



ANNUAL REPORT 2022



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2022

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01

INTRODUCTION

Who we are

Inspired by His Majesty The King's visionary approach to remodel the economy, Druk Holding and Investments Limited (DHI) was established as the Royal Government of Bhutan's dedicated investment entity with the aim of preserving the nation's wealth for future generations.

We engage in diverse national and international investments, including energy and resources, communication and transportation, financial services, real estate, construction and trading. At present, our portfolio encompasses shareholdings in 21 companies. We collaborate with and support the government in advancing infrastructure projects and implementing institutional reforms, playing a pivotal role in fostering economic and social welfare activities.

As the stewards of current and future investments, DHI strive to maximize the value for its shareholders, the people of Bhutan. And all encompassing, with our dedication to the renewed vision for transformation, we are actively evolving to work towards a developed, self-reliant, technologically driven and economically robust nation.

Our mandate

As the holding company for the Government Linked Companies (the GLCs), DHI's primary mandates are to strengthen Corporate Governance (CG), enhance performance of the GLCs by making them accountable for their performance, raise funds for investments and maximize return on investments. Further, DHI is also mandated to play a catalytic role in the development of our private sector and digital transformation in the country.

1

Performance Improvement

- Ensure Strong Corporate Governance
- Improve Performance
- Provide Managerial Support
- Promote Brand Bhutan

Resources Optimization

2

- Ensure Optimal Capital Efficiency
- Provide Guarantees
- Divestment
- Raise Fund
- Subscribe or Purchase Equity, Debt or other Securities

TH
ARE
FRAME

3

New Investments

- Undertake Investments
- Undertake Investments outside Bhutan
- Undertake Investments in Reserved Areas
- Undertake Commercial Investments of the Government

Revenue to the Government

4

- Provide Increasing Dividends to MoF
- Provide Dividends in Advance

RUST

5

Private Sector Development

A

- Provide Venture Capital & Institutional Support
- Incubation for New Business
- Policy Feedback
- Initiate R&D

WORK

Innovation and Technology

6

- Develop innovation ecosystem
- Develop strategic technology ventures



The Spirit of DHI

A voyage to a new destination always calls for introspection and realignment with the prevailing spirit and purpose, be it as an individual or an organisation. This not just illuminates the path but propels towards the goals with new energy and strength.

For us at DHI, we will always rely on the timeless ethos of the organisation enshrined in the Royal Charter, which is our beacon from the Throne. The sacred mandates descend from it into comprehensible strategic piers of the Mission, the Vision and the Guiding Themes.

This spirit of the Group will continue to steer us through the decade, and until we achieve the commitments we have taken upon ourselves.





VISION

To be the leading wealth management and creation organisation that helps transform Bhutan into globally competitive economy guided by principles of GNH.

MISSION

Safeguard and enhance national wealth for all generations of Bhutanese through prudent investments.

OUR VALUES

Integrity
Honesty
Excellence
Prudence
Teamwork
Accountability

PORTFOLIO COMPANIES


Menjong Sorig Pharmaceuticals Corporation Ltd
100%


Dungsam Cement Corporation Ltd
89%


Dungsam Polymers Ltd
51%


Bhutan Board Products Ltd
48%


Penden Cement Authority Ltd
40%


Druk Metallurgy Ltd
40%


Koufuku International Ltd
100%


Azista Bhutan Healthcare Ltd
28%


Bhutan Ferror Alloys Ltd
26%


Druk Green Power Corporation Ltd
100%


Bhutan Power Corporation Ltd
100%


Natural Resources Development Corporation Ltd
100%


State Mining Corporation Ltd
100%


Bank Of Bhutan Ltd
80%


Royal Insurance Corporation Of Bhutan Ltd
18%


Bhutan National Bank Ltd
12%


Bhutan Telecom Ltd
100%


Drukair Corporation Ltd
100%


Construction Development Corporation Ltd
100%


Thimphu Techpark Ltd
100%


State Trading Corporation Of Bhutan Ltd
51%


DHI PTE Singapore
100%

DGPC

Dagachhu Hydro Power Corporation Ltd.: 59%
Tangsibji Hydro Energy Ltd.: 100%
Kholongchhu Hydro Energy Ltd.: 50%
Bhutan Hydropower Services Ltd.: 51%
Druk Hydro Energy Limited (DHyE) - 100%
Bhutan Automation & Engineering Limited - 51%

BoB

BBPL: 12.3%
BDBL: 2.5%
BCCL: 15.8%
BFAL: 3.4%
PCAL: 0.1%

DFAL: 41%
STCBL: 71%
CIB: 7%
FITI: 20%
RSEBL: 22.5%


Manufacturing


Energy and Resources


Financial Services


Communication & Transportation


Real Estate & Construction


Trading


Offshore Business

DHI portfolio companies depicting DHI shareholding and net worth/ marketing capitalization of the companies as at 31st Dec 2022

Sector	Share Holding(in %)	DPC Category	Net worth/ Market Capitalization (in million Nu.)
Energy & Resources			
Druk Green Power Corporation Ltd.	100	DOC	46,086
Bhutan Power Corporation Ltd.	100	DOC	16,121.21
Natural Resources Development Corporation Ltd.	100	DOC	628.46
State Mining Corporation Ltd.	100	DOC	2,047.66
Communication & Transport			
Bhutan Telecom Ltd.	100	DOC	6,120.67
Drukair Corporation Ltd.	100	DOC	1,555.21
Finance			
Bank of Bhutan Ltd.	80	DCC	8,575.10
Bhutan National Bank Ltd.	12	DLC	7,059.20
Royal Insurance Corporation of Bhutan Ltd.	18	DLC	3,728.28
Real Estate and Construction			
Thimphu Tech Park Ltd.	100	DOC	170.36
Construction Development Corporation Ltd.	100	DOC	880.98
Druk Holding & Investments PTE Ltd.	100	DOC	100
Trading			
State Trading Corporation of Bhutan Ltd.	55	DCC	647.92
Manufacturing			
Dungsam Cement Corporation Ltd.	89	DCC	1,409.33
Dungsam Polymers Ltd.	51	DCC	43.71
Penden Cement Authority Ltd.	40	DCC	1,170.94
Bhhutan Ferro Alloys Ltd.	26	DLC	2,033.35
Bhutan Board Products Ltd.	58	DCC	940.70
Koufuku International Private Ltd.	100	DOC	36.09
Druk Metallurgy Ltd.	40	DLC	180.00
Asista Bhutan Healthcare Ltd.	28	DLC	138.93
Menjong Sorig Pharmaceuticals Corporation Ltd.	100	DOC	165.97

ACCOMPANYING NOTES:

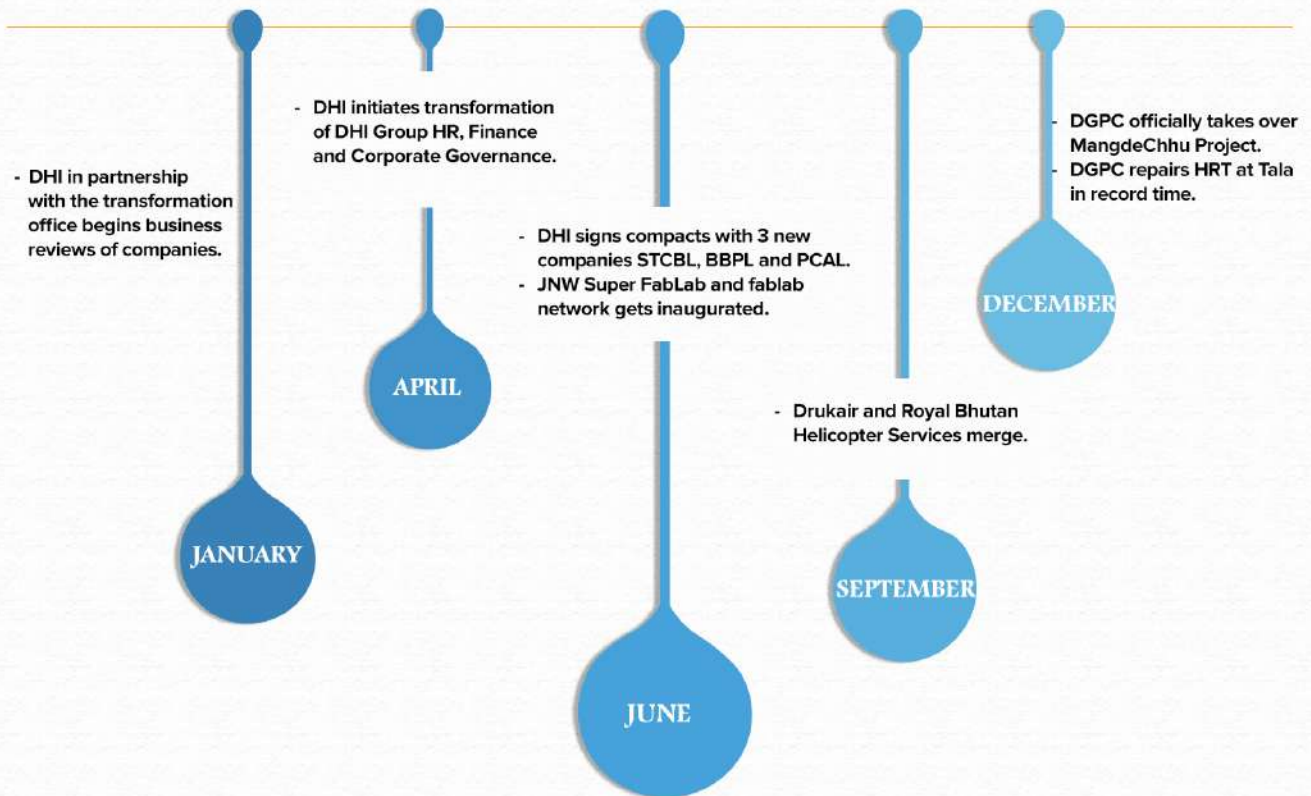
- Net worth is calculated only for DHI's shareholding in the companies and is reflected based on book value.
- Market Capitalization is reflected for listed DHI Linked Companies.
- Due to indirect holding through BOB, DHI's shareholdings in STCBL and BBPL have increased.

GLOSSARY

DPC - DHI Portfolio
DCC - DHI Controlled Companies

DOC - DHI Owned Companies
DLC - DHI Linked Companies

OUR YEAR AT A GLANCE



OUR GOVERNANCE FRAMEWORK

Our governance framework prioritizes the creation of long-term value and places the institution at the center of its operations. It is designed to ensure accountability and maintain a robust balance between empowerment and compliance.

Transparency and adherence to regulations are fundamental principles within our governance structure. Our Board and Management team diligently uphold these principles by complying with the Companies Act of Bhutan 2016, as well as other relevant rules, regulations, and provisions outlined in the charter.

Under the guidance of the Board, we adopt a prudent and strategic approach to managing our portfolio as responsible investors and asset owners.

As a trusted steward, we actively promote best corporate governance practices across our group of companies. This includes appointing highly capable, experienced, and diverse boards of directors who provide guidance and complement the leadership of the management teams.

The boards and management teams are entrusted with the day-to-day operations and business decisions of their respective companies. Consequently, we hold them accountable for their activities, expecting them to adhere to sound corporate governance principles, codes of conduct, and ethical standards.

To ensure that right leadership are in place to manage the companies, a joint committee between DHI and company board, Nomination and Governance Committee (NGC), carries out the recruitment and appointment of CEOs. The Board Committee for Performance Management (BCPM) carries out the annual compact target setting, periodic reviews and performance evaluations of companies owned and controlled by DHI.

OUR BOARD OF DIRECTORS



DASHO UGEN CHEWANG
CHAIRMAN, DHI
July 2018 - July 2022



MS. YUNNY LEE
Transformation Office, HMS
Appointed in May 2022



MR. NELSON TREVOR THACKERY
Transformation Office, HMS
Appointed in May 2022



MR. THINLEY NAMGYEL
Secretary, Ministry of Agriculture and Livestock
Appointed in November 2018



MS. LEKI WANGMO

Acting Finance Secretary MOF
Appointed in November 2022



DASHO KARMA YEZER RAYDI

Chief Executive Officer, DHI
November 2015 - March 2023

**Dasho has been appointed as
the DHI Group Chairman
on 24th March 2023**



Mr. Nim Dorji
Board Director
2016 - 2022



Mr. Karma Lotay
Board Director
2021 - 2022



Ms. Kesang Deki
Board Director
2021 - 2022



Dasho Pema Chewang
Board Director
2014 - 2022



Mr. Sherub
From 2023, he serves as Independent
Non-Executive Director on DHI Board.

Executive Management Team



MR. UJJWAL DEEP DAHAL

Director

Department of Innovation & Technology(InnoTech)
He received an EMBA from the Quantic School of Business and Technology, and Technology Policy Management from MIT.

The Board appointed him as the 3rd CEO of Druk Holding and Investments Ltd. on 25th March 2023.



MS. TASHI LHAMO

Department of Finance (Dof)

With a Bachelor of Commerce (Honours) from Sherubtse College, Bhutan, a Bachelor of Business (Major in Accounting) from the University of South Australia, South Australia and a Master of Business Administration from the Graduate School of Business, Curtin University, Perth, Western Australia, Tashi Lhamo currently heads the Department of Finance under Druk Holding and Investments.



MR. CHENCHO TSHERING NAMGAY

Department of Investment (DoI)

Has a Master's in Business Administration from Asian Institute of Management, Philippines. He has more than 18 Years of work experience in the field of corporate finance, financial securities, investment, risk management, project management, telecom infrastructure and power system automation. He is currently serving as the Director, Department of Investments for Druk Holding and Investments Ltd.



MR. DORJI NIMA
Director Corporate Performance
Department(CPD)

He looks after corporate governance, performance planning, monitoring and evaluation for the DHI Group. He has a Master's degree in Business Administration (MBA) from Australian Graduate School of Entrepreneurship, Melbourne, Australia. He received Aus AID scholarship to pursue MBA in Australia and RGoB scholarship to pursue Bachelor of Business Administration degree from Madras University, India in 2001



MR. KINGA LOTEY
Associate Director of the
Corporate Services Division

He received his Master's Degree in Human Resource Management from Monash University, Australia, and Bachelor's Degree in Science from Sherubtse College. Prior to joining DHL, he served in the Royal Civil Service Commission. He has more than 19 years of experience in the field of human resource management.



JACQUES VON BENECKE
Chief Technology Officer

Consults for the Royal Government of Bhutan's as a member of the Government Technology Commission. Jacques comes with over 35 years of experience and have focused on business transformation since completing his Masters in Business Administration in 2008. He brings experience working for large global tech giants like Amazon Web Services (AWS), British Telecoms, BHP Billiton, and Woodside Energy alongside working in education for Murdoch University.



MR. SONAM LHENDUP
GENERAL COUNSEL

Provides administrative services and legal support, views and legislative policy feedback.

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02

**DIRECTORS
REPORT**

DIRECTORS REPORT

MAJOR HIGHLIGHTS OF THE YEAR

The FY2022 was an unusual year with unprecedented and frail economic outlook from the continued COVID-19 restrictions in the first quarter and adapting to unknown circumstances transitioning into the new normal. The Group endured these hardships and remained resilient.

Despite the challenging operating conditions, the team spirit remained at the heart of the Group in assuming shared responsibility in the country's pursuit towards attaining a developed nation status. The Group's prudent and cautious approach resulted in improved revenue numbers and committed remittances.

The year also marked the Group's journey to transform with an aim to fundamentally repurpose the business; to perform effectively in a different level playing field. Guided by His Majesty's 113th National Day Royal address, DHI pursued a radical shift in its mindset towards the corporate sector reform, a new course charted by revised Roadmap 2.0 launched in November 2021. The Group pursued the transformation through the three key Workstreams; namely Corporate Governance (CG), Human Capital and Financial Prudence.

Under the CG Workstream, refinement of the CG Code and the Ownership Policy documents were executed. The Governance frameworks, the Board Charter and the roles

and responsibilities of the Board and Board Committees were reviewed and amended. Further, Boards were restructured to meet the requirements of the company to perform in the renewed vision.

The Human Capital Workstream accomplished the revamping of the Group Performance Management System and commenced Organizational Development interventions for 10 DHI companies.

Finally, the Financial Prudence Workstream achieved Group synergy through interventions such as resource optimization, expense reengineering and adoption of improved budgeting and five-year investment and financing plan (FYIFP) processes and reporting approaches. A clean-wage model for the Group was also proposed for a uniform and transparent salary and allowance structuring.

Further, as part of the national transformation initiative, more than 56 Business Review meetings were conducted for all DHI companies in collaboration with experts from the Transformation Office. The review meetings exemplified a remarkable journey of growth and sustainability. The onboarding of two new experts on the DHI Board and a Chief Financial Transformation Officer for the Group are other highlights towards rebuilding a dynamic and vibrant leadership and effective governance of the Group.

FINANCIAL HIGHLIGHTS

We would like to report that the accounts of FY2021 have been restated to give effect to change in accounting standards (BAS 2020 issued in 2022) and other policy changes and reclassification requirements.

The key financial highlights of the Group and DHI standalone accounts for FY2022 are summarized in the table below:

Particulars	Group (in million Nu.)			DHI Standalone (in million Nu.)		
	2022	2021 (Restated)	Variance	2022	2021 (Restated)	Variance
Total assets	269,629.90	241,239.18	11.78%	77,184.14	69,312.05	11.36%
Net worth	104,532.32	98,997.04	5.61%	70,468.04	65,872.73	6.98%
Income	45,866.34	40,314.16	13.77%	10,565.57	8,357.01	26.43%
Expenditure	33,068.30	26,294.78	25.76%	206.98	152.19	36.01%
PBT	12,798.04	14,019.37	-8.71	10,358.59	8,204.82	26.25%
Tax	8,004.59	7,270.33	10.10%	3,112.81	2,463.04	26.38%
PAT	4,793.45	6,749.05	-28.98%	7,245.78	5,741.78	26.19%

GROUP ACCOUNTS

Total Assets and Net worth

During FY2022, the Group experienced a 11.78% increase in its total assets, from Nu. 241,246.61 million in FY2021 to Nu. 269,629.90 million in FY2022. Similarly, the net worth saw a growth of 5.61% (Nu. 98,997.04 million) rising from Nu. 98,976.48 million in FY2021 to Nu. 104,532.32 million in FY2022.

Total assets increased mainly due to Nu. 12,746.48 million increase in the banking loans and advance, and Nu. 8,069.62 million increase in the long-term financial assets. The increase in Group net worth primarily stems from a rise of Nu. 3,845.98 million in 'Reserves' and about Nu. 3,310.48 million increase in Bhutan Future Fund and Asset Revaluation Reserve.

Revenue

The Group's total revenue increased 13.77% to Nu. 45,866.34 million, from Nu. 40,314.16

million in FY2021. This increase can mainly be attributed to Nu.3,737.00 million growth in 'Revenue from Customers' through the sales of Services and Trading goods. Sales of Services accounted for 21.72% increase, from Nu. 6,949.50 million in FY2021 to Nu. 8,459.23 million in FY2022, and sale of Trading goods accounted for 15.52%, from Nu. 6,901.30 million in FY2021 to Nu. 7,972.11 million in FY2022.

Expenditure

The year's total expenditure increased by 25.76% to Nu. 33,068.30 million from Nu. 26,294.78 million in FY2021. This is mainly due to an increase of Nu.3,300.51 million in the Direct Cost of Sales on account of a 419.54% (Nu. 1,820.56 million) growth in Energy and Wheeling Charges and a 65.90% (Nu. 1,331.43 million) growth for Materials used in Infrastructure Development. The aircraft fuel, oil and operating cost also increased by 231.30% (Nu. 665 million) to Nu. 952.81 million in FY2022.

Profit after tax

Considering the significant increase in the expenses against a decent growth in the revenue, the consolidated profit after tax decreased by 28.98% (Nu. 1,955.60 million) to Nu. 4,793.45 million from Nu. 6,749.05 million in FY2021.

DHI STANDALONE ACCOUNTS

Total assets and net worth

DHI's total assets and net worth both increased by 11.56%, and 6.98% respectively. Overall, the size of the Financial Position improved to Nu. 77,184.14 million from Nu. 69,312.05 million in FY2021.

The total asset increased on account of Nu. 2,956.44 million increases in Capital Work in Progress and Nu. 2,526.48 million increase in the Long-term Financial Assets. The cash and bank balances also increased to Nu. 1,196.02 million at the end of the year. Further the merger of Royal Bhutan Helicopter Ltd with Drukair Corporation Ltd in September 2022 increased the investments by Nu. 607.05 million.

Revenue

The standalone revenue increased by Nu. 2,208.56 million in FY2022, a growth of 26.43% from FY2021, on account Nu. 2,145.29 million increase in the dividend income. State Mining Corporation Ltd. (SMCL) was the biggest contributor at Nu. 1,793.34 million to this improvement (an increase of 391.94% from Nu. 346.54 million in FY2021). There was also a significant increase in dividend income from Bhutan Power Corporation Ltd. and Bhutan Telecom Ltd. with a growth of Nu. 551.68 million (119.78%) and Nu. 472 million (30.45%) respectively.

Expenditure

The total expenditure for the year increased by 36.01% from Nu. 152.19 million in FY2021 to

Nu. 206.98 million in FY2022.

This increase is attributed to a rise of Nu. 27.70 million in employee related costs with significant expenditure increases on gratuity and provision for bonus for FY2022.

Profit After Tax

The standalone Profit After Tax increased by Nu. 1,504 million, from Nu. 5,741.78 million in FY2021 to Nu. 7,245.78 million in FY2022. This growth of 26.19% is mainly due to a Nu. 2,145.29 million increase in dividend income.

OPERATIONAL HIGHLIGHTS

Energy and Resources Segment

This segment is the top revenue generator of the group. In FY2022, the segment generated 51% (Nu. 34,697.87 million) of the total revenue of Nu. 45,866.35 million, which is an increase of 14.82% (Nu. 4,479.77 million) from Nu. 30,218.10 million in FY2021.

