



Contents



Foreword	5
Mission, Vision & Mandate	6
Organogram	7
Board of Directors	8
BLDCL Management Team	9
Directors' Report	10
Auditor's Report	19
Independent Auditor's Report	21
Report On Minimum Audit Examination Requirements	28
Financial Statements	37
Accounting Policies & Notes To Accounts	42
Ratio Analysis	59
Compliance Calender & Checklist	61



Foreword



// His Majesty has said that Bhutan must compete with other nations as equals, and that it must be able to make a good living and sell what the world wants to buy.”

Bhutan Livestock Development Corporation Limited (BLDCL) is a State-Owned Enterprise (SOE) and works closely with the Department of Livestock (DOL) to develop the livestock sector. BLDCL is basically a commercial arm of the Government mandated to increase internal production of livestock inputs and products to help achieve food and nutrition security of the country, reduce imports, and most importantly, retain outflow of foreign reserves.

To achieve this, BLDCL has concentrated on enhancing production from its own farms and encouraging farmers to increase output. This includes providing an assured market, ensuring fair pricing through aggregation, supplying value added products to customers, and providing easy access by means of a chain of marketing facilitations.

Being a commercial entity, BLDCL is also expected to be financially sustainable and meet its financial requirements from business operations. During the year, BLDCL navigated a dynamic economic landscape, leveraging expertise and innovative spirit to deliver financial performance. Our strategies and initiatives have not only fortified our position

in the market but also enhanced capability to reach the grassroots level farmers.

Reflecting on our achievements over the past years, we are reminded of our core values of business principles, effective value chain management, quality management standards, and animal welfare. These values have guided us through every decision and action, ensuring that we uphold the trust and confidence bestowed upon us by the stakeholders.

I take the privilege to extend my heartfelt gratitude to our shareholders for their unwavering support, our farmers for their trust, our customers for their belief, and our employees for their continued dedication and hard work.

Kardrincheyla!



A handwritten signature in blue ink, appearing to read 'Dophu Dukpa'.

(Dophu Dukpa)
Chief Executive Officer

- Adopt corporate and business principles to enhance livestock production efficiency
- Implement effective value chain management and support services
- Execute quality management standards with animal welfare as a priority



To be a leading and trusted corporation in transforming the livestock industry

MANDATE

Marketing

- Establish and strengthen market outlet facilities for all livestock and Agri-processed products
- Coordinate and harmonize product aggregation from farmers and marketing of all livestock products for domestic and export markets

Input & Production

- Produce and supply Broiler Day Old Chicks (DOC)
- Promote and support domestic feed production and marketing, and import of feed and other raw materials required for feed production
- Lead in the production of livestock products for domestic and export markets

Post-Production

- Lead and promote post-production and value addition of livestock products
- Institute and strengthen warehousing and cold storage services
- Engage in product development/diversification processes and consultancy services on livestock enterprises

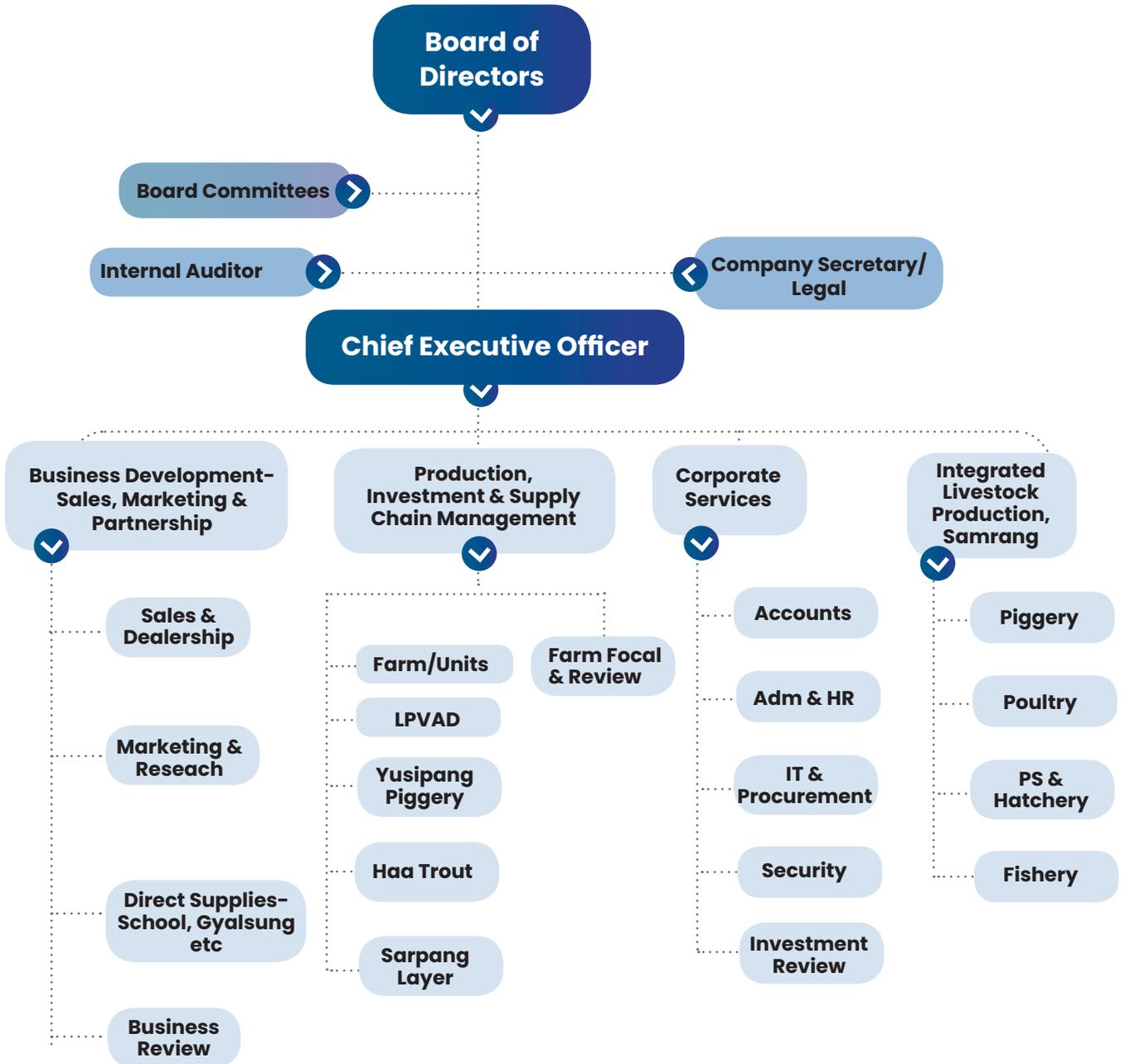
Support services

- Engage and catalyze collaborations with livestock contract farmers' groups/farmers/youths/other farmers associated with the company in the area of livestock enterprise development and livestock farm mechanization/automation, and also in provisioning of technical supports
- Engage in Schools, Hospitals, and other Institutional Feeding Programs
- Undertake other activities as directed by the Government/Board

Financial Sustainability (New Mandate incorporated after reformation)

- BLDCL will maximize production while minimizing cost of products. By doing so, BLDCL can regulate market prices. The pricing strategy will not focus on profit maximization but rather on stabilizing market rates while ensuring BLDCL financial sustainability

ORGANOGRAM



BOARD of **DIRECTORS**



Mr. Karma Tshering
Chairman



Mr. Namgay Wangchuk
Director
GM, NRDCL



Mr. Sonam Tobgay
Director
Associate Director, DHI



Mr. Rinchen Dorji
Director
Chief Program Officer, ICGD, DMFDF
MOF



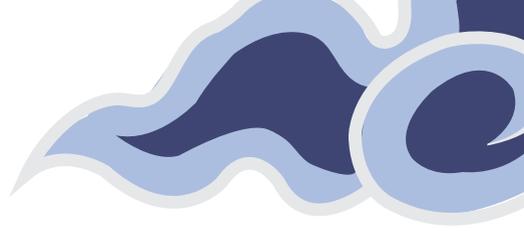
Mr. Jamyang Tashi Wangdi
Director
Chief Livestock Officer, Livestock
Production Division, MOAL



Mr. Dawa Sonam
Director
CEO, 55 Venture Private Limited



Mr. Dopu Dukpa
Executive Director
CEO, BLDCL



BLDCL MANAGEMENT TEAM



Mr. Dophu Dukpa
Chief Executive Officer



Mr. Pema Tenzin
Internal Audit



Mr. Tenzin Tshewang
General Manager



Mr. Dorji Khandu
Chief Production Officer



Mr. Suraj Ghalley
Chief Finance Officer



Mr. Yeshey Wangchuk
Adm. Officer



Mr. Devi Bhakta Ghalley
ICT Officer



Mrs. Karma Lhamo
Procurement Officer



Mr. Chimi Dorji
Human Resource Officer



Mr. Pema Jamtsho
Assistant Accounts Officer



DIRECTORS' REPORT



Dear Shareholder,

It is my pleasure to present to you, on behalf of the Board of Directors, management, and staff of Bhutan Livestock Development Corporation Limited, the Annual Report for the year 2024. I also take this opportunity to welcome our stakeholders to the company's 7th Annual General Meeting and place before you the highlights of BLDCL's performance for the year.

Financial Highlights

In 2024, the company made significant progress in performance despite facing challenges from the demanding business landscape. During the year, the company incurred a loss of Nu. 1.51 million as compared to a loss of Nu. 29.12 million in the previous year. BLDCL's key financial ratios are highlighted in the table below:

Ratio Analysis	FY 2022	FY 2023	FY 2024
Debt to Equity Ratio	0.24x	0.28x	0.14x
Asset Turnover Ratio	0.36%	0.28%	0.33%
Return on Equity	-0.15%	-0.06%	-0.00%
Debt Coverage Ratio	-0.64x	0.03x	0.37x
Interest in Coverage Ratio	-30.16x	4.00x	0.71x
Financial Debt to EBITDA	1.52x	33.51x	2.43x
EBITDA Margin	-0.22%	0.01%	0.10%

The Debt-to-Equity Ratio during the period improved from 0.28x in FY 2023 to 0.14x in FY 2024 as a result of reduced reliance on debt financing and improved equity position. To improve the finance cost, BLDCL was able to refinance the high interest-bearing Overdraft facilities (OD) from Bhutan National Bank with low interest OD from Bhutan Development Bank.

The Asset Turnover Ratio in FY 2024 improved as compared to FY 2023 despite an overall increase in the asset base. However, the current level of asset turnover of 0.33% still suggests under-utilization of asset, and the Board and management will continue working to further improve asset utilization.

The Return on Equity has improved over the years, though still negative. The breakeven ROE in FY 2024 indicates the company is close to profitability and has narrowed losses over time.

Key metrics such as Interest Coverage Ratio and Debt Service Coverage Ratio (DCSR) have significantly improved, moving from a severe inability to meet interest and debt obligations in FY 2022 to achieving positive coverage ratio in FY 2024. A ratio below 1 still reflects vulnerability, but the company's Board and management are striving to achieve sustainable debt service by enhancing revenue and various cost optimization initiatives.

