



Dungsam Polymers Limited
Nganglam, Pemagatshel

ANNUAL REPORT 2024



www.dpl.bt



information.dpl@dpl.bt



Tshenkari, Nganglam, Pemagatshel

THE YEAR IN REVIEW

Dungsam Polymers Limited (DPL) concluded 2024 resilient despite facing significant challenges, including the unforeseen shutdown of our parent company, Dungsam Cement Corporation Limited (DCCL), due to a natural disaster, and the Indian Government Election impacted export customers for three months. These obstacles required strategic adjustments to our operations, yet the company successfully achieved profitability with a plant capacity utilization of 35.22%.

During the year, DPL faced disruptions due to a planned one-month maintenance shutdown at DCCL and an unplanned closure. Our teams utilized this time to focus on plant maintenance while ensuring customer demands were met without interruption. Indian customers resumed purchasing our products after the third quarter, despite the IGST, demonstrating the resilience of our market. To address financial pressures, management implemented cost-control measures, including eliminating unnecessary expenditures and optimizing over time, contributing to enhanced operational efficiency.

Financially, DPL generated a total revenue of Nu 181.94 million, representing a slight decline of 4% compared to 2023. However, the company maintained a positive Profit After Tax (PAT) of Nu 2.61 million, underscoring our ability to navigate a challenging environment while safeguarding profitability.

Employee engagement and morale remained a key focus, with various initiatives undertaken throughout the year to promote collaboration, unity, and motivation among team members. These efforts were instrumental in fostering a strong organizational culture and driving productivity.

On behalf of the management, we express our sincere gratitude to the DPL Board and DHI for their unwavering support and guidance, which have been crucial in overcoming this year's challenges. We also extend heartfelt appreciation to our employees for their dedication and commitment to excellence, which have been pivotal in achieving our goals.

As we embark on a new journey, we are optimistic about seizing new growth opportunities, strengthening our market presence, and delivering value to our stakeholders. Together, we remain committed to building a brighter and more prosperous future for DPL.

Thank you once again for your continued support and dedication.

Tashi Delek!

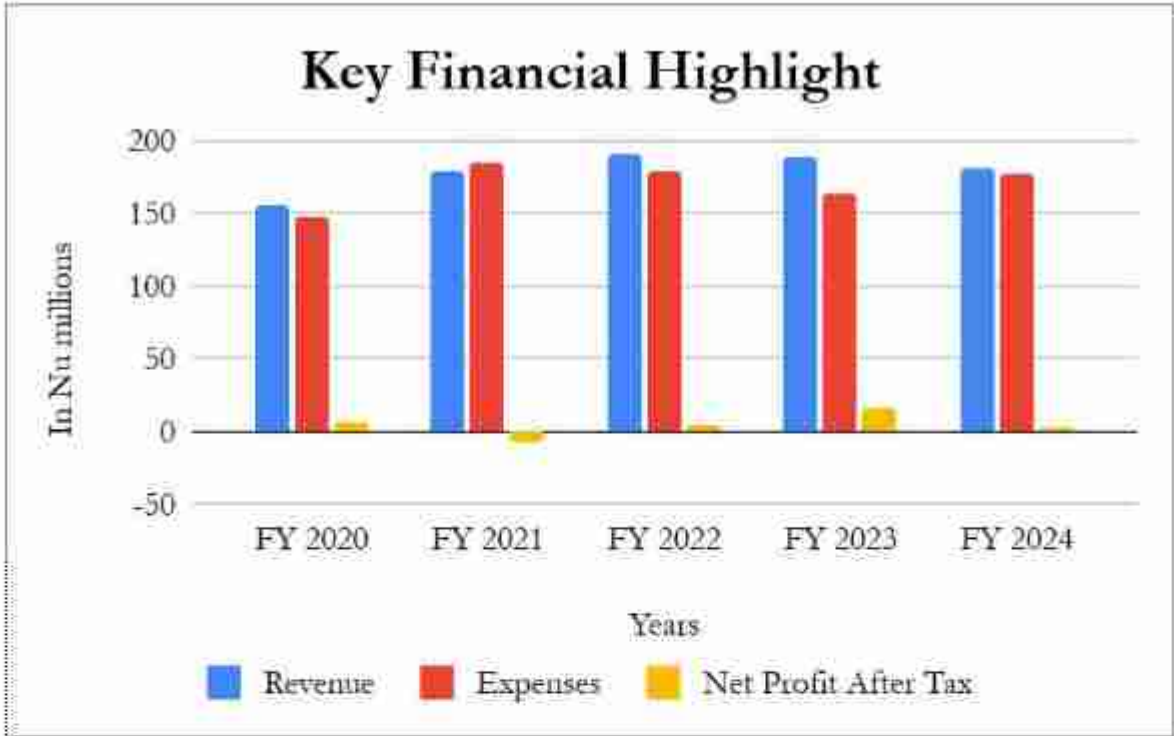


Dhan Bdr Gurung
(Chief Executive Officer)

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PAST FIVE YEARS FINANCIAL HIGHLIGHTS



COMPANY PROFILE

Dungsam Polymers Limited (DPL) manufactures Poly woven bags. It was incorporated on August 12, 2010, under the Companies Act of the Kingdom of Bhutan, 2000, as one of the companies of Druk Holding & Investment (DHI). Initially, the company was established with the total equity from Druk Holding & Investments Limited (DHI) and later divested by undergoing an Initial Public Offer (IPO). The company was listed in the Royal Security Exchange of Bhutan (RSEBL) on August 2, 2013. Subsequently, DPL became one of the DHI Controlled Companies with 51% share owned by DHI and 49% owned by the public.

The company is located in Tshenkari, Nganglam, under Pemagatshel Dzongkhag. The plant has an installed capacity of 350 kg/hour melting output, equivalent to one hundred thousand bags in a day. It was mandated that the requirements of PP bags for DCCL be met. Currently, 76.3% of the production is sold to Dungsam Cement Corporation Limited (DCCL) and 22.8% to other domestic markets and in the nearby states of India.



VISION

To be the supplier of choice, providing complete packing solutions to the cement & other industries.



MISION

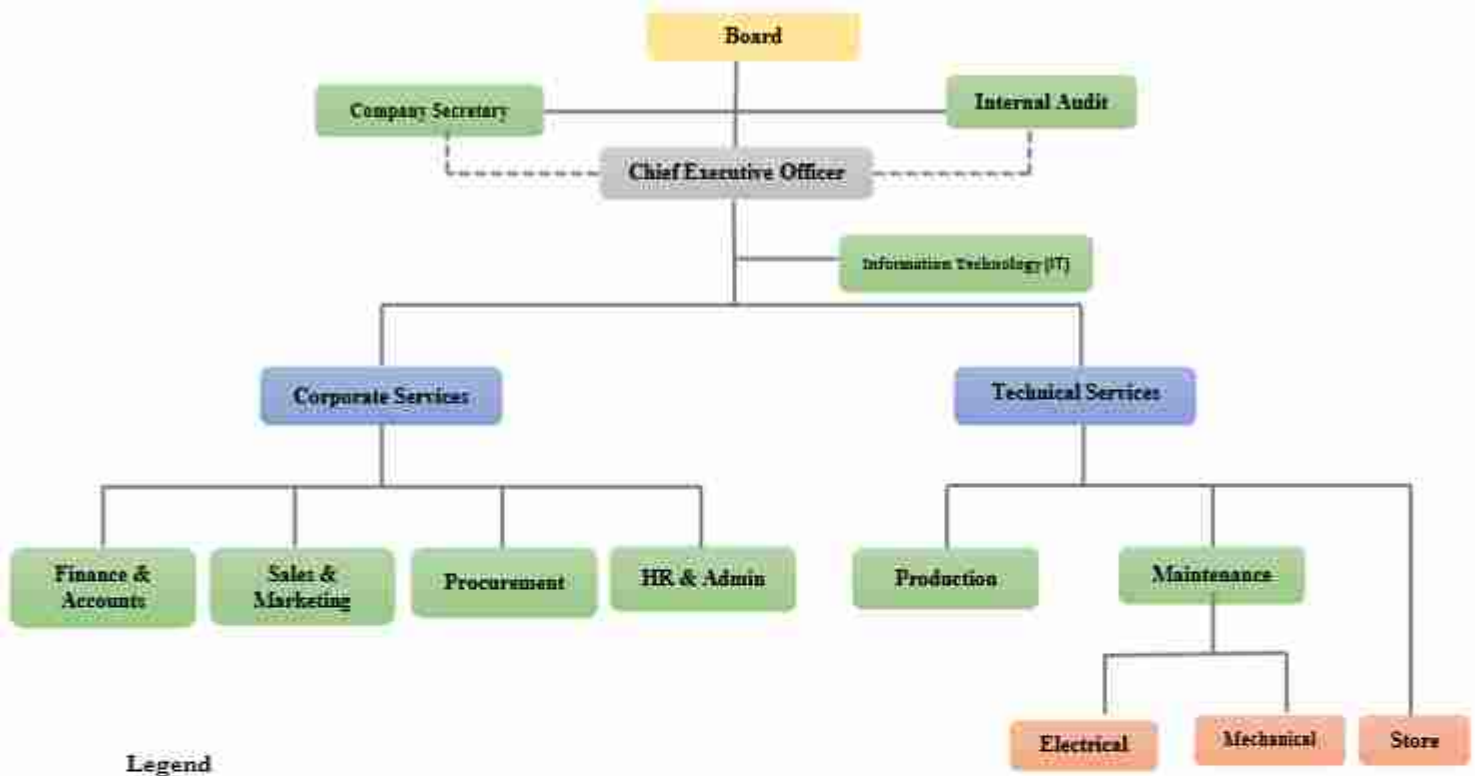
DPL manufacture good quality, economical & environmentally friendly polymer bags for packing cement & other products catering to Bhutan.



VALUES

Professionalism, integrity, teamwork and customer care.