State Mining (SMCL) experienced exceptional achievements throughout the year, surpassing all financial targets. It generated a total income of Nu. 5,365.29 million, marking an impressive growth of 26.86% from the previous year and posted a 22.47% increase in its profit after tax (PAT). With a Nu. 1,920.73 million bottom-line, the return on equity reached a remarkable 93.80%, a massive increase from 81.21% reported in 2021.

Reporting a topline of Nu. 14,851.13 million, Bhutan Power Corporation accomplished a revenue milestone by attaining the highest recorded revenue among all companies since the inception of the Group. Accordingly, it posted a profit of Nu. 829.81 million. Further, starting from July 1, 2022, BPC has also taken up the Operation and Maintenance of electric vehicle charging stations in the country.

Druk Green's income for the year decreased by 3.86% to Nu. 12,026.29 million. It was fueled by the reduction in generation of 83.603 MU and the increase in the domestic

energy consumption of 626 MU (a 25% increase). After completing the dewatering and inspection of Tala HRT in January, the HRT rectification works were completed ahead of schedule. Druk Green was able to achieve 97% power plant availability and 99.99% water utilization factor and, as a result, achieved Nu.4,620 million net profit. The company also made a royalty pass through payment of Nu. 2,390 million to the Government.

In pursuit of its mission to ensure the availability, accessibility, and affordability of resources, NRDCL successfully accomplished a timber extraction of 1.8 million cft for the year, while their total timber supply amounted to 2.1 million cft. Furthermore, the extraction of stones and boulders in FY2022 reached a volume of 13.1 million cft with a sales figure of 13.71 million cft. NRDCL also undertook commendable reforestation efforts by performing tree plantations on 25.43 hectares.

Communication and Transport

The communication and transport segment generated Nu. 7,932.05 million, which accounts for 17.29% of the group's total revenue. This is a 28.13% increase of Nu. 1,741.43 million from Nu. 6,190.62 million in 2021 to Nu. 7,932.05 million in FY2022. Bhutan Telecom Ltd. remained dedicated to improving network reliability and accessibility by implementing various measures to enhance telecommunication services across the national network. Towards this objective, the company deployed 332 additional 4G(LTE) nodes and 51 new 5G sites. Consequently, BTL recorded a total revenue of Nu. 5,886 million and a PAT of Nu. 2,312.25 million, marking a growth of 9.35% and 15.71% respectively from the previous year.

In 2022, the aviation industry experienced a much-needed resurgence following a prolonged period of COVID restrictions. Despite stringent lockdown measures and

travel restrictions imposed during the first quarter of 2022, Drukair effectively operated a total of 1,944 flights indicating a substantial growth of 129% compared to the 850 flights operated in 2021. While the lockdown measures had a detrimental impact during this period, the overall number of passengers transported experienced a significant surge, with a remarkable increase of 282% to 91,126 passengers, as compared to the 23,858 passengers carried in 2021.

Financial services

The Bank continued advocating cashless transactions in the country with the expansion of digital payments through its mBoB & goBoB applications and QR systems.

It was able to increase the number of mBoB users by 24% to 293,394 and increase the transaction value to Nu. 392 billion from Nu. 310 billion in FY2021. The Bank also increased its goBoB users by 82,418 (115% growth from 2021) and took the total transaction value from Nu. 98.43 million in 2021 to Nu. 932.98 million (848% growth) in FY2022.

Overall, the Bank reported 40.37% growth in its bottom line, as it posted a net profit of Nu. 676.57 million in FY2022.

Manufacturing

Dungsam Cement Corporation Limited (DCCL) continued to experience increase in the price of fuel and raw materials. Nonetheless, the company increased the revenue by 13%, to Nu.3,287.96 million and minimized the loss to Nu. 97.93 million from Nu. 267.73 million in 2021. Dungsam Polymers Ltd (DPL), on the other hand, reported a profit of Nu. 3.98 million, despite being highly dependent on DCCL's performance.

Koufuku International Limited (KIL) recorded a revenue increase of 51.29% from Nu. 55.86 million in FY2021 to Nu. 84.51 million in

FY2022. But due to an almost proportionate increase in expenditure (60%), the company reported a loss of Nu. 11.85 million.

MSPCL recorded a sales revenue growth of 5.04% with a net sales revenue of Nu. 75.67 million for the year, of which Nu. 62.33 million was from traditional medicines and Nu. 13.34 million from health supplements. A total of 9.08 MT of Traditional Medicines were supplied to the Ministry of Health.

Azista Bhutan Healthcare (ABHL) entered the commercial operation phase with the launch of its products in June 2022. The company packaged 1,210,000 numbers of Lanol 500 Paracetamol Tablets IP 500 mg (1,210,000 tablets) and donated the same to the Ministry of Health. Further, one general product and nine oncology drugs were produced, out of which one oncology drug i.e., Palbociclib, was exported to Singapore.

Outliving the obsolescence of the manufacturing plants, both BBPL and PCAL continued steady supply of their products in the market. In fact, BBPL achieved a net profit of Nu. 20.85 million signaling that it is not just ready for dissolution, a discussion shareholders mulled over the past few years. The PCAL, on the other hand, mitigated the challenges of sourcing coal through a signing of MoU with the Eastern Coalfield Ltd. (ECL) for supply of 36,500 MT of coal annually.

IT and Real Estate

The year 2022 proved to be challenging for TTPL as the company experienced a setback with the discontinuation of the BITS program, which was a key initiative of the Government. The decision had a significant impact on TTPL resulting in unforeseen challenges that hindered the company's progress in achieving its financial objectives. The total income generated decreased by 32.25%, from Nu. 232.81 million in FY2021 and, consequently, reduced the PAT to Nu. 3.4 million in FY2022.

Owing to its experience in Hydropower construction, CDCL was awarded the 54MW Burgangchu Hydro Project (BHP) valued at Nu. 990 million. The company also successfully secured and completed the Jomri exploratory drift work in October 2022. Another noteworthy achievement for CDCL in FY2022 was the Nikachhu Project, wherein the company accomplished the successful daylighting (break through) of the HRT.

Trading

STCBL earned a revenue of Nu. 3,231.26 million, Nu. 69.67 million higher than the revenue of 2021 and registered a net profit of Nu. 57.35 million. The moratorium on import of vehicle affected the core business of the company. In addition to the moratorium on import of vehicle, the taxes on the vehicles have increased and restriction on loans from the financial institutions were some of the challenges to its business operation.

Other operational highlights

With transformation at the core of FY2022's operations and to also immediately realize the benefits from full opening of the economy from COVID restrictions, following are other significant activities carried out during the year:

- implemented 'Security Operations Center' (SOC) and 'Applications Monitoring Tools' at the BOB to improve and strengthen its Information Technology and Information Security;
- Incorporated Druk Hydro Energy Limited (DHyE) as a 100% subsidiary company of DGPC and initiated construction of the three Phase I small projects (54 MW Burgangchhu in Zhemgang, 32 MW Yungichhu in Lhuentse, and 18 MW Suchhu in Haa);
- Obtained Technical Authorization for ABHL to Manufacture (TAM) for 293 products (198 general product and 95

oncology products) certification for 36 products (33 general products and 03 oncological products);

- Completed the merger of Royal Bhutan Helicopter Services (RBHSL) with Drukair to realize synergy benefits at the National level;
- As part of the Smart Grid implementation, SCADA for Dechencholing substation, network typology & GIS mapping for Jigmeling and Phuentsholing SMDs and automated meter reading (AMR) and advanced metering infra (AMI) for Simtokha SMD were completed;
- Connected about 125 households to the electricity grid supply and 963 households were electrified through BPC's rural electrification project; and
- Developed a strategy to achieve the Investment Abroad Portfolio Value of Asset Under Management of Nu. 30 billion by 2030.

INNOTECH

As part of the innovation and technology, Proof of Concept for the National Digital Identify platform and a pilot application with foundation ID was completed. Further works on the Valve Control System, Carbon Trading Platform and Power line fault detection were completed.

Additionally, the group data strategy was also formulated to take full advantage of the data that is being generated by the Group is for effective decision making.

INVESTMENTS

During the year 2022, DHI made an additional investment to Drukair Corporation Ltd and Azista Bhutan Healthcare Ltd. of Nu. 145.78 million and Nu. 13.78 million respectively. Also, due to the change in the accounting policy on the transfer of land

from the subsidiaries to DHI, the standalone investment value reduced by Nu. 434 million.

As part of investments in overseas market, a total of USD 5.3 million was invested in global equity and futures market, USD 3.66 million in emerging market, and SGD 11.15 million (Nu. 633.43 million) for the start of DHI PTE Limited based in Singapore.

Further, a foreign currency (FCY) Bonds was raised by DHI on behalf of the Special Project. As a novel project, the gestation is done separately as a special segregated account.

PRIVATE SECTOR DEVELOPMENT

To accelerate private sector development and allow the private sector to play a more pivotal role in the economy, SMCL engaged 719 earth-moving equipment (EMEs) and trucks for mining works, and transportation of minerals. The company employed 835 community people and in the process, it gave back Nu. 1,004.76 million to the communities it operated in.

This year, the Digital Freelancing Skill-up training was provided to 50 individuals to promote IT-based online freelancing targeting markets outside of Bhutan. Further, DHI BizAP facilitated paid internships and job opportunities to seven participants at Singaporean companies ReFruit and Cloud Consulting LLP.

To alleviate the access to finance, DHI also supported CSI entrepreneurs by providing the DHI Business Acceleration Fund, offering financial assistance to promising ventures. In 2022, a total of Nu. 3.4 million was disbursed to seven entrepreneurs.

DIVIDEND AND TAXES

During the year, DHI remitted Nu. 3,977 million as dividend and booked as 'advance' to the Ministry of Finance and remitted Nu. 3,113 million as standalone taxes.

However, as a Group, the total tax contribution to the government during the year amounted to Nu. 8,005 million, which is an increase of 10% (or Nu. 735 M) from Nu. 7,269.94 million paid in FY 2021. Hence, the 'effective tax rate' for the Group in FY2022 works out at 62.54%, an increase of 20% from the 52.09 % charged for the FY2021.

Additionally, the Group also made a payment of Nu. 2,348.75 million on account of royalty energy and Nu. 678.26 million on account of royalty and mineral rents. In total, the group remitted Nu. 15,008.60 million as advance divided, taxes and royalties, which is an increase of 15.16% from Nu. 13,032.86 million remitted in FY2021.

Further, an amount of Nu. 3,361 million as dividend out of the Consolidated books of FY2022 will be remitted by June 2023, taking the total dividend figure for FY2022 to Nu. 7,338 million.

CORPORATE GOVERNANCE

DHI is unwavering in its dedication to elevating and executing the most exemplary benchmarks in corporate governance (CG). In pursuit of this objective, we have undertaken substantial endeavors to enhance the CG practices of our portfolio companies. As a CG Champion, DHI has maintained clean accounts for the 8th consecutive year. No adverse audit observation was issued in FY2022. In addition to fulfilling the requirements set in the Code, DHI has also fully complied with all statutory requirements. For FY2022, the DHI Board consisted of seven directors including the Chairman and the CEO. Six Board Meetings were held this year and the gap between two meetings did not exceed three months in accordance with the Companies Act 2016.

STATUTORY AUDIT REPORT

Based on the appointment by the Royal Audit Authority (RAA), Dechok & Associates and Menuka Chhetri & Associates conducted

the audit of the Group and DHI Standalone accounts for FY2022. The audit was carried out in accordance with the auditing standards prescribed by the Accounting and Auditing Standards Board of Bhutan (AASBB) and the relevant provisions of the Companies Act of Bhutan 2016.

The Auditors' Reports for both the Group and standalone accounts do not have any qualifications. The auditors concur that the accounts along with schedules, significant accounting policies, and notes to accounts are in compliance with the requirements of the Bhutanese Accounting Standards and Companies Act of Bhutan, 2016.

CHALLENGES AND WAY FORWARD

With robust and diversified portfolio of companies managed by capable team, we march forward with the aim to contribute to the development of the nation through responsible investments. However, we believe headwind challenges are inevitable and that we must hold our position strong and confront them by being more agile and responsive. Some of the headwinds the Group confront today are:

Corporate financing: while we remain steadfast with our investments to achieve energy security, the Group is always countered with the lack of finance to fund the huge capital requirements. However, the Group has pressed forward initiatives to source finance and develop projects outside of the traditional bilateral and JV models.

Talent acquisition and retention: The exodus of talent and skills to foreign states has begun to adversely affect our initiatives towards developing human capital. But this has also created opportunities to attract talent with growth mindset and skillsets from global space and retain local talent by promoting a culture of ownership and responsibility to the motherland.

Economic uncertainties: Majority of our industries are yet to rebound to the pre-COVID levels and continue to face difficult economic situations. The growth percentage we achieve today is far short of the percent we need to reach the promised 2030 destination. Hence, the need to find a new space and 'forge a new road leading towards a brighter future' has become the desperate necessity.

Way forward: The Group has begun reflecting on its mandates and objectives and have actuated re-establishment of the overall strategic direction. Forging ahead, strategic pathways for an STI economy are being built and initiatives identified. This, we strongly propose, is the new space and new road that will lead us towards a brighter future and our 2030 destination.

ACKNOWLEDGEMENT

In closing, we would like to submit our deepest gratitude to His Majesty The King for being the beacon of hope and inspiration and for guiding the nation through the challenging times.

I also extend my sincere and deep appreciation to every single employee of the Group for your unwavering commitment, for upholding the values and for believing in the Group's mission of building generational wealth.

Thank you also to all the Executives for coming together to work as a team to find collective solutions to the challenges and to all the Board Directors for the oversight and wise counsel.

We are also thankful to our Honorable Chairman Dasho Ugen Chewang who retired from the Group this year. Dasho joined us as a well-respected leader and he brought us tacit knowledge and experience in managing the Group in conscious and proactive exhibition of leadership approach. Dasho Ugen in that time has also provided sage advice as DHI expanded our international financing and developed our governance guidelines. The Board joins me in thanking Dasho for his commitment and leadership and we wish Dasho Godspeed in his retirement.

I would also like to thank the Royal Government of Bhutan and the Experts and colleagues from the Transformation Office who have accompanied us; shoulder to shoulder in this journey to help DHI Group embrace reforms of the highest caliber infused with values.

Finally, I want to thank our Board of Directors for enabling us to succeed and for bringing in passion, ideas, intellect, energy, enthusiasm, and guidance. We remain guided by your wisdom and expertise.

Thank you!



[Dasho Karma Y Raydi]
CHAIRMAN
Druk Holding and Investments Ltd.

03

**REPORT ON
CORPORATE
GOVERNANCE**

REPORT ON CORPORATE GOVERNANCE

DHI is unwavering in its dedication to elevating and executing the most exemplary benchmarks in corporate governance. In pursuit of this objective, we have undertaken substantial endeavors to enhance the corporate governance practices of our portfolio companies. Our actions are steered by the Corporate Governance code, which draws its foundation from the globally recognized principles of corporate governance put forth by the Organization for Economic Cooperation and Development (OECD). This comprehensive code encompasses a robust framework for corporate governance along with its accompanying model charters and codes, namely the Board Charter, Board Audit Committee Charter, and Code of Conduct.

In addition to fulfilling the requirements set in the Code, DHI has also fully complied with the Companies Act of Bhutan 2016 and other statutory requirements.

Board of Directors

The Board of Directors bears the fiduciary duty of providing strategic direction and overseeing the activities of the management. The Board holds absolute power to determine investment and divestment decisions. The Board has conferred the operational and administrative duties of the company upon the Executive Chairman, CEO, and the management executives. Throughout the financial year 2022, all responsibilities were executed in accordance with the formal delegations of authority.

Composition of the Board and Attendance in 2022

Six Board Meetings were held in 2022 and the gap between two meetings did not exceed three months in accordance with the Companies Act 2016.

Name of Director	Category	Profile	No. of Directorships in other DHI owned/controlled companies	
			Chairman	Member
Dasho Ugen Chewang	Non-independent Executive	Chairman, DHI	2 (Bhutan Power Corporation Ltd (BPC)) and Druk Metallurgy Limited (DML)	
Mr. Nim Dorji	Non-independent, Non-executive	Core Member, NSCWG		Bhutan Telecom Corporation LTD (BTL)
Dasho Pema Chewang	Independent Non-executive	Secretary, NLC	Dungsam Cement Corporation Ltd (DCCL)	

Mr. Thinley Namgyel	Independent Non-executive	Secretary, MOAL		Menjong Sorig Pharmaceuticals Corporation Limited (MSPCL)
Dasho Karma Yezer Raydi	Non-independent Executive	CEO, DHI	State Mining Corporation Ltd (SMCL) and Dungsam Cement Corporation Ltd (DCCL)	Druk Metallurgy Limited (DML)
Ms. Kesang Deki	Non-independent, Non-executive	Secretary, MOF		
Mr. Karma Loday	Non-independent, Non-executive	CEO, Yangphel Pvt Ltd		Drukair Corporation Limited (DCL)
Ms. Yunny Lee	Non-independent, Non-executive	Transformation Office, HMS		
Mr. Nelson Trevor Thackery	Non-independent, Non-executive	Transformation Office, HMS		
Ms. Leki Wangmo	Non-independent, Non-executive	AFS, MOF		

Board Committee Meetings and Procedures

Board Committee for Performance Management (BCPM)

The DHI BCPM is the standing committee of the DHI Board to negotiate, finalize, monitor, review and evaluate the annual compacts of DHI with DHI Board, DHI Owned Companies and DHI Controlled Companies.

A total of 26 BCPM meetings were held in 2022 including the compact negotiation meetings and mid-term review of the compacts.

Nomination and Governance Committee (NGC) for the Selection of CEOs of DHI Owned Companies

The Nomination and Governance Committee is a special committee established for selection and appointment of CEOs in DHI owned and controlled companies, consisting of member representatives from the concerned company Board and DHI Board. A total of 17 NGCs were held for the selection and appointment of CEOs in Construction Development Corporation Limited, Bank of Bhutan Limited, State Mining Corporation Limited, Dungsam Cement Corporation Limited, Menjong Sorig Pharmaceuticals Corporation Limited and Dungsam Polymers Limited.

Board and CEO Evaluation

DHI conducts an annual online survey where feedback is collected from the Chairman and CEO on the performance of the individual board directors in the DHI Owned Companies. The key parameters covered include i) Dedication and preparedness; ii) Professional and ethical attributes; iii) Team work and iv) Contribution. The report is mainly used for two purposes, 1) To identify the skill-development needs of Directors and 2) to determine the appointment/ reappointment of the current board directors.

DHI also assesses the performance of the CEOs of DHI Owned Companies through an online survey annually. The Board of directors evaluate the CEO on his/her leadership competencies and attributes. The assessment constitutes 20% weightage of the overall CEO's performance evaluation and the remaining 80% is based on the achievement of annual compact targets.

The combined score is used to pay out the CEO's performance linked financial incentives and is also considered during the renewal of contracts of the CEO in DHI owned companies.

Group CG Report

For the year 2022, all companies complied with the DHI CG code, Companies Act of Bhutan 2016 and all other statutory requirements.

The background features a series of overlapping geometric shapes in shades of blue and orange. A large, dark blue triangle points upwards from the bottom left towards the top right. To its left, a lighter blue shape follows a similar upward path. At the bottom left, an orange shape points upwards. The overall composition is dynamic and modern.

04

**CHARITABLE
CONTRIBUTION**

2022 Charitable Contribution Highlights

In its continued effort as a corporate citizen to give back to the community, take part in philanthropic causes, and provide positive social value of far-reaching impact, DHI contributed a total of Nu. 9.38 million towards activities initiated by CSOs, NGOs, and institutions and Nu. 1.17 million in donations.

- Towards the religious activities such as donations to Lhakhang, Shedra and conducting Moelam Chenmo, Nu. 875,000 was disbursed. Further, Nu. 325,000 was provided as financial support for cultural activities.

Religion
&
Cultural



Social/
Environmental



- For social and environmental cause, DHI provided a financial support to institutions and associations with a sum of Nu. 695,000.

- For Youth development and supporting the Sports activities, DHI donated Nu. 250,000

Youth/Sports



National
Significance



- Fund support of Nu. 8.41 million to National Resilience fund

BEYOND CSR: SHARING BENEFITS WITH THE COMMUNITIES

To accelerate private sector development and allow the private sector to play a more pivotal role in the economy, SMCL employed 835 community people and in the process, it gave back Nu. 1,004.76 million to the communities it operated in.

