potential risk, chart out measure to respond to the risk and also clearly highlight support requirement from the relevant stakeholders.

ii) **Enhanced monitoring:** As part of internal control measures, a series of monitoring and assessment effort will be carried out on a sustainable basis. Below are the key measures aimed at strengthening internal control system and ensure transparency at all levels;

a) It includes daily monitoring of sales revenue to track performance and identify any potential discrepancies.

b) Conduct thorough account reconciliation on a monthly basis to ensure accuracy and identify any irregularities.

c) Conduct ad-hoc and annual physical verifications of inventory and assets whenever and wherever necessary to ensure accuracy and prevent losses.

d) Facilitate annual audits by the Royal Audit Authority (RAA), Statutory Auditors, and Tax Auditors to provide independent assurance over financial reporting and compliance.

7.4 Strengthen legal team: Considering massive scale operations nation-wide, issues of various forms are inevitable. Of all, most issues arise from credit customers pertaining to credit default cases. Almost 40% of the total sales are on credit and it is found necessary to attract customers. Nonetheless, default cases are inevitable in spite of strict measures put in place. During issues such as this, the only alternative is to resort to legal recourse. Hence, it is crucial to strengthen legal team by employing two qualified lawyers. This arrangement will help to provide the necessary expertise to manage legal risks, ensure compliance, and handle legal matters effectively.



SECTION VII

APPENDICES

Business Strategy (2026 to 2030)

SECTION SEVEN: Appendices

7.1) Statement of Financial Position Forecast (Favorable scenario)

STATEMENT OF FINANCIAL POSITION FORECAST (2026-2030)						
(Amount Nu. in million)						
PARTICULARS	FY'24 Actual	FY'26 Plan	FY'27 Plan	FY'28 Plan	FY'29 Plan	FY'30 Plan
ASSETS						
Non-Current Assets						
Property, Plant & Equipment	382.16	677.45	691.42	692.54	693.60	749.11
Right of Use Assets	1.75	1.38	1.20	1.02	0.92	0.82
Capital Work in Progress	189.28	-	-	-	-	-
Other Financial Assets	215.67	232.67	232.67	232.67	245.70	245.70
Deferred Tax Assets	1.06	1.06	1.06	1.06	1.06	1.06
Loans and Advances	0.75	0.75	0.75	0.75	0.75	0.75
Total	790.68	913.31	927.10	928.04	942.03	997.44
Current Assets						
Inventories	287.19	308.75	336.01	368.98	407.65	452.03
Cash and Cash Equivalent	137.66	211.75	231.17	311.66	359.82	489.73
Short-Term Investment	86.00	90.00	94.95	100.17	105.68	111.49
Trade and Other Receivables	260.54	149.66	189.28	228.89	268.51	308.13
Loans and Advances	199.85	109.78	109.78	109.78	109.78	109.78
Tax Deducted at Source	14.83	6.11	7.72	9.34	10.96	12.57
Total	986.07	876.04	968.91	1,128.82	1,262.40	1,483.73
TOTAL ASSETS	1,776.74	1,789.35	1,896.01	2,056.85	2,204.43	2,481.17
LIABILITIES						
Non-Current Liabilities						
Deferred Capital Grant	541.67	527.99	509.50	507.06	484.95	552.27
Deferred Tax Liabilities	-	-	-	-	-	-
Lease Liability	2.06	1.74	1.56	1.36	1.27	1.18
Provisions	48.25	57.97	52.91	63.56	58.02	69.70
Total	591.99	587.70	563.98	571.99	544.24	623.14
Current Liabilities						
Borrowings	71.94	-	-	-	-	-
Other Liabilities	86.53	86.53	86.53	86.53	86.53	86.53
Trade and Other Payables	76.83	78.48	99.26	120.03	140.81	161.58
Provisions	33.09	36.29	39.79	43.63	47.84	52.45
Total	268.39	201.30	225.58	250.19	275.17	300.57
TOTAL LIABILITIES	860.37	789.00	789.55	822.18	819.42	923.71
EQUITY						
Share Capital	15.00	15.00	15.00	15.00	15.00	15.00
Reserves and Surplus	785.76	785.76	785.76	785.76	785.76	785.76
Retained Earnings	115.62	199.60	305.70	433.92	584.26	756.71
TOTAL EQUITY	916.37	1,000.36	1,106.46	1,234.68	1,385.01	1,557.46
TOTAL LIABILITIES & EQUITY	1,776.74	1,789.35	1,896.01	2,056.85	2,204.43	2,481.17