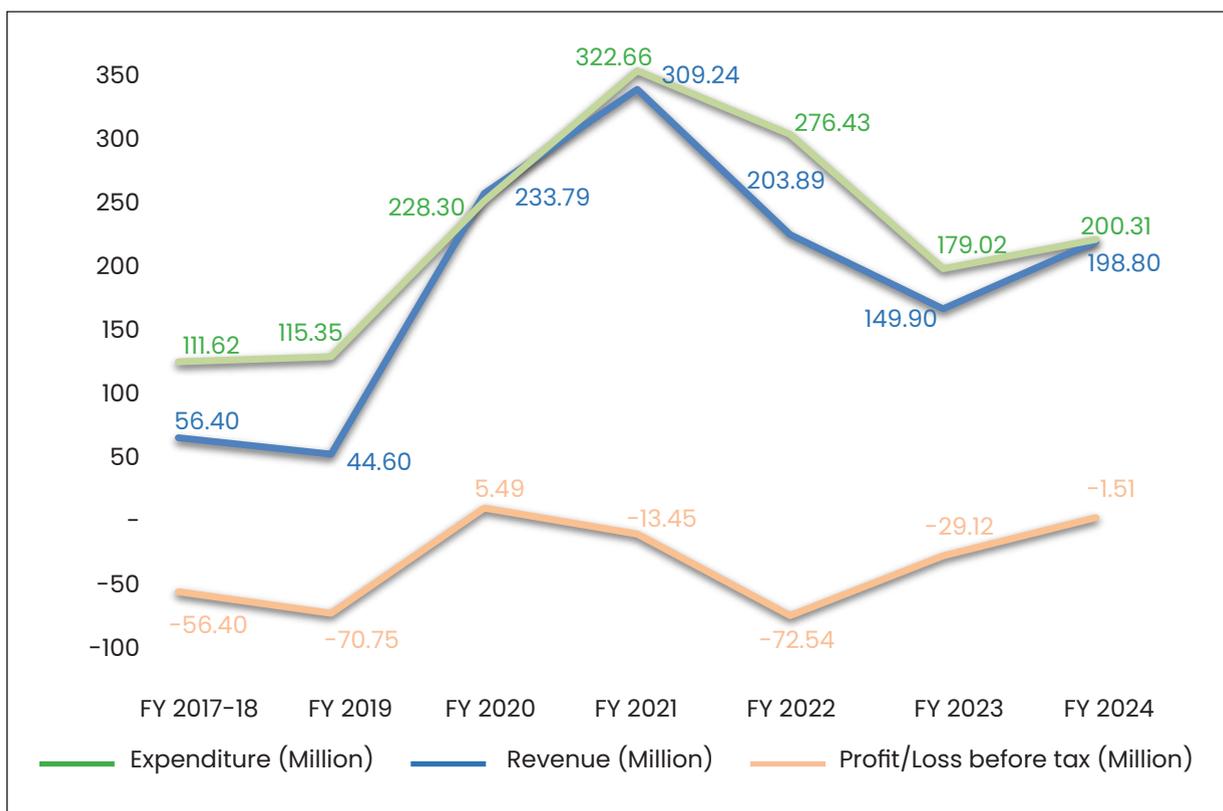
The company's Financial Debt to EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) improved significantly in FY 2024, indicating positive development. The ratio

within now fall within the generally accepted threshold for most industries (typically below 3).

The EBITDA Margin has improved steadily over the period, indicating stronger core business performance and enhanced operational efficiency compared to previous years.

The table below highlights financial performance over the period

Graph 1: Horizontal Analysis of Financial Performance



Revenue

The company was able to earn a total revenue of Nu.198.80 million in FY 2024 as compared to Nu. 149.90 million in FY 2023. Eggs sales constituted 49.5% of the total revenue during the year.

Expenditure

The company's expenditure rose by 12%, from Nu. 179.018 million in FY 2023 to Nu. 200.31 million in FY 2024. Animal feed and HR cost constituted the major operation cost at 39% and 22% of the total respectively. As part of cost optimization, a study is underway to explore opportunities to set up a captive feed plant.

Profit After Tax

BLDCL was able to narrow losses to Nu. 1.51 million in FY 2024 from Nu. 29.12 million in FY 2023. The company's PAT has steadily improved since FY 2023, driven by business reform initiatives

led by the Ministry of Finance (MoF). This follows a steep decline from FY 2021. Expenses have also been controlled through closure of outlets, discontinuation of agricultural products, and realigning business to only meat and eggs.

Operational Highlights

Production and Aggregation Segment

In addition to pork and fish production from its own farms (fish from Haa and Samrang, and pork from Yusipang and Samrang), BLDCL partnered with nine pork suppliers—three each from Wangdue, SamdrupJongkhar, and Samtse—and 14 chicken suppliers during the year, including one from Wangdue, one from Chhukha, four from SamdrupJongkhar, six from Samtse, and one from Dagana.

As a result, BLDCL was able to produce and aggregate the following quantities of livestock products.

Sl.no	Proportion of Products					Total
	Products	MoU	BLDCL Farm	Farmers	Govt. Farm	
1	Pork	Kg	52,309	15,023	-	67,332
2	Chicken	Kg	-	91,401	-	91,401
3	Fish-Trout	Kg	5,453	-	8,885	14,338
4	Warm water fish	kg	297	-	-	297
5	Eggs	Carton	31,227	1,613	-	32,840
6	Milk	Ltr.	27,313	-	-	27,313

Note: Most meat aggregation happened after the ESP awareness campaign for farmers in October 2024.

Value Addition Segment

The Livestock Value Addition and Processing Division (LPVAD) of BLDCL processed 28,662 kg of pork, 53,263 kg of chicken, 10,573 kg of trout and 4,295 kg of beef during the year. These processed products were placed in the market through the company's dealers and supplied to schools under the School and Hospital Feeding Program (SHFP).

Distribution Segment:

BLDCL successfully built visibility and brand recognition for its value-added products in the market. The valued added products are supplied to the market through five dealers in Thimphu and one each in Mongar, Paro, and Phuentsholing. The distribution network has helped the company resolve logistic issues while enabling stronger focus on improving business processes.

During the year, BLDCL was able to supply chicken, egg and pork to the four Gyalsung Academies, 35 schools and one hospital in the country. The company also supplied products

to other government institutions such as the De-suung Kitchen, HMS, IMS, Royal Academy, and to private shoppers, totalling 46 customers.

Activities under Economic Stimulus Programme

As one of the prominent stakeholders working towards food security in the country, BLDCL was bestowed with aggressive targets to enhance livestock production through its farms and to aggregate and market three prioritized products in the first year (last quarter of FY 2024): Chicken(1200MT), Pork(471MT), and Fish(86MT). For this, the company was provided with an equity injection of Nu. 100.28 million against the proposal of Nu. 183.50 million for the following objectives:

- Optimize and operationalize the existing idle facilities of the company to enhance livestock production (Pork, Fish & Broiler DOC).
- Build business trust and work closely with farmers to ensure a ready market for their produce, thereby achieving the national objective.

As part of this effort, meetings and trainings were held with farmers in major meat-producing dzongkhags such as Wangdue, Dagana, Tsirang, Samtse, Chhukha, Sarpang, and SamdrupJongkhar. This partnership aims to establish a sustainable business relationship and a complete value chain from sourcing of inputs to supply of meat products.

(Formal communication by ESP Secretariat to Board was only received on 5th July 2025)

New Initiative during the Year

- **Corporate Governance:** Recognizing the importance corporate governance, the Ministry of Finance appointed a new Board of Directors with diverse backgrounds to strategically guide the company and turn its operations from negative to positive.
- **Asset Optimization:** The company identified idle assets worth Nu. 22.69 million for shedding as part of its asset optimization strategy in the agri-related SOEs.
- **Repurpose:**
 - o Samrang goat farm has been converted into a piggery farm with the construction of two additional sheds to accommodate 100 sows to enhance pork production.
 - o Yusipang piggery farm, originally established to produce piglets for farmers, has been repurposed as a fattening farm to boost domestic pork supply in the market in the wake of ASF.
 - o The Fishery farm in Samrang has been revived with re-stocking of 13,900 warm- water fingerlings after a two-year hiatus caused by water-related issues.

- **New Product launched**

The company introduced the following new value-added products

- Chicken Hotdog – 2,211 packets of 450 grams each
 - Pork Hotdog – 1,110 packets of 450 grams each
 - Chicken Vienna Sausages – 1,485 packets of 450 grams each
 - Pork Vienna Sausages – 1,190 packets of 450 grams each
 - Pork Tenderloin – 260 Kg
 - Local Juma – 2140.8 Kg
 - Pork Belly – 149.02 Kg
- **Business Expansion:** The company on boarded 20 meat vendors to distribute the aggregated pork and chicken from farmers to the market at a subsidized price, benefiting consumers.

Challenges & Risk Management Strategy:

BLDCL faces various challenges internally and externally, at various levels of business operation. Some of the key business challenges include:

Internal Challenges

1. Unserviceable assets such as the egg powder plant and the ice flake making machine from the want of expert and/or parts.
2. Limited processing and storing capacity of the meat processing centre at Serbithang, which was initially established by the government as a research and training facility.
3. Frequent breakdown of machinery, cold stores and blast freezer disrupting production and aggregation.
4. Inexperienced employees at the value-added centre.
5. Critical posts lying vacant for a prolonged period.
6. Wastage from the meat value-addition.
7. High mortality rate of birds.
8. High employee attrition rate.

External Challenges

1. Contaminated water at Samrang.
2. Biosecurity risk at farms.
3. Inconsistent supply of meat (Chicken & Pork) by farmers.
4. Huge uncollectable receivables from contract farmers.
5. Dependent on the Government farms for layer DOC, fingerlings and piglets.
6. Lack of artificial insemination (AI) facilities for pig breeding.
7. Competition from cheap imports.
8. Lack of proper cold and blast freezing facilities in the meat-producing dzongkhags.
9. Weight loss of meat during transportation.

Risk Management Strategy

1. Management has developed SOPs for farm management and to strictly adhere to biosecurity.
2. Regular inspection of farms by management and the internal audit unit.
3. Monthly business review meetings.
4. Conversion of meat waste into dog food to reduce financial losses.
5. Adoption of the Kaizen principles in the meat value-added centre for continuous improvement, inventory management, waste management, and HR management.
6. Reconciliation of cash and bank receipts.

Human Resource

HR Strength

Human Resource planning has become one of the fundamental parameters for the growth of the company. During the year, the company recruited 23 regular employees across various posts to fill vacancies left by departing staff in 2023 and 2024. The HR attrition rate for the year stands at 12.6% (16 out of 126 employees).

The HR strength as on 31st December 2024 was 110.

Slno.	Type of Service	Nos.
1	Chief Executive Officer	1
2	Managers	2
3	Technical Officers	10
4	Asst. Managers	8
5	Supervisory Level	7
6	Operational Level-Farm Attendants/Food Handler	71
7	Contract (Drivers)	8
8	Temporary (Food Handler & Farm Attendants)	3

Human Resource Development

The company has prioritised human resource development recognising employees as its most valuable and intangible asset and has consistently worked to enhance workforce skills and knowledge to improve overall performance. However, during the year, employee training initiatives were delayed due to a strategic shift towards improving operational efficiency under the new Chief Executive Officer's leadership.

