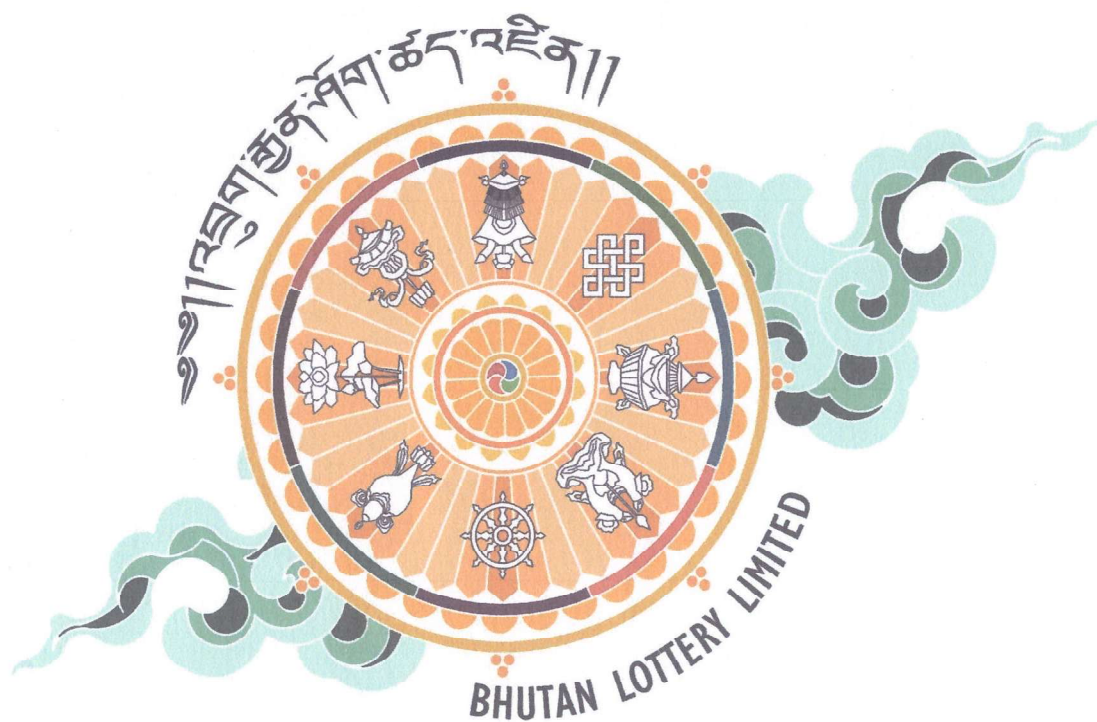


# ANNUAL REPORT

## 2024



**BHUTAN LOTTERY LIMITED**

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## ***“Working Responsibly in Changing People’s Lives”***

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### **Message from the Chief Executive Officer**

I would like to begin this report by extending a warm welcome to our newly appointed Board Directors and the new Chairman of Bhutan Lottery Limited (BLL), Dasho Karma Yonten, Head of OPM, HMS. We are confident that under his wise leadership and steadfast support, BLL will continue to make meaningful progress toward its strategic goals and further strengthen its contributions to the nation.



At the same time, I would like to express our heartfelt gratitude to our outgoing Chairman for her unwavering dedication and insightful guidance over the past three years. Her leadership has been instrumental in shaping BLL’s journey and laying a strong foundation for its current success.

Over the past, BLL has worked diligently to fulfill its mission, improving lives and maximizing revenue for the government. The introduction of innovative products has allowed us to offer high-quality entertainment options for our players. We remain committed to providing transparent and fair schemes, with enhanced security features on our games to ensure the trust of our players. This is part of our ongoing effort to become a responsible gaming organization. In 2024, we were pleased to see that our lottery winners collectively won over Nu.789.89 million in prizes, which reflects our goal of changing people’s fortunes.