Business Strategy (2026 to 2030)

7.2) Statement of Financial Position Forecast (Worst-case scenario)

STATEMENT OF FINANCIAL POSITION FORECAST (2026-2030)

(Amount Nu. in million)

PARTICULARS	FY'24 Actual	FY'26 Plan	FY'27 Plan	FY'28 Plan	FY'29 Plan	FY'30 Plan
ASSETS						
Non-Current Assets						
Property, Plant & Equipment	382.16	684.10	711.32	732.24	759.59	847.80
Right of Use Assets	1.75	1.38	1.20	1.02	0.92	0.82
Capital Work in Progress	189.28	-	-	-	-	-
Other Financial Assets	215.67	232.67	232.67	232.67	245.70	245.70
Deferred Tax Assets	1.06	1.06	1.06	1.06	1.06	1.06
Loans and Advances	0.75	0.75	0.75	0.75	0.75	0.75
Total	790.68	919.97	947.01	967.74	1,008.02	1,096.13
Current Assets						
Inventories	287.19	304.69	323.69	343.97	365.26	387.25
Cash and Cash Equivalent	137.66	191.54	172.15	196.84	168.11	201.89
Short-Term Investment	86.00	90.00	94.95	100.17	105.68	111.49
Trade and Other Receivables	260.54	112.88	120.12	126.87	132.98	138.30
Loans and Advances	199.85	109.78	109.78	109.78	109.78	109.78
Tax Deducted at Source	14.83	4.61	4.90	5.18	5.43	5.64
Total	986.07	813.50	825.59	882.81	887.23	954.36
TOTAL ASSETS	1,776.74	1,733.47	1,772.59	1,850.55	1,895.25	2,050.49
LIABILITIES						
Non-Current Liabilities						
Deferred Capital Grant	541.67	531.11	515.72	519.46	503.49	580.00
Deferred Tax Liabilities	-	-	-	-	-	-
Lease Liability	2.06	1.74	1.56	1.36	1.27	1.18
Provisions	48.25	57.97	52.91	63.56	58.02	69.70
Total	591.99	590.82	570.19	584.39	562.78	650.87
Current Liabilities						
Borrowings	71.94	-	-	-	-	-
Other Liabilities	86.53	86.53	86.53	86.53	86.53	86.53
Trade and Other Payables	76.83	55.80	59.33	62.65	65.67	68.33
Provisions	33.09	36.29	39.79	43.63	47.84	52.45
Total	268.39	178.62	185.65	192.80	200.03	207.31
TOTAL LIABILITIES	860.37	769.43	755.84	777.19	762.81	858.19
EQUITY						
Share Capital	15.00	15.00	15.00	15.00	15.00	15.00
Reserves and Surplus	785.76	785.76	785.76	785.76	785.76	785.76
Retained Earnings	115.62	163.28	215.99	272.61	331.68	391.55
TOTAL EQUITY	916.37	964.03	1,016.75	1,073.36	1,132.44	1,192.30
TOTAL LIABILITIES & EQUITY	1,776.74	1,733.47	1,772.59	1,850.55	1,895.25	2,050.49

Business Strategy (2026 to 2030)

7.3) Cashflow Statement (Favorable scenario)