ORGANIZATIONAL CHART



Legend

Division

Section

Unit

DIRECTORS PORTFOLIO

(DPL Board of Directors)

BOARD DIRECTORS



Mr. Dechen Choling -
Chairman

Mr. Dechen Choling obtained a Bachelor of Technology in Electrical & Electronics Engineering from the University of Kerala, India in 2002; a Master of Science in Electrical Engineering (MScE) from the University of New Brunswick, Canada in 2009 and a Master of Business Administration (MBA) from University of Canberra, Australia in 2021. He worked for Bhutan Power Corporation Limited (BPC) from October 2002 to 2022. He was the General Manager for the Strategic Planning & Business Development

Department from 2019 to June 2022 and the General Manager for the Renewable Energy Department from 2016 to 2019. He also worked as a Project Manager for the Wind Power Project and a Project Engineer for the National Load Dispatch Centre (NLDC), now Bhutan Power System Operator (BPSO), from 2009 to 2011. He began his career at BPC as a Deputy Manager for the Rural Electrification of six eastern districts of Bhutan from 2002 to 2005.

Mr. Thinlay Gyamtsho is the proprietor of T&K Construction Pvt Ltd., established on May 28, 1990. He is also serving as the President of the Construction Association of Bhutan (CAB) and the Board of Directors for IFAWPCA, Bhutan Insurance Ltd. and the Construction Development Board of Bhutan. He is also the Chairman of Briquette Manufacturing Pvt Ltd.



Mr. Thinlay Gyamtsho -
Director



Mr. Sonam Darjay -
Director

Mr. Sonam Darjay obtained his Master of Business Administration from the University of Canberra, Australia, an Advanced Diploma in Applied Environmental Management from the Northern Sydney Institute, Australia, and a Bachelor of Engineering (Electrical) from the College of Science and Technology, Bhutan.

Mr. Sonam has over a decade of experience working at the Electricity Regulatory Authority (then Bhutan Electricity Authority) and the Ministry of Energy and Natural Resources from 2010 to 2022.

During his tenure, he has shouldered numerous professional activities starting from licensing of hydropower and alternate renewable energy projects, and R&D activities related to drafting regulations and guidelines for electricity generation, transmission, distribution and sales in Bhutan. He also served as Acting Chief of the Licensing and Technical Division, ERA, from 2019 to 2022 before founding the Center for Research Bhutan.

Besides Mr. Sonam's professional capacity, he is passionate about studying the financial performance of the companies listed in the stock market. His other areas of interest are transformational leadership, employee motivation, environmental management, and the application of disruptive technologies such as machine learning and AI.

Mr Kunzang Namgay embarked on his illustrious career with the Ministry of Home Affairs in 2002, serving in various pivotal roles. He further enhanced his professional credentials by obtaining a Master of Public Administration from the prestigious Australian National University in Canberra. Before being appointed Senior Dzongrab of the Pemagatshel Dzongkhag Administration in 2021, he distinguished himself as the Regional Director at the Regional Immigration Office in Samdrup Jongkhar. Currently, he holds the esteemed position of Senior Dungpa at the Nganglam Dungkhag Administration.



Mr. Kunzang Namgay -
Director



Mr. Pema R Wangchug-
Director

Pema Wangchug MSc. is the Associate Director of the DRIVE (DHI Research and Innovation Venture Excellence) Division for Druk Holding and Investments Limited (DHI), the National Holding Company of Bhutan. DRIVE is working towards establishing collaborative, applied, and fundamental research initiatives in areas of science, technology, and innovation at both national and international levels. DRIVE also includes the Jigme Namgyel Wangchuck Super FabLab (JNWSFL). A Chevening Scholar,

Wangchug completed a Master of Science in Business Analytics (Distinction) at Warwick Business School in the United Kingdom. Wangchug is an avid technology enthusiast who enjoys seeing where tech innovation will continue to lead humanity.

Mr. Dhan Bdr Gurung Obtained a Diploma in General Mechanical Engineering from Royal Bhutan Polytechnic, Dewathang and a Bachelor Of Business Administration from Kalinga University, Raipur, India. During his tenure with Bhutan Polymer Company Limited for 13 years, he served in various capacities before joining Dungsam Polymers Limited as a Production Engineer in 2011. Before joining as a Chief Executive Officer, he served as Head of the Technical Service Division/Chief Engineer Plant in DPL. He has extensive experience in the fields of Polymer Industries and Polymer business.



Mr. Dhan Bdr Gurung -
Chief Executive Officer

Directors Report

Dear Shareholders,

On behalf of the Board of Directors and Management of Dungsam Polymers Limited (DPL), I extend a warm welcome to all our valued shareholders to the 14th Annual General Meeting of DPL. I am pleased to report the company's performance for the period from 1st January 2024 to 31st December 2024.

1. Operational Highlights

In 2024, DPL produced 11.62 million PP bags, compared to 12.74 million in 2023, representing a 9.63% decrease. The total number of PP bags sold for the year was 11.57 million, compared to 12.55 million in 2023, a decrease of 7.80%.

The total fabric production for the year was 1,124.40 MT, an increase of 6.40% from the previous year's production of 1,056.76 MT. The fabric sold for the year was 256.3 MT, a 52.09% increase from 122.86 MT in the previous year.

2. Financial Highlights

The company's total revenue decreased by 4%, from Nu. 187.93 million in 2023 to Nu. 180.52 million in 2024. In contrast, operational expenditures increased by 8%, rising from Nu. 163.46 million in 2023 to Nu. 177.01 million in 2024. The increase in expenditures is mainly due to higher employee compensation and benefits expenses and a 6.40% increase in fabric production compared to the previous year.

The company generated a Profit After Tax (PAT) of Nu. 1.87 million in 2024, reflecting a significant decline of 89% from Nu. 16.54 million in 2023.

3. Marketing & Sales

Dungsam Polymers Limited has the capacity to produce 100,000 bags per day, with its primary client being DCCL. Other domestic clients include PCAL, RSA Pvt Ltd, Chhundu Enterprise, BCD, Nortak Mines Minerals Pvt Ltd, Darla Flour Mill, S.D Eastern Ferro Silicon Pvt. Ltd, and DPL sales agents. Additionally, DPL also supplies bags and fabrics to vendors in Assam and West Bengal.

4. Human Resource

Since the plant capacity utilization remains below 50%, the company consciously maintains a small workforce. However, during periods of sudden increases in demand, employees are

engaged on an overtime basis to minimize overhead costs. The company currently has 96 employees on its payroll.

5. Audit Highlights

5.1 Statutory Audit

M/s. Karma & Associate Auditors, Thimphu, appointed by the Royal Audit Authority (RAA), conducted the statutory audit for 2024 from January 20 to 25, 2025. We are pleased to report that the audit concluded with an unqualified opinion, confirming compliance with applicable accounting standards and regulations.

5.2 Royal Audit Authority

The Royal Audit Authority conducted the audit in June 2023, covering the period from 2018 to 2021. Out of 10 findings and observations in the compliance audit report, only two minor issues remain to be resolved.

5.3 Internal Audit

The internal audit was conducted from December 26 to 28, 2024. In the absence of an internal audit team at DPL, the audit was conducted by the internal auditors of DCCL. Except for the outstanding receivables, there are no other observations.

6. Corporate Social Responsibility

The company did not make any notable contributions towards CSR due to financial constraints.

7. Declaration of Dividend

Although the company generated a positive PAT of Nu. 1.87 million, the retained earnings remain negative. Additionally, the company plans to invest in business diversification. Therefore, the Board could not recommend any dividends for 2024.

8. Key Challenges

The third and fourth quarters of 2024 presented considerable sales challenges for DPL due to a one-month maintenance shutdown at DCCL and an incident involving the collapse of a cement silo. Furthermore, the Indian Government elections in June and July adversely affected sales during this period.

9. Way Forward

The company is focusing on business diversification, particularly given the limited demand for polypropylene woven bags in the domestic markets. Mechanization of the finishing units is

another area the company is addressing. This initiative will reduce product rejection rates and improve the quality of finished products.

ACKNOWLEDGEMENTS

On behalf of the Board of Dungsam Polymers Limited, I extend sincere gratitude to all the shareholders for their unwavering support and guidance. We look forward to your continued support.

We also extend our sincere thanks to our valued customers for their trust in our products and the company.

The Board acknowledges the dedication and hard work of the DPL management and employees and their continued efforts towards the company's success.

Tashi Delek!

For and on behalf of the Board,

A handwritten signature in blue ink, appearing to be 'Dechen Choling', with a stylized flourish at the end.

(Dechen Choling)
Chairman

CORPORATE GOVERNANCE REPORT

Dungsam Polymers Limited (DPL) is committed to upholding high standards of Corporate Governance (CG) and ensuring compliance with relevant legislation, regulations, and the DHI Corporate Governance Codes to promote the long-term sustainability of the business. Additionally, DPL adheres to the provisions of the Companies Act of Bhutan 2016, as well as other statutory requirements set by the Royal Government of Bhutan.

a) Board Directors

The Board of Directors is responsible for overseeing and guiding the strategic direction and performance of Dungsam Polymers Limited (DPL). Comprising six members, including the Chief Executive Officer (CEO) and two representatives of the private shareholder(s), the Board ensures effective governance and alignment with shareholder interests. All appointments to the Board are formally approved at the Annual General Meeting (AGM), ensuring transparency and accountability in the decision-making process.

SN	Names of the Directors	Category	Profile	Term of the Board Director	Directorship in other DHI Companies
1.	Mr. Dechen Choling	Non-Executive	CEO, DCCL Nganglam	First term	DCCL
2.	Mr. Kunzang Namgay	Independent	Dungpa, Nganglam Dungkhag	First term	None
3.	Mr. Thinlay Gyamtsho	Non-Executive	Proprietor -T&K Construction	Second term	None
4.	Mr. Pema Rinchen Wangchug	Non-Executive	Associate Director, DHI	First term	None
5.	Mr. Sonam Darjay	Non-Executive	The Center for Research Bhutan	Second term	None
6.	Mr. Dhan Bdr Gurung	Executive	CEO, DPL	First term	None

b) Board meetings

A total of six Board meetings were held in 2024, with the quorum duly met in accordance with the Companies Act of Bhutan 2016, as detailed below.