As a responsible mining Company, SMCL engage the communities in the mining operation thereby boosting the local economy and its specific details are as follows:

Particulars	Details	Amount (Nu.)	Nos	Remarks
EME & Tippers	EME hired	225,733,207.76	44.00	31 nos of excavators and 13 nos of pay-loaders in the mines and stockyard.
	Tippers hired	186,068,585.18	287.00	287 nos of tippers in the mines and stockyards.
	Individual tippers; transportation of minerals from mines/primary stockyard to secondary stockyards and or consumer	574,745,739.13	388	1. Gypsum transportation from Pema Gatsel to S/Jongkhar, 2. Coal transportation from Habrang to DCCL, 3. Coal transportation from Habrang to Motanga, 4. Dolomite transportation from Stockyard to buyers (Only Bhutanese Truckers Included)
Construction works	Contract works (labour contract to locals)	6,021,316.46		Awarded to local people
Manpower Engaged	Coal raisers	8,450,027.56	75.00	Awarded based on Output per Man shift in per MT.
	Operators		44.00	
	Drivers		675.00	
	Daily wage earners	3,741,258.37	41.00	Recruited from local community
Total		1,004,760,134.47	835.00	

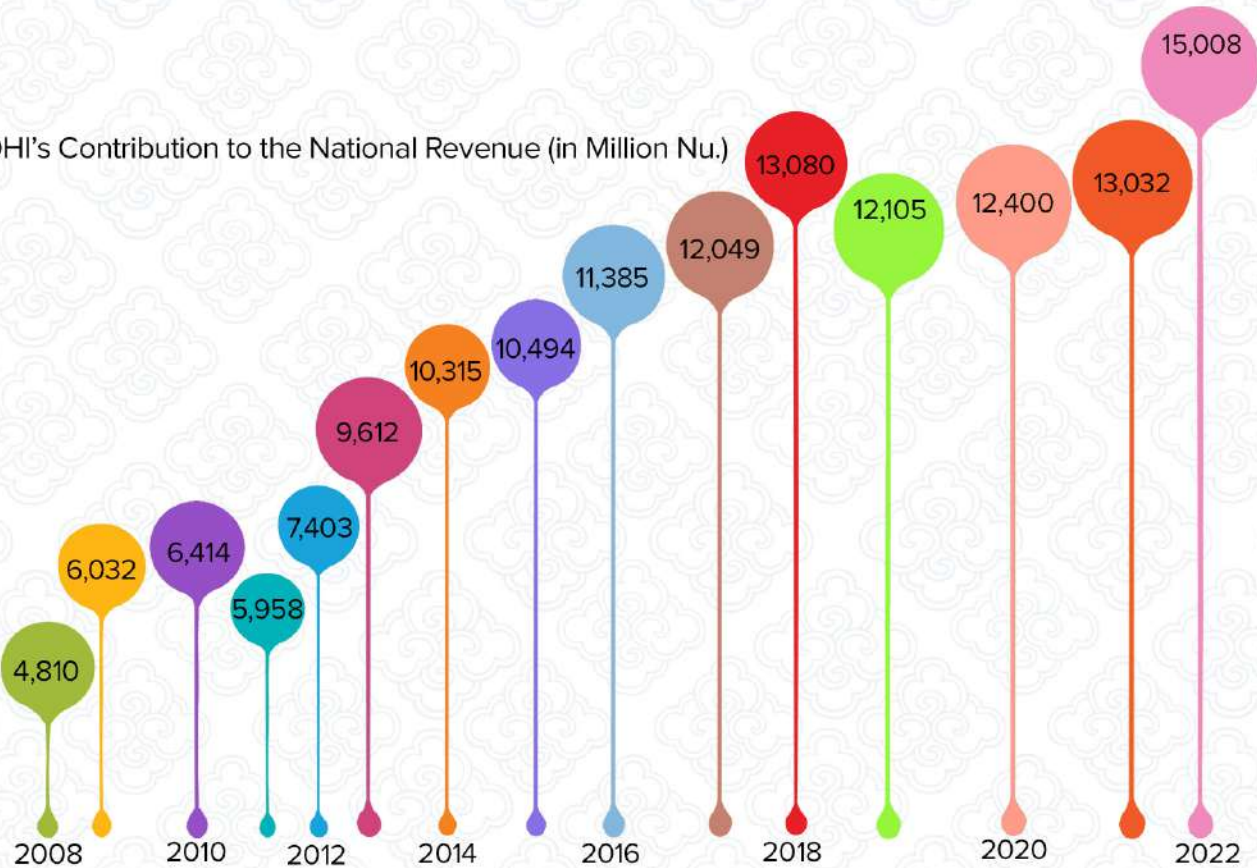


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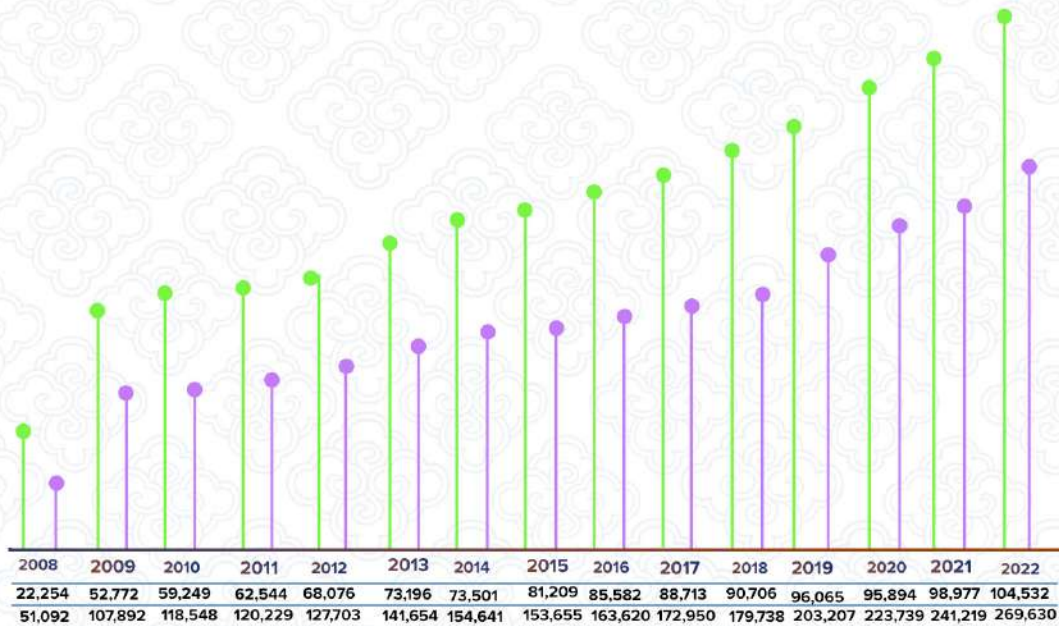
**FINANCIAL
REVIEW**



DHI's Contribution to the National Revenue (in Million Nu.)



Consolidated Total Assets and Net worth (in million Nu)

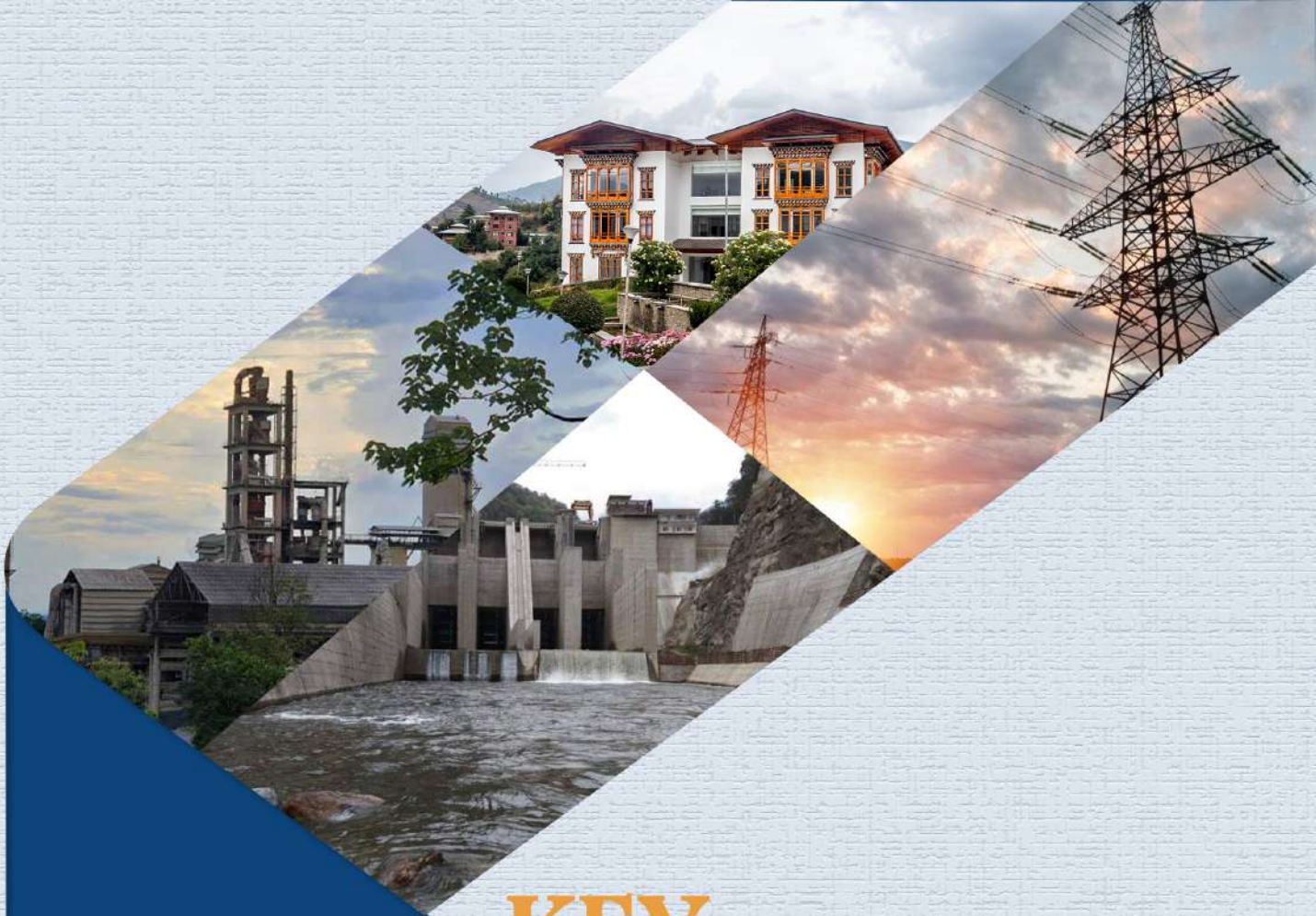


- Total Network
- Total Assets

Group Revenue, Expenditure and PBT (in million Nu)



- Total Revenue
- Total Expenditure
- PBT



06

**KEY
HIGHLIGHTS
OF DHI
COMPANIES**



Bhutan Power Corporation Limited

- Completed and approved with the Electricity Regulatory Authority a new uniform tariff of Nu. 2.66 per unit with effect from 1st September 2022 for all customer categories.
- Increased in the number of customers from 213,630 to 232,465 with industrial consumption continuing to dominate the domestic load at around 75.65%.
- Completed the installation, testing, and commissioning of the Supervisory Control and Data Acquisition (SCADA) system at Dechencholing substation.
- Initiated the Advanced Metering Infrastructure (AMI) as a pilot project under Thimphu Dzongkhag, and around 5,000 smart meters have been installed.
- Took over the Operation and Maintenance of Electric Vehicle Charging Stations in the country from July.

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	42,117.67	35,798.85
Net Worth	16,121.21	15,396.69
Income	14,851.13	10,876.56
Expenditure	13,659.79	8,996.42
PBT	1,191.34	1,880.14
Tax	361.53	523.23
PAT	829.81	1,356.91



Always there for you

Bhutan Telecom Limited

- Deployed 332 new additional 4G (LTE) nodes and 51 5G sites to strengthen network reliability and meet the growing demand for high-speed mobile data;
- Launched voice-over LTE (VoLTE) as part of the 5G implementation and to phase out 2G/3G voice services;
- Increased the active mobile subscriber base from 429,026 in 2021 to 442,811 and leased line internet subscriptions from 2,583 to 3,763 by the end of 2022; and
- Implemented a blockchain-based application for RUB's (Royal University of Bhutan) academic certificates.
- Provided free internet services and communication facilities worth Nu. 12.65 million to quarantine centers and offices engaged in COVID-19 activities

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	7,579.58	7,450.10
Net Worth	6,120.67	5,843.64
Income	5,886.20	5,382.82
Expenditure	2,562.89	2,439.99
PBT	3,323.31	2,942.82
Tax	1,011.06	944.54
PAT	2,312.26	1,998.28



Natural Resources Development Corporation Limited

- Extracted 1.8 million cft of timber, 15.10 cft of stones and boulders and 468,536 m³ of sand;
- Supplied of 2.1 million cft of timber, 13.71 cft of stones and boulders and 499,353 m³ of sand to the market;
- Carried out reforestation on 25.43 hectares of land and produced 166,284 numbers of seedlings
- Produced 3,046.00 cft of various sizes of glu-laminated timber beams and 308.999.64 sq. ft. of joinery from the joinery unit in Ramtokto, Thimphu and Lingmithang, Mongar.
- Produced 132,390.00 kg sawdust briquettes and 92,198.73 kg disposed.

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	926.01	885.92
Net Worth	628.46	645.68
Income	755.20	764.15
Expenditure	780.58	756.90
PBT	(25.37)	7.24
Tax	2.83	6.16
PAT	(28.21)	1.08



Drukair Corporation Limited

- Carried 91,126 passengers in 2022, a 282% increase compared to 23,858 passengers in 2021 resulting in a load factor of 60% for the year.
- Introduced an Inflight Entertainment System, further enhancing the onboard experience for passengers.
- Merged the Royal Bhutan Helicopter Services (RBHSL) with Drukair in September. RBHSL transported a total of 2,264 passengers in 2022, compared to 1,947 passengers in 2021 and experienced an increase in revenue hours from 807 in 2021 to 1055 hours in 2022.
- Ferried 548 Metric Tons (MT) of cargo, 143 MT of mail and 169 MT of unaccompanied cargo (Inclusive of Excess Baggage) in 2022
- Achieved an average 90% of market share on the four competitive routes of Bangkok, Delhi, Kathmandu and Kolkata.

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	9,835.41	9,177.46
Net Worth	1,555.21	1,729.08
Income	2,045.49	807.80
Expenditure	3,191.72	2,315.35
PBT	(1,146.24)	(1,507.55)
Tax	258.44	381.77
PAT	(887.80)	(1,125.79)



Construction Development Corporation Limited

- Secured 54 MW Burgangchhu Hydropower Project worth Nu 990 million. Completed the Jomri exploratory drift work in October.
- Daylighted the HRT from CDCL's Face 7 side towards HCC's Face 6 end for the Nikachhu project.
- Completed the concrete lining of Face 8 with a length of 1415 meters which was the first concrete lining works to be undertaken by CDCL.
- Handed over two blocks of 96-bedded hostel using pre- engineered buildings to the Gedu College of Business Studies
- Continued to execute projects employing only national workforce, from engineers to the workers on the ground.

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	1,992.88	2,259.83
Net Worth	880.98	873.25
Income	1,064.85	1,311.64
Expenditure	1,041.79	1,375.26
PBT	23.07	(63.62)
Tax	1.76	(3.09)
PAT	24.83	(66.71)



Thimphu TechPark Limited

Successfully completed the following projects in 2022:

- i. ePayment Integration for BTL, Drukair, DCCL, DPL & Rigsar Construction Pvt. Limited,
- ii. Smart ERP Upgradation for SMCL and De-Suung Skilling Program,
- iii. Smart ERP implementation for BLDC, BBPL, MSPCL & Rigsar Construction Pvt. Ltd.
- iv. SAP Migration Project for DHI Owned Companies,
- v. AMI Integration to SAP ISU system and implementation of SAP ISU Meter Centric to Customer Centric (MCCC) System for BPC
- vi. Implementation of Asset & Store Management System Automation.

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	434.99	577.67
Net Worth	170.36	223.73
Income	157.72	232.82
Expenditure	155.06	146.51
PBT	2.66	86.31
Tax	0.79	(1.85)
PAT	3.45	84.45



State Mining Corporation Limited

- Produced and sold 472,417.94 metric tons (MT) and 407,843.31 MT of gypsum respectively.
- Produced 115,359 MT of coal, and the total sales for coal amounted to 98,165 MT.
- Produced 2,673,935 MT of dolomite, which was a 50% increase compared to 2021. The total sales for dolomite reached 2,680,264 MT, showing a 35% increase compared to 2021.
- Produced 57,979.16 MT of boulders and 41,237.37 MT of aggregates. The sales of aggregates amounted to 38,096.1 MT, surpassing the local demand target of 28,260 MT.
- Completed the construction of the coal washery plant on September 9, 2022. The project is scheduled to be completed in the first quarter of 2023.

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	3,223.20	2,856.28
Net Worth	2,047.66	1,931.10
Income	5,365.29	4,229.18
Expenditure	2,513.36	1,957.97
PBT	2,851.93	2,271.21
Tax	931.20	702.92
PAT	1,920.73	1,568.29



Bank Of Bhutan Limited

- Increased mBoB users, growing from 236,026 in 2021 to 293,394 in 2022 with 27% growth in transaction value to Nu. 392 billion.
- Increased goBoB users, from 71,964 to 154,382 and enhanced the transaction value from 98.43 million in 2021 to 932.98 million in 2022.
- Introduced “BoBit” in June, a service for foreign inward remittances which facilitated AUD 658,304.00 in inward remittances.
- Launched the “Special Education Loan” on November and financed Nu. 4,364 million worth of Special Education Loans by December.
- Carried out the Blood donation campaign in collaboration with Ministry of Health and contribution to the revival of the Trans Bhutan Trail as part of CSR

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	107,603.91	100,813.57
Net Worth	8,575.10	7,890.69
Income	1,876.34	1,654.27
Expenditure	894.40	941.26
PBT	981.94	713.01
Tax	305.36	231.03
PAT	676.57	481.98



Dungsam Cement Corporation Limited

- Produced 470,506 metric tons (MT) of clinker and 517,200 MT of cement. The sales figures were 43,265 MT of clinker and 530,143 MT of cement, compared to 64,061 MT of clinker and 488,787 MT of cement in 2021.
- Increased cement sales to 41,356 MT representing an 8% growth in FY2022 compared to FY2021.
- Appointed a new CEO for the company in June.
- Contributed a total of 373 bags of cement toward various Nganglam local sectors, agencies and lhakhangs constructions
- Received a total interest waiver of Nu. 52,635,7666 as part of COVID-19 relief measures.

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	8,522.40	9,319.88
Net Worth	1,409.33	2,054.56
Income	3,287.96	2,864.02
Expenditure	3,385.88	3,131.75
PBT	97.93	267.73
Tax	0	0
PAT	97.93	267.73



Koufuku International Limited

- Processed a total of 1,061,127.12 liters of milk, resulting in the production of 81,185 kilograms of Gouda cheese, 160,402 kilograms of Processed Cheese (Druk Zambala), 11,980 kilograms of butter, 138,830 cups of 100ml Yogurt, and 10,774 cups of 400ml Yogurt.
- Established new connections with four grassroots community/dairy groups, thereby creating additional linkages, and fostering collaboration within the dairy industry.
- Enhanced rural livelihoods by helping dairy farmers gain income of Nu.37.93 million from sale of milk to KIL and Nu. 3.9 m by engaging the vehicles in collecting milk.
- The major sales income was from Druk Zambala Cheese (processed block cheese) - Nu. 75.90 M, Cup Yoghurts - Nu. 2.63 M, and Un-salted Butter Nu. 1.7 m and Nu.1.5 m from Sale of Cottage Cheese.

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	82.61	87.67
Net Worth	36.09	47.83
Income	84.51	55.87
Expenditure	95.73	59.48
PBT	(11.22)	(3.62)
Tax	0.63	0.93
PAT	(11.85)	(4.55)



Menjong Sorig Pharmaceuticals Corporation Limited

- Supplied a total of 9.08 metric tons (MT) of Traditional Medicines to the Ministry of Health.
- Sold Nu. 13.34 million of health supplements, which fell short of the target of Nu. 25 million set for 2022.
- Recorded net sales revenue of Nu. 75.67 million for the year, of which Nu. 62.33 million was from traditional medicines and Nu. 13.34 million from health supplements.
- Contributed Nu 2.80 million to the National Resilience Fund to help the government to combat COVID-19 as a part of CSR
- Made a positive Profit after Tax (PAT) of Nu. 8.46 million after adjustment of Nu. 4.31 million for prior year loss

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	183.08	177.07
Net Worth	165.97	162.51
Income	77.68	77.12
Expenditure	73.53	70.15
PBT	4.15	6.98
Tax	4.31	2.22
PAT	8.46	9.19



Dungsam Polymers Limited

- Increased in the total revenue by 6.92% as compared to 2021 and resulted in the net profit of Nu. 3.98 million
- Produced 12.22million bags, a slightly higher figure from 2021 despite hindrance from COVID
- Sold around 0.91 million bags to export markets mostly in Assam and exported over 176.18 MT of fabrics to customers in India.
- Sold about 83.29% of bags to DCCL and the rest to PCAL, RSA Ltd., Chundu Enterprise, Nortak Enterprise and some other small vendors and distributors across the country.
- Explored the possibility of manufacturing of Jumbo bags for packing Ferro silicon and Leno bag for packing vegetable products as part of business diversification.

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	153.31	156.90
Net Worth	43.71	43.93
Income	190.92	178.57
Expenditure	178.31	184.61
PBT	12.61	(6.05)
Tax	8.64	0.53
PAT	3.98	(6.58)



State Trading Corporation Of Bhutan Limited

- Increased the revenue to Nu. 3,231.26 million, Nu. 69.67 million higher than 2021, despite the nation-wide lockdowns followed by moratorium on import of vehicle from August.
- Commenced operations of Fuel Retail Outlets in Chukha (Tsimasham- Damchu junction) and Chamkuna in Phuentsholing.
- Started the construction of 3 Fuel Retail Outlets in Bumthang, Tsirang and Sarpang.
- Scored 4.05 out of 5 on customer satisfaction survey
- Generated Nu. 1,459.01 million as revenue from automobile business and Nu. 1,772.24 million from non-automobile business. The share of revenue from the automobile business has decreased from 62% to 45% compared to the previous year.

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	1,447.90	1,159.91
Net Worth	647.92	573.73
Income	3,231.26	3,161.60
Expenditure	3,151.91	3,049.28
PBT	79.36	112.31
Tax	22.01	32.71
PAT	57.35	79.60



Penden Cement Authority Limited

- Signed the MoU with the Eastern Coalfield Ltd. (ECL) of Coal India Ltd, with the support of the RGoB and the GoI, to supply 36,500 MT of coal annually
- Planted about 10,500 saplings of beema bamboo at Uttare Mines with the aim of exploring alternative fuel.
- Carried out the reassessment of Pugli limestone to last more than 6 years by mixing with high grade limestone from Thimphu.
- Completed the construction of AAC Eco Block Plant
- Contributed a total of Nu. 4.45 million towards CSR in combating the COVID-19 pandemic and also supplied 3 MT of cement towards schools and government institutions in the community.