STATEMENT OF CASH FLOWS FORECAST (2026-2030)						
(Amount Nu. Million)						
Particular	FY 24	FY 26	FY 27	FY 28	FY 29	FY 30
Operating Activities						
Comprehensive Income before tax	61.84	83.98	106.10	128.22	150.34	172.45
Depreciation Charges	21.46	29.19	36.92	44.64	52.37	60.10
Deferred Tax	0.21	-	-	-	-	-
Actuarial Gain/Loss	(6.30)	-	-	-	-	-
Interest on Short-Term Borrowing	0.73	-	-	-	-	-
Interest on Fixed Deposit	(15.77)	(21.44)	(27.12)	(32.80)	(38.47)	(44.15)
Operating Profit before changes in Working Capital	62.17	91.73	115.90	140.07	164.23	188.40
(Increase)/Decrease in Inventories	(15.67)	(21.56)	(27.26)	(32.97)	(38.67)	(44.38)
(Increase)/Decrease in Trade & Other Receivables	(165.92)	110.88	(39.62)	(39.62)	(39.62)	(39.62)
(Increase)/Decrease in Other Financial Assets	(162.67)	(17.00)	-	-	(13.03)	-
(Increase)/Decrease in Loans & Advances	78.53	-	-	-	-	-
Increase/(Decrease) in Non-Current Liabilities	58.78	(4.29)	(23.72)	8.01	(27.74)	78.90
Increase/(Decrease) in Current Liabilities	67.46	(67.09)	24.28	24.61	24.98	25.39
Net Cash Flow from Operating Activities before Tax	(77.32)	92.67	49.57	100.11	70.15	208.70
Tax deducted at source	(7.81)	8.72	(1.62)	(1.62)	(1.62)	(1.62)
Net Cash Flows from Operating Activities (A)	(85.13)	101.40	47.96	98.49	68.54	207.08
Investing Activities						
Purchase of Property, Plant & Equipment	(55.42)	(44.76)	(50.70)	(45.58)	(53.34)	(115.51)
Increase in Capital - Work-In-Progress	(91.04)	-	-	-	-	-
Purchase of Investments	69.00	(4.00)	(4.95)	(5.22)	(5.51)	(5.81)
Interest on Fixed Deposit	15.77	21.44	27.12	32.80	38.47	44.15
Net Cash Flows from Investing Activities (B)	(61.69)	(27.31)	(28.53)	(18.01)	(20.37)	(77.17)
Financing Activities						
Interest on Short-Term Borrowing	(0.73)	-	-	-	-	-
Net Cash Flows from Financing Activities (C)	(0.73)	-	-	-	-	-
Net Cash Flows During the Year(A+B+C)	(147.54)	74.09	19.43	80.48	48.17	129.91
Opening Balance	285.20	137.66	211.75	231.17	311.66	359.82
Closing Balance of Cash & Cash Equivalents	137.66	211.75	231.17	311.66	359.82	489.73
Break up of closing Cash & Cash Equivalents						
Cash on Hand	3.44	3.44	3.44	3.44	3.44	3.44
Cash at Bank	134.23	208.31	227.74	308.22	356.39	486.29
Closing Balance of Cash & Cash Equivalents	137.66	211.75	231.17	311.66	359.82	489.73

Business Strategy (2026 to 2030)

7.4) Cashflow Statement (Worst-case scenario)

STATEMENT OF CASH FLOWS FORECAST (2026-2030)						
(Amount Nu. Million)						
Particular	FY 24	FY 26	FY 27	FY 28	FY 29	FY 30
Operating Activities						
Comprehensive Income before tax	61.84	47.66	52.72	56.61	59.08	59.86
Depreciation Charges	21.46	22.54	23.66	24.85	26.09	27.39
Deferred Tax	0.21	-	-	-	-	-
Actuarial Gain/Loss	(6.30)	-	-	-	-	-
Interest on Short-Term Borrowing	0.73	-	-	-	-	-
Interest on Fixed Deposit	(15.77)	(16.56)	(17.38)	(18.25)	(19.17)	(20.12)
Operating Profit before changes in Working Capital	62.17	53.64	59.00	63.20	66.00	67.13
(Increase)/Decrease in Inventories	(15.67)	(17.50)	(19.00)	(20.28)	(21.29)	(21.99)
(Increase)/Decrease in Trade & Other Receivables	(165.92)	147.66	(7.24)	(6.75)	(6.11)	(5.32)
(Increase)/Decrease in Other Financial Assets	(162.67)	(17.00)	-	-	(13.03)	-
(Increase)/Decrease in Loans & Advances	78.53	-	-	-	-	-
Increase/(Decrease) in Non-Current Liabilities	58.78	(1.17)	(20.63)	14.20	(21.61)	88.10
Increase/(Decrease) in Current Liabilities	67.46	(89.77)	7.03	7.15	7.23	7.28
Net Cash Flow from Operating Activities before Tax	(77.32)	75.86	19.16	57.52	11.19	135.20
Tax deducted at source	(7.81)	10.23	(0.30)	(0.28)	(0.25)	(0.22)
Net Cash Flows from Operating Activities (A)	(85.13)	86.09	18.87	57.25	10.94	134.98
Investing Activities						
Purchase of Property, Plant & Equipment	(55.42)	(44.76)	(50.70)	(45.58)	(53.34)	(115.51)
Increase in Capital - Work-In-Progress	(91.04)	-	-	-	-	-
Purchase of Investments	69.00	(4.00)	(4.95)	(5.22)	(5.51)	(5.81)
Interest on Fixed Deposit	15.77	16.56	17.38	18.25	19.17	20.12
Net Cash Flows from Investing Activities (B)	(61.69)	(32.20)	(38.27)	(32.55)	(39.68)	(101.20)
Financing Activities						
Interest on Short-Term Borrowing	(0.73)	-	-	-	-	-
Net Cash Flows from Financing Activities (C)	(0.73)	-	-	-	-	-
Net Cash Flows During the Year(A+B+C)	(147.54)	53.88	(19.40)	24.70	(28.74)	33.79
Opening Balance	285.20	137.66	191.54	172.15	196.84	168.11
Closing Balance of Cash & Cash Equivalents	137.66	191.54	172.15	196.84	168.11	201.89
Break up of closing Cash & Cash Equivalents						
Cash on Hand	3.44	3.44	3.44	3.44	3.44	3.44
Cash at Bank	134.23	188.11	168.71	193.41	164.67	198.46
Closing Balance of Cash & Cash Equivalents	137.66	191.54	172.15	196.84	168.11	201.89