BLDCL extends its gratitude to the following organizations that provided training opportunities for our employees:

- As part of the reformation initiative carried out by the Ministry of Finance (MoF) in 2023 to improve operational efficiency of the Livestock Value-Added Division, Serbithang, a Japanese philosophical concept called “Kaizen” was introduced in 2024. This approach helped employees expand their knowledge and skills in continuous improvement. For this purpose, five employees were nominated and sent on a five-day study tour to Japan, funded by JICA.
- Employees attended a two-day Trainer of Trainers program on the Asset Declaration and Integrity Vetting System, provided by the Anti-Corruption Commission (ACC) of Bhutan.
- One employee attended a five-day Mental Health Facilitator Training, organized by the Office of RENEW in collaboration with Gawaling Happy Home.

Corporate Social Responsibility

BLDCL management donated chicken and pork wastes to the Zeus Dog Shelter as part of its Corporate Social Responsibility. A total of 1,622 kg of pork waste and 88 kg of chicken waste was supplied to the shelter.

Corporate Governance

Board Meetings

Due to the reformation of the Board of Directors during the FY 2024 by the Ministry of Finance (MoF), the company conducted only three board meetings during the financial year 2024, failing to comply with the minimum requirement of board meetings as per the Companies Act of Bhutan 2016.

Statutory Audit

BLDCL has been issued with eight adverse opinions and 20 audit observations during the recent audit carried out by the statutory auditors. From the eight adverse opinions, five are purely related to the ERP system while the rest are due to human errors.

The Management is in the process of sourcing a consultancy firm as per the directives of the Board to review and rectify the accounts to meet the BAS standards for ERP issues. For the lapses from the company side, the management has signed the accountability statement to initiate rectification with the deadline.

Corporate Income Tax

The company has complied with its Tax Filing on 28th March 2025.

Way Forward

As we enter 2025, BLDCL is eager and optimistic to implement the following activities to enhance the company's operational efficiency:

- Scale up implementation of the Price Guarantee Scheme (PGS) to aggregate pork and chicken.
- Operationalise Hatchery Plant and Broiler Parent Stock Shed to produce Broiler DOC.
- Establish a captive feed plant at Samrang after thorough study of commercial viability.
- Upgrade current piggery farm at ILPD to a 100-sow level for pork production.
- Develop the 10X journey in alignment to the 21st century economic road map issued by the Government.

Through these efforts, BLDCL is committed to contributing to the growth of the nation and serving the Tsa-Wa-Sum.

The Board of Directors remain confident in the ability of the CEO, management, and the employees of the company to transcend the current challenges and achieve the targeted growth to deliver sustainable value to our shareholders.



A handwritten signature in blue ink, appearing to read 'Karma Tshering'.

Karma Tshering
Chairman



AUDITOR'S REPORT



Audit Report on the Financial Statements Bhutan Livestock Development Corporation Limited

PERIOD: JANUARY 1, 2024, to DECEMBER 31, 2024

Title sheet

Title	Audit Report on the financial statements of Bhutan Livestock Development Corporation Limited
AIN	COAD-2025-262
Head of the Agency	Mr. Dophu Dukpa, Chief Executive Officer CID No. 11411001505
Finance Personnel	Suraj Ghalley, Chief Finance Officer CID No.11301000181
Period Audited	January 1, 2024 – December 31, 2024
Schedule of Audit	Planning: March 3, 2025 – March 11, 2025 Actual: March 12, 2025 – April 11, 2025 Reporting: April 12, 2025 – May 22, 2025
Composition of Audit Team	<p>Team Leader: Kunzang Pasa Tenzin, Audit Partner CID No. 11410000669</p> <p>Team Members:</p> <ol style="list-style-type: none"> 1. Tshewang Rigzin, Audit Manager CID No. 10604002380 2. Nima Dorji Tamang, Sr. Audit Associate CID No. 11802000915 3. Kunzang Jime Tenzin, Audit Associate CID No. 11410000671 4. Pema Lhaden Topgay, Audit Associate CID No. 11407001735 5. Ugyen Chophyal, Audit Associate CID No. 10704001924
Supervising Officer	Kunzang Pasa Tenzin, Partner
Engagement Letter	RFPL/ENL/25/008
Focal Person	Tshewang Rigzin Email: Tshewang@rinzingfinancial.com Phone: +975 17111684
Date of Exit Conference	May 9, 2025



INDEPENDENT
AUDITOR'S REPORT



Independent Auditor's Report on the Financial Statements for the period ended December 31, 2024

To the shareholders of Bhutan Livestock Development Corporation Limited,

Adverse opinion

We have audited the financial statements of Bhutan Livestock Development Corporation Limited (The Company), which comprises the Statement of Financial Position as at December 31, 2024, Statement of Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as at December 31, 2024, or its financial performance and its cash flows for the year then ended in accordance with Bhutanese Accounting Standards (BAS) 2020.

Basis for Opinion

We identified the following significant matter of non-compliance and misstatements that are material and pervasive to the financial statement:

Non-Compliance with BAS 41 – Agriculture in the Valuation of Agricultural Produce

The Company has not complied with Bhutanese Accounting Standard (BAS) 41 – Agriculture in the valuation of its agricultural produce—for instance, eggs. Instead of recording eggs at fair value less cost to sell at the point of harvest as required by the standard, the Company has used a fixed unit price of Nu. 2,415 per carton, hardcoded into the ERP system. This value has remained unchanged for several years despite changes in market conditions, including an observed average selling price of Nu. 1,850 in 2024. Consequently, both inventory and income have been materially overstated. Further, the Company has incorrectly credited fair value gains on harvested eggs to the Cost of Goods Sold account, rather than appropriately recognizing such gains as revenue or other income, resulting in the misclassification and mistiming of profit recognition.

Use of Suspense Accounts and Weaknesses in Receivables Management

During the year, the Company recorded unidentified bank receipts totaling Nu. 5,224,415.19 under a suspense account labeled “BRS – Unreconciled” within current assets. These receipts lack sufficient supporting documentation and have not been reclassified under appropriate ledgers such as revenue or trade receivables. The use of a suspense account for extended periods without timely reconciliation represents a significant departure from sound accounting

practices. Furthermore, internal control weaknesses persist, including the absence of a structured receivables management process, lack of segregation of duties between sales and collection functions, and indications that customer payments may be routed through personal bank accounts. These conditions materially and pervasively misstate revenue and trade receivables and expose the Company to fraud risks.

Unsupported and Overstated Inventory Balances

The Company's inventory balances as at year-end are not supported by physical verification reports. Certain inactive or closed warehouses continue to reflect material inventory values. For example, the "Sales & Dealership Warehouse – Norzin Lam – BLDCL" reports Nu. 7,787,390.00 in inventory, while verbal confirmation from management suggests that only expired goods worth approximately Nu. 1 million are physically present. No documentation has been provided to substantiate the balance. The apparent overstatement of approximately Nu. 6 million in inventory not only misrepresents the Company's financial position but also highlights significant deficiencies in inventory controls and reporting.

Misstatement of Gains or Losses on Biological Assets Due to Inconsistent Fair Value Application

The Company conducts year-end fair value assessments of biological assets, but these updated values are not reflected in the ERP system during the year. As a result, sales of live animals are recorded using outdated values, leading to misstatements in the gain or loss on disposal of biological assets in the income statement. Although the year-end balance of biological assets in the balance sheet is adjusted to fair value, the income statement remains materially misstated throughout the year. This inconsistent application of BAS 41 – Agriculture undermines the reliability of the reported results and indicates a lack of integration between operational and financial systems.

Misclassification and Inaccurate Valuation of Livestock Sales in Violation of BAS 41

Livestock sales have been consistently misclassified under the "Culled Cows" account, regardless of the developmental stage or fair value of the animals sold. This practice, which has persisted despite recommendations in prior audits, results in undervaluation and misclassification of revenue and biological asset disposals. For instance, sales of heifers and milch cows were recorded under a ledger intended for aged or unproductive animals, thereby materially understating fair value losses and distorting the income statement. The ERP system appears to be hardcoded to this default ledger, and no corrective journal entries or system updates have been made as of the date of this report.

Misclassification and Double Recognition of Biological Assets

As at 31 December 2024, biological assets valued at Nu. 6,818,320.45 were incorrectly reported under the inventory account, despite being already recognized through a separate valuation under the biological assets category. This has resulted in double recognition and material overstatement of total assets. As per BAS 41, biological assets are subject to fair value measurement and should not be recorded under inventory, which follows a cost model. The

misclassification arose due to a system limitation in the ERP, where biological inputs were procured through the inventory module rather than the Livestock Development module. Although management has acknowledged the error, no corrective action had been taken by the date of this report.

Discrepancies between Fixed Asset Register and General Ledger

There are unresolved discrepancies between the gross book value and accumulated depreciation reported in the general ledger and those maintained in the fixed asset register within the ERP system. As of 31 December 2024, the difference in accumulated depreciation amounts to Nu. 22,792,184.56, indicating that journal entries may be posted directly to the general ledger without corresponding updates in the asset register. This practice undermines the integrity of fixed asset records and leads to significant misstatements in depreciation expenses and asset valuation. The issue, first noted in the 2023 audit, remains unaddressed, reflecting continued non-compliance with basic financial reporting controls.

Unsupported Prior Period Adjustments to Correct Audit Discrepancies

Adjustments made under the ledger titled “Reversals of Excess Bookings from the Previous Year – BLDCL” in both 2023 and 2024 were found to lack proper documentation, verification, or formal approval. Such adjustments were intended to address discrepancies identified in prior audit findings but were executed in a manner that compromises the transparency and reliability of the financial statements.

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 our report. We are independent of the Company in accordance with RAA’s Code of Ethics, and we have fulfilled our other ethical responsibilities in accordance with these requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Except for the matter described in the Basis for Adverse Opinion section, we have determined that there are no other key audit matters to communicate in our report.

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

Management is responsible for the other information. The other information comprises the information included in the Company’s Annual Report for the year ended December 31, 2024, but does not include the financial statements and our auditor’s report thereon.

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 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.

Due to the significance of the matters described in the Basis for Adverse Opinion section of our report, the financial statements are materially misstated. However, we did not identify any material misstatements in the other information based on the procedures performed.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with BAS 2020, 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a Going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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, actions taken to eliminate threats or safeguards applied.

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

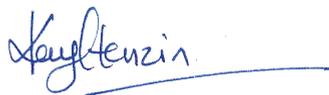
Further, as required under Section 265 of the Companies Act of Bhutan 2016, we report that:

- We have obtained all information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- The Company's 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 are in agreement with the books of accounts; and

- The Company has complied with other legal and regulatory requirements to the extent applicable to the company.

For Rinzing Financial Private Limited

Firm License No. 1036380



Kunzang Pasa Tenzin, CPA (Aust.)

Audit Partner

CPA License No. 10534147

Date: May 9, 2025

Place: Thimphu, Bhutan



REPORT ON MINIMUM
AUDIT EXAMINATION
REQUIREMENTS



Appendix referred to in our audit Report of even date on Minimum Audit Examination and Reporting requirements.