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	2,046.73	1,905.53
Net Worth	1,170.94	1,166.63
Income	546.37	942.79
Expenditure	769.64	1,024.1
PBT	(233,28)	(81,31)
Tax	(4.66)	(22.63)
PAT	(227,94)	(103,94)



Bhutan Board Products Limited

- Increased the production of raw board by 14.95% and laminated board by 2.71% at Darla Board Factory
- Improved the plant capacity utilization by 6.16% despite the pandemic's impact in the first quarter.
- Reduced downtime hours from 4,811.20 to 4,396.33 in 2022, a reduction of 414.87 hours.
- Manufactured 3,615 sets of standard furniture and 547 sets of customized furniture by Pasakha RTAF factory
- Implemented the introduction of bin card systems in the board and furniture warehouses and RTAF factory for effective inventory management.

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	1,077.96	842.60
Net Worth	940.70	737.75
Income	260.31	237.83
Expenditure	240.10	231.65
PBT	20.21	6.18
Tax	5.41	(0.62)
PAT	14.80	6.80



Azista Bhutan Healthcare Limited

- Commenced commercial operation of the plant and launched its product in June.
- Packaged Lanol 500: Paracetamol Tablets IP 500 mg as its first product.
- Manufactured nine oncology drugs and export one oncology drug i.e., Palbociclib to Singapore.
- Acquired technical authorization to manufacture general oncology products
- Obtained product registration certificates for 36 Products (33 general products and 03 oncological products)
- Carried out brand registrations for 66 products with the Department of Intellectual Property

Particulars	2022 (in millions of Nu.)	2021 (in millions of Nu.)
Total Assets	434.28	349.37
Net Worth	138.93	132.70
Income	4.64	-
Expenditure	40.50	-
PBT	-42.98	-
Tax	0	0
PAT	0	0

07

**AUDITOR'S
REPORT &
FINANCIAL
STATEMENTS**



Independent Auditor's Report on the Consolidated Financial Statements for year ended 31 December 2022

To

The Members of Druk Holding and Investments Limited

Opinion

We have audited the Consolidated Financial Statements of Druk Holding and Investments Limited and its subsidiaries ("the Group"), which comprise the Consolidated Statement of Financial Position as at 31 December 2022, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and Notes to the Consolidated Financial Statements, including significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion, the accompanying Consolidated Financial Statements give a true and fair view of the Consolidated Financial Position of the Group as at 31 December 2022 and its Consolidated Financial Performance and its Consolidated Cash Flows for the year then ended in accordance with Bhutanese Accounting Standards (BAS).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Druk Holding and Investments Limited and its subsidiaries ("the Group") in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bhutan and we have fulfilled our ethical requirements in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Emphasis of Matter

The Group has transitioned to BFRS 16, Leases from 2022 and had opted to apply modified approach which permits restatement of Right of use assets and lease liability as at the beginning of the date of application of the standard i.e. on 1/1/2022.

Our Opinion is not modified in this respect.





Key Audit Matters

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

For the year under audit, we do not have any issues to be reported under Key Audit Matter.

Other Information

The management and the Board of the Company is responsible for the other information. The other information comprises the information included in the Director's Report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this audit report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or cease operations, or has no realistic alternative but to do so.

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





Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or 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 the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of 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 a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern;
- v. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieve fair presentation; and



- vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance for the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that 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.

For Dechok & Associates Pvt. Ltd.

For Menuka Chhetri & Associates





Independent Auditor's Report on the Standalone Financial Statements for year ended 31 December 2022

To
The Members of Druk Holding and Investments Limited (DHI)
Thimphu

Opinion

We have audited the standalone financial statements of Druk Holding and Investments Limited (the Company), which comprise the Statement of Financial Position as at 31 December 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and Notes to the standalone financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying standalone financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with BAS.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bhutan and we have fulfilled our ethical requirements in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Emphasis of Matter

The Company has transitioned to BFRS 16, Leases from 2022 and had opted to apply modified approach which permits restatement of Right of Use Assets and Lease Liability as at the beginning of the date of application of the standard i.e. on 1/1/2022.

Our Opinion is not modified in this respect.

Key Audit Matters

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

For the year under audit, we do not have any issues to be reported under Key Audit Matter.



Other Information

The management and the Board of the Company is responsible for the other information. The other information comprises the information included in the Director's Report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this audit report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

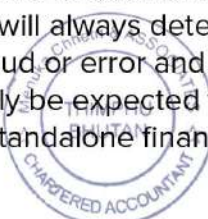
Management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with BAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.





As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 the reasonableness of 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 material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe



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

Report on Other Legal and Regulatory Requirements

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

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

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief 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 insofar as it appears from our examination of those books;
- c) The Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report have been prepared in accordance with BAS; and
- d) The Company has complied with other legal and regulatory requirements to the extent applicable to the company.

For Dechok & Associates Pvt. Ltd.

For Menuka Chhetri & Associates



FINANCIAL STATEMENTS

(All figures in millions unless otherwise stated)

1. Statement of Comprehensive Income for the year ended 31 December 2022

	Note	GROUP		PARENT	
		31-Dec-22	31-Dec-21 (Restated)	31-Dec-22	31-Dec-21 (Restated)
INCOME					
Revenue from customers	4.a	40,452.73	36,715.72	-	-
Dividend Income	4.b	51.53	50.59	10,171.03	8,025.75
Other Income	5	5,178.33	3,297.14	394.53	331.27
Share of Profit of Associates & Joint venture	6	183.75	250.70	-	-
Total Income		45,866.34	40,314.15	10,565.56	8,357.02
EXPENDITURE					
Direct Costs of Sales	7	12,557.44	9,256.93	-	-
Employee related Costs	8	5,395.86	4,943.54	116.47	88.76
Repairs and Maintenance	9	1,971.78	1,649.17	8.52	4.87
Other cost	10	4,270.17	1,842.90	62.40	53.75
Finance Cost		2,083.90	1,782.06	2.69	1.29
Depreciation and amortisation	11 & 15	7,065.31	6,815.74	16.91	3.51
Impairment losses/ (gains)		(276.16)	4.44	-	-
Total Expenditure		33,068.30	26,294.78	206.99	152.18
Profit on Operations before Tax		12,798.04	14,019.37	10,358.57	8,204.84
Income Tax Expenses	12	8,004.59	7,270.33	3,112.80	2,463.05
PROFIT FOR THE YEAR		4,793.45	6,749.04	7,245.77	5,741.79
Attributable to shareholders of DHI		4,491.55	6,508.56	-	-
Attributable to Non-controlling interest		301.90	240.48	-	-

Basic and Diluted Earnings per Share	13	9.75	14.70	14.73	12.51
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For Statutory Auditors

For Druk Holding & Investment Limited



(All figures in millions unless otherwise stated)

1. Statement of Comprehensive Income for the year ended 31 December 2022 cont.

	Note	GROUP		PARENT	
		31-Dec-22	31-Dec-21 (Restated)	31-Dec-22	31-Dec-21 (Restated)
Profit for the year		4,793.45	6,749.04	7,245.77	5,741.79
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain/(loss) on post employment benefits	(18.71)	54.41	(3.50)	(0.71)	
Fair value gain/(loss) on Equity Investments measured through FVOCI	(776.03)	750.82	(749.91)	619.17	
Gain/(loss) on revaluation on land	2,050.49	147.01	1,227.48	147.01	
Tax on Other Comprehensive Income	(11.76)	(1.76)	(11.94)	(185.75)	
Other comprehensive income for the period, net of tax	1,243.99	950.48	462.13	579.73	
TOTAL COMPREHENSIVE INCOME		6,037.44	7,699.52	7,707.90	6,321.52
Attributable to shareholders of DHI		5,735.54	7,459.04	-	-
Attributable to Non-controlling interest		301.90	240.48	-	-

This is the Statement of Comprehensive Income referred to in our report of even date

For Statutory Auditors

For Druk Holding & Investment Limited



(All figures in millions unless otherwise stated)

2. Statement of Financial Position for the period ended 31 December 2022

	Note	GROUP			PARENT	
		31-Dec-22	31-Dec-21 (Restated)	31-Dec-20 (Restated)	31-Dec-22	31-Dec-21 (Restated)
Non-current Assets						
Property Plant and Equipment	11	99,743.22	95,693.56	96,842.16	129.85	21.92
Capital work in progress	12	26,025.96	16,817.75	15,667.29	3,968.33	1,011.9
Right of Use Assets		173.78	-	-	18.20	-
Investment Property	15	3,502.32	233.41	370.64	1,991.34	711.7
Intangible Assets	16	1,377.19	1,149.31	1,206.57	3.46	2.21
Biological Assets		763.74	560.79	-	-	-
Goodwill	17	11.95	11.95	11.95	-	-
Investments	18	10,193.92	10,213.28	7,430.70	62,013.22	61,576.4
Long Term Financial assets	19	20,848.10	12,778.48	3,206.38	2,526.48	-
Banking Loans and Advances		62,302.58	49,556.10	46,106.13	-	-
Long Term Employee Benefits		44.48	58.06	459.13	-	-
Other Non-Current Assets	20	147.40	2,146.03	800.94	52.31	53.32
Total Non-current Assets		225,134.6	189,218.7	172,101.9	70,703.2	63,377.4
Current Assets						
Inventory	21	4,550.22	4,160.42	3,921.90	(0.06)	-
Trade Receivables	22	5,868.54	3,881.42	3,949.70	-	-
Other Receivables and Advances	23	6,379.49	7,257.85	7,083.20	1,307.87	1,413.95
Advance to Ministry of Finance	24	3,977.00	3,021.00	4,532.00	3,977.00	3,021.0
Short Term Deposits	25	17,290.64	30,529.56	29,175.39	-	1,355.4
Cash and bank	26	6,429.38	3,170.23	2,902.74	1,196.02	144.36
Total Current Assets		44,495.27	52,020.48	51,564.93	6,480.95	5,934.7
TOTAL ASSETS		269,629.9	241,239.2	223,666.8	77,184.1	69,312.1
EQUITY						

Paid up Share capital	27	49,184.12	49,272.06	48,756.49	49,184.12	49,272.06
Retained Earnings		20,985.18	22,755.96	24,131.40	6,853.20	4,039.09
Reserves		22,862.33	19,016.35	16,237.21	6,927.23	6,927.23
Bhutan Future Fund		4,316.00	2,909.00	2,190.00	4,316.00	2,909.00
Asset Revaluation Reserve		2,050.49	147.01	-	1,374.49	147.01
OCI		-	-	-	1,813.00	2,578.33
Non-controlling Interests		5,134.20	4,896.66	4,575.32	-	-
Total Equity		104,532.3	98,997.04	95,890.43	70,468.04	65,872.72
Non-current Liabilities						
Long Term Borrowings	28	46,289.20	37,441.79	36,382.84	778.40	39.43
Customer Deposits in Banking Sector		90,799.49	80,054.06	71,065.52	-	-
Deferred Government Grants	29	4,736.03	3,688.72	3,470.35	2,572.49	517.26
Long Term Employee Benefits	33	2,473.72	2,044.83	2,007.01	26.46	9.44
Lease Liabilities		214.21	-	-	22.38	-
Deferred Tax Liability	13	2,163.36	2,100.51	1,356.90	1,120.64	1,108.05
Other Non-Current Liabilities	30	1,118.81	1,045.91	942.68	11.50	15.00
Total Non-current Liabilities		147,794.8	126,375.8	115,225.3	4,531.87	1,689.18
Current Liabilities						
Current Portion of Borrowings	2	2,913.07	2,529.28	2,940.32	-	-
Working Capital Loans from Banks		77.16	61.54	114.00	-	-
Deferred Government Grants	29	82.54	274.30	54.32	-	-
Income Tax Payable		5,285.17	4,740.41	3,547.15	1,806.12	1,392.69
Trade and Other Payables	31	3,541.49	3,139.96	2,279.31	378.11	357.47
Other Current Liabilities	32	5,403.34	5,120.84	3,615.99	-	-
Total Current Liabilities		17,302.77	15,866.33	12,551.09	2,184.23	1,750.16

TOTAL EQUITY AND LIABILITIES	269,629.9	241,239.2	223,666.8	77,184.14	69,312.1
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This is the Statement of Financial Position referred to in our report of even date

For Statutory Auditors

For Druk Holding & Investment Limited



3. Statement of Cash flow for the year ended 31 December 2022

(All figures in millions unless otherwise stated)

		GROUP		PARENT	
	31-Dec-22	31-Dec-21 (Restated)	31-Dec-22	31-Dec-21	
CASHFLOWS FROM OPERATING ACTIVITIES					
Profit before income tax	12,798.04	14,019.37	10,358.59	8,204.82	
Adjustments for:					
Depreciation and amortization	7,065.31	6,815.74	16.91	3.51	
Net loss / (gain) on sale of property, plant and Equipment	-	-	-	-	
Dividend Received	(51.53)	(50.59)	(10,171.03)	(8,025.74)	
Interest expenses	2,083.90	1,782.06	2.69	1.29	
Interest income	(41.62)	(151.98)	(120.22)	(92.96)	
Operating profit before working capital changes	21,854.10	22,414.60	86.93	90.92	
Decrease / (Increase) in Inventories	(389.79)	(238.53)	(0.06)	-	
Decrease / (Increase) in Trade and other receivables	(1,108.77)	(106.35)	106.08	(348.55)	
Increase / (Decrease) in non-current assets	1,998.63	(1,345.09)	(2.50)	(279.32)	
Increase / (Decrease) in loans & advances	13,450.12	(1,563.56)	20.65	(2.39)	
Increase / (Decrease) in Trade and other payables	401.53	860.65	-	313.69	
Increase / (Decrease) in current and non-current Liabilities	355.42	2,071.09	46.07	410.54	
Increase / (Decrease) in provision	987.23	1,632.15	413.43	0.20	
Net cash generated from operating activities before income tax	37,548.47	23,724.96	670.61	185.09	
Tax Paid	(7,929.98)	(6,524.95)	(2,095.05)	(1,661.12)	
Movements in Banking Loans and Deposits					
- Decrease/(Increase) in Customer Loans	(12,746.48)	(3,449.96)	-	-	
-Increase/(Decrease) in Customer Deposits	10,745.40	8,988.54	-	-	
Net cash generated from operating activities	27,617.41	22,738.59	(1,424.44)	(1,476.03)	

CASHFLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and Intangible assets	(20,927.78)	(7,321.12)	(3,224.53)	(526.45)
Dividend Received	51.53	50.59	9,153.93	7,223.17
Loan to subsidiary companies	-	-	-	(498.01)
Investments in other investments	(7,779.31)	(11,583.29)	(2,357.86)	(2,659.29)
Interest received	41.62	151.98	120.22	92.96
EPF			(3.50)	0.72
Net cash generated from investing activities	28,613.94	18,701.84	3,668.26	3,633.10
CASHFLOWS FROM FINANCING ACTIVITIES				
Receipt/(repayments) of borrowings	9,246.83	595.45	738.97	(1.35)
Receipt/(repayments) of government grants	855.55	438.36	2,055.23	60.43
Issue of share Capital	-	-	-	515.56
Repayment of lease liabilities				
	214.21			
Repayment of Borrowings	-	-	-	-
Advance to MoF	(3,977.00)	(3,021.00)	(3,977.00)	(3,021.00)
Interest paid	(2,083.90)	(1,782.06)	2.69	1.29
Payment of dividend on ordinary shares	-	-	-	-
Net cash used in financing activities	4,255.69	(3,769.25)	(1,188.17)	(2,447.65)
Net increase in cash and cash equivalents	3,259.14	267.48	1,051.66	(290.58)
Opening Cash and Bank Balances	3,170.23	2,902.75	144.36	434.94
Closing Cash and Bank Balances	6,429.38	3,170.23	1,196.02	144.36

This is the Statement of Cash Flows referred to in our report of even date

For Statutory Auditors

For Druk Holding & Investment Limited



4. Consolidated Statement of Changes in Equity for the year ended 31 December 2022

(All figures in millions unless otherwise stated)

	Share Capital	Retained Earnings	General Reserves	Bhutan Future Fund	Assets Re-valuation Reserve	Total Shareholders Equity	Non Controlling Interest	Total Equity
Opening Balance 1 January 2021	48,756.50	24,131.40	16,237.21	2,190.00		91,315.11	4,575.32	95,890.43
Operating Income for the year	-	6,548.91	-			6,548.91	200.13	6,749.05
OCI for the year	-	764.44	-		147.01	911.46	39.03	950.49
Dividends Paid	-	(4,532.00)	-			(4,532.00)	-	(4,532.00)
Transfer to Reserve	-	(719.00)	(679.22)	719.00		(679.22)	-	(679.22)
Share of losses and other adjustment	-	(3,437.79)	3,458.36			20.57	82.18	102.74
Shareholder's contributions	515.56	-	-			515.56	-	515.56
Closing Balance 31 December 2021	49,272.06	22,755.96	19,016.35	2,909.00	147.01	94,100.38	4,896.66	98,997.04
Opening Balance 1 January 2022	49,272.06	22,755.96	19,016.35	2,909.00	147.01	94,100.38	4,896.66	98,997.04
Operating Income for the year	-	4,746.08	-			4,746.08	47.37	4,793.45
OCI for the year	-	(904.29)	-		1,903.48	999.18	244.80	1,243.99
Dividends Paid	-	(3,021.00)	-			(3,021.00)	-	(3,021.00)
Transfer to Reserve	(87.93)	1,267.46	-	1,407.00	-	2,586.53	-	2,586.53
Share of losses and other adjustment	-	(3,817.89)	3,804.84			(13.05)	(54.63)	(67.68)
Closing Balance 31 December 2022	49,184.12	21,026.32	22,821.19	4,316.00	2,050.49	99,398.12	5,134.20	104,532.32

This is the Statement of Change in Equity referred to in our report of even date

For Statutory Auditors



For Druk Holding & Investment Limited



5. Standalone Statement of Changes in Equity for the year ended 31 December 2022

(All figures in millions unless otherwise stated)

	No. of Shares (issued and fully paid up)	Ordinary Shares Par value per Shares	Total Value of Shares	Retained Earnings	General Reserve	Bhutan Future Fund	Assets Revaluation Reserve	OCI	Total
Balance as at 1 January 2021	487.56	100.00	48,756.50	4,757.65	5,717.44	2,190.00		2,145.62	63,567.21
Profit after income-tax	-	-	-	5,741.78	-	-	-	-	5,741.78
OCI (expense) for the year	-	-	-	0.96	-	-	147.01	432.71	580.68
Dividends paid	-	-	-	(4,532.00)	-	-	-	-	(4,532.00)
Adjustments made for land transfer	(0.33)	-	(33.32)	-	-	-	-	-	(33.32)
Shares allotted to MoF	5.49	100.00	548.88	-	-	-	-	-	548.88
Transferred to General Reserve	-	-	-	(1,209.79)	1,209.79	-	-	-	-
Transferred to BFF	-	-	-	(719.00)	-	719.00	-	-	-
Transferred to EPF	-	-	-	(0.51)	-	-	-	-	(0.51)
Balance as at 31 December 2021	492.72	100.00	49,272.06	4,039.09	6,927.23	2,909.00	147.01	2,578.33	65,872.72
Opening Balance as at 1 January 2022	492.72	100.00	49,272.06	4,039.09	6,927.23	2,909.00	147.01	2,578.33	65,872.72
Profit after income-tax	-	-	-	7,245.78	-	-	-	-	7,245.78

OCI (expense) for the year	-	-	-	(3.68)	-	1,227.48	(765.34)	458.47
Dividends paid	-	-	-	(3,021.00)	-	-	-	(3,021.00)
Shares allotted to MoF	(0.88)	100.00	(87.93)	-	-	-	-	(87.93)
Transferred to BFF				(1,407.00)	1,407.00			
Balance as at 31 December 2022	491.84	100.00	49,184.13	6,853.19	6,927.23	1,374.49	1,812.99	70,468.04

This is the Statement of Change in Equity referred to in our report of even date

For Statutory Auditors

For Druk Holding & Investment Limited



a. Standalone Statement of Changes in Equity for the period ended 31 December 2022

(Contd...) Authorized Capital:

Authorized Share capital	As at 31 December 2022	As at 31 December 2022
5,000,000,000 equity shares of Nu. 100/- each	500,000,000,000	500,000,000,000

Nature of Reserves

- All shares are of same class and have the same rights attached.
- Retained Earnings comprise profits from previous year. Out of these profits, dividends paid for previous year in the current year is adjusted along with other adjustments. The balance amount after these adjustments is transferred to General Reserve. The current year's profits are then transferred to the Retained Earnings.
- General Reserve is the DHI's General Reserve stated in the Royal Charter through which the company was formed. Dividends may be declared from the General Reserve only after fulfilling the required formalities as written in the Royal Charter.
- OCI represents the gain or loss that have not been realised on the fair valuation of Investments other than investment in subsidiaries, associates and joint ventures and on Actuarial Valuation of gratuity and leave.

For Statutory Auditors

For Druk Holding & Investment Limited



08

ACCOUNTING POLICIES & NOTES TO ACCOUNTS

NOTES TO FINANCIAL STATEMENTS

Note 1: General Corporate Information

Druk Holding and Investments Limited (DHI) was constituted through a Royal Charter on 11 November 2007. It was subsequently incorporated on 16th November 2007 (Certificate of Incorporation Registration No.U20071116TH10198) under the Companies Act of the Kingdom of Bhutan, 2000. DHI is a limited liability company incorporated and domiciled in Bhutan. The address of its principal place of business is BOB building, Norzin Lam, Thimphu, Bhutan.