Business Strategy (2026 to 2030)

7.5) Statement of Comprehensive Income Forecast (Favorable scenario)

STATEMENT OF COMPREHENSIVE INCOME FORECAST (2026-2030)						
(Amount Nu. in million)						
Particulars	FY 24	FY 26	FY 27	FY 28	FY 29	FY 30
Income						
Revenue from Operations	3,707.47	5,042.15	6,376.84	7,711.53	9,046.22	10,380.90
Other Income	72.26	98.27	124.28	150.29	176.30	202.32
Increase/(Decrease) of Stock in	15.85	21.56	27.26	32.97	38.67	44.38
Total Income	3,795.57	5,161.98	6,528.38	7,894.79	9,261.19	10,627.60
Expenses						
Direct Material Expenses	3,462.44	4,708.92	5,955.40	7,201.88	8,448.36	9,694.84
Selling and Distribution Expenses	59.68	81.16	102.65	124.13	145.61	167.10
Financing Cost	4.18	5.68	7.18	8.69	10.19	11.69
Employee Benefit Expenses	163.65	222.56	281.48	340.39	399.31	458.22
Other Expenses	22.29	30.47	38.65	46.83	55.01	63.20
Depreciation & Amortisation Expenses	21.46	29.19	36.92	44.64	52.37	60.10
Total Expenses	3,733.70	5,077.99	6,422.28	7,766.57	9,110.86	10,455.15
Profit before Taxes	61.87	83.98	106.10	128.22	150.34	172.45

7.6) Statement of Comprehensive Income Forecast (Worst-case scenario)