As required by section 266 of the Companies Act of Bhutan, 2016, and based on such checks as we considered appropriate and according to the information and explanations given to us, we report as follows:

1. The Company has maintained some records for fixed assets; however, discrepancies were noted between the net asset amounts reported in the 2023 audit report, the closing balances per the ERP system for 2023, and the 2024 opening balances. These indicate errors in rollover or adjustments between years. Additionally, mismatches were noted between physical verification reports and ERP balances, and these were not appropriately dealt with in the books. Hence, the fixed asset register is not fully reliable or reconciled.
2. The company follows a cost model for accounting of fixed assets. Therefore, the fixed assets of the Company have not been revalued during the year. Nevertheless, the company does have a biological asset, which is fair valued per BAS 41 and is maintained in the Excel Working with reassessment of the FV every year-end, however, the FV list per excel working is different from those reflected in ERP, which creates discrepancies for the BA transactions. Refer to Management Report for details.
3. Inventory verification was not carried out across all different units during reasonable intervals. Several units failed to submit inventory sign-off reports despite official directives. This indicates weak internal compliance and a fragmented verification approach, undermining inventory reliability. Refer to Management Report for details.
4. In our opinion and according to the information and explanations given to us, the verification procedures followed by the management were not uniform or consistently applied. Notable weaknesses were observed in physical verification coverage, procedural controls, and ERP integration. The procedure of physical verification of inventories followed by the management is not reasonable and adequate in relation to the size of the Company and the nature of its business. Refer Management Report for details.
5. In our opinion and according to the information and explanations given to us, discrepancy was noticed in the physical verification of inventory as compared to the system records. Refer Management Report for details.
6. Though the Company operates an ERP system, its functionality is undermined by delays in recording, poor alignment between modules, and incorrect classification of stock transactions. Documentation shows items moving through production without ERP recognition.

7. The Company did not perform comprehensive quantitative reconciliation at year-end for all major inventory categories from raw material to finished goods units. Frequent mismatches and absence of reconciliation documentation point to a procedural lapse. Refer Management Report for details.
8. In our opinion and according to the information and explanations given to us, the Company has not maintained formal processes or documentation to identify obsolete, damaged, slow-moving, or surplus inventory. There is no systematic inventory aging report or periodic assessment across its units despite the perishable nature of many goods handled. The absence of such review practices exposes the Company to potential overstatement of inventory values and non-recognition of related losses in the books of accounts.
9. In our opinion and according to the information and explanations given to us, obsolete and surplus inventories have not been disposed of. There is no record of structured disposal of such goods nor a defined disposal policy in place. Additionally, entries under the "Write-off" ledger included unrelated expenses such as promotional items, indicating that inventory disposals are not properly accounted for or supported by documentation. Refer Management Report for details.
10. In our opinion and according to the information and explanations given to us, there is no evidence that approval from the Board or competent authority was obtained for the write-off of any inventory losses or discrepancies. Adjustments, where made, were executed through direct ledger postings without accompanying formal approvals or resolutions. This undermines governance and accountability in inventory-related decisions.
11. On the basis of our examination of inventory valuation and the information and explanations given to us, the valuation method applied by the Company is not in full compliance with applicable Accounting Standards issued by the Accounting and Auditing Standards Board of Bhutan (AASBB). Agricultural and biological inventory are valued using outdated fixed rates hardcoded in ERP, without adjustment to reflect current market conditions. Furthermore, mismatches were noted between ERP inventory values and manual valuation sheets, contributing to inconsistencies in financial reporting. The basis of valuation lacks uniformity and transparency across inventory types. Refer Management Report for details.
12. The Company has availed both secured and unsecured loans during the financial year, where they have obtained a short-term borrowing of Nu. 20 million from its parent company, the Ministry of Finance (MoF). The terms of this borrowing were not found to be prejudicial to the interest of the Company and no issues were noted in relation to the rate of interest or repayment conditions for the said loan.
13. In our opinion and according to the information and explanations given to us, the Company has not granted any loans to external parties or companies that are ultra vires to its Articles of Incorporation. Hence this sub- clause is not applicable.
14. In our opinion and according to the information and explanations given to us, advances granted to officers and staff were not always aligned with the Company's service rules.

We noted instances where credit sales to employees were misclassified under customer accounts, bypassing salary deduction mechanisms. This delayed recovery and increased the risk of accumulation of untracked advances, which are not reflected under the appropriate employee advance ledgers. Refer Management Appraisal Report for details.

15. In our opinion and according to the information and explanations given to us, the Company has not established adequate internal controls to ensure completeness, accuracy, and reliability of accounting records. The audit noted systemic deficiencies across core functions including inventory, fixed assets, payroll, procurement, and revenue recognition. Direct ledger postings bypassing ERP modules, unreconciled balances, and classification errors further indicate weaknesses in internal controls and non-adherence to established financial and operational procedures.
16. In our opinion and according to the information and explanations given to us, there is no adequate system of authorization at appropriate levels nor proper control over issuance of stores and allocation of materials and labor to jobs. Materials are issued without ERP-based tracking, and system controls for routing inventory movements through approved workflows are not enforced. Additionally, physical documentation to support stock issuance was not made available for review during the audit for several units. Refer Management Report for details.
17. In our opinion and according to the information and explanations given to us, the Company has not adhered to a structured and competitive bidding process in procurement activities. Several procurements were carried out without tender documentation, quotations, or bid evaluation sheets. This violates the Procurement Manual 2019 and exposes the Company to risks of favouritism and lack of price transparency. Refer Management Appraisal Report for details.
18. (a) This section is not applicable to the company.
(b) This section is not applicable to the company.
19. In our opinion and according to the information and explanations given to us, certain expenses were not appropriately classified. Promotional expenses were charged under the "Write-off" account, indicating a lack of discipline in expense categorization. Furthermore, classification errors were also noted in the treatment of biological asset-related costs. While we did not identify direct personal expenses charged to the accounts, misclassifications raise concerns over the transparency and accuracy of expense reporting. Refer Management Report for details.
20. In our opinion and according to the information and explanations given to us, the Company has not established procedures for identifying and recognizing unserviceable or damaged stores, raw materials, or finished goods. No provisions were made in respect of any such items, even in units where inventory was observed to be outdated or potentially obsolete. The absence of periodic inventory assessment and write-downs exposes the Company to risk of financial misstatement.

21. In our opinion and according to the information and explanations given to us, the Company does not maintain a formal system to identify the point of occurrence of breakage or damage to raw materials, packaging materials, or finished products during transit, processing, loading/unloading, or storage. No responsibility-fixing mechanism or claim recovery process was documented or made available to the audit team. This indicates a lack of accountability and control in inventory handling processes.
22. In our opinion and according to the information and explanations given to us, the Company does not maintain a consistent or centrally monitored system for recording the production of finished goods and by-products. While some records exist at unit level, they are not integrated into the ERP or reconciled with stock movement and sales. Additionally, physical safeguards against unauthorized or irregular movement of goods are weak across several units.
23. In our opinion and according to the information and explanations given to us, the Company does maintain a record but not a proper structured record of by-product or scrap sales where applicable. There is no documented procedure or tracking mechanism to ensure by-product realizations are accounted for, nor are proceeds from such disposals reconciled against production outputs or inventory adjustments.
24. Based on the information and explanations provided to us, the Company has generally been regular in remitting statutory dues in 2024. However, there is an exception regarding salary tax: the TDS deducted from leave encashments paid during the first quarter of 2024 had not been remitted as of December 31, 2024.
25. In our opinion and according to the information and explanations given to us, the following undisputed statutory dues were outstanding as on December 31, 2024:
 - Salary Tax: Nu. 97,498.00
 - Health Contribution (under-recorded): Nu. 10,666.00

These amounts reflect gaps in compliance with statutory requirements, financial reporting standards, and fiduciary responsibilities. Proper documentation and timely settlement of these dues are essential to ensure statutory compliance.
26. This section is not applicable to the company.
27. This section has been removed.
28. As per the information and explanations given to us, the company does have a system for price fixation; however, when coming to fair valuation in sale of biological assets and agriculture produce some issues has been noted in ERP.
29. The Company has a basic credit sales policy in place; however, no formal credit rating or risk assessment is carried out for customers.
30. The Company operates through a network of dealers appointed under formal dealership

agreements. These agreements have specific sales quotas that dealers are required to meet. However, there is no structured framework for screening dealers beyond initial onboarding, and performance evaluations are not consistently documented.

31. In our opinion and according to the information and explanations given to us, the Company does not have a reasonable or documented system for continuous follow-up with debtors and other parties for recovery of outstanding amounts. There is designated receivables team responsible for follow-up. The same staff responsible for initiating sales transactions are also collecting payments, leading to significant control weaknesses and risk of errors or misappropriation. Additionally, unidentified receipts have been posted to a suspense account (Nu. 5.22 million during 2024), suggesting gaps in customer identification and receivables reconciliation. No age-wise analysis reports were made available during the audit for review. Refer Management Report for details.
32. In our opinion and according to the information and explanations given to us, the management of liquid resources particularly cash/bank and short-term deposits etc. are adequate and that excessive amount are not lying idle in non-interest-bearing accounts and withdrawals of loan amounts are made after assessing the requirement of fund from time to time and no excess amounts is withdrawn leading to avoidable interest burden on the Company.
33. The activities carried out by the Company are lawful and intra vires to the Articles of Incorporation. However, it was noted that the paid-up capital reflected in the Articles of Incorporation differs from the actual capital injected by the Ministry of Finance. Aside from this discrepancy, no activities or transactions were observed that fall outside the scope of its stated business objectives.
34. In our opinion and according to the information and explanations given to us, the activities /investment decisions are made subject to prior approval of the Board and investments in new projects are made only after ascertaining the technical and economic feasibility of such new ventures.
35. In our opinion and according to the information and explanations given to us, the Company has established effective budgetary control system.
36. In our opinion and according to the information and explanations given to us, the Company has established standard costing systems in certain operational areas, particularly for inputs such as poultry feed and production outputs. However, there is no evidence that variance analysis is carried out on a periodic basis. The absence of regular review and corrective action limits the effectiveness of the standard costing system in managing cost efficiency and production performance.
37. In our opinion and according to the information and explanations given to us, the details of remuneration, commission and other payments made in cash or in kind to the Board of Directors including the Chief Executive Officer or any of their relatives (including spouse(s) and child/children) if any, by the Company directly or indirectly are disclosed.

38. In our opinion and according to the information and explanations given to us, directives issued by the Board of Directors were complied with however not always fully implemented by management. For instance, the resolution to cease dealings with contract farmers was not adhered to, as evidenced by new debit entries recorded under contract farmer accounts during 2024. This represents a breakdown in policy compliance and execution of Board decisions. Refer Management Report for details.
39. In our opinion and according to the information and explanations given to us, the officials of the Company have not transmitted any price sensitive information which are not made publicly available, unauthorized to their relatives / friends/ associates or close persons which would directly or indirectly benefit themselves. We have however relied on the management assertion on the same and cannot independently verify the same.
40. In our opinion and according to the information and explanations given to us, proper records are kept for inter unit transactions/services and arrangements for services made with other agencies engaged in similar activities.
41. In our opinion and according to the information and explanations given to us, the Company has entered into lease or tenancy arrangements; however, most of these were not formalized through properly executed agreements. Specifically, during our review of tenancy records at Samrang, it was observed that out of 13 tenants occupying company land, only one had a signed rental agreement on file and even that was incomplete and carried the letterhead of another organization. This reflects poor contract governance and exposes the Company to operational and legal risks. It is recommended that all existing leases be executed using a standardized BLDCL specific format, in compliance with the Tenancy Act of Bhutan. Refer Management Report for details.

In the case of a Trading Company

1. All matters specified above, as may be relevant and applicable, have been examined in the context of BLDCL's trading activities. The Company engages in trading of agricultural products and livestock-related items, particularly through its retail outlets and dealership network. Observations relevant to trading inventory, dealer agreements, pricing, inventory valuation, and revenue recognition have been reported in the respective sections of this report.
2. In our opinion and according to the information and explanations given to us, the sourcing of products for retailing is stated to have been done from authorized dealers and manufacturers at the most advantageous terms and prices.
3. In our opinion and according to the information and explanations given to us, the Company has indicated that inventory levels are maintained to avoid stock-outs and overstocking. However, no formal stock level planning, reorder point system, or documentation on inventory optimization practices was presented during the audit. Hence, while such practices were stated to be in place by management, we were unable to obtain audit evidence to substantiate these claims.