In the fiscal year 2024, BLL achieved a profit of Nu. 171.74 million after tax, over Nu. 20 million more than the profit of the previous year. This success was accompanied by the creation of numerous employment opportunities, with agents, sub-agents, and sellers across all 20 dzongkhags.

Finally, I would like to emphasize that our achievements would not have been possible without the unwavering support and guidance of our Board of Directors, the dedication of our employees, the hard work of our retail partners, and the loyalty of our valued players. I extend my sincere thank you to all the board members, regional sales agents, our lottery players, and the entire BLL team for their continued commitment.

Thank you.

(Phenphay R. Drukpa)  
**Chief Executive Officer**

**PHENPHAY R. DRUKPA  
CHIEF EXECUTIVE OFFICER  
BHUTAN LOTTERY LTD.  
PHUENTSHOLING : BHUTAN**





**Changing People's Lives  
SINCE 2016**

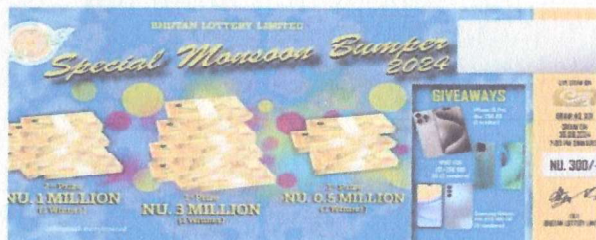






## Bumper 2024

- Special Losar Bumper, 29<sup>th</sup> February
- Special Tshe-Jur, 31<sup>st</sup> May
- Special Monsoon Bumper, 30<sup>th</sup> August
- National Day Bumper, 19<sup>th</sup> December



**BHUTAN DAILY RAFFLE** **PLAY EVERY NIGHT AT 9PM**

**10 GUARANTEED PRIZES**

**NU. 20 PER TICKET (5 TICKETS MINIMUM)**

**ONLY ON WWW.BLL.BT**



**DAILY FREEROLL**

**Nu. 15,000**  
GUARANTEED PRIZE POOL  
1st place wins Nu. 10,000  
Starts 06h 03m 22s

**ENTER FOR FREE FOR A CHANCE TO WIN!**

My Plays 0 Free Entry

Game ID 103134250

## Year 2024

### New Products

- Bhutan Daily Raffle, 28<sup>th</sup> January
- Daily Free Roll, 20<sup>th</sup> June
- Spin the Wheel, 25<sup>th</sup> September
- Daily Lottery, 7<sup>th</sup> October

**ONLINE GAME**

**SPIN THE WHEEL**

**The Wheel is Ready!**  
**SPIN NOW AND WIN BIG!**



**DAILY LOTTERY**





## Our Vision

*"Be a responsible gaming organization."*

Our vision to be a responsible gaming organization shapes every aspect of our operations, ensuring that we maintain integrity and trust in all our engagements.

## Our Mission

*"To provide quality entertainment options through the promotion of innovative games with a wide range of attractive prizes, while generating revenue in an ethical manner."*

This mission compels us to continually innovate and expand our offerings, ensuring that we not only entertain but also contribute positively to our community and the national economy.