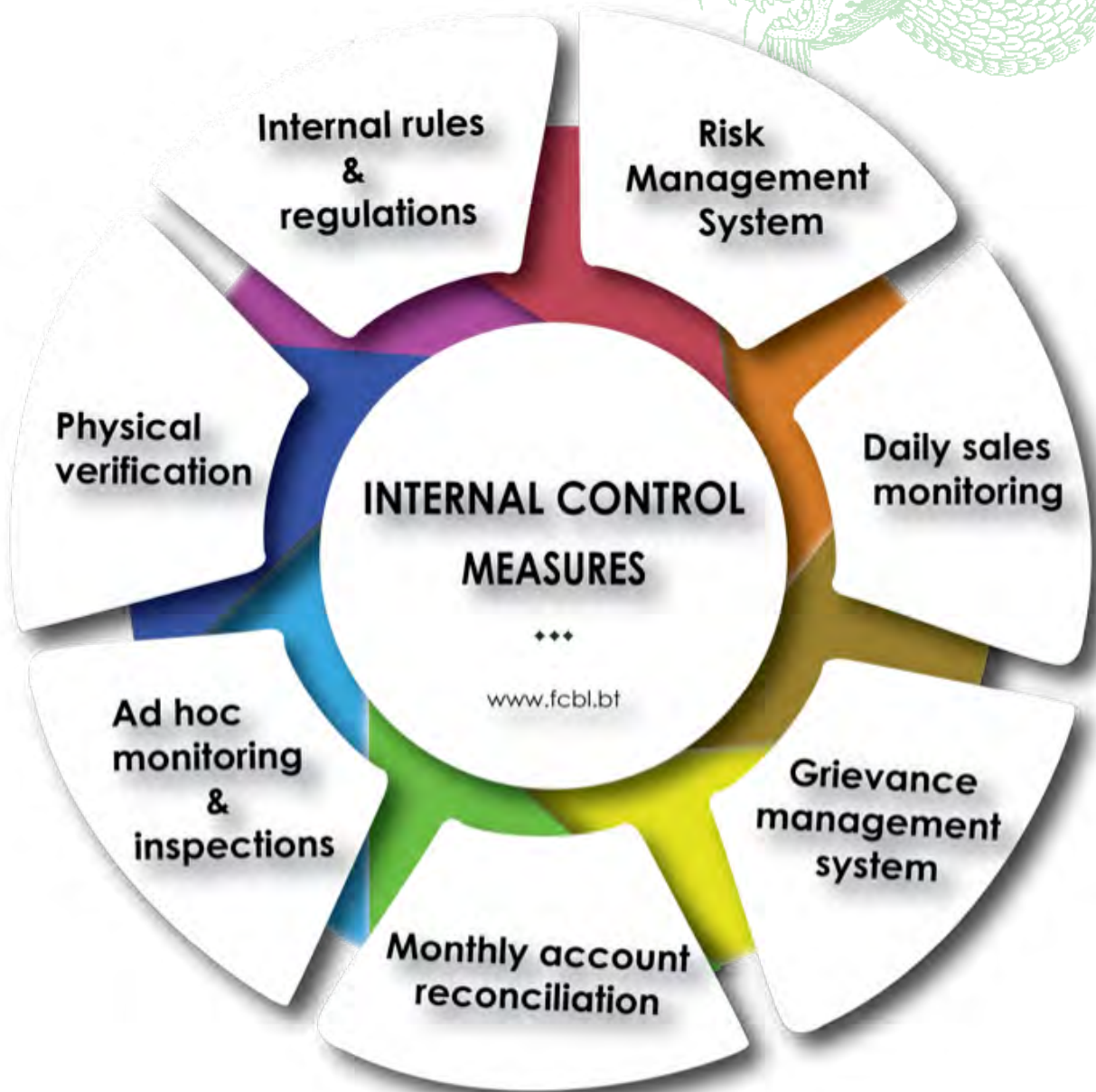
STATEMENT OF COMPREHENSIVE INCOME FORECAST (2026-2030)						
(Amount Nu. in million)						
Particulars	FY 24	FY 26	FY 27	FY 28	FY 29	FY 30
Income						
Revenue from Operations	3,707.47	3,589.42	3,816.81	4,029.98	4,224.37	4,395.70
Other Income	72.26	75.87	79.66	83.64	87.83	92.22
Increase/(Decrease) of Stock in	15.85	17.50	19.00	20.28	21.29	21.99
Total Income	3,795.57	3,682.79	3,915.47	4,133.91	4,333.49	4,509.91
Expenses						
Direct Material Expenses	3,462.44	3,348.09	3,560.07	3,758.79	3,939.98	4,099.66
Selling and Distribution Expenses	59.68	64.45	68.96	73.10	76.76	79.83
Financing Cost	4.18	4.38	4.60	4.83	5.08	5.33
Employee Benefit Expenses	163.65	171.83	180.42	189.45	198.92	208.86
Other Expenses	22.29	23.84	25.03	26.28	27.59	28.97
Depreciation & Amortisation Expenses	21.46	22.54	23.66	24.85	26.09	27.39
Total Expenses	3,733.70	3,635.13	3,862.75	4,077.29	4,274.41	4,450.05
Profit before Taxes	61.87	47.66	52.72	56.61	59.08	59.86

Business Strategy (2026 to 2030)