Computerized Accounting Environment

1. In our opinion and according to the information and explanations given to us, the size and nature of the ERP system implemented by the Company is adequate for its organizational scale and operations. However, the key issue lies in the actual use and operationalization of the system. This undermines the intended controls and efficiency offered by the system and leads to data inconsistencies and reporting gaps.
2. In our opinion and according to the information and explanations given to us, the Company has adequate safeguard measures and back up facilities. Additional offsite backup system has been implemented in Thimphu.
3. In our opinion and according to the information and explanations given to us, there are backup facilities of keeping files at different and remote locations.
4. In our opinion and according to the information and explanations given to us, the operational controls within the ERP system are weak and contain significant lapses. One critical issue noted during the audit was that the fair value rate for table eggs was hardcoded into the ERP system (Nu. 2,514 per carton), and this rate has not been updated despite actual sales occurring at lower prices (e.g., Nu. 1,850 per carton). This fixed valuation has resulted in overstated fair value gains and inaccurate inventory values. The lack of periodic system updates, configurable parameters, and validation controls limits the accuracy, reliability, and flexibility of the ERP environment in reflecting true business performance. Refer Management Report for details.
5. In our opinion and according to the information and explanations given to us, the measures to prevent unauthorized access over the computer installation and files are in existence and adequate. The employees and divisions each have their own login access based on their respective work.
6. In 2022, the Company migrated to a new ERP system; however, the complete and accurate migration of balances during fiscal year rollovers has not been ensured. The opening balances in the ERP for 2024 do not match the audited closing balances of 2023 for key accounts such as trade receivables, fixed assets, and government grants. Additionally, no parallel system check was conducted during the ERP migration to validate data integrity. The migration appears to have been implemented on a trial-and-error basis without a structured transition plan, which has led to unresolved issues in account balances and impaired audit trail continuity. These lapses reflect serious weaknesses in system mapping, transition controls, and post-migration validation. Refer Management Report for details.

Other requirements

Going Concern Problem

Based on the attached Financial Statements for the year ended December 31, 2024, audited by us, we have no reason to believe that the company is not a going concern on the statement of

financial position date. Additionally, the company is backed by the parent company Ministry of Finance and the Royal Government of Bhutan should they require any additional funds.

Ratio Analysis

Relevant ratio analysis has been carried out and the details are under Section "Ratio Analysis."

Compliance with the Companies Act of Bhutan 2016

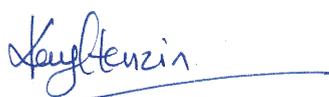
The company has complied with the various provisions of the Companies Act of Bhutan 2016, details are under section "compliance calendar & checklist." Only one issue which has been mentioned thereof.

Adherence to Laws, Rules, and Regulations

The audit of the Bhutan Livestock Development Corporation Limited is governed by the Companies Act of Bhutan 2016, Internal Service manual, and Bhutanese Accounting Standards. The scope of audit is limited to examination and review of the financial statements prepared by the management. During our audit, we have considered the compliance of the provisions of the said Act, rules and regulations as well as the Bhutanese Accounting Standards.

For Rinzing Financial Private Limited

Firm License No. 1036380



Kunzang Pasa Tenzin, CPA (Aust.)

Audit Partner

CPA License No. 10534147

Date: May 9, 2025

Place: Thimphu, Bhutan



FINANCIAL
STATEMENTS



Bhutan Livestock Development Corporation Limited Statement of Financial Position for the year ended December 31, 2024

(Amount in Nu.)

Particulars	Notes	December 31, 2024	December 31, 2023
ASSETS			
Non-current assets			
Property, Plant, and Equipment	2	414,829,779.69	400,959,781.01
Intangible assets	3	3,149,837.43	3,253,495.43
Capital Work in Progress	4	6,119,727.40	20,232,802.00
Biological Asset	5	35,828,224.30	18,120,216.01
Financial Assets:			
(i) Other financial assets	6	1,072,391.55	1,036,391.55
Total non-current assets		460,999,960.37	443,602,686.00
Current assets			
Inventories	7	23,095,731.11	15,016,894.94
Financial Assets:			
(i) Trade & other receivables	8	20,905,772.88	10,192,697.43
(ii) Other financial assets	9	35,070,107.26	51,538,511.30
(iii) Cash and cash equivalents	10	65,101,799.94	11,465,289.16
(iv) Other current assets	11	(4,699,274.51)	525,140.68
Total current assets		139,474,136.68	88,738,532.51
Total Assets		600,474,097.05	532,341,218.51
EQUITY AND LIABILITIES			
Equity			
Share Capital	12	574,180,710.99	473,900,710.99
Retained Earnings	SOCE	(227,536,021.13)	(224,600,800.73)
Total Equity		346,644,689.86	249,299,910.26
Non-current liabilities			
Deferred Government Grants	13	164,543,379.85	166,455,788.77
Long term Employee Benefits	14	8,489,583.41	9,490,729.59
Total non-current liabilities		173,032,963.26	175,946,519.36
CURRENT LIABILITIES			
Financial liabilities:			
(i) Trade & other payables	15	30,022,934.68	33,500,147.96
(ii) Short term Borrowings	16	50,118,924.10	71,046,390.32
Short term Employee Benefits	17	654,584.88	2,548,252.34
Total current liabilities		80,796,443.66	107,094,789.62
Total Equity and Liabilities		600,474,097.05	532,341,218.51

The above statement of Financial Position is to be read in conjunction with the accompanying notes

For Rinzing Financial Private Limited

Firm License No. 1036380




Kunzang Pasa Tenzin, CPA (Aust.)

Audit Partner

CPA License No. 10534147

Date: May 9, 2025

Place: Thimphu, Bhutan

For Bhutan Livestock Development Corporation Limited:



Mr. Karma Tshering

Board Chair



Mr. Dopu Dukpa

Chief Executive Officer

Bhutan Livestock Development Corporation Limited Statement of Comprehensive Income for the year ended December 31, 2024

(Amount in Nu.)

Particulars	Notes	December 31, 2024	December 31, 2023
Revenue			
Revenue from Operations			
Sale of Product	18	119,754,131.60	113,822,745.92
Other Income			
Scrap sale/sale of Spent birds	19	489,633.45	2,474,137.48
Others	20	2,664,944.76	1,007,773.00
Fair Value gain on biological asset	22	21,848,685.50	-
Government Grants & Budget	21	54,039,490.99	32,592,688.01
Total Revenue	A	198,796,886.30	149,897,344.41
Expenditure			
Fair Value (gain)/loss on biological asset	22	-	1,478,221.55
Employee benefits expense	23	43,888,557.35	39,623,549.99
Administration Expenses	24	18,621,196.17	20,234,694.56
Finance Charges	25	5,148,549.89	5,825,450.14
Marketing Expenses	26	106,404.78	115,454.00
Office Expenses	27	1,171,748.29	1,447,119.45
Maintenance & Operation	28	3,957,668.35	2,853,565.96
Animal Development Cost	29	77,198,480.17	54,950,131.70
Value Additional Cost	30	33,193,175.09	27,074,577.86
Depreciation and Amortisation Expenses	2 & 3	17,022,298.41	25,415,861.93
Total Expenditure	B	200,308,078.50	179,018,628.14
Profit/(Loss) before tax	C=(A-B)	(1,511,192.20)	(29,121,283.73)
Tax Expenses			
Current Tax		-	-
Deferred Income Tax		-	-
Profit/ (Loss) for the Period		-	-
Other comprehensive income/(loss)			
Actuarial Gain/(Loss)	31	627,071.00	(69,384.68)
Total Comprehensive Income/ (Loss)		(884,121.20)	(29,190,669.41)
Earnings per equity share		(0.26)	(6.15)

The above Statement of Comprehensive Income is to be read in conjunction with the accompanying notes

For Rinzing Financial Private Limited

Firm License No. 1036380

Kunzang Pasa Tenzin, CPA (Aust.)

Audit Partner

CPA License No. 10534147

Date: May 9, 2025

Place: Thimphu, Bhutan

For Bhutan Livestock Development Corporation Limited:



Mr. Karma Tshering

Board Chair



Mr. Dopphu Dukpa

Chief Executive Officer

Bhutan Livestock Development Corporation Limited Statement of Cash Flow for the year ended December 31, 2024

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Cash flows from Operating Activities		
Profit before taxation	(1,511,192.20)	(29,121,283.73)
Adjustments for:		
Depreciation	17,022,298.41	25,415,861.93
OCI (Gain)	627,071.00	(69,384.68)
Prior Period Adjustment	(2,051,099.20)	486,154.93
CWIP	14,113,074.60	-
FV (Gain)	(21,848,685.50)	14,380,233.99
Financial Cost	5,148,549.89	5,825,450.14
Cash from operations before working capital changes	11,500,017.00	16,917,032.58
Decrease in inventories	(8,078,836.17)	
Increase in trade and other receivables	10,943,743.78	8,943,657.49
Increase in payables	(26,298,345.96)	(8,325,576.57)
Cash generated from operations	(11,933,421.35)	17,535,113.50
Interest paid	(5,148,549.89)	(5,825,450.14)
Dividends paid	-	-
Income taxes paid	-	-
Net cash used in operating activities	(17,081,971.24)	11,709,663.36
Cash flows from investing activities		
Purchase of PPE	(30,788,639.09)	(5,083,992.90)
Realized Gains on FV	4,140,677.21	-
Increase in Capital Work in Progress	-	(600,575.90)
Net cash used in investing activities	(26,647,961.88)	(5,684,568.80)
Cash flows from financing activities		
Proceeds from issue of share capital	100,280,000.00	-
Proceeds from long-term borrowings	(2,913,556.10)	-
Payments of finance lease liabilities	-	3,873,961.83
Net cash from financing activities	97,366,443.90	3,873,961.83
Net increase in cash and cash equivalents	53,636,510.78	9,899,056.39
Cash and cash equivalents at beginning of period	11,465,289.16	1,566,232.23
Cash and cash equivalents at end of period	65,101,799.94	11,465,289.16

The above statement of Cash Flow is to be read in conjunction with the accompanying notes

For Rinzing Financial Private Limited

Firm License No. 1036380

Kunzang Pasa Tenzin



Kunzang Pasa Tenzin, CPA (Aust.)

Audit Partner

CPA License No. 10534147

Date: May 9, 2025

Place: Thimphu, Bhutan

For Bhutan Livestock Development Corporation Limited:

Mr. Karma Tshering

Mr. Karma Tshering

Board Chair

Mr. Dopu Dakpa

Mr. Dopu Dakpa

Chief Executive Officer

Bhutan Livestock Development Corporation Limited Statement of Changes in Equity for the year ended December 31, 2024

(Amount in Nu.)