The primary mandate of DHI is “to hold and manage the existing and future investments of the Royal Government of Bhutan for the long term benefit of its shareholders, the people of Bhutan” and it is the investment arm of the Government. The Ministry of Finance of the Royal Government of Bhutan (RGoB) is DHI’s sole shareholder.

The key purpose of DHI is to ensure that its companies are able to meet the challenges and requirements of the corporate sector in a highly competitive global economy, such that DHI create and maximise returns to its shareholders.

Initially, shares held by the Ministry of Finance, RGoB, in 14 companies amounting to Nu.15,998,982,400 was transferred to DHI as it’s issued and subscribed capital divided into 159,989,824 equity shares of Nu.100 each. In subsequent years, RGoB has handed over various projects to DHI and the relevant share capital has been issued to the Ministry of Finance.

Currently, there are 28 companies that come under DHI’s investment as Subsidiaries, Associates and Joint Ventures. These companies cover segments like hydropower, telecommunication, aviation, natural resources, banking, insurance, manufacturing, infrastructure, and trading. The principal activity of DHI, the Parent company, is the holding company for investments. All significant operations of these companies take place within Bhutan.

These financial statements cover DHI, the Parent company, and the financial statements of all companies in the DHI Group for the year ended 31 December 2022.

These financial statements were authorized for issue by the Board of Directors on 1 June 2023.

Note 2: Significant Accounting Policies

a) Basis of preparation

Financial statements of DHI and the consolidated financial statements of all companies in the DHI Group have been prepared in accordance with Bhutanese Accounting Standards (BAS) issued by Accounting & Auditing Standard of Bhutan (AASBB) under the accrual, historical cost and going concern conventions.

Preparation of financial statements is in conformity with BAS that requires the use of certain critical accounting estimates. It also requires management to exercise its

judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as under:

- **Income:** Revenue is recognised at a point in time when the entity transfers the control of goods or services or over the time based on input or output method.;
- **Fixed assets:** Critical judgments are expected for period of use, condition of the asset, technological advances, regulation, and residual values;
- **Actuarial valuation of employee benefits:** Expected uptake of the gratuities and the discount rate used in the valuation;
- Investments are generally stated at cost except for investments other than in subsidiaries, associates and joint ventures companies, where the investments are measured at market value and the net gain or loss reflected in Other Comprehensive Income as per BFRS-9; and
- **Tax:** The Group is subject to taxes in Bhutan and other jurisdictions in which it operates. Application of tax law to specific circumstances and transactions require an exercise of judgment by the management.
- **Impairment of Financial Asset:** The provisions on financial assets- loans, trade receivable and contract assets are measured using expected credit loss model which requires the exercise of significant judgement and estimates according to historical data and macroeconomic data.

The functional currency for operation with Bhutan is Ngultrum and the entity operating in Singapore is the Singaporean Dollars but presentation currency is the Bhutanese Ngultrum.

b) Application of Bhutanese Accounting Standards

The Financial Statements have been prepared in accordance with BAS and in compliance with relevant provisions of The Companies Act of Bhutan, 2016.

c) Segment reporting

Operating segments are reported in a

manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

d) Consolidation

Financial statements of the Group companies are consolidated on a line-by-line basis. Significant intra-group balances and transactions, and any unrealized incomes and expenses arising from intra-group transactions, are eliminated where practical. These financial statements are prepared by applying uniform accounting policies in use at the Group level.

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Company controls an investee if, and only if, the Company has all the following:

- a. Power over the investee;
- b. Exposure, or rights, to variable returns from its involvement with the investee; and
- c. The ability to use its power over the investee to affect the amount of the Company's returns.

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than a majority of voting of similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee. Financial statements of subsidiaries are consolidated from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them

with the policies adopted by the Group.

e) Foreign currency translation

a. Transactions in foreign currencies are initially recognized in the financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in the income statement for determination of net profit or loss during the period.

b. Borrowing costs may include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Such borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which it incurs them.

f) Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment, if any except for land. Land will be measured at revalued amount less subsequent accumulated depreciation less subsequent accumulated impairment losses. Cost includes purchase price, taxes and duties, labour cost, direct financing costs, direct overheads for self-constructed assets,

borrowing costs, other direct costs incurred up to the date the asset is ready for its intended use including initial estimate of dismantling and site restoration cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Asset Class	Useful Life
Land Development cost	30-40 years
Buildings and civil structures	30-40 years
Plant and machinery and other equipment	5-40 years
Furniture and fixtures	7-10 years
Computers and office equipment	3-7 years
Cables and power system	5-10 years
Vehicles	7-10 years
Capital tools and spare parts	5-10 years
Aircraft fleet	15-17 years
Other aviation assets	10 years
Transmission and Distribution lines	30 years

The assets' useful lives and residual values are reviewed by the concerned company, and adjusted if appropriate, at the end of each reporting period.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other Income' or 'Other expenses' as the case may be, in the Statement of Comprehensive Income.

g) Intangible assets: Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 10 years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

h) Business Combination

i) Business combination other than under common control

Accounting for Business combinations requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. The valuations are conducted by independent valuation experts.

Business combinations have been accounted for, using the acquisition method. The cost of acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transactions costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest's method.

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-

generating unit”).

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination. Corporate assets for the purpose of impairment testing are allocated to the cash generating units on a reasonable and consistent basis.

ii) Business combination under common control

A business combination involving entities or businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies.

i) Goodwill

Goodwill on the acquisition of a subsidiary is the difference between the consideration paid and the fair value of the underlying assets and liabilities. Goodwill is shown at the fair value calculated at the time of acquisition. It is not subject to amortisation, but will be reviewed for impairment on a regular basis.

j) Investment Property

An Investment Property is a property held to earn rental or for capital appreciation

or both, rather than use in the production or supply of goods and services, or for administrative purpose, or sale in the ordinary course of business. An investment property shall be initially measured at its cost and the transaction costs shall be included in the initial measurement. The investment properties are subsequently accounted for using the cost model.

k) Research and Development costs

Research costs are recognised as an expense in the year in which they are incurred. Development costs are only capitalised if a potentially profitable product has been found and management has given approval to further develop the product. If the company decides to proceed and market the product, development costs will be amortised over the expected profitable period of marketing the product, not exceeding 5 years. Other development costs are expensed immediately if the decision is made not to proceed to market the product.

l) Investments

The Group holds investments in Associate and joint venture Companies and in other entities.

i) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights and the representative on the Board of Directors. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The company's investment in associates includes goodwill

identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit (loss) of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in

investments in associates are recognised in the income statement.

ii) Joint Ventures

Joint venture is an arrangement where two or more parties have joint control through contractual agreement to the net assets of the arrangement. The group uses equity method of accounting for its investment in joint venture.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

An Associate Company is one in which the group does not have control, but is in the position of being able to influence the decisions of the Associate. In general, influence is indicated by a shareholding of between 20% and 50% and a representative on the Board of Directors. Joint venture is an arrangement where two or more parties have joint control bond contractual agreement.

The parent company shows any dividends received as income and the investment at cost. The consolidated financial statements account for the investment in Associate Companies using the equity method. The group share of profit or loss is included in the reported income for the year, with any dividends received being offset against the investment. The value of the investment comprises the original cost of the investment, plus the group share of Reserves.

Other investments include entities where the Group is not in the position of being able to control or have significant influence over the decisions of the entity. This is indicated by a shareholding of less than 20%. The investments are held for the dividends only and the investments are measured at fair value through other comprehensive income (FVTOCI).

m) Exploration for and Evaluation of mineral resources

The cost of exploration and evaluation are accumulated as Capital Work-In-Progress and not expensed. Once the operation commences, the cost are classified as tangibles or intangibles and depreciated based on the number of units produced.

n) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

o) Investments and other financial assets

i) Initial measurement

At initial recognition, the Company measures

a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets of the Company are classified in the following categories:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI); and
- Financial assets measured at fair value through profit and loss (FVTPL)

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both the following conditions are met:

- a.** The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b.** Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees

or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables, bank deposits, security deposits, investment in Government Securities, bonds, cash and cash equivalents and employee loans, etc.

Financial instruments measured at fair value through other comprehensive income (FVTOCI)

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- a. the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- b. the asset's contractual cash flow represents SPPI.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in other comprehensive income (OCI). Currently, the investments in equity shares where the shareholding is less than 20% are classified under this category.

Financial instruments measured at fair value through profit and loss (FVTPL)

Fair value through profit and loss is the residual category. Any financial instrument that does not meet the criteria for categorization as at amortized cost or FVTOCI is classified at FVTPL. Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements are recorded in statement of profit and loss.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. ECL is calculated based on the difference between the contractual cashflows in accordance with the contract and all the cashflows that is expected to be received, discounted at an approximation of the original effective interest rate. The impairment methodology applied depends on whether there has been a significant increase in credit risk and objective evidence of impairment over the life of the financial assets.

The group Companies applies the simplified approach for trade receivables, contract assets and lease receivables as permitted by BFRS 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised only when:

- The rights to receive cash flows from the asset have been transferred, or
- The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.
- When the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.
- When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognised.
- When the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of

the financial asset, the financial asset is derecognised if the entity has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the asset.

v) Income recognition

Interest income: Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income: Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

p) Financial liability

i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at fair value through

profit or loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in BFRS 9 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Borrowings

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting

period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity classifies the liability as current, if the lender does not agree not to demand payment as a consequence of the breach before reporting date.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with BAS 37: Provisions, Contingent Liabilities and Contingent Assets, and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

q) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

r) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises design costs, raw materials, direct

labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs.

s) Trade and other receivables

Trade and other receivables are initially recognised at the fair value of the amounts to be received. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets. Receivables are reviewed regularly for impairment.

t) Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents include cash in hand, deposits held at call with banks and Royal Monetary Authority, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

u) Trade and other payables

Trade and other payables are initially recognised at the fair value of the amounts to be paid. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

v) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in Other Comprehensive Income. In this case, the tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of tax laws of the country enacted at the balance sheet date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted at the balance sheet date and are expected to apply when the related income tax asset is realised or the income tax liability is settled.

Deferred income tax assets are reviewed at each reporting date and are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

w) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a major capital project, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

x) Employee benefits

a) Retirement Benefits

Under 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 hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Under Defined Benefit Scheme: The Company makes retirement payments based on the final salary and years of service. Gratuity is accrued on the basis of actuarial valuation. Changes in service and interest cost are charged to Profit or Loss under Statement of Comprehensive Income. All actuarial gains and losses arising from defined benefit plan are recognised in Other Comprehensive Income.

b) Other benefits

Accumulated leave liability is accrued on the basis of actuarial valuation for the leave balance over and above the annual leave encashment against each employee as at the end of the year. Changes in leave balance, interest and changes to actuarial valuation are charged to the Statement of Comprehensive Income. Other short-term employee benefits such as annual leave encashment and bonus are accrued at year-end.

y) Leases

A contract which conveys the right to control the use of an identified asset for a period of time in exchange for consideration are classified as lease.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value

assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the term of the lease.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification due to change in the lease term and or change in the lease payments.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease rec-

ognition exemption to its short-term leases of vehicles, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

The group has applied the modified retrospective transition method and have presented its 'Right-of-use assets' and lease liabilities separately in the statement of financial position. The Group presented interest expense on lease liabilities under 'finance costs' and the depreciation charge on the right-of-use asset under depreciation expenses.

z) Provisions and Contingent Liabilities

Provisions are recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time

value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

aa) Revenue recognition

Revenue is measured at the amount entity expects to be entitled in exchange for transferring promised goods or services to a customer, and represents amounts receivable for goods supplied, stated net of discounts, returns and taxes and royalty collected on behalf of government.

a) Sale of goods and services: The group recognises revenue when the entity satisfies a performance obligation identified in the contract by transferring a promised good or service (i.e., an asset) to a customer and the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the group. An asset is assumed to be transferred to customer when (or as) the customer obtains control of that asset. Incremental cost incurred by the company for obtaining as contract with customer is recognised as assets if the recovery of such cost is expected. Such assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Bilateral contracts between two entities in the same line of business for non-monetary exchange of goods and services to facilitate sales to its customers or potential customers are not accounted for as sales (revenue) as per BFRS 15. Any balance against such exchange contracts not settled during the same financial year are accounted for as payable/receivable and included under other current assets/liabilities in statement of financial position.

b) Construction Contracts: In case of construction contracts, group recognises revenue, if one of the following criteria as enunciated in BFRS 15 - Revenue from Contract with Customers is met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset (for example, work-in-progress) that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Earnings on construction contracts are determined using the percentage-of-completion method. Earnings are not recognised until the outcome can be reliably estimated. The company uses its professional judgment to assess both the physical completion and the forecast financial result of the contract. Provision is made for estimated future losses on the entire contract from the date it is first recognised that a contract loss may be incurred.

Construction work-in-progress is stated at cost plus profit recognised to date, less progress billings and any provision for foreseeable losses. Cost includes all expenditure directly related to specific projects, plus a share of relevant overheads.

bb) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

cc) Dividend income

Dividend income is recognised when the right to receive payment is established. The company's operating revenue comprises dividend income, interest income, guarantee fees which are guided by the principles of recognition, measurement and disclosure requirements as per BFRS 9.

dd) Government grants

Grants from Royal Government of Bhutan and other organisations relating to costs incurred are recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Grants relating to property, plant and equipment are included in non-current liabilities as Deferred Government Grants. Depreciation on the assets is charged against the grant and not to the Operating Statement.

ee) Impairment of Non-financial assets

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units

on a pro-rata basis.

Reversal of impairment loss

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

ff) Earnings Per Share

The Group 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.

gg) Comparative Information

Where necessary certain comparative information has been reclassified in order to provide a more appropriate basis for comparison. Certain amounts and percentages that appear in this report may not sum due to rounding.

Note 3.1: Segmental report as of 31 December 2022

(All figures in millions unless otherwise stated)

	Energy & Resources	Communication & Transport	Manufacturing	Finance	Trading	Others	Total	Elimination	Grand Total
Revenue	16,311.82	7,558.69	4,135.94	5,196.90	3,185.23	11,250.52	47,639.10	(14,494.85)	33,144.25
Revenue (PTC India)	7,308.47	-	-	-	-	-	7,308.47	-	7,308.47
Revenue from group	6,554.28	94.09	196.84	395.70	(3.84)	227.13	7,464.20	(7,464.20)	-
Interest Received	140.60	4.95	17.79	84.53	-	96.07	343.94	(302.32)	41.62
Other Income	4,382.69	274.32	97.28	63.77	49.88	346.10	5,214.04	157.96	5,372.00
Total Income	34,697.86	7,932.05	4,447.85	5,740.90	3,231.27	11,919.82	67,969.75	(22,103.41)	45,866.34
Direct Cost of Sales	11,578.35	1,203.67	2,383.97	3,750.66	2,915.17	532.51	22,364.33	(9,806.89)	12,557.44
Personnel and Other Costs	6,588.11	2,253.77	1,564.64	1,019.30	174.77	889.50	12,490.09	(852.28)	11,637.81
Finance Cost	1,441.83	465.67	384.00	47.14	32.84	36.67	2,408.15	(324.25)	2,083.90
Depreciation and amortization	4,457.94	1,831.89	405.35	201.33	23.36	128.37	7,048.24	17.07	7,065.31
Impairment losses	8.07	-	0.34	(259.46)	5.77	(32.56)	(277.84)	1.68	(276.16)
Income Tax	3,254.43	752.62	564.58	305.36	22.01	3,111.66	8,010.66	(6.07)	8,004.59
Total Expenses	27,328.73	6,507.62	5,302.88	5,064.33	3,173.92	4,666.15	52,043.63	(10,970.74)	41,072.89
Net Profit after tax	7,369.13	1,424.43	(855.03)	676.57	57.35	7,253.67	15,926.12	(11,132.67)	4,793.45

OCI	11.75	(7.00)	422.51	324.77	64.65	430.27	1,246.95	(2.96)	1,243.99
Current Assets	14,818.34	3,403.59	2,232.68	23,547.13	923.34	7,811.32	52,736.40	(8,241.14)	44,495.27
Non Current Assets	115,286.91	14,011.39	9,838.23	20,163.67	524.57	72,979.23	232,804.00	(69,971.94)	162,832.06
Assets – Bank	-	-	-	63,893.11	-	-	63,893.11	(1,590.52)	62,302.58
Total assets	130,105.25	17,414.98	12,070.91	107,603.91	1,447.91	80,790.55	349,433.51	(79,803.60)	269,629.91
Current Liabilities	11,212.69	3,799.88	2,712.60	1,320.47	604.64	3,210.71	22,860.99	(5,558.22)	17,302.77
Non Current Liabilities	42,679.36	5,939.23	5,586.78	347.17	195.34	5,421.05	60,168.93	(3,173.59)	56,995.34
Liabilities – Bank	-	-	-	97,361.17	-	-	97,361.17	(6,561.68)	90,799.49
Total Liabilities	53,892.05	9,739.11	8,299.38	799.98	8,631.76	180,391.09	(15,293.49)	165,097.60	

(All figures in millions unless otherwise stated)

Note 3.2: Segmental report as of 31 December 2021

	Energy & Resources	Communication & Transport	Manufacturing	Finance	Trading	Others	Total	Elimination	Grand Total
Revenue	13,220.88	5,845.73	3,935.38	965.63	3,155.59	9,428.72	36,551.93	(8,269.59)	28,282.34
Revenue (PTC India)	8,433.38	-	-	-	-	-	8,433.38	-	8,433.38
Revenue from group transaction	5,843.44	54.25	162.70	391.50	97.15	202.80	6,751.84	(6,751.84)	-
Interest Received	196.67	17.44	49.02	226.57	-	108.05	597.75	(445.77)	151.98
Other Income	2,523.73	273.20	70.69	70.57	47.68	196.07	3,181.94	264.51	3,446.45

Total Income	30,218.10	6,190.62	4,217.79	1,654.27	3,300.42	9,935.64	55,516.84	(15,202.69)	40,314.15
Direct Cost of Sales	7,863.30	595.64	2,571.45	223.92	2,829.33	829.63	14,913.27	(5,656.34)	9,256.93
Personnel and Other Costs	4,598.67	1,940.59	1,339.20	637.83	175.31	748.61	9,440.21	(1,004.60)	8,435.61
Finance Cost	1,246.05	397.04	363.66	11.82	38.35	12.28	2,069.20	(287.14)	1,782.06
Depreciation and Amortization	4,371.74	1,804.32	398.66	120.06	20.68	100.27	6,815.73	-	6,815.73
Impairment losses	44.27	-	4.76	(52.38)	-	7.30	3.95	0.49	4.44
Income Tax	3,691.40	562.29	99.81	231.03	32.71	2,653.08	7,270.33	-	7,270.33
Total Expenses	21,815.43	5,299.88	4,777.54	1,172.28	3,096.38	4,351.17	40,512.69	(6,947.59)	33,565.10
Net Profit after tax	8,402.67	890.74	(559.75)	481.99	204.04	5,584.47	15,004.14	(8,255.07)	6,749.04
OCI	19.88	3.80	22.76	128.20	(1.76)	630.60	803.48	147.01	950.49
Current Assets	15,788.26	3,110.89	2,180.95	33,571.33	816.36	7,158.57	62,626.36	(10,605.88)	52,020.48
Non Current Assets	104,232.37	13,516.67	10,307.83	15,643.15	346.64	64,818.87	208,865.53	(69,223.48)	139,642.05
Assets – Bank	-	-	-	51,599.09	-	-	51,599.09	(2,042.99)	49,556.10
Total assets	120,020.63	16,627.56	12,488.78	100,813.57	1,163.00	71,977.44	323,090.98	(81,872.35)	241,218.63
Current Liabilities	9,210.93	2,692.69	2,164.69	1,289.64	334.95	3,157.81	18,850.71	(2,984.38)	15,866.33
Non Current Liabilities	36,908.65	6,361.68	6,111.76	140.79	163.70	1,849.46	51,536.04	(5,214.28)	46,321.76
Liabilities – Bank	-	-	-	91,492.44	-	-	91,492.44	(11,438.38)	80,054.06
Total Liabilities	46,119.58	9,054.37	8,276.45	92,922.87	498.65	5,007.27	161,879.19	(19,637.04)	142,242.15

3.3: Percentage Shareholdings within the Group

The following companies are members of the DHI group of companies. Their assets and liabilities and their results of operations are included in the consolidated financial statements. The segment shown is listed in Note 3.1 and 3.2 Segmental reporting, where a description of the segment is shown. The percentage shareholding shown includes shares held by DHI and the appropriate percentage of shareholdings by other group companies.

Company	Segment	2022	2021
Druk Holding and Investments Ltd	Holding Company	100%	100%
Bhutan Telecom Ltd	Communications and Transport	100%	100%
Druk Air Corporation Ltd	Communications and Transport	100%	100%
Bhutan Hydro Services Limited	Energy and Resources	100%	100%
Bhutan Power Corporation Ltd	Energy and Resources	100%	100%
Dagachu Hydropower Corporation Ltd	Energy and Resources	59%	59%
Druk Green Power Corporation Ltd	Energy and Resources	100%	100%
Druk Hyrdo Power Limited	Energy and Resources	100%	
Natural Resources Development Corporation Ltd	Energy and Resources	100%	100%
State Mining Corporation Ltd	Energy and Resources	100%	100%
Tangsibji Hydro Energy Ltd	Energy and Resources	100%	100%
Bank of Bhutan Ltd	Finance	80%	80%
Bhutan Board Exports Ltd	Manufacturing	-	57.60%
Bhutan Board Products Ltd	Manufacturing	57.60%	57.60%
Dungsum Cement Corporation Ltd	Manufacturing	88%	88%
Dungsum Polymers Ltd	Manufacturing	51%	51%
Koufuku International Limited	Manufacturing	100%	100%
Menjong Sorig Pharmaceuticals Corporation Limited	Manufacturing	100%	100%
Penden Cement Authority Ltd	Manufacturing	40.40%	40.40%
State Trading Corporation of Bhutan Ltd	Trading	56.60%	56.60%
Construction Development Corporation Limited	Real Estate	100%	100%
DHI Pte Limited	Real Estate	100%	-
Thimphu TechPark Ltd	Real Estate	100%	100%

The following companies are Associates and Joint Ventures where the shareholding range from 15% to 51%. The consolidated financial statements for associates and joint ventures are accounted using equity method.