SN	Name of the Board Director	Board Meetings					
		63rd (22.01.24)	64th (16.03.24)	65th (1.04.24)	66th (06.06.24)	67th (08.11.24)	68th (27.12.24)
1	Dasho Karma Galay	✓	✓	×	×	×	×
2	Mr. Dechen Choling	✓	✓	✓	✓	✓	✓
3	Mr. Hiralal Bhattarai	✓	✓	×	×	×	×
4	Mr. Kunzang Namgay	×	×	✓	✓	✓	✓
5	Mr. Thinlay Gyamtsho	✓	✓	✓	✓	×	✓
6	Mr. Sonam Dargay	✓	✓	✓	✓	✓	✓
7	Mr. Pema Rinchen Wangchug	×	×	✓	✓	✓	✓
8	Mr. Dhan Bdr Gurung	✓	✓	✓	✓	✓	✓

c) Board Committees

In compliance with the Companies Act of Bhutan 2016 and the DHI Corporate Governance Code, DPL has established the following Board subcommittees:

- Board Audit Committee
- Board's HRC Committee
- Board Tender Committee
- Board NGC Committee

However, DPL did not convene Board HRC and Board NGC meetings in 2024, as they were not deemed necessary.

1. Board Audit Committee Meetings

S N	Board Audit Committee Member	Board Audit Committee Meetings (BACM)				
		39 th BCA (10.01.24)	40 th BCA (09-03-24)	41 st BAC (21-07-24)	42 nd BAC (21-10-24)	43 rd BAC (02-12-24)
1	Mr. Sonam Darjay – Chairman	✓	✓	✓	✓	✓
2	Mr. Dechen Choling	✓	×	×	×	×
3	Mr. Hiralal Bhattarai	✓	✓	×	×	×
4	Mr. Kunzang Namgay	×	✓	✓	✓	✓
5	Mr. Pema R Wangchug	×	✓	✓	✓	✓

2. Board HRC Committee Meeting

3. Board Tender Committee Meeting

SL	Name	Board Tender Committee (18.12.2024)
1	Mr. Thinlay Gyamtsho	✓
2	Mr. Kunzang Namgay	✓
3	Mr. Dhan Bdr Gurung	✓

d) Board Remuneration

The remuneration for Non-Executive Directors is provided in the form of Board sitting fees and travel allowances for attending Board meetings and Board sub-committee meetings. The Executive Director (Chief Executive Officer) receives a salary and other benefits as per the terms of their contract, in addition to sitting fees. Details of the Board remuneration are presented in the table below:

Particulars	Current Year	Previous Year
	2024	2023
CEO remuneration	1,338,593	1,059,066.50
Travelling Expenses (CEO)	75,500	114,000
Director sitting fees	464,220	361,700

e) Annual General Meeting

The 14th Annual General Meeting (AGM) was held on March 14, 2025, at the DHI Board Room, Thimphu. The meeting was attended by shareholders, Board Directors, and key representatives of DHI. It was presided over by the Board Chairman.

INDEPENDENT AUDIT REPORT

DUNGSAM POLYMERS LIMITED
STATEMENT OF FINANCIAL POSITION AS ON 31ST DECEMBER 2024

Particulars	Schedule	12/31/2024	12/31/2023
		Amount (Nu.)	Amount (Nu.)
ASSETS			
Non-Current Assets			
Investment	1	-	72,457.84
Property, Plant and Equipment	2	85,510,480.21	86,763,128.01
Intangible Assets		352,265.18	642,300.01
Right of Use - Lease		287,746.23	213,394.26
Capital Work-In-Progress		109,600.00	109,600.00
Other Non-Current Assets	3	180,000.00	180,000.00
Total Non-Current Assets	A	86,440,091.62	87,980,880.12
Current Assets			
Cash and Cash Equivalents	4	7,491,806.02	2,990,338.59
Trade and Other Receivables	5	42,067,376.59	39,656,963.02
Inventories	6	18,743,601.75	22,854,336.67
Current Tax Assets	7	9,335,179.27	3,012,815.73
Other Current Assets	8	1,369,231.24	1,679,420.57
Total Current Assets	B	79,007,194.87	70,193,874.58
Total Assets (A+B)		165,447,286.49	158,174,754.70
EQUITY AND LIABILITIES			
Equity			
Share Capital	9	152,723,500.00	152,723,500.00
Securities Premium Account	10	26,348,001.00	26,348,001.00
Other Equity	11	630,026.00	-
Retained Earnings	12	(118,023,457.72)	(119,517,313.84)
Total Equity	C	61,678,069.28	59,554,187.16
LIABILITIES			
Non-Current Liabilities			
Non-Current Borrowings	13	26,463,058.16	34,116,057.54
Retirement Benefit Obligations	14	9,975,345.95	8,963,233.39
Deferred Tax Liability	15	11,403,817.16	11,920,799.09
Lease Liability	16	356,617.09	241,591.45
Total Non-Current Liabilities	D	48,198,838.36	55,241,681.47
Current Liabilities			
Trade and Other Payables	17	5,315,814.17	8,633,326.27
Current Borrowings	18	40,657,158.48	20,337,216.23
Other Current Liabilities	19	3,556,236.14	4,055,454.23



Provisions	20	1,268,737.86	2,134,694.34
Current Tax Liabilities (Net)	21	4,772,432.20	8,218,195.00
Total Current Liabilities	E	55,570,378.85	43,378,886.07
Total Liabilities (D+E)		103,769,217.21	98,620,567.54
Total Liabilities and Equity (C+D+E)		165,447,286.49	158,174,754.70

For Karma & Associates
Chartered Accountants
Firm Reg. No: BH-04

(Chimmi Dorji-FCCA)
Managing Partner

Place: Thimphu
Date: 17/3/25



FOR & ON BEHALF OF BOARD OF
DIRECTORS

Chairman

Dungsam Polymers Limited
Nganglam: Pemagatshel

(Mr. Dechen Chofing)
Chairman

(Mr. L.B. Gurung)
Chief Executive Officer



DUNGSAM POLYMERS LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2024

Particulars	Schedule	12/31/2024	12/31/2023
		Amount (Nu.)	Amount (Nu.)
Income			
Revenue from Operations	22	178,495,033.96	186,213,768.88
Other Income	23	2,023,544.72	1,724,990.05
Total Revenue		180,518,578.68	187,938,758.93
Expenses			
Consumption of Raw Material, Consumables and Changes in Inventory of Finished Goods	24	109,271,905.26	100,328,943.26
Operation and Maintenance Expenses	25	2,505,232.61	2,819,991.92
Employee Compensation & Benefit Expenses	26	46,751,876.00	37,802,444.85
Other Expenses	27	6,604,070.15	7,546,192.54
Depreciation and Amortization	2	6,395,540.42	6,292,524.27
Finance Cost	28	5,172,890.00	5,567,724.25
Impairment Loss of Financial Asset	29	307,031.83	79,573.00
Total Expenditure		177,008,536.27	163,457,394.09
Profit/(Loss) Before Income Tax		3,510,042.41	24,481,364.84
Current Tax		2,155,376.00	8,733,130.00
Deferred Tax Income	30	(516,981.93)	(792,745.41)
Profit/(Loss) After Income Tax		1,638,394.07	7,940,384.59
Other Comprehensive Income/(Loss)		1,871,648.34	16,540,980.25
(i) Items that will not be reclassified to Profit or Loss			
- Actuarial Gain/(Loss) on post-employment benefit obligations	C (8)	360,785.14	(418,425.00)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		108,235.54	125,528.00
Net Other Comprehensive Income/(Loss)		252,549.60	(292,897.00)
Total Comprehensive Income/(Loss)		2,124,197.94	16,248,083.25
Basic and Diluted Earnings per Share	C(19)	0.12	1.08

For Karma & Associates
Chartered Accountants
Firm Reg. No: BH-04

(Chitumi Dorji-FCCA)
Managing Partner

Place: Thimphu
Date: 17/3/25



FOR & ON BEHALF OF BOARD OF DIRECTORS

(Mr. Dechen Choling)
Chairman
Dungsam Polymers Limited
Nganglam, Pemagatshel

(Mr. D.R. Gurung)
Chief Executive Officer



DUNGSAM POLYMERS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2024

Number of shares Authorized for each class of shares: (Figures in Ngultrum)

Authorized Share Capital	As at 31st December	
	2024	2023
30,000,000 Equity Shares of Nu. 10 each	300,000,000.00	300,000,000.00

Particulars	Attributable to owners of the parent						
	Ordinary Shares			Securities Premium	Retained earnings	Other Equity	Total
	No. of Shares (issued and fully paid up)	Par value	Total Value of Shares				
Balance as at January 1, 2023	15,272,350.00	10.00	152,723,500.00	26,348,001.00	(135,363,840.35)	-	43,707,660.65
Profit for the year	0.00	0.00	0.00	0.00	16,540,980.25	-	16,540,980.25
Excess Income Tax Provision Written Back (2022)	0.00	0.00	0.00	0.00		-	
TDS Receivable Adjusted (Earlier Years)	0.00	0.00	0.00	0.00	24,182.92	-	24,182.92
Other Comprehensive Income/(Loss) for the year	0.00	0.00	0.00	0.00	(425,739.66)	-	(425,739.66)
Balance as at December 31, 2023	15,272,350.00	10.00	152,723,500.00	26,348,001.00	(119,517,313.84)	-	59,554,187.16
Balance as at January 1, 2024	15,272,350.00	10.00	152,723,500.00	26,348,001.00	(119,517,313.84)	-	59,554,187.16
Profit for the year	0.00	0.00	0.00	0.00	1,871,648.24	-	1,871,648.24
Impact of fair value of inter corporate loan	0.00	0.00	0.00	0.00	(630,026.00)	630,026.00	-
Excess Term Deposit adjusted	0.00	0.00	0.00	0.00	(315.82)	-	(315.82)
Other Comprehensive	0.00	0.00	0.00	0.00	252,549.60	-	252,549.60

Income/(Loss) for the year						
Balance as at December 31,						
2024	15,272,451.00	10.00	152,723,500.00	36,348,001.00	(118,023,457.72)	630,036.00
						61,670,069.28

For Karmia & Associates
Chartered Accountants
Firm Reg. No. HH-04


(Chhimmi Dorji-ECCA)
Managing Partner

Place: Thailand

Date: 12/3/25

For & on Behalf of Board of Directors


(Mr. Dechen Choling, Chairman)
Dungam Polymers Limited
Nganglam, Panggatshel
Chairman