Particulars	Share Capital			Retained Earnings	Capital Reserve	Total
	No. of Shares	Par Value Per Share	Stockholders' Equity			
Opening Balance as on 1 st January 2024	4,739,007.11	100.00	473,900,710.99	(225,306,146.09)	705,345.36	249,299,910.26
Add: Shares issued during the year	1,002,800.00	100.00	100,280,000.00	-	-	100,280,000.00
Add: Profit/(Loss) for the period from 01.01.2024 to 31.12.2024	-	-	-	(1,511,192.20)	-	(1,511,192.20)
Add/Less: Other Comprehensive Income/(Loss)	-	-	-	627,071.00	-	627,071.00
Add: Prior period adjustment				(1,345,753.84)	(705,345.36)	(2,051,099.20)
Closing Balance as on 31st December 2024	5,741,807.11	100.00	574,180,710.99	(227,536,021.13)	-	346,644,689.86

The above statement of Changes in Equity is to be read in conjunction with the accompanying notes

For Rinzing Financial Private Limited

Firm License No. 1036380

Kunzang Pasa Tenzin, CPA (Aust.)

Audit Partner

CPA License No. 10534147

Date: May 9, 2025

Place: Thimphu, Bhutan

For Bhutan Livestock Development Corporation Limited:



Mr. Karma Tshering

Board Chair



Mr. Dophu Dakpa

Chief Executive Officer

Notes Forming Part of the Financial Statements

Background

Bhutan Livestock Development Corporation Limited (the 'Company') was incorporated and registered under The Companies Act of Bhutan, 2016 on March 15, 2017 with limited liability of Nu. 1000 million of which 60% is owned by Ministry of Finance. The registered corporate head office is located at Namtog Lam, Khangkhulu, Thimphu with its production units at Samrang, SamdrupJongkhar; Relangthang, Sarpang and Serbithang, Thimphu.

The main mandate of the company is to complement the developmental needs of the livestock sector in the country to enhance livestock production and achieve self-sufficiency in inputs and products through business principles and stratagem. Besides the production of livestock inputs, BLDCL will embark on value addition, internal marketing and export of products of the farmers and youth entrepreneurs through contract farming system.

Adoption of Bhutanese Accounting Standard (BAS)

The Ministry of Finance (MoF), Royal Government of Bhutan embarked on the process of developing accounting standards to promote quality financial reporting system in the country, which is consistent with international practices. Pursuant to this, the Ministry of Economic Affairs (MoEA), Royal Government of Bhutan issued the Accounting Standard Rules for Companies in Bhutan, in 2012, notifying that companies in Bhutan shall implement Bhutanese Accounting Standards ('BAS') in three phases (I, II and III) with effect from January 1, 2013. As BAS has been aligned with the International Financial Reporting Standard (IFRS), all the financial statements adopted by the State-Owned Enterprises and Listed Companies in Bhutan are prepared in compliance to BAS.

BLDCL has also adopted the BAS, assimilating all relevant amendments and interpretations for its effective and efficient operations.

Significant Accounting Policies

Basis of preparation

All the financial statements are prepared in accordance with the Bhutanese Accounting Standards (BAS), which is in compliance with the International Financial Reporting Standards (IFRS). It is issued by Auditing and Accounting Standard Board of Bhutan (AASBB) and all relevant provisions of the Companies Act of Bhutan, 2016 to the extent applicable to the Company are included on the accrual basis of accounting with the historical cost convention and growing concern basis except as stated otherwise in the financial statements.

The preparation of financial statements, in conformity with BAS, requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements

and the reported amount of revenue and expenses during the reported period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed at each Statement of Financial Position date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Functional and Presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The functional currency and presentation currency of the Company is Bhutanese Ngultrum (Nu.).

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits and other short-term highly liquid investments with original maturities of three months or less.

Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as 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 derecognized. Repairs and maintenance costs are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is computed using the diminishing-line method over the estimated useful lives of the assets. The estimated useful lives of the assets as per the evaluation performed by the Company as well as in reference to Ministry of Finance are as follows:

	Land	
Property	Buildings & Transformer	30 years
	Semi-permanent buildings	10 years
	Irrigation structures and facilities	7 years
	Furniture and Fixtures	10 years
	Vehicles	15 years
	Computers & Office Equipment	5 years
	Plant	Biological Asset
Equipment	Tools	2 years
	Farm machinery and equipment	5 years

The cost and the accumulated depreciation for property, plant and equipment sold, scrapped, retired or otherwise disposed of are eliminated from the financial statements and the resulting gains and losses are included in the Statement of Comprehensive Income.

Intangible assets

Intangible assets include computer software and licences with finite useful lives and are stated at cost of acquisition/implementation less accumulated amortisation. Amortisation is recognised on a straight-line basis over the estimated useful life of 5 years as estimated by the Company. The useful life is reviewed at each Statement of Financial Position date and any change therein is treated as change in accounting estimates and dealt with prospectively.

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred all risks substantially and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Trade and other receivables

Trade and other receivables are amounts due from customers and other parties in the ordinary course of business. Trade and other receivables are initially recognised at the sale/recoverable value and are assessed at each Statement of Financial Position date for un-collectability and necessary provision is made, if required. Trade and other receivables are classified under current assets if payment is recoverable within one year or less as at Statement of Financial Position date, if not, they are classified under non-current assets.

Loans and advances

Loans and advances represent advances given to suppliers, contractors and others in the ordinary course of the business activities of the Company. Loan and advances are initially recognized at the value of cash advanced and are assessed at each Statement of Financial Position date for realisability and the provision is recognised when it is more likely that the Company will not be able to collect the same. Loans and advances are classified under current assets if payment is recoverable within one year or less as at Statement of Financial Position date, if not, they are classified under non-current assets.

Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of live animal, animal feeds, fertilizers, chemicals and other goods and services that have been acquired / availed in the ordinary course of business. Trade payables are classified under current liabilities, if payment is due within 12 months as at Statement of Financial Position date, if not, they are classified under non-current liabilities.

Biological Assets

BLDCL is a company engaged in integrated livestock farming. Its first and foremost mandate is production of quality inputs to be supplied to the farmers and livestock entrepreneurs in the country and act as an aggregator to market their products, with the end result of fully developed value chains. Secondly, some products will be produced by the company to complement their products in the market for consistency and price stabilization. This process requires the Company to procure parent stock animals periodically and maintain them in our respective farms for the above stated products. As such, all the costs involved for their daily maintenances like feeds, medical treatments, biosecurity aspects and unexpected costs pertaining to it are treated as Animal Development cost.

Currently, the 'Biological Assets' is valued at the fair value on existing animals based on the animal species' present conditions/stages with the value worked out at cost less accumulated impairment losses, if any as on the reporting date.

The 'Biological Assets' is carried in the Statement of Financial Position to be amortized over the period of their production cycle on a systematic basis, through the valuation of actuarial gain or loss on the reporting date and accordingly will affect the statements.

Inventories

Inventories consist of stores and spares held for farm operations and maintenance, construction material, agriculture products (products from live animals including live animals itself) and finished value added products and unsold goods in the farm stores.

Inventories of stores and spares for farm operations and maintenance and construction material along with unsold goods at farm stores are stated at the lower of cost and net realizable value. Cost is determined using the weighted average cost formula and comprises cost of purchases and other incidental expenses incurred in its acquisition. Net realizable value is the estimated selling price less applicable selling expenses. If the carrying value exceeds net realizable value, a write down is recognized. The write down may be reversed in a subsequent period if the circumstances, which caused it no longer, exist.

The agriculture products are those harvested products from biological asset including live animals to be sold, valued at cost less accumulated impairment losses, if any, and the same is included in the 'Biological Assets'.

Inventories of Finished value-added products are those finished items/goods which has completed the production procedure but held for sales in the ordinary course of business in the commencing financial period.

Employee benefits

Employee benefits liabilities are recognized when the Company has a present obligation (legal or constructive) as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Liability towards Gratuity is considered as the defined benefit plan and is provided based on actuarial valuation as at the Statement of Financial Position date. The liability is discounted to present value applying the rate of the benchmark interest rate at the accounting date and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long-term basis. Increase in the liability due to passage of time is recognized as interest expense. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Earned Leave is en-cashable when employee accumulates more than 30 days but not more than 90 days of leave balance in succeeding year and as such considered as short-term employee benefit and is recognized in the period during which services are rendered by the employees.

The benefits in the form of contribution to Provident Fund administered by National Provident and Pension Fund is considered a defined contribution plan and is charged to Statement of Comprehensive Income as and when they fall due.

Impairment of assets

The Company assesses at each Statement of Financial Position date whether there is any indication that property, plant, machinery, equipment and intangible assets may be impaired based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the assets. If the carrying amount of asset/cash generating unit exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

Provisions and Contingent Liabilities

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

Revenue

Revenue is recognized when the significant risk and rewards of ownership have been transferred to the customer, to the extent that it is probable that the associated economic benefits will flow to the Company, and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

Government Grants/ Assistance

Government Grants/ Assistance (Grant) are recognized at their fair value where there is a reasonable assurance that the Grant will be received and the Company will comply with the conditions attached to them.

Grants relating to income are recognized in profit or loss on a systematic basis over the

periods in which the Company recognizes as expenses the related costs for which the Grants are intended to compensate. Grants relating to assets are presented as deferred income in the Balance Sheet and are recognized in profit or loss on a systematic basis over the useful life of the related assets.

Taxes on Income

Taxes on income comprise of current taxes and deferred taxes. Current Tax in the statement of profit and loss is determined as the amount of income-tax payable/recoverable in respect of the taxable income for the current period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred Tax is recognized on temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred Tax Assets are recognized subject to the consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity net of tax respectively.

Note 2: Property, Plant & Equipment

(Amount in Nu.)

Particulars	Permanent Structures	Irrigation & Water Source	Tools & Temporary	Farm Equipment's	Computer & Peripheral	Vehicles	Furniture & Fixtures	Cold Storage Facility	Grand Total
Gross Carrying value 31.12.2023	349,943,320.55	68,211,616.00	4,057,783.18	102,413,763.91	5,784,769.67	44,219,170.26	2,071,345.00	8,048,234.32	584,750,002.89
Addition	26,233,607.67	-	-	4,525,931.42			29,100.00		30,788,639.09
Disposal/ Adjustments*									-
Gross Carrying value 31.12.2024	376,176,928.22	68,211,616.00	4,057,783.18	106,939,695.33	5,784,769.67	44,219,170.26	2,100,445.00	8,048,234.32	615,538,641.98
Accumulated Depreciation 31.12.2023	51,649,216.31	40,532,276.84	3,841,482.12	67,468,175.82	2,879,127.38	13,058,137.22	650,258.76	3,711,547.43	183,790,221.88
Depreciation for the period	8,613,686.89	328,219.49	9,160.84	6,461,769.05	555,866.92	153,151.70	8,378.96	788,406.56	16,918,640.41
Disposal/ Adjustments*									
Accumulated Depreciation 31.12.2024	60,262,903.20	40,860,496.33	3,850,642.96	73,929,944.87	3,434,994.30	13,211,288.92	658,637.72	4,499,953.99	200,708,862.29
Net Carrying value as at 31.12.2024	315,914,025.02	27,351,119.67	207,140.22	33,009,750.46	2,349,775.37	31,007,881.34	1,441,807.28	3,548,280.33	414,829,777.69

Note 3: Intangible assets

(Amount in Nu.)