Associates Company	Segment	2022	2021
Bhutan Ferro Alloys Limited	Manufacturing	28.42%	28.42%
Royal Securities Exchange of Bhutan Limited	Securities	16.35%	16.35%
Joint Venture Company	Segment	2022	2021
Kholongchu Hydro Energy Limited	Energy and Resources	50.00%	50.00%
Bhutan Automation & Engineering Limited	Manufacturing	51.00%	51.00%
Azista Bhutan HealthCare Limited	Manufacturing	28.00%	28.00%
Druk Metallurgy Limited	Manufacturing	40.00%	40.00%

Note 4.a: Revenue from customers

(All figures in millions unless otherwise stated)

	Consolidated		Standalone	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Sales of:				
Goods	4,135.94	4,072.32	-	-
Services	8,459.23	6,949.50	-	-
Energy	18,536.20	17,746.59	-	-
Trading	7,972.11	6,901.30	-	-
Interest	1,349.25	1,046.01	-	-
	40,452.73	36,715.72	-	-

Note 4.b: Dividend Income

	Consolidated		Standalone	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-2021
Dividend income from Subsidiaries -				
Bhutan Power Corporation Ltd.	-	-	1,012.27	460.59
Bhutan Telecom Ltd.	-	-	2,022.00	1,550.00
Menjong Sorig Pharmaceuticals Corporation Limited			3.80	
Druk Green Power Corporation Ltd.	-	-	5,110.00	5,600.00
Natural Resource Development Corporation Limited	-	-		7.50
State Mining Corporation Limited	-	-	1,793.34	364.55

State Trading Corporation of Bhutan Ltd.	-	-	22.94	-
Thimphu Tech Park Limited	-	-	57.60	22.31
Wood Craft Centre Limited	-	-	-	1.50
	-	-	10,021.95	8,006.45
Dividend Income from Associates and Portfolios -				
Bhutan Carbides and Chemicals Ltd	17.43	-	115.78	19.30
Druk Ferro Alloy Ltd	-	4.32	-	-
Other investment	34.10	46.27	15.43	-
Div income from KKR	-	-	17.87	-
	51.53	50.59	10,171.03	8,025.75

Note 5: Other Income

	Consolidated		Standalone	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Grants and Subsidies	372.62	388.28	-	-
Brand Management Fee	-	-	214.00	171.64
Interest Received	41.62	151.98	120.22	93.60
Other Income	4,764.09	2,756.88	60.31	66.03
	5,178.33	3,297.14	394.53	331.27

Note 6: Share of profit/(loss) of Associates and Joint Ventures

	Consolidated		Standalone	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Profit of ABHL	(12.04)	-	-	-
Profit of BAEL	4.54	11.73	-	-
Profits of BFAL	190.14	258.90	-	-
Profit of DML	-	(20.57)	-	-
Profit of RSEBL	1.11	0.64	-	-
	183.75	250.70	-	-

Note 7: Direct Cost of Sales

	Consolidated		Standalone	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Energy and wheeling charges	2,254.51	433.95	-	-
Aircraft fuel, oil and operating Costs	952.81	287.60	-	-
Cost of Goods Sold	5,998.18	6,514.88	-	-

Material used in infrastructure development	3,351.94	2,020.50	-	-
	12,557.44	9,256.93	-	-

Note 8: Employee Related Cost

	Consolidated		Standalone	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Payroll and Related Costs	4,469.30	4,073.11	89.81	74.52
Employee Related Costs	926.56	870.43	26.66	14.24
	5,395.86	4,943.54	116.47	88.76

Note 9: Repairs and Maintenance

	Consolidated		Standalone	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Maintenance	1,971.78	1,649.17	8.52	4.87
	1,971.78	1,649.17	8.52	4.87

Note 10: Other Cost

	Consolidated		Standalone	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Other Costs	4,270.17	1,842.90	62.40	53.75
	4,270.17	1,842.90	62.40	53.75

Note 11: PPE, Depreciation/Amortization, and Capital Work-In-Progress
a) Consolidated Property, Plant and Equipment for year ended 31 December 2022

(All figures in millions unless otherwise stated)

	Land and Buildings	Plant and Equipment	Furniture & Office Equipment	Vehicles	Aircraft and other aviation assets	Transmission & Distribution Lines	Total
Cost or Valuation							
As at 1 January 2021 -	66,456.27	43,926.95	2,790.84	1,269.88	12,555.87	31,868.28	158,868.09
Addition	1,386.12	1,919.75	378.64	128.55	31.75	1,859.06	5,703.87
Adjustments	487.06	78.23	(3.31)	(17.94)	-	-	544.04
Disposals	(178.94)	(1,098.90)	17.81	(13.04)	-	(11.04)	(1,284.11)
As at 31 December 2021 -	68,150.51	44,826.03	3,183.98	1,367.45	12,587.62	33,716.30	163,831.89
Addition	1,701.98	2,343.91	290.46	187.07	850.19	6,509.40	11,883.01
Adjustments	(782.32)	486.43	(30.37)	(13.28)	-	-	(339.54)
Disposals	(209.54)	(152.23)	(369.26)	(74.61)	(0.00)	(147.10)	(952.74)
As at 31 December 2022 -	68,860.63	47,504.14	3,074.81	1,466.63	13,437.81	40,078.60	174,422.62
Depreciation and impairment							
As at 1 January 2021 -	23,497.03	23,451.12	1,855.86	846.30	4,251.49	8,124.12	62,025.92
Depreciation Charged for the year	2,307.09	2,239.39	165.46	114.07	885.00	1,092.15	6,803.16
Adjustments	0.47	(44.78)	85.08	(14.22)	-	(8.21)	18.34
Disposal	(18.31)	(652.62)	(21.63)	(8.30)	-	(8.21)	(709.09)
As at 31 December 2021 -	25,786.28	24,993.11	2,084.77	937.85	5,136.49	9,199.85	68,138.33
Depreciation Charged for the year	2,245.47	2,088.76	254.23	114.13	979.15	1,187.37	6,869.11
Adjustments	(99.06)	(86.24)	(350.30)	(78.22)	(0.00)	(65.26)	(679.08)
Disposal	(51.97)	444.86	(28.57)	(13.28)	-	-	351.04
As at 31 December 2022 -	27,880.72	27,440.49	1,960.13	960.48	6,115.64	10,321.96	74,679.43
Net Book Value:							

As at 31 December 2022 -	40,979.92	20,063.65	1,114.68	506.16	7,322.17	29,756.64	99,743.22
As at 31 December 2021 -	42,364.24	19,832.92	1,099.21	429.61	7,451.13	24,516.45	95,693.56

b) Standalone Property, Plant and Equipment for year ended 31 December 2022

(All figures in millions unless otherwise stated)

Cost or Valuation	Building	Furniture and Fixtures	Electrical Equipment	Data Processing Equipment	Office Equipment	Vehicles	Machines	Total
As at 1 January 2021 -	-	4.51	0.35	24.67	2.99	19.09	-	51.61
Addition	-	3.90	0.61	3.63	0.49	-	-	8.63
Disposals	-	(0.29)	(0.03)	(0.26)	-	-	-	(0.58)
As at 31 December 2021 -	-	8.12	0.93	28.04	3.48	19.09	-	59.66
Addition	34.74	0.31	1.24	18.50	1.62	5.93	62.14	124.45
Disposals	-	-	-	(0.74)	-	-	-	(0.74)
As at 31 December 2022 -	34.74	8.43	2.17	45.80	5.10	25.02	62.14	183.40

Depreciation and Impairment

As at 1 January 2021 -	-	2.35	0.29	20.82	2.28	9.03	-	34.77
Depreciation Charged for the year	-	0.37	0.03	1.73	0.15	1.15	-	3.43
Disposal	-	(0.21)	(0.02)	(0.23)	-	-	-	(0.46)
As at 31 December 2021 -	-	2.51	0.30	22.32	2.43	10.18	-	37.74
Depreciation Charged for the year	0.09	0.67	0.14	5.63	0.25	1.62	7.82	16.22
Disposal	-	-	-	(0.44)	-	-	-	(0.44)
As at 31 December 2022 -	0.09	3.18	0.44	27.51	2.68	11.80	7.82	53.52
Net Book Value:								
As at 31 December 2022 -	34.65	5.25	1.73	18.29	2.42	13.22	54.32	129.85
As at 31 December 2021 -	-	5.61	0.63	5.72	1.05	8.91	-	21.92

Note 12. Capital Work-In-Progress for the year ended 31 December 2022

	Consolidated		Standalone	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Electricity Generation	11,536.37	11,715.46	0.00	0.00
Power Generation	4,464.16	2,788.35	0.00	0.00
Others	10,025.43	2,313.94	3,968.33	1,011.89
Total	26,025.96	16,817.75	3,968.33	1,011.89

Physical verification of all assets was carried out in 2022 and where practical, assets were given a physical identification number and the final assets in working condition matched with the book records as on 31 December 2022.

Note 13 : Income Tax Expenses

	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Income Tax Payable -				
Current Tax	8,065.15	7,073.03	3,113.50	2,462.72
Total Income Tax Expenses Recognised	8,065.15	7,073.03	3,113.50	2,462.72
Deferred Tax Payable	(60.56)	197.30	(0.70)	0.33
Total Tax on Operating Income	8,004.59	7,270.33	3,112.80	2,463.05
Profit Before Income-tax from Operations	12,798.04	14,019.37	10,358.59	8,204.82
Tax at 30%	3,839.41	4,205.81	3,107.58	2,461.45
Adjustments required for:				
- Non deductible expenditure & Non Assessed Income	740.19	(79.69)	5.23	1.60
- Tax losses	(68.28)	547.07	-	-
- Other Adjustments (Timing)	473.59	(164.55)	-	-
- Tax on Dividends from subsidiaries	3,019.68	2,761.69	-	-
Current Tax Expenses	8,004.59	7,270.33	3,112.80	2,463.05
Effective Tax Rate -	62.55%	51.86%	30.00%	30.00%
Reconciliation of Deferred Tax -				
Opening	(2,100.51)	(1,643.91)	(1,108.70)	(922.95)
Recognised during Year	(60.56)	197.30	(11.94)	(185.75)
Restatement of prior years	(2.29)	(653.90)		
Closing	(2,163.36)	(2,100.51)	(1,120.64)	(1,108.70)
Deferred Tax Assets	1,562.06	1,053.87	(227.06)	(191.91)

Deferred Tax Liabilities	(3,725.42)	(3,154.38)	(893.58)	(916.79)
Total	(2,163.36)	(2,100.51)	(1,120.64)	(1,108.70)
Tax on Comprehensive Income				
Actuarial Gain/(Loss) on Post employment benefit	(18.71)	54.41	(3.50)	(0.71)
Fair value gain/(loss) on Equity Investment measured through FVOCI	(776.03)	750.82	(749.91)	619.17
Gain/(loss) on revaluation on land	2,050.49	147.01	1,227.48	147.01
Less : Tax	(11.76)	(1.76)	(11.96)	(185.75)

Note 14 : Basic & diluted Earnings Per Share

	Consolidated		Standalone	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Profit after income-tax	4,793.45	6,749.05	7,245.78	5,741.78
Profit used to determine basic earnings per share	4,793.45	6,749.05	7,245.78	5,741.78
Number of shares at the beginning of the year	492.72	487.56	492.72	487.56
Number of Shares allotted to MoF during the year	(0.88)	5.16	(0.88)	5.16
Number of shares at the end of the year	491.84	492.71	491.84	492.72
Weighted average number of ordinary shares in issue	491.84	458.98	491.84	458.98
Basic and Diluted Earnings per Share	9.75	14.70	14.73	12.51

Note 15 : Investment Property

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Investment Property	348.39	370.64	378.88	711.66	298.01
Net Increase/(decrease)in valuation for the Period	3,153.93	(137.23)	(8.24)	1,279.68	413.65
	3,502.32	233.41	370.64	1,991.34	711.66

Note 16: Intangible Assets.

(All figures in millions unless otherwise stated)

a) Consolidated Intangible Assets for year ended 31 December 2022

	Softwares	Pre-Operative Expenses	Exploration & Evaluation	Total
Cost or Valuation				
As at 1 January 2021 -	3,713.02	3.05	35.97	3,752.04
Addition	370.52	3.52	-	374.04
Disposals	(61.87)	-	-	(61.87)
As at 31 December 2021 -	4,021.67	6.57	35.97	4,064.21
Addition	561.72	3.52		565.24
Disposals	(20.40)			(20.40)
As at 31 December 2022 -	4,562.99	10.09	35.97	4,609.05
Depreciation and impairment				
As at 1 January 2021 -	2,520.69	3.05	21.74	2,545.48

Depreciation Charged for the year	413.89	0.00	8.95	422.84
Disposal	(53.41)	-	-	(53.41)
As at 31 December 2021 -	2,881.17	3.05	30.69	2,914.91
Depreciation Charged for the year	320.41	0.00	2.25	322.95
Disposal	(6.00)			(6.00)
As at 31 December 2022 -	3,195.58	3.05	33.23	3,231.86
Net Book Value:				
As at 31 December 2022 -	1,367.41	7.04	2.74	1,377.19
As at 31 December 2021 -	1,140.50	3.52	5.29	1,149.31

b) Standalone Intangible Assets for year ended 31 December 2022

	Softwares	Total
Cost or Valuation		
As at 1 January 2021 -	15.24	15.24
Addition	2.09	2.09
Disposals	(0.01)	(0.01)
As at 31 December 2021 -	17.32	17.32
Addition	1.94	1.94
Disposals	-	-
As at 31 December 2022 -	19.26	19.26
Depreciation and impairment		
As at 1 January 2021 -	15.05	15.05
Depreciation Charged for the year	0.07	0.07
Disposal	(0.01)	(0.01)
As at 31 December 2021 -	15.11	15.11
Depreciation Charged for the year	0.69	0.69
Disposal	-	-
As at 31 December 2022 -	15.80	15.80
Net Book Value:		
As at 31 December 2022 -	3.46	3.46
As at 31 December 2021 -	2.21	2.21

Note 17: Goodwill

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Goodwill	11.95	11.95	11.95	-	-
	11.95	11.95	11.95	-	-

Note 18.1: Investments (Consolidated)

	Percentage	31-Dec-22	31-Dec-21
A) Associates Companies			
Bhutan Ferro Alloys Limited	28.42%	671.28	624.33
Royal Securities Exchange of Bhutan Limited	16.35%	34.66	32.96
B) Joint Ventures			
Azista Bhutan HealthCare Limited	28.00%	38.90	37.16
Bhutan Automation & Engineering Limited	51.00%	39.96	44.85
Druk Metallurgy Limited	40.00%	103.65	103.65
Kholongchu Hydro Energy Limited	50.00%	2,222.23	2,104.27
C) Other Investments			
Bhutan Carbides and Chemicals Ltd		54.02	71.45
Bhutan Development Bank Ltd		62.34	72.22
Bhutan National Bank Ltd		1,572.87	1,526.34
Credit Information Bureau		5.02	4.46
Druk Ferro Alloy Ltd		166.76	109.99
Entrepreneur Promotion Fund		23.33	23.33
Financial Institution Training Institute		17.03	17.77
Investments Abroad		3,480.36	3,644.28
Royal Insurance Company of Bhutan Ltd		1,701.51	1,796.24
Total Associates and Other Investments		10,193.92	10,213.28
Summarised Information of Associate Companies			
Long Term Assets		874.86	1,214.86
Current Assets		1,767.35	1,369.84
Long Term Liabilities		108.47	142.86
Current Liabilities		338.73	375.96
Equity		2,195.02	2,065.89
DHI Group Share of Equity		705.94	568.52
Net Profit after Tax		676.32	914.18
Other Comprehensive Income		(0.42)	0.83

DHI Group share of Profits after Tax	191.25	259.54
Summarised Information of Joint Venture		
Long Term Assets	4,808.48	4,375.13
Current Assets	28.83	237.21
Long Term Liabilities	8.99	10.69
Current Liabilities	201.82	93.11
Equity	4,626.51	4,508.55
DHI Group Share of Equity	2,404.74	2,254.27
Net Profit after Tax	(34.30)	(28.25)
Other Comprehensive Income	0.21	(0.17)
DHI Group share of Profits after Tax	(7.50)	(8.84)

(All figures in millions unless otherwise stated)

Note 18.2 Investments (Standalone)

	31-Dec-22				31-Dec-21			
	% of Holding	Face Value per Share	Number of Shares	December 31, 2022	% of Holding	Face Value per Share	Number of Shares	December 31, 2021
A) Investments in Subsidiaries -								
Quoted - Equity Shares fully paid up -								
Bhutan Board Products Ltd. (Refer Note b below)	48%	10	6,683,340	66.83	48%	10	6,683,340	66.83
State Trading Corporation of Bhutan Ltd. (Refer Note b below)	51%	10	9,176,050	10.20	51%	10	9,176,050	10.20
Dungsam Polymers Ltd.	51%	10	7,851,904	78.52	51%	10	7,851,904	78.52
Penden Cement Authority Ltd. (Refer Note c below)	40%	10	13,710,740	91.40	40%	10	13,710,740	91.40
Unquoted - Equity Shares fully paid up -								
Bank of Bhutan Ltd.	80%	100	2,400,000	240.00	80%	100	2,400,000	240.00
Bhutan Power Corporation Ltd.	100%	1,000	9,323,054	9,323.05	100%	1,000	9,360,783	9,360.78
Bhutan Telecom Ltd. (Refer Note k below)	100%	1,000	3,820,724	836.15	100%	1,000	4,000,000	854.08
Dungsam Cement Corporation Ltd. (Refer Note f below)	88%	100	64,804,650	6,480.47	88%	100	64,804,650	6,480.47
Druk Green Power Corporation Ltd. (Refer Note e Below)	100%	1,000	32,465,093	32,465.09	100%	1,000	32,465,093	32,465.09
Druk Air Corporation Ltd. (Refer Note g, j & k below)	100%	100	37,543,055	2,770.27	100%	100	36,085,251	2,624.49
Natural Resources Development Corporation Ltd.	100%	100	1,527,837	137.78	100%	100	2,159,583	200.96

Thimphu TechPark Ltd.	100%	100	2,102,094	210.21	100%	100	2,102,094	210.21
State Mining Corporation Ltd.	100%	100	2,939,900	293.99	100%	100	2,939,900	293.99
Menjong Sorig Pharmaceuticals Corporation Limited (Refer note k below)	100%	100	1,824,277	182.43	100%	100	1,824,277	182.43
Construction Development Corporation Ltd. (Refer note j Below)	100%	1,000	1,092,466	1,092.47	100%	1,000	1,116,862	1,116.86
Koufuku International Ltd.	100%	100	541,592	54.16	100%	100	541,592	54.16
Druk Holding & Investments Pte Limited	100%	1	633.43	633.43				
Total Investments in Subsidiaries				54,966.45				54,330.47
B) Investments in Associates & Joint Venture								
Quoted - Equity Shares fully paid up -								
Bhutan Ferro Alloys Ltd. (Associate)	26%	10	3,859,460	38.59	26%	10	3,859,460	38.59
Unquoted - Equity Shares fully paid up -								
Azista Bhutan Healthcare Limited (JV) (Refer Note i below)	28%	10	5,087,880	50.88	28%	10	3,710,000	37.10
Druk Metallurgy Limited (JV)	40%	100	1,800,000	180.00	40%	100	1,800,000	180.00
Total Investments in Associates & Joint Ventures				269.47				255.69
C) Other Investments -								
Quoted - Equity Shares fully paid up -								
Bhutan National Bank Ltd. (Refer Note h below)	12%	10	48,983,952	1,572.87	12%	10	48,983,952	1,526.34
Royal Insurance Corporation of Bhutan Ltd. (Refer Note h below)	18%	10	25,780,417	1,701.51	18%	10	25,780,417	1,796.24
Investment Abroad				3,479.43				3,644.28
Total (i)				6,753.81				6,966.86

Investments in EPF Assets (Refer Note 15) -

Bank balance					18.17				0.57
Term deposits					-				10.43
Accrued interest					0.00				0.00
Contribution to Loden-DHI Fund (Refer Note d below)					5.32				12.32
Total (ii)					23.49				23.33
Total Other Investments (i+ii)					6,777.30				6,990.19
Total Investments (A+B+C)					62,013.22				61,576.35

Note 18: Investments (Continued)

- a. All investments that have been made other than for trading purpose are included in this schedule.
- b. The “% of Holding” represents the effective holding of DHI after considering the holding percentage of its subsidiaries. In Bhutan Board Products Ltd. DHI directly holds 48% and through Bank of Bhutan holds 10%. In State Trading Corporation of Bhutan Ltd. DHI directly holds 51% and through Bank of Bhutan holds 4%. For all other cases direct holding is equal to the chain holding.
- c. Penden Cement Authority Ltd. (PCAL) has been classified as subsidiary on the merit that DHI retains control over PCAL in spite of holding 40% of shares as there are large numbers of other shareholders holding small number of shares. At a company AGM, those smaller shareholders, with a total holding amounting to 41% of PCAL would have to attend and all vote against DHI to over-ride any decision by DHI. The shareholder turn-out of this size does not occur. Hence, the test of “control” as per BFRS 10 is therefore met.
- d. During the year 2015, DHI management entered into an agreement with The Loden Foundation and created Loden-DHI Fund to provide alternative access to the entrepreneurs in obtaining finance to start a new business or for expansion / growth of the existing business leading to employment generation and economic development of the nation. The Loden Foundation shall be solely responsible for the management of the fund as per the agreed conditions between DHI and Loden and will operate in line with the existing Loden Entrepreneurship Programme guidelines. As per the agreement DHI needs to contribute Nu. 20,000,000/- in three consecutive years starting from the year 2015. Following this, DHI contributed Nu. 20,000,000/- to Loden-DHI Fund till 31 December 2017. With Full adoption of BAS investment in EPF is fair valued. During the year 2022, DHI received 2nd tranche of Nu. 7,000,000/- as repayment from Loden foundation and out of which 50% amounting to Nu. 3,500,000/- was repaid to BOBL.
- e. All investments that have been made other than for trading purpose are included in this schedule.
- f. During the year 2022, DHI made an additional investment of Nu. 145,780,400 in Drukair Corporation Ltd.
- g. During the year 2022, DHI made an additional investment of Nu. 13,778,800 to Azista Bhutan Healthcare Ltd.
- h. During the year 2022, DHI made an investment of Nu. 633,427,957 in Druk Holding and Investments Pte. Ltd. which was incorporated in Singapore in 2021.
- i) During the year 2022, due to the change in the accounting policy on the transfer of land from the subsidiaries to DHI:
 - i. The investment in BPC has decreased by Nu.37,729,234 and the impact of these

has been on the share capital issued to Ministry of Finance.