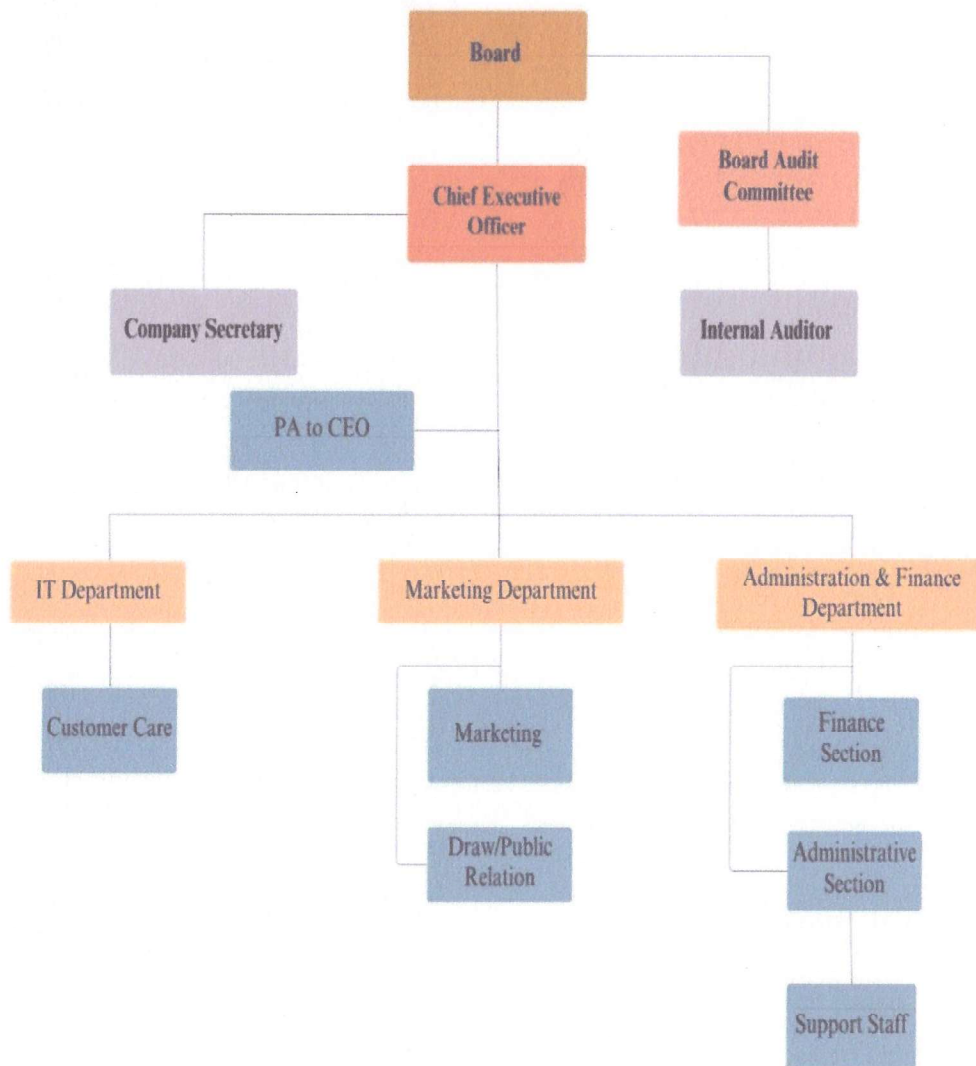
## Our Values

Our core values are the pillars that support our vision and mission, guiding our daily operations and long-term strategic decisions.