(Mr. D. B. Goring)
Chief Executive Office

DUNGSAM POLYMERS LIMITED
STATEMENT OF CASH FLOWS AS ON 31ST DECEMBER 2024

Particulars	12/31/2024 Amount (Nu.)	12/31/2023 Amount (Nu.)
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit as per Profit and Loss Account	3,510,042.41	24,481,364.84
Adjusted for:		
Add: Depreciation	6,395,540.42	6,292,524.27
Add: Finance Cost	5,105,846.03	4,609,734.73
Add: Expected Credit Loss of Receivables	307,031.83	79,573.00
Add: Repayment/ Adjustment of Lease Liabilities	0.00	(636.28)
Add: Interest Expenses	67,033.97	24,095.52
Less: Interest Income on Fixed Deposits	0.00	(3,347.26)
Less: Profit on sale of Property, Plant & Equipment	0.00	(7,690.00)
Less: Adjustment in Retained Earnings for Excess term deposits	(315.82)	(401,556.74)
Operating Profit before Working Capital Changes	15,385,178.84	35,074,062.08
Adjusted for:		
(Increase)/Decrease in Other Non-Current Assets	0.00	220,000.00
(Increase)/Decrease in Trade and Other Receivables	(2,717,445.40)	(9,685,800.99)
(Increase)/Decrease in Inventories	4,110,734.92	(2,871,618.06)
(Increase)/Decrease in Current Tax Assets	(6,322,363.54)	288,109.93
(Increase)/Decrease in Other Current Assets	310,189.33	(243,675.99)
Increase/(Decrease) in Trade and Other Payables	(3,317,512.10)	(3,222,777.79)
Increase/(Decrease) in Current Borrowings	0.00	0.00
Increase/(Decrease) in Other Current Liabilities	(499,218.09)	(2,554,189.29)
Increase/(Decrease) in Provision	(865,956.48)	(28,948.70)
Increase/(Decrease) in Retirement Benefit Obligations	1,264,662.16	1,344,793.25
Increase/(Decrease) in Lease Liability	115,025.64	636.28
Cash generated from Operations	(7,921,883.56)	(16,753,671.36)
Less: Tax Paid	5,709,374.34	5,903,388.73
Less: Tax Impact on Other Comprehensive Income	(108,235.54)	125,528.00
Net Cash from Operating Activities (A)	1,862,156.48	12,291,473.99
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (Net)	(4,927,209.76)	(2,258,420.16)
Sale/Withdrawal Fixed Assets	0.00	7,690.00
(Increase)/Decrease in Investment made in Fixed Deposits	72,457.84	(3,347.26)
Interest Income on Fixed Deposits	0.00	3,347.26



Net Cash used in Investing Activities (B)	(4,854,751.92)	(2,250,730.16)
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Current Borrowings	20,519,942.25	1,855,159.04
Increased/(Decreased) in Non-Current Borrowings	(7,652,999.38)	(10,582,316.27)
Repayment/Adjustment of Lease Liabilities	0.00	636.28
Interest Expenses	(67,033.97)	(24,095.52)
Finance Cost	(5,105,846.03)	(4,609,734.73)
Net Cash from Financing Activities (C)	2,494,062.87	(13,360,351.20)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	4,501,467.43	(3,319,607.37)
Cash & Cash Equivalents at the beginning of the year	2,090,338.59	6,309,945.96
Cash & Cash Equivalents as on 31.12.2024	7,491,806.02	2,990,338.59

For Karma & Associates
Chartered Accountants
Firm Reg. No: B19-04

(Chinmi Dorji-FCCA)
Managing Partner

Place:
Date:



FOR & ON BEHALF OF BOARD OF
DIRECTORS

Chairman
Dungsam Polymers Limited
Nganglam-Pemagatshel
(Mr. Dechen Choling)
Chairman

(Mr. D.B. Gurung)
Chief Executive Officer



ACCOUNTING POLICIES & NOTES TO ACCOUNTS

NOTE: 31

Legal Status and Principal Activities, Significant Accounting Policies & Notes to Financial Statements**A. Legal Status and Principal Activities:**

Dungsam Polymers Limited (DPL) is incorporated under the Companies Act of Kingdom of Bhutan, 2000 on 12.08.2010 and has its principal administrative offices in Nganglam, Pemagatshel. The corporation is engaged in production of Polypropylene (PP) Bags and for bulk sale of the same to Dungsam Cement Corporation Limited (DCCL) for packing cement and for export of surplus PP bags and fabrics to the neighbouring states of India. The plant commenced commercial production from 26th March 2012 with installed capacity of 33.00 million PP bags.

Dungsam Polymers Limited (DPL) has also been listed with the Royal Security Exchange of Bhutan Limited (RSEBL) on 2nd August 2013. Dungsam Polymers Limited (DPL) is a subsidiary of Druk Holding Investments (DHI) holding 51.00% of Equity Share Capital of the Company. The DPL is the first company divested by Druk Holding Investments (DHI) since its formation in 2007 the authorized capital of the company is Nu.300 million.

B. Significant Accounting Policies**1. Basis of Presentation and Statement of Compliances:**

The financial statements have been prepared in accordance with the Bhutanese Accounting Standards (BAS) 2020. The Accounting and Auditing Standard Board of Bhutan (AASBB) decided to adopt IFRS issued till 2020. These standards are referred to as Bhutanese Accounting Standards (BAS) 2020.

The Company in compliances with the Companies Act of Bhutan, 2016 has adopted all the applicable Standards. The financial statements have been prepared in accordance with all applicable BFRS 2020 and other applicable law such as the Companies Act of Bhutan, 2016.

The preparation of Financial Statements is in conformity with BFRS that requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statement are:

- Property, plant and equipment: Critical judgments are expected for period of use, condition of the assets, technological advances, regulation, and residual values.
- Actuarial valuation of employee benefits: expected uptake of the gratuities and the discount rate used in the valuation.
- The functional currency of preparation is the Bhutanese Ngultrum.



2. Basis of Measurement:

The Financial Statements have been prepared under the accrual, historical cost basis and going concern convention except for the defined benefit liability (actuarial valuation of gratuity in the financial position for which the measurement basis is detailed in their respective accounting policies).

3. Critical Accounting Judgments, Estimates and Assumptions:

The management made certain estimates and assumptions regarding the future estimates and judgments which are evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates.

4. Property, Plant and Equipment:

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use. As per the provision of BAS - 16, the management has chosen Cost Model as an accounting policy and applied the policy to entire class of property, plant and equipment.

5. Impairment of Assets:

The carrying amounts of assets are reviewed at each Statement of Financial Position date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets.

The exercise on all the fixed assets has been carried out in the Year 2020 as to determine whether assets are impaired as per BAS 36 - Impairment of Assets read with BFRS 9 - Financial Instruments.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime Expected Credit Loss is measured and recognized as loss.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.



Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Comprehensive Income.

6. Depreciation:

As of the reporting date, the depreciation on Property, Plant and Equipment (PPE) is provided on straight-line method based on the useful life (taking Residual value to be Nil). The management has assessed the useful life which represents the expected utility of the assets to the company based on the vendor's recommendation. Actual results, however, may vary due to technical or commercial obsolescence, particularly with respect to manufacturing equipment. However, the management will review the useful life, depreciation methods and residual values of depreciable assets at each reporting date as required by BAS - 16.

Assets Class	Useful Life (in years)
Civil Structure	30
Semi-permanent structure	7
Temporary Structure	3
Machinery, Fire Fighting & safety Equipment	3-30
Furniture & Fixture	3-7
Office Equipment, General Assets & Intangible Assets	5-11
Vehicles	10-15
Tools & Tackles	2
Low Value Assets	5
Environment & OHS Assets	5

Gain and loss on disposal are determined by comparing the proceeds with the carrying amount and are recognized within 'Other Income' or 'Other Expenses' as the case may be, in the income statement.

Leasehold improvements are depreciated over the shorter of their useful life or the lease term.

7. Intangible Assets:

Acquired SAP ERP software licenses are capitalized on the basis of the costs incurred to acquire and bring it to use the specific software. These costs are amortized over their estimated useful life of 11 years.

Costs associated with maintaining computer software programs are recognized as an expense as incurred.

On transition to BFRS, the Company has elected to measure its intangible assets cost or amortized cost in accordance with BFRS as the deemed cost of the intangible assets.



8. Investment:

- a. The Current Investment are valued at lower of cost and fair market value.
- b. The long-term Investments in Government and/or other Cities including private placements are valued at cost as reduced by incentive or diminution in value of permanent nature.
- c. Provision is made where there is permanent fall in valuation of Long-Term Investment.

9. Financial Assets:**9.1 Initial Measurement**

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

9.2 Classification and Subsequent Measurement

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

- Financial Assets Measurement at Amortized Cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI) and
- Financial assets measured at fair value through profit and Loss (FVTPL)

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Management determines the classification of its financial assets at initial recognition.

Financial Assets Measurement at Amortized Cost:

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

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b. Contractual terms of the asset give rise on specified dates to cash flow's that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables, bank deposits, security deposits, investment in Government Securities, bonds, cash and cash equivalents and employee loans, etc.



Financial Instruments Measured at Fair Value through Other Comprehensive Income:
A financial instrument shall be measured at fair value through other Comprehensive Income if both of the following conditions are met

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

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI). Currently, the Company does not have any asset classified under this category.

Financial Instruments Measured at Fair Value through Profit & Loss:

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

Trade and Other Receivables

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

Trade Receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the Effective Interest Rate ("EIR") method net of any Expected Credit Losses ("ECL"). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

The Company follows a simplified approach wherein an amount equal to lifetime Expected Credit Loss is measured and recognized as loss.

Impairment of Financial Assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In respect of trade receivables, the Company applies the simplified approach of BFRS 9, which requires measurement of loss at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.



9.5 De-recognition of Financial Assets

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

- The right to receive cash flows from the asset have been transferred or,
- The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

When the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the entity has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the asset.