7.7) SWOT-PESTLE Matric

	S STRENGTHS	W WEAKNESSES	O OPPORTUNITIES	T THREATS
POLITICAL	<p>Political stability assuring high confidence at all levels.</p> <p>Farsighted leadership at the state level and strong political leadership at the government level.</p> <p>Low corruption at all levels.</p> <p>Laws, regulations and state mandate for food security.</p>	<p>Issuance of conflicting directives affecting the efficiency of the SoEs.</p> <p>Lack of support to execute national mandates</p> <p>Government projects pushed to SoEs affecting the company's efficiency.</p> <p>Bureaucratic decision-making process.</p>	<p>Support for NFSR by allocating a dedicated budget annually.</p> <p>Provide financial assistance to support social mandates that directly helps to increase income of the farmers.</p> <p>Develop tools to evaluate social mandates to appropriately acknowledge the efforts put in by the SoEs as part of APC .</p>	<p>Probability to impose social mandates.</p> <p>Lack of support to national mandates that are currently managed by the SoEs.</p>
ECONOMICAL	<p>Bold yet clear 21st century economic roadmap aiming to achieve 10X growth by 2050.</p> <p>Free trade agreements with India, Bangladesh and Thailand.</p> <p>Creation of local market through the establishment of GMC</p> <p>Growing income of Bhutanese citizen</p>	<p>High vulnerability of Bhutanese economy</p> <p>Despite an exciting GDP vision, the economy in general is quite small.</p> <p>Small domestic market with limited consumer base.</p>	<p>Substitute imported products with home-grown products.</p> <p>Narrow trade deficit by increasing export business.</p> <p>Export high-value cash crops to India and beyond.</p>	<p>Regional and global economic crisis.</p> <p>Conflicts and trade wars between the major economies.</p>
SOCIAL	<p>Growing number of literate customers/ populations.</p> <p>Increasing number of customers opting for home-grown products due to lifestyle.</p> <p>Large portion of working age with negligible aging people.</p>	<p>Still huge number of people depend of cheap imported goods.</p> <p>Due to growing rural-urban migration and mass emigration, farming community in on decline.</p>	<p>Venture into sustainable commercial farming to increase returns.</p> <p>Venture into agro-based processing and valued added business.</p>	<p>Substantial decline in fertility rate threatening consumer base.</p> <p>Youth travelling aboard for better opportunities shrinking consumer base domestically.</p> <p>Lack of opportunities within the country that provides higher returns.</p>
TECHNOLOGICAL	<p>National vision for technological advancement.</p> <p>Government's support and encouragement for creativity and innovation.</p> <p>High adaptability skills among the citizens for new technologies.</p>	<p>Difficulty to find qualified ICT experts within the normal salary range.</p> <p>All technologies need to be imported at an exorbitant cost.</p> <p>Limited financial resources to procure sophisticated technologies</p>	<p>Integrate advance technology with AI tools for efficient management.</p> <p>Develop App based customer service.</p> <p>Provide auction service directly from the source without having to make farmers to the border towns.</p>	<p>High vulnerability to cyber security threat.</p> <p>Fast evolvement of technology making the older versions obsolete or irrelevant within a short time.</p>
LEGAL	<p>Efficient, fair and reliable judicial system.</p> <p>Adequate legal tools backing FCB's mandates and operations.</p> <p>Favorable Companies' Act and CG Guidelines.</p>	<p>Inability to hire qualified legal officers with bar license.</p> <p>Legal proceedings take a significant amount of time to resolve cases, regardless of their value.</p>	<p>Need a clear legal framework regulating the National Food Security Reserve.</p> <p>Consolidate Acts, Rules and Regulations to reduce legal burden.</p>	<p>Inability to enforce legal provisions to traders outside of Bhutanese soil.</p>
ENVIRONMENTAL	<p>Agriculture and farming fits well into national environment priority.</p> <p>FCB's export service directly helps to encourage farming community .</p>	<p>Some farmers own negligible size of land, limiting them from venturing into large scale farming within their locality.</p> <p>Increases greenhouse gas emissions due to fossil fuel-based transportation.</p>	<p>Promote eco-friendly and sustainable farming practices.</p> <p>Promote farming that contributes to carbon trading ensuring dual returns.</p>	<p>Rising global warming and climate change can disrupt food supply chains.</p>

7.8) Internal Control Systems and Tools



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