- ii. The investment in BTL has decreased by Nu.17,927,643 and the impact of these has been on the share capital issued to Ministry of Finance.
- iii. The investment in CDCL has decreased by Nu. 24,395,786 and the impact of these has been on the share capital issued to Ministry of Finance.
- iv. The investment in DCCL has decreased by Nu.143,302,788 and the impact of these has been on the share capital issued to Ministry of Finance.
- v. The investment in DGPC has decreased by Nu.147,470,593 and the impact of these has been on the share capital issued to Ministry of Finance.
- vi. The investment in NRDCL has decreased by Nu. 63,174,639 and the impact of these has been on the share capital issued to Ministry of Finance.
- vii. During the year, DHI raised FCY bonds on behalf of the special project. As a novel project, the gestation is done separately as a special segregated accounts.

(All figures in millions unless otherwise stated)

Note 19: Long Term Financial Assets

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Debt Securities-Unlisted	18,359.95	10,625.61	2,445.37	2,526.48	-
Term Deposits with Bank & Financial Institutions	2,488.15	2,152.87	761.01	-	-
	20,848.10	12,778.48	3,206.38	2,526.48	-

Note 20: Other Non Current Assets

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Trade Receivables & Others	24.36	26.04	708.22	0.23	0.13
Less Provision for Impairment					
Non current	(0.47)				
Advance Payments to Suppliers	83.16	2,092.06	54.63	-	-
Prepaid Expenses - Non current	40.35	27.93	38.09	-	-
DHI Bizap	-	-	-	52.08	53.19
	147.40	2,146.03	800.94	52.31	53.32

Note 21: Inventory

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Raw material	567.36	545.70	351.70	-	-
Work in progress	410.78	223.50	432.62	-	-
Finished goods	810.52	963.29	1,167.60	-	-
Other inventory	1,273.09	1,045.46	1,095.34	0.06	-
Stores, spares and loose tools	1,488.47	1,382.47	874.64	-	-
	4,550.22	4,160.42	3,921.90	0.06	-

Note 22: Trade Receivables

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Receivable in Ngultrum	5,779.65	3,105.83	3,121.81	-	-
Receivable in foreign currency	207.24	903.06	943.24	-	-
Less Provision for Impairment	(118.35)	(127.47)	(115.35)	-	-
	5,868.54	3,881.42	3,949.70	-	-

Note 23: Other Receivables and Advances

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Non Trade Receivables & Advances	2,743.74	2,648.24	2,174.74	-	-
Loan to subsidiaries company (including interest accrued)	-	-	-	798.15	511.87
Term Deposits with financial institutions	881.09	835.73	1,545.69	-	-
Other Financial Assets	197.66	1,928.19	2,616.07	480.86	780.20
Advance to Vendors	1,623.42	1,180.42	515.54	28.93	118.40
Advance to employees	36.61	54.40	49.99	(0.07)	3.48
Prepaid expenses - current	741.68	450.29	122.33	-	-
Tax paid in advance	155.29	160.58	58.84	-	-
	6,379.49	7,257.85	7,083.20	1,307.87	1,413.95

(All figures in millions unless otherwise stated)

Note 24: Advance to Ministry of Finance

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Advance to Ministry of Finance	3,977.00	3,021.00	4,532.00	3,977.00	3,021.00
	3,977.00	3,021.00	4,532.00	3,977.00	3,021.00

In the course of any financial year, DHI (the Company) is in the practice of providing advance to its parent Ministry of Finance (MoF) in relation to dividend, which is usually declared for the financial performance of the Company for a particular financial year in the following year on its approval in the Annual General Meeting.

Note 25: Short term Deposits

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Short-term deposits	1,087.77	650.88	763.42	-	1,355.40
Cash Reserve and Balances with RMA	16,202.87	29,878.68	28,411.97	-	-
	17,290.64	30,529.56	29,175.39	-	1,355.40

Note 26: Cash and Cash Equivalent

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Cash in hand	1,107.95	1,101.80	1,351.92	-	-
Cash at bank	5,321.43	2,068.43	1,550.82	1,196.02	144.36
	6,429.38	3,170.23	2,902.74	1,196.02	144.36

Note 27: Share Capital

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Authorised Capital					
5,000,000,000 equity shares of Nu.100	500,000	500,000	500,000	500,000	500,000
Issued and Paid up capital					
Opening 450,875,898 equity shares	49,272.06	48,756.50	48,695.60	49,272.06	48,756.50
Issues during the year	(87.94)	515.56	60.89	(87.93)	515.56
Closing	49,184.12	49,272.06	48,756.49	49,184.12	49,272.06

(All figures in millions unless otherwise stated)

Note 28: Long Term Borrowings

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Borrowings from:					
Banks & Financial Institution in Bhutan	7,649.81	7,923.28	6,547.18	0.42	0.83
Banks and Financial Institution in other countries	39,126.25	29,860.08	30,387.29	-	-
Foreign Governments	180.72	241.80	471.37	777.98	38.60
Bonds listed by the RSEB	2,245.49	1,945.91	1,917.31	-	-
Working capital Loans	77.16	61.54	114.00	-	-
	49,279.43	40,032.61	39,437.15	778.40	39.43
Less Portion repayable within 1 year	2,990.23	2,590.82	3,054.31	-	-
Net long term Borrowings	46,289.20	37,441.79	36,382.84	778.40	39.43

Note 29: Deferred Government Grants

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Opening Balance	3,963.03	3,524.67	3,797.21	517.26	456.82
Add: Receipts/(Payments) during the year	855.55	438.36	(272.54)	2,055.23	60.44
Total Deferred Grant	4,818.57	3,963.03	3,524.67	-	-
Less Current portion	(82.54)	(274.30)	(54.32)	-	-
Closing Balance	4,736.03	3,688.72	3,470.35	2,572.49	517.26

In line with the DHI Group accounting policy, all grants received for the purchase of capital assets are treated as a deferred liability. The depreciation on the relevant asset is debited to the Deferred Liability over the useful life of the assets.

(All figures in millions unless otherwise stated)

Note 30: Other Non current Liabilities

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Trade and other payables - noncurrent	783.49	647.18	325.79	11.50	15.00
Advances – noncurrent	(28.93)	(1.18)	9.55	-	-
Retention money payable – noncurrent	9.03	25.04	148.39	-	-
Deposits received – noncurrent	355.22	374.87	459.37	-	-
Closing Balance	1,118.81	1,045.91	942.68	11.50	15.00

Note 31: Trade and Other Payables

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Trade payables	2,783.04	2,464.76	1,553.62	347.59	333.71
TDS Payable	61.45	14.85	58.07	-	1.27
Employee and other payables	572.21	521.58	545.99	30.52	22.49
Accrued expenses	118.78	132.78	117.39	-	-
Unclaimed Dividend	6.01	5.99	4.23	-	-
Closing Balance	3,541.49	3,139.96	2,279.30	378.11	357.47

Note 32: Other Current Liabilities

	Consolidated			Standalone	
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21
Advances and Deposits Received	2,334.62	2,573.34	659.19	-	-
Construction Contracts	-	-	474.87	-	-
Listed Bond repayable	200.00	-	216.34	-	-
Retention money payable	631.61	492.87	355.48	-	-
Other Liabilities	1,571.20	1,740.62	1,644.92	-	-
Provision	665.91	314.01	265.19	-	-
Closing Balance	5,403.34	5,120.84	3,615.99	-	-

Note 33: Employee Benefits - Standalone

Gratuity

A. Defined Contribution Plan- Provident fund

Qualifying employees are members of a defined contribution plan operated by the National Pension and Provident Fund. The Company matches employee contributions to the fund. The only obligation on the Company is to make the contribution monthly.

B. Defined Benefit Scheme - Post-employment Benefit: Gratuity

Qualifying employees are members of a defined benefit plan sponsored by the Company. Employees are entitled to a lump sum payment of Total Fixed Monthly Remuneration (TFMR) for each year of service.

A separate fund is maintained to cover the future liability for payments.

The obligation for the plan is subject to risks in respect of investment, interest rates, employee attrition and Salary rates.

Investment risk: The discount rate for this valuation is based on the weighted average yield obtained by the assets of the scheme due to absence of high quality corporate and government issued bond. All funds are held in this type of investment as approved by the Royal Monetary Authority of Bhutan (RMA).

Interest risk: Interest rates available will change over time. The reduction in interest rates will increase the actuarial value of the obligation.

Employee attrition: The obligation is based on Management's estimate of the expected number of staff who will resign before reaching the standard retirement age. If the number of staff resigning is greater or less than the expected rate, the outstanding obligation will be affected.

Salary risk: Since the benefit is dependent on the employee's final salary, there is a risk that salary increases will be greater than those included in the actuarial valuation. Salary increases cover regular increases for length of service as well as periodic increases of salary scales for inflation.

The actuarial valuation of the obligation of the defined benefit plan has been carried out by Bhutan Actuarial & Risk Consultant, Thimphu.

i) Statement of Profit or Loss	2022	2021
Current service cost	5.97	2.64
Past service cost - plan amendments	13.92	-
Net interest on net defined benefit liability / (asset)	(0.28)	(0.21)
Cost recognised in Statement of Profit or Loss	19.60	2.43
ii) Other Comprehensive Income (OCI)	2022	2021
Actuarial (gain)/loss due to liability experience	(0.29)	1.16
Return on plan assets (greater)/less than discount rate		-
Actuarial (gains)/ losses recognized in OCI	0.16	0.22
Cumulative Actuarial (Gain) Loss Recognized via OCI	(0.14)	1.38
iii) Defined Benefit Cost	2022	2021
Service Cost	19.88	2.43
Net interest on net defined benefit liability/(asset)	(0.28)	-
Actuarial (gain)/losses recognised in OCI	(0.14)	1.38
Defined benefit Cost	19.47	3.81
iv) Statement of Financial Position	2022	2021
Defined benefit obligation (DBO)	(34.79)	(16.69)
Fair value of plan assets (FVA)	23.44	15.53
Funded status [surplus/(deficit)]	(11.35)	(1.16)
Net defined benefit asset (DBA)	(11.35)	(1.16)
v) Reconciliation of Net Financial Position	2022	2021
Net defined asset/ (liability) at the end of prior period	1.16	2.33
Service Cost	19.60	2.43
Amount recognised in OCI	(0.14)	1.38
Employer contributions	(9.28)	(4.98)
Net defined benefit asset/(liability) at the end of current period	11.35	1.16
vi) Movements in the Present Value of Defined Benefit Obligation	2022	2021
Opening Defined Benefit Obligation	16.69	15.31
Current service cost	5.97	2.64
Past service cost	13.92	-
Interest cost	1.23	0.95
Actuarial loss on experience adjusted	(2.71)	(3.38)
Benefits paid from plan assets	(0.29)	1.17
Closing Defined Benefit Obligation	34.79	16.69

vii) Movements in the Fair Value of Plan Assets	2022	2021
Opening Fair Value of Plan Assets	15.53	12.98
Income on assets at the discount rate	1.50	1.17
Actual interest less than discount rate	(0.16)	(0.21)
Contribution by DHI	9.27	4.98
Benefits paid from plan assets	(2.71)	(3.38)
Closing Fair Value of Plan Assets	23.44	15.53

viii) Expected Benefit Payments as at 31 December 2022

31 December 2023	10.42
31 December 2024	6.88
31 December 2025	9.34
31 December 2026	8.55
31 December 2027	1.13
31 December 2028 to 31 December 2032	4.23
31 December 2033 to 31 December 2042	

ix) Expected Benefit Payments as at 31 December 2021

31 December 2022	6.50
31 December 2023	4.90
31 December 2024	8.39
31 December 2025	4.25
31 December 2026	1.50
31 December 2027 to 31 December 2031	8.12
31 December 2032 to 31 December 2041	21.66

x) Expected Employer contribution for the year ended 31 December 2022

	2022	2021
x) Weighted Average Duration of Defined Benefit Obligation	7.63	10.11

xii) Plan Asset Information (Asset Allocation in%)	2022	2021
Insurance Policy with RICBL	93%	84%
Gratuity Fund with BIL	7%	16%
Balance in Current Account	0.0%	0.0%
Total	100.00%	100.00%

xiii) Sensitivity Analysis

Assumption/Parameter	Scenario	Defined Benefit Obligation(DBO)	Net effect of DBO	Percent change
Discount rate	0.50%	34.19	(0.60)	-1.70%
	Base rate	34.79	-	0.00%
	-0.50%	35.41	0.62	1.80%
Salary Growth Rate		-	-	
	0.50%	36.07	1.28	3.70%
	Base rate	34.79	-	0.00%
	-0.50%	33.60	(1.19)	-3.40%
Employer turnover rate		-	-	
	0.50%	34.61	(0.19)	-0.50%
	Base rate	34.79	-	0.00%
	-0.50%	34.98	0.19	0.5%

c) Defined Benefit Scheme - Other Long-term Employee Benefit : Annual Leave Accumulation

As per the revision in the Service Rule of the company during 2015 effective from 1 January 2015 annual leave exceeding the minimum allowable days not availed at the end of a calendar year shall be carried forward and credited to the annual leave account. Employees shall be allowed to accrue up to a maximum of thirty six (36) days of annual leave which can be encashed during separation at the rate of proportionate Total Fixed Monthly Remuneration (TFMR at the time of separation) per day times the total leave accumulated.

The accumulated leave liability is subject to risks in respect of investment, interest rates, employee attrition and Salary rates.

Leave Liability

Investment risk: The discount rate for this valuation is based on the weighted average yield obtained by the assets of the scheme due to absence of high quality corporate and government issued bond. All funds are held in this type of investment as approved by the Royal Monetary Authority of Bhutan (RMA).

Interest risk: Interest rates available will change over time. The reduction in interest rates will increase the actuarial value of the leave encashment liability.

Salary risk: Since the benefit is dependent on the employee's final salary, there is a risk that salary increases will be greater than those included in the actuarial valuation. Salary increases

cover regular increases for length of service as well as periodic increases of salary scales for inflation.

The actuarial valuation of the obligation of the leave encashment liability has been carried out by Bhutan Actuarial & Risk Consultant, Thimphu.

i) Statement of Profit or Loss	2022	2021
Current service cost	1.51	1.20
Net interest on net defined benefit liability / (asset)	0.18	0.11
Remeasurement (gains) / losses	(2.87)	(0.00)
Cost recognised in Statement of Profit or Loss	(1.18)	1.31
Other Comprehensive Income (OCI)	2022	2021
Actuarial (gain)/loss due to liability experience	(0.00)	(0.05)
Actuarial (gain)/loss arising during period	(0.00)	(0.00)
Return on plan assets (greater)/less than discount rate	0.00	0.05
Cumulative Actuarial (Gain) Loss Recognized via OCI	-	-
ii) Statement of Financial Position	2022	2021
Defined benefit obligation (DBO)	(5.13)	(6.52)
Fair value of plan assets (FVA)	4.56	3.77
Funded status [surplus/(deficit)]	(0.57)	(2.74)
Net defined benefit asset (DBA)	(0.57)	(2.74)
Reconciliation of Net Balance Sheet Position	2022	2021
Net defined benefit asset/(liability) at the end of prior Period	(2.74)	(1.44)
Service cost	1.18	(1.20)
Net increase on net defined benefit liability/(asset)	0.00	(0.11)
Actuarial (losses)/(gains	0.00	0.00
Employer contribution	1.00	-
Net defined benefit asset (DBA)	0.57	(2.74)
iii) Movements in the Present Value of Defined Benefit	2022	2021
Obligation		
Opening Defined Benefit Obligation	6.52	5.32
Current service cost	1.51	1.20
Interest cost	0.50	0.40

Actuarial (Gains)/loss due to plan experience	(2.91)	(0.05)
Actuarial (gain)/loss due to change in demographic assumptions	(0.49)	(0.35)
Actuarial (gain)/loss due to change in financial Assumptions	-	-
Closing Defined Benefit Obligation	5.13	6.52

iv) Movements in the Fair Value of Plan Assets	2022	2021
Opening Fair Value of Plan Assets	3.77	3.88
Income on assets at the discount rate	0.32	0.28
Actual interest less than discount rate	(0.04)	(0.05)
Contribution by DHI	1.00	-
Benefits paid from plan assets	(0.49)	(0.35)
Closing Fair Value of Plan Assets	4.56	3.77

v) Expected Benefit Payments as at 31 December 2022

31 December 2023	1.49
31 December 2024	1.16
31 December 2025	1.03
31 December 2026	1.15
31 December 2027	0.20
31 December 2028 to 31 December 2032	0.82
31 December 2033 to 31 December 2042	
31 December 2022	2.22
31 December 2023	1.39
31 December 2024	1.76
31 December 2025	0.69
31 December 2026	0.20
31 December 2027 to 31 December 2031	0.75

vi) Expected employer contributions for the period ending 31 December 2022 0.87

	2022	2021
Weighted Average Duration of DBO	6.78 Years	5.52 Years

ix) Plan Asset Information (Asset Allocation in Percentage)	2022	2021
Investment with RICBL	100%	100%
Total	100%	100%

ix) Sensitivity Analysis

Assumption/Parameter	Scenario	Defined Benefit Obligation(DBO)	Net effect of DBO	Percent change
Discount rate	0.50%	5.03	(0.10)	(2.0%)
	Base rate	5.12	-	0.0%
	-0.50%	5.23	0.10	2.10%
Salary Growth Rate	0.50%	5.34	0.22	4.2%
	Base rate	5.12	-	0.0%
	-0.50%	4.93	(0.20)	(3.9%)
Mortality Rate	x90%			
	Base rate			
	x110%			
Employer turnover rate	-1.00%	5.11	(0.01)	(0.3%)
	Base rate	5.12	-	0.0%
	1.00%	5.14	0.01	0.3%

Carriage Charges

a) Discount rate risk

The present value of the defined benefit obligation is heavily dependent on the discount rate. As such, the quantity is highly sensitive to the discount rate and a slight decrease in this assumption parameter will result in an ultimate cost that is significantly higher and vice versa.

b) Salary growth risk

As the carriage charge benefit is a final-pay scheme, the actual cost of the plan will depend on the growth rate of salary over the years. As such, a higher than expected growth in salary will result in a cost which is higher than the estimate. Similarly, a slower salary growth will result in actual liability being lower than projected.

c) Employee turnover risk

Employee turnover experience of DHI will have a significant impact on the design of the benefit and consequently the overall cost of the plan. Furthermore, deviation in actual experience from assumption would also lead to change in the liability of the plan.

d) Demographic risk

In the absence of credible scheme-specific data, the IALM 2006-08 mortality rate has been used in projecting the benefits. Thus, deviation of the actual experience from the rates used will result in change in the cost of the plan.

e) Regulatory risk

The present value of the defined benefit obligation has been arrived at using the current set of regulatory frameworks. As such, any change in the relevant rules and regulations concerning carriage charge benefit such as increase in carriage charge ceiling, introduction of carriage charge floor and change in vesting period or benefit accrual rate would eventually alter the liability.

f) Liquidity risk

Finally, there is a risk that DHI may not be able to honour the carriage charge payments in the short- run due to liquidity constraints.

i) Statement of Profit & Loss	2022	2021
Current service cost	0.76	0.15
Interest on DBO	0.03	0.03
Expenses recognised in profit or loss	0.79	0.17

ii) Statement of Other comprehensive income	2022	2021
Actuarial (gain) or loss due to experience adjustments	0.41	(0.11)
Expense recognised as other comprehensive income	0.41	(0.11)

iii) Defined Benefit cost	2022	2021
Expense recognised in profit or loss	0.79	0.17
Expense recognised in other comprehensive income	0.41	(0.11)
Defined benefit cost	1.20	0.07

iv) Statement of Financial position	2022	2021
Present value of define benefit obligation	(1.62)	(0.50)
Funded status - surplus/(deficit)	(1.62)	(0.50)
Net defined benefit asset/(liability)	(1.62)	(0.50)

v) Movement in the present value of DBO	2022	2021
DBO at the beginning of period	0.49	0.46
Add: Current service cost	0.76	0.14
Add: Interest cost	0.03	0.03
Less: Benefits paid by the employer	(0.07)	(0.03)
Actuarial (gain) or losses due to experience adjustment	0.41	(0.11)
DBO at the end of period	1.62	0.50

vi) Expected Benefit payments in the future

December 31, 2023	0.32
December 31, 2024	0.30
December 31, 2025	0.28
December 31, 2026	0.27
December 31, 2027	0.16
December 2028 to December 2032	0.58
December 2032 to December 2041	

vii) Expected term of liability (in years)**6.66 years****Separation allowance**

i) Statement of Profit & Loss	2022	2021
Current service cost	2.56	0.57
Interest on DBO	0.18	0.18
Expenses recognised in profit or loss	2.74	0.74
ii) Statement of Other Comprehensive Income	2022	2021
Actuarial (gain) or loss due to experience adjustments	1.61	(0.28)
Expense recognised as other comprehensive income	1.61	(0.28)
iii) Statement of Defined Benefit Obligation	2022	2021
Expense recognised in profit or loss	2.74	0.74
Expense recognised in other comprehensive income	1.61	(0.28)
Defined benefit cost	4.36	0.46
iv) Statement of Financial Position	2022	2021
Present value of define benefit obligation	(6.45)	(2.52)
Funded status - surplus/(deficit)	(6.45)	(2.52)
Net defined benefit asset/(liability)	(6.45)	(2.52)
v) Movement in the present value of DBO Plan	2022	2021
DBO at the beginning of period	2.52	2.37
Add: Current service cost	2.56	0.57
Add: Interest cost	0.18	0.18
Less: Benefits paid by the employer	(4.21)	(0.31)
Actuarial (gain) or losses due to experience adjustment	1.64	(0.28)
DBO at the end of period	6.45	2.52

vi) Expected benefit payments in future years

December 31, 2023	1.32
December 31, 2024	1.16
December 31, 2025	1.22
December 31, 2026	1.32
December 31, 2027	0.39
December 2028 to December 2033	1.69
vii) Estimated term of liability (in years)	8.02 years