10. Inventories and Parts and Supplier

Raw materials, work in process and finished goods are measured at the lower of cost or net realizable value. Cost is calculated on Weighted Average Method Basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The cost of work in process and finished goods includes the cost of raw materials, direct labor and a systematic allocation of fixed and variable production overhead incurred in converting materials into finished goods. The allocation of fixed production overhead to the cost of conversion is based on the normal capacity of the manufacturing facilities.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated selling expenses. Parts and supplies are valued at the lower of cost or net realizable value, the latter being determined based on replacement cost. Obsolete, slow moving and defective items of inventories, parts and supplies are identified at the time of physical verification and where necessary, adjustment is made for the same.

11. Cash and Cash Equivalents

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



12. Financial Liabilities:

12.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade & other payables and borrowings.

12.2 Subsequent Measurement

The measurement of Financial Liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

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

12.3 Borrowings

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity classify the liability as current, if the lender does not agree not to demand payment as a consequence of the breach before reporting date.



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

All other borrowing costs are recognized in Statement of Comprehensive Income in the period in which they are incurred.

12.4 Trade and Other Payables

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

12.5 De-recognition

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

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

3. Offsetting Financial Instruments

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

4. 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 economics benefits is possible.



15. Current And Deferred Income Tax

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

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

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

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and law) that have been enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

16. Revenue Recognition

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

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

Revenue from Operations: Revenue generated from the Sale of PP Bags, Fabric Roll & Scrap Materials within and outside Bhutan is recognized when the entity has transferred to the buyers the significant risks and rewards of ownership of the goods; the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company and the cost incurred or to be incurred in respect of the transactions can be measured reliably.



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

17. Land Lease

Management considers its lease of land to be operating lease. The payments made under operating lease are recognized in the income statement on a straight-line basis over the term of the lease.

The Company's lease asset classes primarily consist of leases for Land. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of BFRS-16. Identification of lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The company determines the lease term as non-cancellable period of a lease, together with both the periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The company revises the lease term if there is a change in the non-cancellable period of a lease.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The Company applies BAS 36 - Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'Property, Plant and Equipment'.



The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

18. Retirement Benefits

BAS - 19 Employee Benefits and BAS - 26 Accounting and Reporting by Retirement Benefit Plans are applicable for Financial Statements covering periods beginning on or after 1st January 2016. However, the early application was permitted by the standard.

Under Defined Contribution Scheme

- i) Eligible employees receive the benefits from the provident fund, which is defined benefit plan. Both the employee and corporation make monthly contribution to National Pension and Provident Fund (NPPF) which is equal to a specified percentage of the covered employees' salary. The Provident Fund administered by NPPF, and such contributions are charged to Income Statement when paid to the NPPF.

Under Defined Benefit Scheme

- i) The Company operates a gratuity scheme for employees, whereby employees receive one month's final salary for each year of completed service. The employee must complete five (5) years of service before the gratuity is payable and the limitation of the scheme has been removed from October 2019. The cost of defined benefit scheme and the present value of the related obligations are determined using actuarial valuations. The determination of benefits expense and related obligations requires assumptions such as the expected return on assets available to fund, future obligations, the discount rate to measure obligations, expected mortality, the salary escalation rate and the expected experience of employee turnover. Actual results will differ from results which are estimated based on assumptions. All assets held to provide for the future liability are in the form of bank deposits, as required by the Income Tax Act. The assets are therefore subject to the financial risks associated with such deposits.
- ii) Employee benefits are also including Leave encashment, transfer grant, repatriation allowance and carriage charges which are actuarially determined and disclosed in Note No.C(8) of Notes to Financial Statements (Under Defined Benefit Plan).



19. Foreign Currency Transactions

Transactions denominated in foreign currencies are translated into the functional currency of that entity using the exchange rates prevailing at the date of each transaction as per BAS - 21. Foreign exchange gains or losses arising on the settlement of monetary items or on the translation of monetary items at rates different from those at which they were translated on initial recognition during the period are recognized as gain/loss on Foreign Exchange in the period in which they arise.

20. Earnings per Share

As per BAS - 33 Earnings per Share, Basic earnings per share are calculated by dividing the earnings by the weighted average number of common shares outstanding during the period, Diluted Earnings per Share is same as Earnings per Share for the Company, since there is no dilutive effect of Outstanding Stock Options.

21. Event after Balance Sheet

Material event occurring after the Statement of Financial Position date are taken into cognizance.

22. Comparative Information

Wherever necessary, certain comparative information has been reclassified in order to provide more appropriate basis for comparison.

C. Notes to Financial Statements**1. Inter-corporate loan recognized as fair value**

Under BFRS 13, all financial liabilities are required to be recognized as fair value. Accordingly, the Company has fair valued the loan under BFRS at the date of initial recognition. Difference between the fair value and transaction value of the financial liability was adjusted with shareholder's equity. Notwithstanding, an initial fair value made on ICL was adjusted with retained earnings in the FY 2017 which arouse equity difference between DHI and DPL at the times of adjustment. However, rectifications have been made which DPL restated difference Nu 630,026.00 in the FY 2024 as a credit to equity (Other equity) and for any loss to be recorded as distribution (Debit to equity).



2. The Authorized Share Capital of the Company is Nu.300,000,000 (30,000,000 Equity Shares @ Nu.10 each). The Capital Structure is summarized as below:

Reconciliation of the number of shares outstanding:

Particulars	As at 31 st December 2024		As at 31 st December 2023	
	No. of Shares	Amount (Nu.)	No. of Shares	Amount (Nu.)
Ordinary Shares of Nu.10 each				
At beginning of the year	15,272,350	152,723,500.00	15,272,350	152,723,500.00
Allotted during the year	-	-	-	-
At closing of the year	15,272,350	152,723,500.00	15,272,350	152,723,500.00

3. Approximately 35.22% (P.Y.38.63%) (in terms of PP bag production) and approximately 49.92% (P.Y.46.92%) in terms of Fabric production of installed plant capacity has been utilized in the financial year 2024.
4. All Statutory Record and Books of Accounts are maintained at Registered Office at Nganglam, Pemagatshel, Bhutan.
5. National Pension & Provident Fund (hereafter called as NPFF) has given a loan to the Company. The NPFF loan has been rescheduled and the amount of the said term loan shall be Nu. 125.89 million from the date of re-schedule, i.e. 4th May, 2015 with the same terms and conditions as before secured against hypothecation of Building, Infrastructure & Fixed Assets and Plant & Machineries of the Company.

The borrowing is for the period of 15 years 9 months (63 Equated Quarterly Installments) effective from 1st July, 2015, bearing interest at an annual fixed rate of 10%. The company had made repayment of Nu.35.00 million against the term loan and the loan was restructured on 5th January 2019. The corporation has collateralized borrowing having net book value of Nu.34.12 million is classified into current and non-current liabilities amounting to Nu.7.65 million and Nu.26.46 million respectively.

6. The company has an outstanding Working Capital Loan Secured against hypothecation of Stock/Materials and Book Debts as well as Second Charge on all the Fixed Assets of the Company amounting to Nu.25.00 million from Bank of Bhutan Limited.



7. Defined Contribution Plan

The admissibility of pension benefits to an employee shall be governed by the pension rules and regulations of the NPTF. On separation from his service, an employee shall be entitled to receive the full accumulation, including interest accrued of provident fund which is created through a monthly deduction from his/her salary and an equal contribution (15% of the basic pay) by the employer. Since the PF is managed by the NPTF, payment shall be governed by the rules and regulations of the NPTF.

The amount expensed with respect to the provident fund matching contributions for the year ended 31st December 2024 and 2023 were Nu.2.92 million and Nu. 2.81 million respectively.

8. Defined Benefit Plan

Valuation in respect of Gratuity as per BAS - 19 Employee Benefits for accounting and disclosure of employee benefits has been carried out by independent actuary, Consulting Infinity, Thimphu, Bhutan.

a. Reconciliation of Changes in Present Value of Defined Benefit Obligation on Carriage Charges

Particulars	31.12.2024	31.12.2023
DBO at the beginning of period	117,516	100,846
Add: Current service cost	14,044.15	16,689
Add: Past service cost		4,069
Add: Interest cost	8659.57	6,777
Less: Benefits paid by the plan		-
Less: Benefits paid by the employer	(4110.16)	(20,974)
Actuarial (gain) or losses due to experience adjustment	(29,002.89)	10,109
Actuarial (gain) or losses due to change in financial assumptions		-
Actuarial (gain) or losses due to change in demographic assumptions		-
DBO at the end of period	107,106.67	117,516

b. Reconciliation of Changes in Present Value of Defined Benefit Obligation on Gratuity

Particulars	31.12.2024	31.12.2023
DBO at the beginning of period	8,078,835	6,610,711
Add: Current service cost	932424	925,565
Add: Past service cost		175,140
Add: Interest cost	595,775.70	479,533
Less: Benefits paid by the plan		-
Less: Benefits paid by the employer	(270,318)	(433,872)
Actuarial (gain) or losses due to experience adjustment	(294680.57)	321,758
Actuarial (gain) or losses due to change in financial assumptions		-
Actuarial (gain) or losses due to change in demographic assumptions		-
DBO at the end of period	9,042,036.13	6,610,711



c. Reconciliation of Changes in Present Value of Defined Benefit Obligation on Repatriation Allowance

Particulars	31.12.2024	31.12.2023
DBO at the beginning of period	383,441	306,993
Add: Current service cost	50,270.01	51,721
Add: Past service cost		14,592
Add: Interest cost	27,644.21	20,994
Less: Benefits paid by the plan		-
Less: Benefits paid by the employer	(29,703)	(54,138)
Actuarial (gain) or losses due to experience adjustment	(18,550.84)	43,279
Actuarial (gain) or losses due to change in financial assumptions		-
Actuarial (gain) or losses due to change in demographic assumptions		-
DBO at the end of period	413,101.38	383,441

d. Reconciliation of Changes in Present Value of Defined Benefit Obligation on Transfer Grant