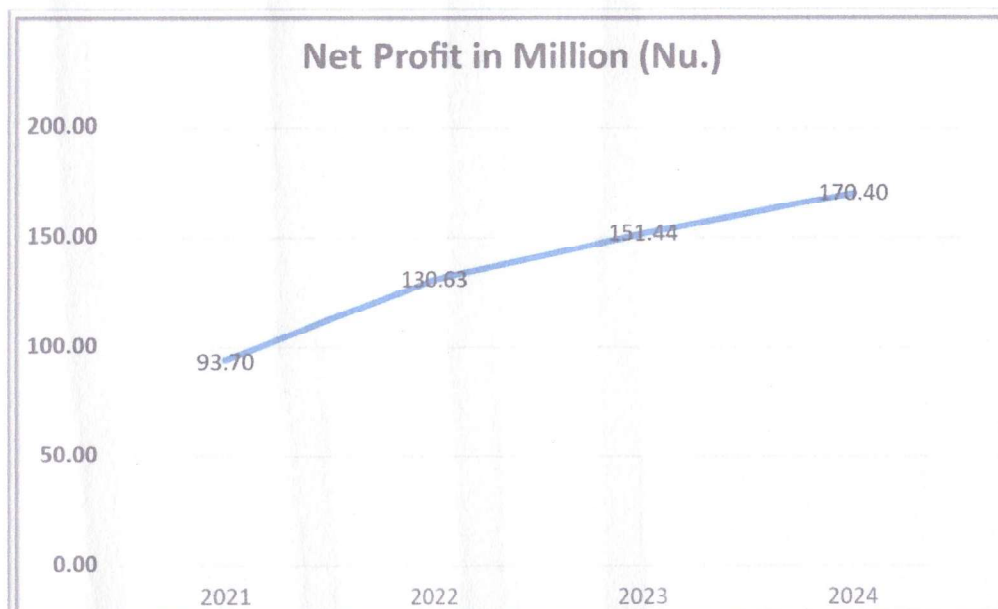
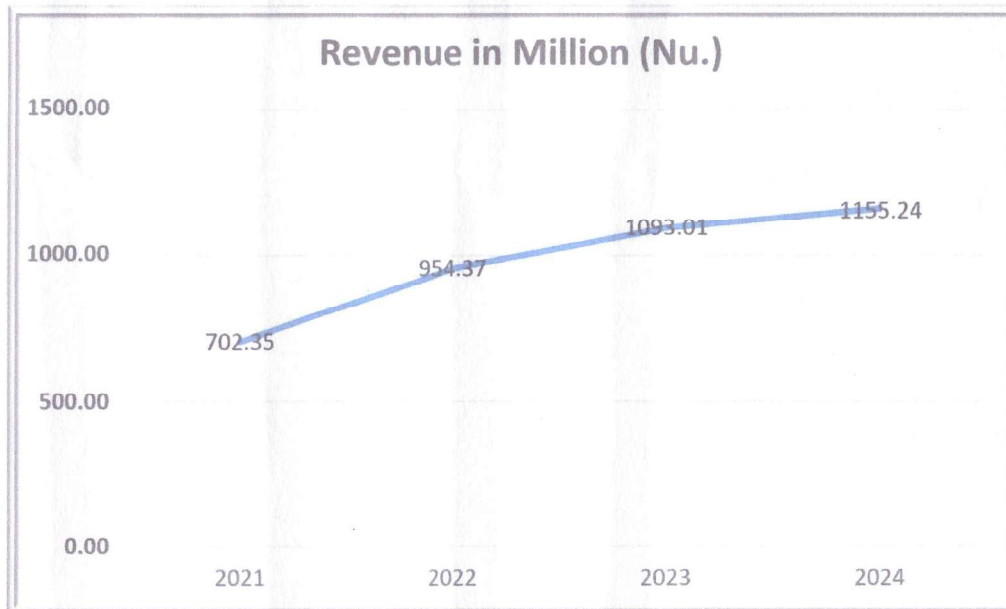
- **Integrity and Responsibility:**  
Commitment to ethical behavior and public trust defines our approach to managing our lottery games and systems.
- **Innovation:**  
We strive to lead the market in providing innovative entertainment options that meet the evolving needs of our customers.
- **Financial Responsibility:**  
Our operations are conducted with an acute awareness of our financial responsibilities, both to our stakeholders and to the broader community.
- **Customer Awareness:**  
We ensure that our interactions with customers are informative and respectful, enhancing their overall experience.
- **Teamwork:**  
Collaborative efforts and mutual respect within our team drive our success and foster a productive workplace environment.
- **Quality:**  
Our commitment to quality underpins our goal to lead in our sector and deliver outstanding products and services.

This report details our efforts to embody these values in our work throughout the year and outlines our plans for continued growth and excellence in the future.