Particulars	Software Applications	Land user certificate	Grand Total
Gross Carrying value as at 31.12.2023	4,095,150	1	4,095,151
New purchase of assets	-	-	-
Disposal/Adjustments	-	-	-
Gross Carrying value as at 31.12.2024	4,095,150	1	4,095,151
Accumulated Amortisation as at 31.12.2023	841,656	-	841,656
Depreciation for the period	103,658	-	103,658
Disposal	-	-	-
Accumulated Amortisation as at 31.12.2024	945,314	-	945,314
Net Carrying value as at 31.12.2023	3,253,494	1	3,253,495
Net Carrying value as at 31.12.2024	3,149,836	1	3,149,837

Note 4: Capital Work in Progress

(Amount in Nu.)

Particulars	As at 01.01.2024	Additions/ Adjust.	Deletion/ Adjust.	As at 31.12.2024
CWIP-Parent stock Shed,OPD	6,317,589.87	4,419,398.55	10,736,988.42	-
CWIP-ESP Quarter,OPD	5,202,614.88	602,275.52	-	5,804,890.40
CWIP-Cold Stores with PUF Panel at OPD	8,712,597.25	6,864,622.00	15,577,219.25	-
CWIP-Upgradation of Piggery Farm ILPD - BLDCL	-	314,837.00	-	314,837.00
Total	20,232,802.00	12,201,133.07	26,314,207.67	6,119,727.40

Note 5: Biological Asset

(Amount in Nu)

Particulars	Fair Value as on 31.12.2023	Gain/(Loss) for the year 2024	Closing Value as on 31 st Dec 2024
Goat	265,576.74	53,244.13	318,820.87
Jersey Cow	4,096,675.66	(1,338,332.33)	2,758,343.33
Layer Birds	7,603,291.82	12,734,408.16	20,337,699.98
Table Fish	2,791,586.77	503,974.37	3,295,561.14
Piggery	3,363,084.02	5,754,713.96	9,117,797.98
Total	18,120,215.01	17,708,008.29	35,828,224.30

Note (a):

"The Company rears the following animals for the following activities:

1. Layer birds for eggs,
2. Dairy cow, goat, and pig breeder stock to provide quality livestock input to the local Bhutanese farmer and
3. Fish to harvest and sell in the local market to reduce imports.

Therefore, all these animals qualify under BAS 41 Agriculture as 'Biological Assets' and are required to be valued at Fair value as per BFRS 13 on the reporting date.

Note (b):

According to BAS 41 Agriculture, the biological assets are to be restated on the basis of Fair Value at every year-end. However, it is to be noted that due to inactive market for the biological assets in the country, Management is unable to get the true figures/ data to ascertain the updated fair value as required. Even then, the management ensures to rework on the fair values in close reference to accepted norms in vogue.

Note 6: Other financial assets - non-current

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Security Deposits	1,072,391.55	1,036,391.55
Total	1,072,391.55	1,036,391.55

Note 7: Inventories

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Agriculture Products	-	14,646,251.49
Value-Added Products	18,758,958.73	(387,807.89)
Stores & Feed	4,336,543.51	758,452.34
Total	23,095,502.24	15,016,894.94

Note 8: Trade & other receivables

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Trade Receivables	20,158,677.81	9,679,868.23
TDS deducted by Customer	747,095.07	512,829.20
Total	20,905,772.88	10,192,697.43

Note 9: Other financial assets - current

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Advance to contractors	3,012,435.97	10,672,795.37
Advance to Contract Farmers	24,697,446.65	27,310,132.65
Advance to Employees	532,462.82	809,719.47
Advance to Office	1,470,720.48	1,101,984.92
Advance to Suppliers	5,657,153.34	11,643,878.89
Advance from Customer	(664,865.00)	-
Recovery from Ex-Employee - BLDCL	364,753.00	-
Total	35,070,107.26	51,538,511.30

Note 10: Cash & cash equivalents

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Cash in hand	75,288.40	-
(As certified by the Management)		
Balance with banks	65,026,511.54	11,465,289.16
Total	65,101,799.94	11,465,289.16

Note 11: Other Current Assets

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Miscellaneous -BRS Unreconciled Items	(4,699,274.51)	-
Miscellaneous -Unreconciled Items	-	525,140.68
MoAF (DOL)		
Total	(4,699,274.51)	525,140.68

Note 12: Share Capital

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Authorised shares	1,000,000,000.00	1,000,000,000.00
1000,000,000 equity shares of Nu. 100 each		
Issued, subscribed and fully paid-up shares	574,180,710.99	473,900,710.99
5,741,807 equity shares of Nu. 100 each		
Total	574,180,710.99	473,900,710.99

12.1 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Nu. 100 per share. All ordinary shares are ranked equally and each holder of equity share is entitled to one vote per share. There is no restriction on transfer of shares in the Company or on voting rights between holders of shares.

12.2 Details of shareholders

(Amount in Nu.)

Name of the Shareholder	December 31, 2024		December 31, 2023	
	No. of Shares	% held	No. of Shares	% held
Ministry of Finance, RGoB	5,741,807.11	100.00	4,739,007.11	100.00
Total	5,741,807.11	100.00	4,739,007.11	100.00

12.3 Reconciliation of the number of shares outstanding

(Amount in Nu.)

Particulars	December 31, 2024		December 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	4,739,007.11	473,900,710.99	4,739,007.11	473,900,710.99
Add: Issued during the period	1,002,800.00	100,280,000.00		
At the end of the period	5,741,807.11	574,180,710.99	4,739,007.11	473,900,710.99

Note for Equity Injection: BLDCL received an Equity injection of Nu. 100.28 million at face value of Nu. 100 per share during the fiscal year 2024 through the Economic Stimulus Plan of the Government to implement the Price Guarantee Scheme in the 13th Five-Year Plan to enhance 3 priority livestock products (Chicken, Pork & Fish) through production and aggregation by BLDCL in the country.

Note 13: Deferred Government Grants

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
At the beginning of the year	166,455,788.77	167,549,365.21
Add: Received during the year	50,026,691.71	31,499,111.57
Less:		
-For Liabilities & Expenses	43,850,397.63	23,808,351.64
-For Depreciation	8,088,703.00	8,784,336.37
Total	164,543,379.85	166,455,788.77

Note 14: Long-term Employee Benefits

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Provision for:		
- Carriage Charges	197,303.12	215,699.23
- Gratuity	4,694,418.00	5,287,118.97
- Leave encashment	3,365,937.06	3,732,670.76
- Transfer Grant	231,925.23	255,240.63
Total	8,489,583.41	9,490,729.59

Note 15: Current financial liabilities - Trade & other payables

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Audit fees payable	75,000.00	50,000.00
Employees' payables	5,028,111.69	2,391,444.73
Payable security Deposit	3,478,712.91	5,199,835.34
Statutory liabilities	(135,363.55)	(108,917.67)
Trade payables	21,576,473.63	25,967,785.56
Total	30,022,934.68	33,500,147.96

Note 16: Current financial liabilities - short term borrowings

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Working capital facilities from bank (Secured against certain PPE)	31,368,924.10	51,046,390.32
Borrowed from MoAF	18,750,000.00	20,000,000.00
Total	50,118,924.10	71,046,390.32

Note: BLDCL has borrowed Nu. 20.00 million from Ministry of Agriculture and Livestock during the FY'2022 and repayment is schedule on quarterly basis to liquidate in three years starting from FY'2023. Interest Nil.

BLDCL has taken an overdraft facility of Nu. 50.00 million from Bhutan Development Bank after approval from the Board and the Ministry of Finance (MoF).

Note 17: Short-Term Employee Benefits

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Provision for:		
- Carriage Charges	212,843.29	344,684.08
- Gratuity	20,355.21	171,175.59
- Leave encashment	265,929.15	436,053.04
- LTC	-	1,330,858.75
- Transfer Grant	155,457.23	265,479.88
Total	654,584.88	2,548,252.34

18. Revenue from operation

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Sales of products	119,754,131.60	113,822,745.92
Total	119,754,131.60	113,822,745.92

19. Sales of Scrap/Spent animal

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Disposal of asset	489,633.45	2,474,137.48
Total	489,633.45	2,474,137.48

20. Other Incomes

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
House Rent Deduction	2,103,159.80	868,623.00
Income from Hire Out	195,265.00	123,650.00
Income from Interest		-
Others	366,519.96	-
Sales of Feeds		-
Tender Fees		15,500.00
Total	2,664,944.76	1,007,773.00

Note:

1. Movable properties are hired out for additional income
2. Started to deduct House Rent from the staffs occupying the quarters at Farms

21. Government Grants

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Government Grants		
- For Depreciation	8,781,642.90	8,784,336.37
- For Liabilities & Expenses	45,257,848.09	23,808,351.64
Total	54,039,490.99	32,592,688.01

22. Fair Value (gain)/loss on biological asset

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Biological Asset	21,848,685.50	1,478,221.55
Total	21,848,685.50	1,478,221.55

23. Employee Benefit Expenses

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Arrear Payment	42,451.00	79,384.00
Carriage Charges	178,331.67	176,606.45
Cash Handling Allowance		11,000.00
Communication Allowance		277,841.00
Contract Allowance 50%	465,124.00	414,802.00
Difficult Area Allowance	377,000.00	1,134,400.00
Gratuity	1,177,586.23	807,713.04
Honorarium - BLDCL		21,250.00
House Rent Allowance 20%	4,636,898.00	5,895,420.00
Leave Encashment	319,788.62	386,158.11
Local Conveyance Allowance	176,661.00	273,762.00
Production Endurance Allowance 20%	-	4,371,330.00
Provident Fund Contribution	2,275,152.14	1,806,677.71
Salary	19,164,979.34	23,554,753.49
Salary for security		245,806.00
Monthly LTC	2,476,198.75	
Fixed Allowance	12,447,587.10	
Transfer grant	137,499.50	166,647.19
Daily Wage	13,300.00	
Total	43,888,557.35	39,623,549.99

24. Administrative Expenses

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Electricity Bill	1,203,953.91	2,477,147.66
Extension Kits	4,200.00	-
Fees & Permit	300.00	20,884.91
Insurance Premium on Fixed Asset	1,509.00	821,792.00
Internet/Broadband Charges	434,342.00	498,554.84
Land Tax-URL	1,542,703.88	64,156.00
Mess Expenses during COVID Duty	-	-
Miscellaneous Expenses	-	9,379,557.53
Printing & Press	20,527.32	72.00
Renewal of License	18,650.00	47,645.00
Rental charges for Parking Vehicle - BLDCL	19,950.00	87,479.00
Rent for Space - BLDCL	1,223,737.02	2,317,920.00
Safety Kits	23,220.00	-
Sitting Fee for Board	97,100.00	104,900.00
Stationeries	162,382.82	33,181.18
Telephone Bill	17,839.20	10,018.91
Transportation/Hiring	2,923,248.50	1,424,578.63
Travel In Country	1,573,614.00	562,713.60
Vehicle Running Expenses (PoL)	4,579,592.44	2,369,363.90
Water & Sewerage Bill	5,358.00	14,728.40
Medical Expenses-Staff	36,900.00	
Write-off	4,732,068.08	
Total	18,621,196.17	20,234,694.56

25. Finance Charges

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Interest on Bank Overdraft	5,148,549.89	5,825,450.14
Total	5,148,549.89	5,825,450.14

26. Marketing Expenses

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Announcement/Publicity	76,800.00	104,280.00
Commission for vendors	-	9,000.00
Promotional Expenses	29,604.78	2,174.00
Total	106,404.78	115,454.00