Particulars	31.12.2024	31.12.2023
DBO at the beginning of period	383,441	306,993
Add: Current service cost	50,270.01	51,721
Add: Past service cost		14,592
Add: Interest cost	27,644.21	20,994
Less: Benefits paid by the plan		-
Less: Benefits paid by the employer	(29,703)	(54,138)
Actuarial (gain) or losses due to experience adjustment	(18,550.84)	43,279
Actuarial (gain) or losses due to change in financial assumptions		-
Actuarial (gain) or losses due to change in demographic assumptions		-
DBO at the end of period	413,101.38	383,441

Summary of Actuarial (Gain)/Loss on Defined Benefit Plan as per Actuarial Reports for the year ended 31.12.2024

Sl. No.	Particulars	Actuarial Gain/(Loss)	
		31/12/2024	31/12/2023
1	Carriage Charge	29,002.89	-10,109.00
2	Gratuity	294,680.57	-321,738.00
3	Repatriation Allowance	18,550.84	-43,279.00
4	Transfer Grant	18,550.84	-43,279.00
	Total	360,785.14	-418,425.00



Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Ministry of Labour Human Resources (MoLHR), 2007 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

9. During the year the Company has assessed the carrying amount of the assets vis-à-vis their recoverable value and no impairment is envisaged at the Statement of Financial Position date.
10. There are no unused tax losses, and unused tax credits for which no deferred tax asset is recognized in the statement of financial position.
11. The land occupied by the Company was leased from Druk Holding and Investment Limited (DHI). The agreement has been modified now covering 10,771 acres with an agreement to pay Nu.0.05 per square feet per annum amounting to Nu.35,188.86 for 365 days during the year 2023 (10,771 acres is 469,184.76 square feet).
12. **Sales Tax on Polypropylene Bags and Fabric Roll**
The Management has pursued the sales tax clarification on Polypropylene Bags and Fabric vide Letter No.DPL/Govt-1.4/2072/854, dated-15.11.2012.
In subsequent to this, the Management received letter no. RRCO/SI/BST (Exemption)/2012/922, dated-19.11.2012 from Regional Revenue & Custom Office (RRCO), Samdrup, Jongkhar clarifying that till date there is no levy of sales tax on Polypropylene Bags and Fabric.

13. **Going Concern Problems**

It was pointed out in previous audit report that the company was unable to bear the impact of finance Costs and was thus making losses. In order to address this problem during 2018, the company raised capital Nu.70 million from right issue of Equity shares, out of which



Nu.20 million has been used to pay off DHI's Inter Corporate Loan and Nu 35 million has been used for partial settlement of term loan and balance has been used to replenish working capital which would be used for purchase of raw materials. However, Company's financial performance for the years 2024 & 2023 indicates that the Company has earned profits. At present there is no going concern problem in foreseeable future and under the present circumstances use of going concern basis of accounting is appropriate.

14. As per the TDS Guidelines issued by the Department of RRCO, all government and semi-government agencies, NGO, Companies and Business must deduct TDS at the time of bill payment. The Company has the practice of booking the TDS at the time of payment.

15. Disclosures as required by BFRS - 8 "Operating Segments"

(a) Identification of Operating Segments:

The Company Operate in a Single Reportable Operating i.e. Segment Poly Woven Bags which have similar risk and returns and are of similar nature.

No other operating segments have been aggregated to form the above reportable operating segments as per the criteria specified in the BFRS - 8.

(b) Business Segment wise revenue/results/assets/liabilities

Since there is Single Reportable Operating Segment hence disclosure of Operating Segment wise Assets, Liabilities, Revenue and Results are not applicable.

(c) Geographical Information as at:

SL No.	Particulars	Year Ended 31.12.2024	Year Ended 31.12.2023
i.	Segment revenue by location of Customers:		
	Domestic	138,016,380.95	168,237,652.40
	Export	40,478,653.01	18,032,026.48
	Total	178,495,033.96	186,269,678.88
ii.	Segment Assets by location:		
	Domestic	86,260,091.62	87,728,422.28
	Total	86,260,091.62	87,728,422.28

- (d) The Company does not have any tangible, intangible assets and non-current operating assets located outside Bhutan.



16. Capital Management

Sl. No.	Particulars	As at 31/12/2024	As at 31/12/2023
a.	Net Debt:		
	Borrowings	67,120,216.64	54,453,273.77
	Less: Current Investments	0	0
	Less: Cash & Bank Balance	7,491,806.02	2,990,338.59
		59,628,410.62	51,462,935.18
b.	Equity	61,678,069.28	59,554,187.16
c.	Equity and Net Debt (a+b)	121,306,479.90	111,017,122.34
	Gearing Ratio (a/c)	49.16%	46.36%

17. Related Party Transactions:

Related Parties transactions with them as identified by the Management are given below:

- a. Key Management Personnel who have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Sl. No.	Key Management Personnel	Designation	Remarks
1.	Mr. Karma Gaylay	Director General, MoEA - Chairman	Resigned on 27.03.2024
2.	Mr. Dechen Choling	CEO, DCCL - Chairman	Reappointed on 27.03.2024
3.	Mr. Sherab Zangpo	Dungpa, Nganglam - Independent Director	Resigned on 27.03.2024
4.	Mr. Pema Wangchuk	Director, Department of Corporate Service, CDCL	Resigned on 27.03.2023
5.	Mr. Dhan Bahadur Gurung	CEO, DPL	Appointed on 01.01.2023
6.	Mr. Sonam Darjay	Researcher, Centre for Research - Independent Director	
7.	Mr. Thinlay Gyamtsho	Proprietor, T&K Construction - Director	
8.	Mr. Harilal Bhattarai	Senior Analyst, DHI - Nominee Director	Resigned on 27.03.2024
9.	Mr. Kunzang Namgay	Dungpa, Nganglam Drungkha- Independent Director	Appointed on 27.03.2024
10.	Mr. Pema Rinchen Wangchug	Associate Director, DHI- Nominee Directors	Appointed on 27.03.2024
11.	Mr. Tashi Phuntsho	Company Secretary	



b. Inter Company Transactions:

Inter Company Transactions have been made during the year with the following subsidiaries-

1. Bank of Bhutan
2. Bhutan Power Corporation Limited
3. Bhutan Telecom Limited
4. Druk Holding & Investments
5. Dungsam Cement Corporation Limited
6. State Trading Corporation of Bhutan Limited
7. Thimphu Tech Park Limited

Particulars	Balance as on 31.12.2024	Balance as on 31.12.2023
Bank of Bhutan		
Balance with BoBL	6,824,368.40	2,872,586.47
Interest Accrued on Intergroup Borrowing	0.00	0.00
Borrowings - Current	25,000,000.00	13,400,000.00
Borrowings - Non-Current	0.00	0.00
Interest on Overdraft Loan	1,068,675.57	933,894.00
Interest on Borrowings		111,949.54
Bank Charges & Other Fees	295,489.97	188,594.15
Bhutan Power Corporation Limited		
Trade Payable	250,324.00	222,517.00
Electricity Charges paid	2,855,179.20	4,029,510.20
Security Deposit - Others	180,000.00	180,000.00
Bhutan Telecom Limited		
Trade Payable	72,536.83	182,379.50
Internet and Telephone Charges paid	883,061.96	423,985.40
Druk Holding & Investments		
Equity Shares held by DHI	78,519,036.00	77,889,010.00
Non-Trade Payable	0.00	0.00
Inter-Company Borrowings	8,184,849.31	0.00
Intergroup Accrued Expenses	184,849.31	0.00
Inter Group Lease Rent	35,618.72	23,459.24
Inter Group Brand Management Fees	363,416.13	235,018.45
Interest on Borrowings	0.00	0.00
Dungsam Cement Corporation Limited		
Trade Receivable	30,489,100.00	32,377,499.80



Non-Trade Payable	0.00	0.00
Sale of Packing Materials to DHI Group Companies	120,345,100.00	0.00
State Trading Corporation of Bhutan Limited		
Running & Maintenance of Vehicles	-	439,271.61
Trade Payable	241,463.11	41,793.42
Thimphu Tech Park Limited		
Running & Maintenance of Others	645,512.04	0.00
Trade Payable	34,636.42	33,326.01

- c. Remuneration paid to the Key Management Personnel (Chief Executive Officer & Non-Executive Directors) includes the following -

Particulars	Current Year	Previous Year
	2024	2023
Chief Executive Officer		
Salaries including LTC	1,189,257.00	924,833.00
Contribution to Provident Fund	81,336.00	78,233.50
Sitting Fees	68,000.00	56,000.00
Traveling Expenses	75,500.00	114,000.00
Non-Executive Directors		
Board Sitting Fees	288,000.00	308,000.00
Board Level Sub-Committee Sitting Fees	108,220.00	53,700.00
Board Training Expenses	2,500.00	0.00
Travelling Expenses	83,461.20	0.00

- Provision for contribution to gratuity fund which was made based on actuarial valuation on an overall Company basis was not included above.

18. Auditors Remuneration & Audit Expenses:

Particulars	Current Year	Previous Year
	2024	2023
Audit Fees	66,412.00	63,250.00
Audit Expenses	108,880.00	70,670.50
Total	175,292.00	133,920.50

- The Audit Expenses are accounted on the basis of expenses incurred during the year whereas the Audit Fees are accounted on accrual basis.