## Organizational Structure



## Performance 2024





## 2.2 Board Directors



**Dasho Karma Yonten**  
**Chairperson**

### Work Experience:

- Head, the Office of Performance Management under His Majesty's Secretariat (Since November 2014)
- Founding CEO, Druk Holding and Investment (November 2007 – December 2014)
- Consultant, Ongdi Consulting Services (May 2006 – October 2007)
- CEO, Bhutan Electricity Authority (April 2003 – March 2006)
- Project Manager, Bashochu Hydropower Project (April 1995 – March 2000)
- Assistant Engineer, Department of Power (March 1993 – March 1995)

### Education:

- Master of Business Administration from Hitotsubashi University, Japan through a Monbusho Scholarship.
- Bachelor's degree in Electrical Engineering from the University of Kansas, USA, as a Fulbright Scholarship.

Dasho is currently the Chairman of the Boards of Bhutan Lottery Limited, Bhutan Agro Industries Limited, and Gerab Nyed-Yon Limited. In addition, Dasho is a member of the Board of The JSW School of Law, the De-suung Skilling Program Steering Committee and the Royal Commission for Urban Development.



**Mr. Wangchuk Dorji**  
**Board Director**

### Work Experience:

- Vice Chairman, Tashi Group
- Chairman, Tashi Air Private Ltd., Thimphu, Bhutan
- Chairman, Tashi InfoComm Ltd., Thimphu, Bhutan
- Managing Director, Bhutan Carbide & Chemicals Ltd., Phuentsholing, Bhutan
- Chairman, Bhutan Fruit Product Pvt. Ltd., Samtse, Bhutan
- Chairman, Tashi Metals Pvt. Ltd., Pasakha, Bhutan
- Chairman, Bhutan Brewery Private Ltd., Phuentsholing, Bhutan

### Education:

- Degree in Bachelor of Science from New Hampshire College, Manchester, USA with specialization in Business Finance, Economics and Business Administration

He is currently on the Board of Tashi Group, Tashi Air Private Ltd., Tashi InfoComm Ltd., Bhutan Carbide & Chemicals Ltd., Bhutan Fruit Product Pvt. Ltd., Tashi Metals Pvt. Ltd., and Bhutan Brewery Private Ltd.



**Mr. Sherab Namgay**  
**Board Director**

**Work Experience:**

- Managing Director, Bhutan Board and Product Limited (Since March 2021)
- Associate Director, Druk Holding and Investments (September 2017 – March 2021)
- Senior Analyst, Office of Performance Management, His Majesty's Secretariat (January 2015 – December 2017)
- Senior Analyst, Druk Holding and Investments (August 2012- December 2014)
- Business Development Manager/Company Secretary, Kuensel Corporation Limited (January 2010 – July 2012)
- Marketing Executive, Kuensel Corporation Limited (August 2004 – December 2009)

**Education:**

- Master of Business Administration (MBA) from Curtin University, Australia
- Bachelor's Degree in Economics (Foreign Trade Specialization) from PSG College of Arts and Science, India
- Certified Balanced Scorecard Professional focused in strategy formulation and execution from Balanced Scorecard Institute, USA.

In the past, he served on the board of multiple companies like BBPL, BBEL, BPC, CDCL, DCCL, DPL, and ABHL and participated extensively in various Board Committees.



**Mrs. Tashi Lhamo**  
**Board Director**

**Work Experience:**

- Director of the Department of Finance, Druk Holding and Investment Limited (DHI) (Since 2015)
- Director, Revolving Fund Management and Operations, Business Opportunity and Information Center (BOiC) (2014-2015)
- Head, Finance & Accounts and Compliance, Bhutan National Bank

**Education:**

- MBA (Advanced) from Curtin University's Graduate School of Business in Perth, Australia
- Bachelor of Commerce (Honors) from Sherubtse College, Bhutan
- Bachelor of Business (Accounting) from the University of South Australia
- CPA accreditation from CPA Australia
- Awarded the prestigious Hubert H. Humphrey Fellowship, attending a specialized Banking & Finance program at Boston University, Massachusetts, USA, in 2007
- Bachelor of Commerce (Honors) from Sherubtse College, Bhutan

In the past, she served on the Board of Druk Green Power Corporation Limited (DGPC) and currently serves as the Vice-Chair of the Technical Working Committee at the Accounting and Auditing Standard Board of Bhutan (AASBB) and as a Board Director on the Board of Bank of Bhutan.