27. Office Expenses

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Auditor's Fee	331,956.00	50,000.00
Bank Charges	14,410.25	3,824.00
Chadi/Rimdro Exp.	49,090.00	300,000.00
Consultancy Charges/Fee	186,000.00	90,000.00
Donation	70,000.00	-
Fines & Penalty	135,761.34	150,245.78
Refreshment Expenses	332,075.50	129,850.00
Rest Room Supplies	52,455.20	33,056.00
Training in-country	-	-
Other Expenses	-	690,142.67
Total	1,171,748.29	1,447,119.45

28. Maintenance & Operation

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
AMC for ERP	720,000.00	1,200,000.00
Maintenance of Cold Storage/Store	52,650.00	37,230.00
Maintenance of Electricity Line	20,055.00	23,445.00
Maintenance of Farm Structure	907,205.84	100,000.00
Maintenance of Fencing & Pasture Dev.	7,461.30	412,218.02
Maintenance of Fishery Pond	81,855.34	13,590.00
Maintenance of Tools & Equipment	467,582.30	392,504.94
Maintenance of Vehicle	1,645,414.57	669,206.00
Refill Cylinder	55,444.00	5,372.00
Total	3,957,668.35	2,853,565.96

29. Animal Development Cost

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Animal Development cost	77,198,480.17	54,950,131.70
Total	77,198,480.17	54,950,131.70

30. Value Additional Cost

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Agro Products	-	2,030,466.50
Other Adjustments	382,882.03	39,142.33
Product Packaging	2,527,489.29	1,419,958.61
Raw Meat & Fish	30,282,803.77	23,585,010.42
Total	33,193,175.09	27,074,577.86

31. Actuarial Gain/(Loss) on Post Employee Benefits

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Gratuity	888,433.73	(210,614.65)
Transfer grant	(282,852.95)	45,479.12
Carriage Charges	21,490.22	95,750.85
Total	627,071.00	(69,384.68)

Note: Since the Internal Service Rules of the company came into effect only after Oct2018

32. Earnings Per Share

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Profit/(Loss) for the period (A)	(1,511,192.20)	(29,121,283.73)
Weighted Average No. of shares (B)	5,741,807.11	4,739,007.11
Earnings Per Share (A/B)	(0.26)	(6.15)

For Rinzing Financial Private Limited

Firm License No. 1036380



Kunzang Pasa Tenzin, CPA (Aust.)

Audit Partner

CPA License No. 10534147

Date: May 9, 2025

Place: Thimphu, Bhutan

For Bhutan Livestock Development Corporation Limited:

Mr. Karma Tshering

Board Chair


Mr. Dophu Dukpa

Chief Executive Officer



RATIO ANALYSIS



Bhutan Livestock Development Corporation Limited Ratio Analysis for the year ended December 31, 2024

Ratios	December 31, 2024	December 31, 2023	Remarks
Total Earnings per Share	(0.26)	(6.15)	Reflecting Financial loss for the year per Equity Share
Net Profit Ratio	(1.26)	(25.58)	Reflecting loss with respect to Turnover
Return on Assets	(5.47)	(12.83)	Reflecting loss with respect to Total Assets
Return on Equity	(0.25)	(5.47)	Reflecting Financial loss for the period on total Owner's Equity
Dividend Coverage Ratio	Nil	Nil	Reflecting no Dividend was paid during the year
Dividend Payout Ratio	Nil	Nil	Reflecting no Dividend was paid during the year
Current Ratio	1.73	0.83	Reflecting Current Assets with respect to Current Liabilities for the year

For Rinzing Financial Private Limited

Firm License No. 1036380

Kunzang Pasa Tenzin, CPA (Aust.)

Audit Partner

CPA License No. 10534147

Date: May 9, 2025

Place: Thimphu, Bhutan

For Bhutan Livestock Development Corporation Limited:



Mr. Karma Tshering

Board Chair



Mr. Dophu Dukpa

Chief Executive Officer



COMPLIANCE CALENDER
AND CHECKLIST



Compliance Calendar and Check List for Compliance to Provision of the Companies Act of Bhutan, 2016

Sl. No.	Activity	Remarks
1	Submission of Annual Return Companies listed with Royal Securities Exchange of Bhutan Limited a) All unlisted companies: i) Duly filled form as per Annual Return Form ii) Balance sheet iii) Profit & Loss Account b) iv) Cash flow statement v) Auditor's report vi) Directors' report.	Submitted Annual Return Form on 4 th June 2024 against acknowledgment letter dated 22 nd August 2024
2	Annual General Meeting a) Listed Companies b) Unlisted Companies c) Government Companies	Convened Annual General Meeting on 3 rd June 2024.
3	Notice Calling General Meetings	Sent notice letter on 20 th May 2024 vide letter No. BLDCL/FIN-MoF/12/2024/279
4	Payment of Dividend	NA
5	Presentation of B/S, P&L A/c and Cash Flow Statement at every AGM	Presented B/S, P&L A/c and Cash Flow Statement by Board Chair
6	Filing of Documents with Register	Filed documents as required by register
7	Appointment of auditor	Appointed M/s Rinzing Financial Pvt. Ltd, Thimphu as an Auditor to audit BLDCL in 36 th Board Meeting, 2024
8	File Schedule II	
9	Board Meetings	Three consecutive meetings and AGM held in 2024
10	Appointment of CEO	Endorsed in AGM every after 5 years
11	Appointment of Selling & Buying Agent	NA
12	Appointment of Company Secretary	As per Internal service rules and regulations.
13	Statutory Record and Inspection	All times

No.	Sec.	Incorporation of a Company & Securities	Yes	No	N/A	Remarks
1	28	Changes to Articles/Approval		No		
2	47	Change of name/Approval		No		
3	123	Increase or consolidation of share capital		No		
4	124	Reduction of share capital		No		
5	82	License Copy and Share Certificate filing	Yes			
6	107	Public offer of Shares & Debentures-ROC Approval		No		

No.	Sec.	Management and Administration	Yes	No	N/A	Remarks
7	217	Registered Office of Company (Postal Address & Contact Number)	Yes			Namtog Lam, Khangkhulu, Thimphu, Post Box No-2078
8	221	Publication of name by Company (Letter Head, Seals and Sign Board)	Yes			In all business letters, documents, bills, invoice, letter paper, notices and other publications have the official seal, letterhead and registered name and the address of its registered office.
9	241	Financial Year of Companies as of 31 st Dec.	Yes			The financial year was on 31 st Dec, as per section 241 of CAB, 2016
	242	Extension up to 15 months - ROC approval		No		
	243	Extension up to 18 months - Authority's approval		No		
10	245	Financial Statements to follow BAS	Yes			Adopted the financial statement along with the notes to the financial statement and audit report in 6 th AGM, 2024
11	267	Annual Return Submission On/before 31 st May for listed; others 31 st July	Yes			The report of the company was filed as per section 268 of CAB, 2016
12	177	Annual General Meeting (Minutes)	Yes			Minutes of 6 th - AGM- 3 rd June, 2024 (09:30 AM)
13	180	Extraordinary General Meeting (Minutes)		No		No extraordinary General meeting had been held so far, as per section 180 of CAB, 2016. the Company will hold such meeting, if necessary, as per Act
14	185	Notice for calling general meeting	Yes			As per section 185 of the CAB, 2016
15	187	listed Co. - written as well as in media Public Co/Private Co. - Written Notice	Yes			As per section 187 of the CAB, 2016
16	190	Chairman of meeting (CEO cannot chair)	Yes			Mrs. Tashi Yangzome Dorji, Director, Department of Livestock, Chairperson of 6 th AGM, 2024
17	192	Representation of corporations at meetings (appointed by Board Directors)			NA	Representative of the shareholders in 6 th AGM, 2024
18	193	Ordinary and special resolutions (Minutes)				
19	195	Minutes of Annual General Meeting and Board Meetings (maintained sec.195-198)	Yes			Maintained as per section 195-198 of CAB, 2016
20	199	Declaration and payment of dividend (199-209)		No		

21	232	Books of account to be kept by company (location & time period)	Yes		Location – At registered office situated at Namtog Lam, Khangkhulu, Thimphu, Post Box No – 2078 Time Period – From October 2017 onwards
22	249	Board's report (signed by Chairman)	Yes		Signed by CEO and Chairperson of board meeting.
23	252	Appointment and removal of Auditors Need to re-appoint annually (251-259)	Yes		Appointed M/s Rinzing Financial Pvt. Ltd, Thimphu as an Auditor to audit BPC in 21 st AGM, 2024
24	260	Resignation of Auditors from office (Annual Resignation)	Yes		Resigns as per section 260 of CAB, 2016
25	266	Auditing standards (Audit using Auditing Standards issued by AASBB)	Yes		As per AASBB and requirement by RAA.
26	133	Number of directors	Yes		There are 7 Directors at present.
27	134	At least One third of the Board of all Public Companies shall be independent (Minimum No. & retirement on rotation)	Yes		Declared at least 1/3 of the Directors as independent Director.
28	138			No	
29	139	Additional directors		No	
30	140	Consent to act as directors	Yes		As per section 140 of CAB, 2016
31	141	Certain persons not to be appointed as Directors		No	
32	142	Resignation by a director	Yes		The Director can resign as per section 142 of CAB, 2016
33	143	Removal of directors	Yes		No records of such removal in 6 th AGM, 2024
34	146	Board meetings (4 Meetings for Public Cos & 2 Meetings for Pvt)		No	Only 3 out of 4 meetings were held in 2024
35	152	General powers of the board	Yes		As per section 152 of CAB, 2016
36	156	Restriction on powers of Board	Yes		As per section 156 of CAB, 2016
37	210	Appointment of Chief Executive Officer (Max 5 years terms & 2 consecutive terms only)	Yes		The appointment of CEO of the company is in compliance with chapter 9 of the CAB, 2016.
38	213	Company Secretary required in all Public Companies		No	Company Secretary resigned in 2023 and post remained vacant till date.
40	157	No loans to directors (only for Public Co.)	Yes		Company shall not make a loan to any Director, or give any guarantee or provide any security in connection to the loan.

41	53	Inter-corporate investments (investments to be disclosed) apply old rule			NA	
42	158	Conflict of Interest Transactions by Board			NA	
43	161	Standard of care required by directors (Reckless decision)			NA	

No.	Sec.	Statutory Record and Inspection	Yes	No	N/A	Remarks
	228	Statutory record and inspection				
44	(a)	Register of buy-back of shares	Yes			The records of the following register are kept in the registered office.
	(b)	Register of transfers		No		
	(c)	Register of charges		No		
	(d)	Register of inter-corporate loans		No		
	(e)	Register of inter-corporate investments		No		
	(f)	Register of contracts in which directors are interested		No		
	(g)	Register of directors	Yes			
	(h)	Register of directors' shareholding			NA	
OTHERS						



For BLDCL Products, please contact below

BLDCL Dealers			
Sl.No	Name	Address	Contact No
1	Farm Fresh Livestock Hub	Hongkong Market, Thimphu	17851627
2	Local Dairy Farm	Norzin Lam, Thimphu	17891088
3	Phurpa Lhamo	Changkhorlo, Opposite Desung Office	17689714
4	Pema Zangmo	Taba, Thimphu	17992699
5	E-Kha	Babesa, Thimphu	17304083
6	Lungten Tenzom	Monggar Town	77483817
7	Kinga General Shop	Kanglung, Trashigang	17741064
8	Kinjung Mart	Phuentsholing	17691010
9	SS Meat Shop	Paro Town	17590768
10	Jamyang Store	Haa Town	17638970