19. Earnings per Share:

Particulars	31/12/2024	31/12/2023
Net Profit/(Loss) after tax available for equity shareholders (Nu.)	1,871,648.34	16,540,980.25
Weighted average number of Basic Equity shares of Nu.10 each outstanding during the year (No. of shares)	15,335,353	15,272,350
Weighted average number of Diluted Equity shares of Nu.10 each outstanding during the year (No. of shares)	15,335,353	15,272,350
Nominal Value of Shares	10.00	10.00
Basic Earnings per Share (Nu.) (a/b)	0.12	1.08
Diluted Earnings per Shares (Nu.) (a/c)	0.12	1.08

20. Contingent Liabilities and Commitments at the end of the year:

(i)	Contingent Liabilities	2024	2023
a)	Claims against the company not acknowledged as debts	0.00	0.00
b)	Outstanding Bank Guarantee	0.00	0.00
c)	Bills discounted with Banks	0.00	0.00
(ii)	Commitments	2024	2023
a)	Estimated amount of contracts remaining to be executed on capital account (net of payment) and not provided for	0.00	0.00
b)	Other Commitments	0.00	0.00

21. Trade and Other Receivables, Advance to Suppliers, Trade and Other Payables are subject to confirmation.

22. Previous year's figures have been rearranged and/or regrouped, wherever necessary.



DUNGSAM POLYMERS LIMITED
Schedule 2: Property, Plant & Equipment (PPE)

Particulars	CARCROSS BLOCK (A) Cost				DEPRECIATION				NET BLOCK	
	As on 31/12/2023	Addition/ Adjustment	Sales/ Adjustment	As on 31/12/2024	As on 31/12/2023	Further Period	Sales/ Adjustment	As on 31/12/2024	Closing Balance as on 31/12/2024	Closing Balance as on 31/12/2023
Tangible Assets										
Civil Structure	76,968,153.43	47,244.60	0.00	77,015,398.03	29,151,357.03	2,619,074.94	0.00	31,790,053.96	45,224,532.07	47,810,796.43
Structural/Non-Structural										
Structure	212,873.03	0.00	0.00	212,873.03	141,591.54	33,980.97	0.00	179,373.51	62,500.50	95,782.27
Temporary Structures	263,477.37	0.00	0.00	263,477.37	263,477.37	0.00	0.00	263,477.37	0.00	0.00
Fire-Fighting & Safety Equipment	62,073.40	0.00	0.00	62,073.40	57,264.38	2,113.25	0.00	60,055.53	2,416.37	4,479.63
Environment & CHES Assets	23,300.00	0.00	0.00	23,300.00	11,895.40	4,660.00	0.00	16,555.40	6,745.00	11,485.00
Furniture & Fixtures	649,429.63	118,213.82	0.00	767,643.45	50,467.58	21,913.10	0.00	583,332.78	184,330.67	48,072.05
Office Equipment	2,541,041.67	171,040.00	0.00	2,712,081.67	1,884,146.19	287,055.98	0.00	2,170,202.17	581,876.50	657,873.48
Vehicles	4,714,185.15	273,725.03	0.00	4,987,910.18	2,664,918.48	305,107.23	0.00	3,058,026.21	1,929,881.07	2,049,264.67
Tools & Plants	348,299.62	24,501.38	0.00	373,101.00	333,219.69	15,376.93	0.00	348,296.62	24,502.58	15,279.93
General Assets	367,180.26	0.00	0.00	367,180.26	206,153.72	40,844.06	0.00	305,996.78	60,183.58	101,027.64
Machinery	27,055,014.39	3,986,461.61	0.00	31,041,476.00	16,910,132.54	2,504,263.17	0.00	39,494,407.71	37,057,086.57	33,644,872.05
Low Value Assets	1,501,312.56	281,546.53	0.00	1,782,859.09	1,225,787.67	181,641.19	0.00	1,335,428.86	377,259.25	277,526.89
Sub-Total (A)	169,253,840.09	4,832,299.62	-	174,086,139.71	73,498,712.08	6,084,947.42	-	79,573,659.50	83,510,400.21	86,763,128.01
Intangible Assets										
Software	31,096,709.83	0.00	0.00	31,096,709.83	9,366,489.05	290,034.83	0.00	9,656,444.23	352,565.18	642,300.01
Sub-Total (B)	18,098,200.93	0.00	0.00	18,098,200.93	9,366,489.92	290,034.83	0.00	9,656,444.23	352,565.18	642,300.01
Right of Use - Lease										
Land	237,104.73	94,910.14	0.00	332,014.87	25,710.47	20,558.37	0.00	44,268.64	287,746.23	215,594.26
Sub-Total (C)	237,104.73	94,910.14	0.00	332,014.87	25,710.47	20,558.37	0.00	44,268.64	287,746.23	215,594.26



Grand Total (A+B+C)	170,497,684.75	4,927,204.76	-	175,424,889.51	82,876,852.47	6,599,581.82	-	89,276,372.65	86,150,403.62	87,618,822.28
Previous Year	188,315,134.29	2,258,420.14	74,880.00	170,497,684.75	75,663,218.31	6,292,024.27	76,900.00	82,876,852.47	87,618,822.28	91,852,926.34

1. Cost of Fixed Assets comprises Original Cost and all other expenses incurred to put the assets in use.
2. Depreciation is provided in accordance with Section 17 of BAS for SMEs on Property, Plant & Equipment.
3. Depreciation on Fixed Assets have been provided under Straight Line Method.



Schedules forming part of the Financial Position

Schedule 1: Investment

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Long Term Deposits - Gratuity Fund-BDBL	-	72,457.84
Total	-	72,457.84

Schedule 3: Other Non-Current Assets

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Security Deposits	180,000.00	180,000.00
Total	180,000.00	180,000.00

Schedule 4: Cash and Cash Equivalents

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Cash in Hand	165,167.60	108,932.12
Cash at Bank	7,326,638.42	2,881,406.47
Total	7,491,806.02	2,990,338.59

Schedule 5: Trade and Other Receivables

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Domestic Customers - Non-Trade	94,780.60	1,515,557.01
Domestic Customers - Trade	39,418,533.64	36,390,097.67
Export Customers - Non-Trade	(452.58)	30,262.95
Export Customers - Trade	3,361,124.73	2,226,562.38
Other Customers	-	-
Receivable - Others	-	3,380.01
	42,873,986.39	40,165,860.02
Less: Provision for Expected Credit Loss of Receivables	806,609.80	508,897.00
Total	42,067,376.59	39,656,963.02



A. In determining the allowances for credit losses of Trade Receivables, the Company has used a practical expedient by computing the Expected Credit Loss Allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The Expected Credit Loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

Schedule 6: Inventories

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
(Valued at lower of Cost and Net Realizable Value)		
Asset Materials	293,266.85	136,075.21
Consumables	1,919,196.16	2,288,776.29
Finished Products	4,835,059.77	3,143,987.32
Raw Materials	4,180,647.57	6,594,609.12
Semi-Finished Products	3,027,015.99	6,902,761.00
Spare Parts	4,488,415.41	3,788,127.73
Total	18,743,601.75	22,854,336.67

Schedule 7: Current Tax Assets

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Tax Deducted at Source	9,335,179.27	3,012,815.73
Total	9,335,179.27	3,012,815.73

Schedule 8: Other Current Assets

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Advance – Suppliers	1,241,144.74	1,471,890.45
Advances to Employee – Tour	2,000.00	75,000.00
Prepaid Expenses	126,086.50	101,350.88
Public Work Advances – Employees	-	31,179.24
Total	1,369,231.24	1,679,420.57



Schedule 9: Share Capital

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Authorized Capital 30,000,000 (P.Y.30,000,000) Equity shares of Nu.10 each	300,000,000.00	300,000,000.00
Total	300,000,000.00	300,000,000.00
Particulars	31st December 2024	31st December 2023
Issued & Paid-up Capital 15,272,350 (P.Y.15,272,350) Equity shares of Nu.10 each fully paid up		
Equity Shares Held by DHJ	77,889,010.00	77,889,010.00
Equity Shares Held by Others	74,834,490.00	74,834,490.00
Terms/Rights attached to Equity Shares		
The Company has only one class of ordinary shares ('Equity Shares') having a par value of Nu.10 each. Each holder of ordinary shares ('Equity Shareholders') is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.		
Total	152,723,500.00	152,723,500.00

Schedule 10: Securities Premium Account

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Securities Premium Account	26,348,001.00	26,348,001.00
Total	26,348,001.00	26,348,001.00

Schedule 11: Other Equity

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Other Equity	630,026.00	-
Total	630,026.00	-



Schedule 12: Retained Earnings

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Retained Earnings	(120,147,655.66)	(135,765,397.09)
Add: Transferred from Income Statement	2,124,197.94	16,248,083.25
Total	(118,023,457.72)	(119,517,313.84)

Schedule 13: Non-Current Borrowings

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
<u>Secured Loan</u>		
<u>Term Loan</u>		
Loan from National Pension & Provident Fund	26,463,058.16	34,116,057.54
Total	26,463,058.16	34,116,057.54

Schedule 14: Retirement Benefit Obligations

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Provision for Gratuity	9,042,036.13	8,078,835.00
Provision for Carriage Charge	107,107.06	117,516.39
Provision for Repatriation Allowance	413,101.38	383,441.00
Provision for Transfer Grant	413,101.38	383,441.00
Total	9,975,345.95	8,963,233.39

Schedule 15: Deferred Tax Liabilities

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Timing Difference of Depreciation on PPE & Intangible Assets	11,403,817.16	11,920,799.09
Total	11,403,817.16	11,920,799.09

Schedule 16: Lease Liability

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Lease Liability	356,617.09	241,591.45
Total	356,617.09	241,591.45



Schedule 17: Trade and Other Payables

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Inter Group Vendors	564,134.54	469,781.04
Related Party Vendors	34,636.42	33,326.01
Sundry Creditors - Foreign	4,395,778.81	7,845,317.71
Sundry Creditors - Local	321,264.40	284,901.51
Total	5,315,814.17	8,633,326.27

Schedule 18: Current Borrowings

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Secured Loan		
Loan from National Pension & Provident Fund (Secured against hypothecation of Building Infrastructure, Plant & Machineries etc.)	7,657,158.48	6,937,216.23
Working Capital Loan - BOBL (Secured against hypothecation of Stock/Materials and Book Debts as well as Second Charge on all the Fixed Assets of the Company)	25,000,000.00	13,400,000.00
Unsecured Loan		
Inter-Group Borrowing from DHI	8,000,000.00	-
Total	40,657,158.48	20,337,216.23

Schedule 19: Other Current Liabilities

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Advances from Customers	-	-
Employee Vendors	8,000.00	108,023.79
Employee Welfare Deductions	-	58,800.00
Interest Accrued on Intergroup Borrowing	184,849.31	-
Loans-Employees	-	10,550.00
Other Deductions	-	-
Outstanding Liabilities - Employees	-	-
Outstanding Liabilities - Right Shares	1,860,899.96	2,269,948.34
Retention Money Payable - Suppliers	-	-
Salary Payable to Employees	1,496,203.87	1,608,012.10
Salary Saving Scheme	-	-



Salary Tax Payable	6,283.00	120.00
TDS Payable	-	-
Total	3,556,236.14	4,055,454.23