Transfer Grant

i) Statement of Profit & Loss	2022	2021
Current service cost	2.56	0.57
Interest on DBO	0.18	0.18
Expenses recognised in profit or loss	2.74	0.74

ii) Statement of Other Comprehensive Income	2022	2021
Actuarial (gain) or loss due to experience adjustments	1.64	(0.28)
Expense recognised as other comprehensive income	1.61	(0.28)

iii) Statement of Defined Benefit Obligation Plan	2022	2021
Expense recognised in profit or loss	2.74	0.74
Expense recognised in other comprehensive income	1.64	(0.28)
Defined benefit cost	4.38	0.46

iv) Statement of Financial Position	2022	2021
Present value of define benefit obligation	(6.45)	(2.52)
Funded status - surplus/(deficit)	(6.45)	(2.52)
Net defined benefit asset/(liability)	(6.45)	(2.52)

v) Movement in the present value of DBO	2022	2021
DBO at the beginning of period	2.52	2.37
Add: Current service cost	2.56	0.57
Add: Interest cost	0.18	0.18
Less: Benefits paid by the employer	(4.21)	(0.31)
Actuarial (gain) or losses due to experience adjustment	1.64	(0.28)
DBO at the end of period	6.45	2.52

vi) Expected benefit payments in future years	
December 31, 2023	1.32
December 31, 2024	1.16
December 31, 2025	1.22
December 31, 2026	1.32
December 31, 2027	0.39
December 2028 to December 2033	1.69
vii) Estimated term of liability (in years)	
	8.02 years

Note 33: Fair value measurements (Standalone)

Financial instruments by category

	As at December 31, 2022		As at December 31, 2021			
	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost
Financial assets						
Investment in equity shares of entities other than subsidiary, associate and JV		6,753.81			6,966.86	
Investment in EPF assets			23.49			23.33
Security deposits paid to third parties			0.09			0.09
Long term Financial assets and trade receivables			2,614.55			2,484.43
Cash and Cash Equivalents			1,196.02			144.36
Total financial assets		6,753.81	3,834.15		6,966.86	2,652.21
Financial liabilities						
Borrowing		778.40				39.43
Liability towards EPF		8.79				12.29
Trade payables		347.59				333.69
Employee payables		30.52				22.50
Other liabilities						1.27
Total financial liabilities		1,165.30				409.18

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows as under:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments, which are traded in the stock exchanges, is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. During the year, there has been no movement between fair value levels from previous year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- (i) the use of quoted market prices for listed equity shares
- (ii) the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Notes	As at December 31, 2022			As at December 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Investments at FVOCI						
Investment in equity shares of:						
Bhutan National Bank Ltd.	1,572.87			1,526.34		
Royal Insurance Corporation of Bhutan Ltd	1,701.51				1,796.24	
Investment Abroad			3,479.43			3,644.28
Total financial assets	3,274.38		3,479.43		3,322.58	3,644.28

(iii) Fair value of financial assets and financial liabilities measured at amortized cost

	As at December 31, 2022		As at December 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Investment in EPF assets	23.49	23.49	27.03	27.03
Security deposits paid to third parties	0.09	0.09	0.06	0.06
Trade Receivables and other receivables	2,614.55	2,614.55	2,484.43	2,484.43
Cash and Cash Equivalents	1,196.02	1,196.02	144.36	144.36
Total financial assets	3,834.15	3,834.15	2,655.88	2,655.88
Financial Liabilities				
Borrowing	778.40	778.40	39.43	39.43
Liability towards EPF	8.79	8.79	12.29	12.29
Trade payables	347.59	347.59	333.74	333.74
Employee payables	30.52	30.52	22.50	22.50
Other liabilities			1.27	1.27
Total financial liabilities	1,165.30	1,165.30	409.18	409.18

The carrying amounts of above-mentioned financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The current portion of inter corporate loan has not been considered in the above table considering the carrying amount to be the same as their fair values, due to their short-term nature.

The fair values were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Note 35 : Capital Management

35.1 Group Capital Management

The Group manages its capital so as to ensure funds are available to meet future commitments as well as commitments to outside parties. The Group has a requirement to meet dividend and tax expectations as contained in the Annual Compacts between Group Companies, the parent company and the RGOB.

Capital expenditure is mostly met from operating cash flows. Fixed term borrowings are only made for major capital projects. Such borrowings are repaid when the project is completed and is generating operating cash flows.

35.2 Standalone Capital Management

The Company's objectives when managing capital are to-

- a. Safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders, and
- b. Maintain an optimal capital structure to reduce the cost of capital.

The primary mandate for which DHI has been constituted is to hold and manage the existing and future investments of the Royal Government of Bhutan (RGoB) for the long term benefit of its shareholders, the people of Bhutan. 100% of the Company's share capital is owned by the Ministry of Finance (MoF) of the RGoB. Company manages the share capital issued and subscribed along with the reserves appearing in the financial statement of the company.

Note 36: Standalone Financial Risk Management

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of it in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost.	Constant monitoring	Diversification of bank deposits, management support to the subsidiaries
Liquidity risk	Trade payables and other financial liabilities	Cash flow forecasts	Access to short term borrowings
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Ngultrum(Nu.)	Constant monitoring	Company currently has foreign currency exposure only in the form of Investment made abroad which is long term in nature

Market risk – interest rate	Long-term borrowings at variable rates	NA	Company does not have any borrowing on variable rate outstanding on the reporting date
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions and trade and other receivables.

(i) Credit risk management

In case of inter-corporate loans and other receivables, the company on an ongoing basis throughout each reporting period, assesses whether there has been a significant increase in credit risk. In case there is a significant increase in the credit risk of the other party due to factors such as poor financial performance, position, etc., the company considers the probability of default and provides for loss allowance based on the Expected credit loss model.

Investment in banks and financial institutions are only in high rated banks and institutions. The Company is exposed to credit risk in relation to financial guarantees given for loan taken by subsidiaries and associates. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. The Company regularly monitors the financial performance, position, etc., of the Companies on whose behalf the guarantees have been given to evaluate its exposure for payments on default by those Company.

During the year 2012, DHI setup Entrepreneurship Promotion Fund (EPF) to provide partial capital support to upcoming entrepreneurs in the private sector with the primary objective of promoting entrepreneurship in Bhutan. The fund was setup with DHI providing the seed capital of Nu. 15,000,000 and with Nu.10,000,000 investment from the Bank of Bhutan Limited. Investments are made from the Entrepreneurship Promotion Fund (EPF) into projects that are approved by the Management. During the year 2015, DHI management entered into an agreement with The Loden Foundation and created Loden-DHI Fund to provide alternative access to the entrepreneurs in obtaining finance to start a new business or for expansion / growth of the existing business leading to employment generation and economic development of the nation. The management has evaluated the recoverability of the investment made in The Loden Foundation and considered it for impairment.

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The company is not exposed to significant liquidity risk as no significant borrowings or financial liabilities are outstanding on the reporting date. Further, as a step to maintain sufficient liquidity to pay dividend and other payables, company usually receives dividend from its subsidiary in advance. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Company has also given guarantee for the corporate bond issued by one of its subsidiary Dungsum Cement Corporation Limited (DCCL). The subsidiary company started commercial operation in 2014. The bond is due for maturity in 2022 onwards. As per the management estimate, although the subsidiary company has incurred losses in all the years since inception, however, the quantum of loan has decreased year by year and also the earnings are improving. Further, management believes that subsidiary will start generating profit in coming years and by the time bond will be due to redeemed, subsidiary will have sufficient liquidity to meet its obligation towards bond redemption. Accordingly, as per the management estimate, no liability has been recognised for the financial guarantee contracts issued by the company.

(i) Financing arrangements

The company does not have any undrawn borrowing facilities at the end of the reporting period.

(ii) Maturities of financial liabilities

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

Non-Derivative	less than 1 year	more than 1 year	Total
December 31, 2022			
Borrowings from Ministry of Finance		778.40	778.40
Liability towards EPF		7.57	7.57
Trade payables	11.50		11.50
Employee payables	30.52		30.52
Deposits received	0.26		0.26
Advance from Subsidiaries	0.00		0.00
Other liabilities	7.47		7.47
Total non-derivative liabilities	49.75	785.97	835.72

December 31, 2021

Borrowings from Ministry of Finance		38.60	38.60
Liability towards EPF		11.07	11.07
Trade payables	14.99		14.99
Employee payables	17.45		17.45
Deposits received	0.21		0.21
Advance from Subsidiaries	2.55		2.55
Other liabilities	24.78		24.78
Total non-derivative liabilities	59.97	49.67	109.64

(C) Market risk**(i) Foreign currency risk**

Foreign Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company at its own does not have international operations, but have investment abroad and bank balance to which foreign exchange risk may arise.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company does not have any borrowing on variable rate outstanding. Further the loan given and investment made by the Company is at fixed rate interest. Accordingly, company is not exposed to interest rate risk.

(iii) Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The company's exposure to equity securities price risk arises from investments held by the company in equity securities and classified in the balance sheet as at fair value through other comprehensive income. All the investment in equity investment measured at fair value through other comprehensive income are publicly traded and listed on Stock Exchange of respective country. The table below summarises the impact of increases/decreases of the prices of respective securities on company's equity and total other comprehensive income for the period. The analysis is based on the assumption that the market price of the respective securities had increased by 5% or decreased by 5% with all other variables held constant:

Impact on total Other Comprehensive	2022	2021
Increase by 5%	163.72	166.13
Decrease by 5%	(163.72)	(166.13)

Note 35: Contingent Liabilities

A summary of the corporate guarantee provided to companies during the years and the outstanding balance as of 31 December 2022 thereof are as follows:

Entity	Corporate Guarantee issued -2022
ABHL	19.60
BPC	500.00
CDCL	198.46
DACL	1,500.00
DCCL	1,150.00
DHIPTE	672.00
NRDCL	70.00
Total	4,110.06

Entity	BG	Loan O/s
ABHL	81.20	60.02
BPC	2,000.00	879.44
CDCL	722.41	702.64
DACL	1,500.00	1,136.26
DCCL	4,840.14	4,671.65
DHI PTE	24.00	24.26
KIL	170.00	145.18
NRDCL	80.00	32.22
SMCL	40.00	42.19
STCBL	109.10	107.24
TTPL	672.00	651.75
Total	10,238.85	8,452.84

Note 37: Commitments

Commitments for capital expenditure by various Members of the Group total Nu. 879.34 million (2021: Nu. 756.99 million).

Note 38: Managerial Remuneration

A. Remuneration paid to the Chairman of the company -	31-Dec-22	31-Dec-21
Salary and allowances	2.15	3.45
Other benefits	1.44	1.41
Provident fund contribution by employer	0.19	0.31
Sitting fees	0.14	0.20
	3.92	5.37

B. Remuneration paid to the Chief Executive Officer of the company -	31-Dec-22	31-Dec-21
Salary and allowance	3.43	3.14
Other benefits	1.11	1.13
Provident fund contribution	0.31	0.28
Sitting fees	0.21	0.20
	5.06	4.75

C. Sitting fees paid to other Board of Directors of the Company-	31-Dec-22	31-Dec-21
Nim Dorji	0.23	0.33
Dasho Pema Chewang	0.19	0.32
Dechen Dorji	-	-
Kinga Tshering	-	0.28
Thinley Namgyel	0.16	0.26
Kesang Deki	0.05	0.04
Yunny Lee	0.23	
Nelson Trevor Thackery	0.29	
Leki Wangmo	0.03	
Karma Lotey	0.18	0.03
	1.36	1.26

Note 39: Auditor's Remuneration

	31-Dec-22	31-Dec-21
Statutory audit fee for standalone financial statements	0.17	0.17
Statutory audit fee for consolidated financial statements	0.46	0.46
Statutory audit fee for RBHSL	0.26	-
Other audit expenses (relating to previous year)*	0.06	0.05
	0.95	0.68

Note 40: Related Party Disclosures

	2022	2021
Parent (State) -		
Ministry of Finance (MoF), Royal Government of Bhutan	100%	100%
Subsidiaries -		
Bank of Bhutan Ltd. (BOBL)	80%	80%
Bhutan Board Products Ltd. (BBPL)	58%	58%
Bhutan Power Corporation Ltd. (BPCL)	100%	100%
Bhutan Telecom Ltd. (BTL)	100%	100%
Construction Development Corporation Ltd. (CDCL)	100%	100%
Druk Green Power Corporation Ltd. (DGPCL)	100%	100%
Drukair Corporation Ltd. (DCL)	100%	100%
Druk Holding & Investments Pte Ltd.	100%	-
Dungsam Cement Corporation Ltd. (DCCL)	88%	88%
Dungsam Polymers Ltd. (DPL)	51%	51%
Koufuku International Ltd. (KIL)	100%	100%
Natural Resources Development Corporation Ltd. (NRDCL)	100%	100%
Penden Cement Authority Ltd. (PCAL)	40%	40%
State Mining Corporation Ltd. (SMCL)	100%	100%
State Trading Corporation of Bhutan Ltd. (STCBL)	57%	57%
Thimphu TechPark Ltd. (TTPL)	100%	100%
Wood Craft Center Ltd. (WCCL)	100%	100%
Menjong Sorig Pharmaceutical Corporation Ltd. (MSPCL)	100%	100%
Associates -		
Bhutan Ferro Alloys Ltd. (BFAL)	26%	26%
Joint Venture		
Azista Bhutan Healthcare Limited (w.e.f 30.04.2018)	28%	28%
Druk Metallurgy Limited (w.e.f. 30.08.2018)	40%	40%
Other Portfolios -		
Bhutan National Bank Ltd. (BNBL)	12%	12%
Royal Insurance Corporation of Bhutan Ltd. (RICBL)	18%	18%

State Owned Enterprises -

Bhutan Development Bank Ltd. (BDBL)
Bhutan Postal Corporation Ltd. (BPCL)
Kuensel Corporation Ltd. (KCL)
Bhutan Broadcasting Services Corporation Ltd. (BBSCL)
Food Corporation of Bhutan (FCB)
Bhutan Chamber and Commerce Industry (BCCI)

Key Management Personnel -

Dasho Ugyen Chewang, Chairman (w.e.f 01.08.2018)
Dasho Karma Y. Raydi, Chief Executive Officer and Director
Mr. Nim Dorji (Director)
Mr. Pema Chewang (Director)
Mr. Dechen Dorji (Director)
Mr. Kinga Tshering (Director)
Mr. Thinley Namgyel (Director)
Mr. Karma Lotey (Director)
Ms. Yunny Lee (Director)
Mr. Nelson Trevor Thackery (Director)
Ms. Leki Wangmo (Director)

Note 40 Related Party Disclosures (contd.)

b) (i) Transactions with Parent -	2022	2021
Dividend paid	3,977	3,021
Allotment of shares (fully paid of Nu. 100/- each)	(0.88)	0.52
Expenses adjusted by the company on behalf of MoF	0.74	0.95

b) (ii) Balance as at the end of the year with Parent -	2022	2021
Advance to MoF	3,977	3,021

c) (i) Transactions with Subsidiaries -	2022	2021
Equity contribution in cash	400.87	548.88
Bhutan Power Corporation Ltd.	(37.73)	
Bhutan Telecom Ltd.	(17.93)	
Construction Development Corporation Ltd.	(24.39)	
Druk Holding and Investment Pte Limited	633.43	
Druk Air Corporation Ltd.	145.78	
Druk Green Power Corporation Ltd.	(147.47)	548.88
Dungsam Cement Corporation Ltd.	(143.30)	
Natural Resources Development Corporation Ltd.	(63.17)	
Dividend income	10,171.03	8,025.74
Brand management fee	214.00	171.64
Druk Green Power Corporation Ltd.	98.82	98.10
Bhutan Power Corporation Ltd.	36.95	30.69
Bhutan Telecom Ltd.	38.35	32.39
Others	39.89	10.45
Corporate guarantee fee	13.12	13.87
Bhutan Power Corporation Ltd.		10.37
Construction Development Corporation Ltd.		2.05
Dungsam Cement Corporation Ltd.		-
Others		1.45
Interest income on bank deposits- Bank of Bhutan Ltd.	23.72	75.57
Interest Income on inter company loans provided	60.79	16.32
Bhutan Power Corporation Ltd.	4.19	-
Drukair Corporation Ltd.	47.85	15.96
Dungsam Polymers Ltd.	0.46	0.36
State Mining Corporation Ltd.	8.29	-
Interest expenses- Bank of Bhutan Ltd.	-	-
Electricity expenses- Bhutan Power Corporation Ltd.	0.82	0.81
Telephone and internet expenses - Bhutan Telecom Ltd.	1.35	1.58
Purchase of air tickets and others - Drukair Corporation Ltd.		0.03
Repairs and maintenance charges- State Trading Corporation Ltd.		0.30
Purchase of assets - State Trading Corporation Ltd		0.21
Hall hiring charges- Natural Resources Development Corporation Ltd.		0.01
Bank charges- Bank of Bhutan Ltd	0.02	0.02
Advance provided for project- Construction Development Corporation Ltd.	28.93	118.40

c) (ii) Balance as at the end of the year with Subsidiaries -	2022	2021
Current account balances- Bank of Bhutan Ltd.	1,196.02	144.36
Fixed deposits- Bank of Bhutan Ltd.		1,310.00
c) (iii) Outstanding Balances with Subsidiaries -	2022	2021
Accrued interest on bank deposits- Bank of Bhutan Ltd.	55.83	55.83
Other interest receivable	-	-
Electricity expenses payable- Bhutan Power Corporation Ltd.	-	-
Telephone and internet expenses payable- Bhutan Telecom Ltd.		0.73
Inter-company loan receivable (principal and interest)	788.00	788.00
Drukair Corporation Ltd.	788.00	725.00
Dungsam Polymers Ltd.	0.00	8.00
Corporate guarantee fee receivable	13.12	13.81
Bhutan Power Corporation Ltd.	8.38	10.37
Dungsam Cement Corporation Ltd.	1.86	2.05
Others	2.92	1.39
Advances taken for CSR		2.35
d) (i) Transactions with Associates -	2022	2021
Dividend income- Bhutan Ferro Alloys Ltd.	115.78	19.30
d) (ii) Outstanding Balances with Associates -	2022	2021
Advances given on behalf (net)	0.20	0.20
e) Transactions with Joint Ventures	2022	2021
Equity contribution in cash	13.78	14.70
Azista Bhutan Healthcare Limited	13.78	14.70
f) Transactions with Other Portfolios -	2022	2021
Dividend income	33.29	-
Insurance of vehicles	0.08	0.05
Medical insurance	-	0.45
g) Compensation to Key Management Personnel -	2022	2021
Short-term benefits	8.48	9.52
Post-employment benefits	0.50	0.59
Sitting fees paid to Board of Directors	1.35	1.25

h) Transactions with SoEs -	2022	2021
Media and publication expenses - Kuensel	0.87	0.71
Media and publication expenses - BBS	0.29	0.22
Postage charges - Bhutan Post	0.09	0.09

Note 41: Events After Balance Sheet Date

On 1 June 2023, the board of directors approved the dividend of Nu. 3,361million for the financial year ended December 31, 2022 representing 6.83% on paid up capital.

RATIO ANALYSIS

DRUK HOLDING & INVESTMENTS

RATIO ANALYSIS FOR THE YEAR ENDED 31 DECEMBER 2022

DHI standalone Ratio Analysis for the year ended 31 December 2022

Ratios	Basis	2022	2021
Earnings per share	(Profit After Tax/No. of Shares Issued)	14.73	12.51
Net Profit Ratio (%)	(Net Profit/Turnover*100)	68.58%	68.71%
Return on Assets (%)	(Net Profit/Total Assets*100)	9.39%	8.28%
Return on Equity (%)	(Net Profit/Owner's Equity*100)	10.28%	8.72%
Dividend Coverage Ratio	(Net Profit Available to equity shareholders/Dividend paid to Equity shareholders)	2.40	1.27
Dividend payout Ratio (%)	(Dividend per share/Earning Per Share*100)	41.69%	78.93%
Current Ratio	Current Asset/Current Liability	2.97	3.39

DHI Consolidated Ratio Analysis for the year ended 31 December 2022

Ratios	Basis	2022	2021
Earnings per share	(Profit After Tax/No. of Shares Issued)	9.75	14.70
Net Profit Ratio (%)	(Net Profit/Turnover*100)	10.45%	16.74%
Return on Assets (%)	(Net Profit/Total Assets*100)	1.78%	2.80%
Return on Equity (%)	(Net Profit/Owner's Equity*100)	4.59%	6.82%
Current Ratio	Current Asset/Current Liability	2.57	3.28



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