Schedule 20: Provision

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Provision for Performance based Variable Pay	-	553,485.34
Provision for Leave Encashment	1,268,737.86	1,581,209.00
Provision for Salary Indexation	-	-
Total	1,268,737.86	2,134,694.34

Schedule 21: Current Tax Liabilities (Net)

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Provision for Income Tax	5,179,131.66	8,733,130.00
Provision for Income Tax on OCI	(406,699.46)	(514,935.00)
Total	4,772,432.20	8,218,195.00

Schedules forming part of the Income Statement**Schedule 22: Revenue from Operations**

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Revenue from Sale of Polymer Bags	153,816,219.59	174,498,983.52
Revenue from Sale of Fabric	24,708,334.37	11,800,215.36
	178,524,553.96	186,299,198.88
Less: Commission	29,520.00	85,430.00
Total	178,495,033.96	186,213,768.88

Schedule 23: Other Income

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Income From Sale of Scraps	451,120.48	361,255.11
Interest Income on deposits against Gratuity Fund	-	3,347.26
Liquidated Damages	25,443.24	3,116.36
Other Miscellaneous Income	1,080,748.44	894,652.36
Profit on sale of Property, Plant & Equipment	-	7,690.00



Rental Income	462,829.40	454,928.96
Loss/gain due to Foreign Currency fluctuation	3,403.16	-
Total	2,023,544.72	1,724,990.05

Schedule 24: Consumption of Raw Material and Changes in Inventory of Finished Goods

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Consumption		
Raw Materials	99,470,697.66	95,065,533.92
Semi-Finished Products	224,624,085.32	286,403,774.06
Spare Parts	2,102,682.36	2,129,980.04
Consumables	5,513,852.68	5,167,356.44
Cost of Goods Manufacturing		
Semi-Finished Goods	(264,485,093.24)	(279,157,959.95)
Finished Goods	(119,479,920.07)	(160,156,650.03)
Scraps	(1,974,272.91)	(1,697,307.35)
Cost of Goods Sold		
Cost of Goods Sold - Semi Finished Good	32,334,337.10	26,849,008.32
Cost of Goods Sold - Finished Good	120,507,304.00	138,614,316.38
Cost of Goods Sold - Scraps	-	11,748.55
Price Difference - Material	10,658,232.36	(9,900,857.12)
Total	109,271,905.26	103,328,943.26

Schedule 25: Operational & Maintenance Expenses

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
R & M of Plant & Machineries	517,657.00	324,057.24
R & M of Fire Fighting	-	44,550.00
R & M of Workshop Equipment	-	-
R & M of Building & Civil Structure	151,076.45	134,232.69
R & M of Office Equipment	-	21,792.50
R & M Motor Vehicle	623,409.14	1,025,681.07
R & M of General Asset	348.79	-
R & M of Environment & OHS Assets	-	-
R & M Low Value Asset	1,855.00	4,900.00
Information Technology Expenses	1,210,886.23	1,284,778.42
Total	2,505,232.61	2,839,991.92



Schedule 26: Employee Compensation & Benefit Expenses

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Allowances	2,224,636.23	2,255,155.12
Basic Pay	19,519,566.60	19,688,262.75
Carriage Charges	22,703.72	27,535.00
Defined Benefit Plan Expenses	27,500.00	30,000.00
Fixed Allowance	10,515,176.10	1,720,762.40
GPA Insurance	97,031.00	98,976.00
Gratuity	1,528,199.70	1,580,238.00
Short Term Training in Country	110,144.00	91,188.00
Leave Encashment	1,280,905.00	1,496,673.68
Leave Travel Concession	1,330,093.90	1,297,913.10
Employment cost-PBVA Allowance	400,260.98	-
Medical Expenses	-	600.00
Overtime Allowance	1,553,191.29	1,242,578.88
Provident Fund-Matching Contribution	2,925,939.00	2,805,807.00
Repatriation Allowance	77,914.22	87,307.00
Shift Allowance	708,795.00	680,695.00
Sport Activities	-	-
Staff Welfare/Engagement Expenses	270,898.04	244,583.42
Transfer Grant	77,914.22	87,307.00
Uniforms & Liveries	355,920.00	402,931.00
Wages	3,725,087.00	3,963,931.50
Total	46,751,876.00	37,802,444.85

Schedule 27: Other Expenses

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Advertisement	73,974.00	70,140.00
Audit Expenses	108,880.00	70,670.50
Audit Fees	66,412.00	63,250.00
Bank Charges & Other Fees paid to BoBL	199,239.97	188,594.15
Board Meeting Expenses	84,030.00	43,613.83
Board Sitting Fees	356,000.00	364,000.00
Board Training Expenses	2,500.00	-
Brand & Management Fees to DHI	363,416.13	235,018.45
Consultancy Charges	229,875.00	252,848.56
Corporate Social Responsibility (CSR)	19,190.00	24,115.00
Donations	-	10,000.00
Electricity Charges - Paid to DHI Group	2,855,179.20	4,029,510.20
Fees And Subscription	340,480.00	133,884.00
Fine & Penalties	13,422.76	7,639.74



Freight/Transportation Charges	-	161,700.00
General Insurance	479,610.38	451,135.00
Hospitality And Entertainment Expenses	-	-
Internet and Telephone Charges - Paid to DHI Group	408,700.00	423,985.40
License and Registration	12,480.00	-
Loading & Unloading Charges	238,944.20	173,842.13
Marketing And Sales Promotion Expenses	41,220.30	29,201.00
Miscellaneous Expenses	16,526.00	24,622.70
Motor Vehicle Hiring Expenses	32,000.00	79,144.00
Office Expenses	6,970.00	9,560.00
Postage & Courier Charges	2,450.00	6,535.00
Printing and Stationery	162,859.83	154,790.88
Board Expenses - Travel expenses	83,461.20	-
Rates and Taxes	10,417.18	-
Sub-Committee Sitting Fees	108,220.00	53,700.00
Travelling Expenses - In Country	221,912.00	261,984.00
Travelling Expenses - Ex Country	63,700.00	222,708.00
Total	6,604,070.15	7,546,192.54

Schedule 28: Finance Cost

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Bank Charges & Other Fees paid to BoBL	-	-
Interest on Borrowings - NPFF	3,852,321.15	4,497,785.19
Interest on Overdraft Loan - BOBL	1,068,675.57	933,894.00
Interest on Borrowings - Intergroup	184,849.31	111,949.54
Interest Expenses	67,033.97	24,095.52
Total	5,172,880.00	5,567,724.25

Schedule 29: Impairment Loss of Financial Asset

(Figures in Ngultrum)

Particulars	31st December 2024	31st December 2023
Expected Credit Loss of Receivables	307,031.83	79,573.00
Total	307,031.83	79,573.00



Schedule 30: Current Tax

(Figures in Ngultrum)

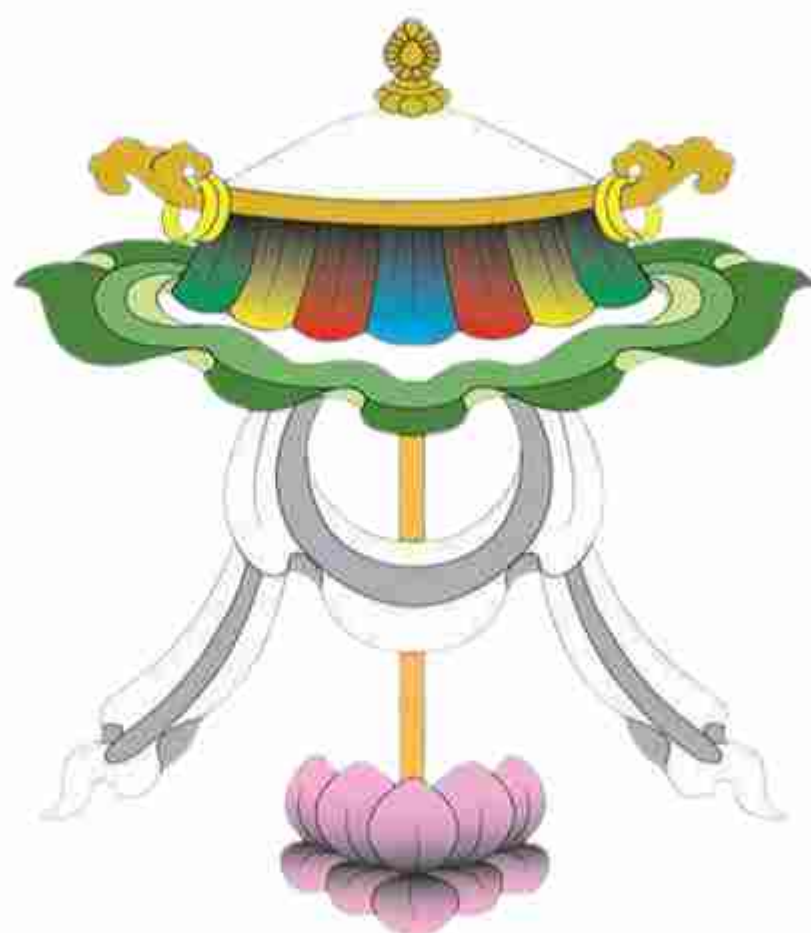
Particulars	31st December 2024	31st December 2023
Current Tax Expenses For:		
Current Year	2,155,376.00	8,733,130.00
Prior Year	-	-
Differed Tax Income	(516,981.93)	(792,745.41)
Total	1,638,394.07	7,940,384.59

Reconciliation of effective tax rate

The income tax expenses for the year can be reconciled to the accounting profit as follows

Particulars	31st December 2024	31st December 2023
Profit before tax	3,510,042.41	24,481,364.84
Tax rate	30%	30%
Income tax expense calculated at the effective rate	1,053,012.72	7,344,409.45
Income tax for Non-deductible expenses as per the tax laws	585,381.35	595,975.14
Reconciled with tax expense as above	1,638,394.07	7,940,384.59
Movement in deferred tax liabilities		
Deferred tax liability for taxable temporary differences on PPE	11,403,817.16	11,920,799.09
Deferred tax liabilities	11,403,817.16	11,920,799.09





Thank You