**Mr. Phenphay R. Drukpa**  
**Chief Executive Officer**

**Work Experience:**

- CEO, Bhutan Lottery Limited (Since April, 2016)
- Chief Budget Officer, Head of Division I, Ministry of Finance (August 2013 – April 2016)
- Chief Accounts Officer/Head of Chancery, PMB, New York (August 2009 – August 2013)
- Chief Administrative Officer, Ministry of Finance (August 2005 – August 2009)
- Chief Accounts Officer (Head, Release Division) in DBA (January 2004 – August 2005)
- Sector Head in Dept. National Budget and Accounts (January 1996 – January 2004)
- Program Officer in ACS (February 1992 – January 1994)

**Education:**

- Post Graduate Diploma in Accountancy, Nelson Polytechnic, New Zealand
- Bachelor of Commerce, Sherubtse College

In the past, he served on the board of Army Welfare Project, STCB, FCB, Agency for Promotion of Indigenous Crafts and Royal Institute of Law. In addition, he served as the Chairman of the Commercial Accountancy Committee.



## Management Team



Mr. Phenphay R. Drukpa  
Chief Executive Officer



Ms. Tshering Choden  
Legal Officer/Company Secretary



Mr. Jigme Lhendrup  
Internal Auditor



Mr. Saran Gurung  
Dy. General Manager  
(ICT)



Mr. Karma Chophel  
Manager  
(Marketing)



Ms. Thinley Choden  
Administrative Officer



Mr. Karma Tenzin  
Finance Officer

## DIRECTOR'S REPORT



As the Chairman of the Bhutan Lottery Limited (BLL), it is my honor, on behalf of the Board, to present the Director's Report for the year ending 2024.

We would like to thank the Royal Government for transferring the ownership and all its shares in BLL from the Ministry of Finance to Desuung to ensure that it has a steady source of income to support numerous activities of Desuups and providing voluntary services to the nation. The financial requirements of Desuung are substantial, and so there is tremendous pressure on the Board and management to greatly increase the income of BLL to meet Desuung's financing needs.

I would like to express my heartfelt appreciation to the outgoing Chairperson and Board for their steadfast support and efforts in successfully guiding BLL till now.

### Performance and Operating Highlights

Founded nine years ago, BLL has established a strong track record of offering both entertainment and employment opportunities, while generating significant revenue for the government. BLL has expanded its operations through new initiatives and innovations, and the company has evolved from traditional paper-based lotteries to e-lottery games in response to market demand and player preferences. Additionally, BLL continues to offer its products through online sales channels, catering to diverse market segments. This reflects our commitment to providing a variety of entertainment options while fulfilling our responsibility as a responsible gaming organization.

In 2024, BLL experienced a dynamic year, navigating both challenges and successes while adapting to the evolving preferences of our players and expanding our market reach through various new initiatives. The year marked a significant transformation in our product offerings. Alongside the '*Phuensum Weekly Lottery (PWL)*', we introduced '*Daily Lottery*' on October 7, 2024, a new paper lottery with daily draws to increase player engagement. Within three months, Daily Lottery generated revenue of Nu. 27.9 million against Nu. 8.1 million from PWL.

Encouraged by positive sales from previous bumper draws, BLL introduced an additional bumper draw in 2024 '*National Day Bumper*', commemorating the 117<sup>th</sup> National Day, achieving an impressive 91% sales response, delivering a profit of Nu. 7.2 million after prize payouts of Nu. 14.23 million. To address the declining scratch card sales, BLL also began developing the '*T-50 Scratch Card*', set for market entry in 2025.

These paper-based product innovations were complemented by strategic sales reforms. Beginning the year with "*Mixed Selling Modality*", 10 Dzongkhag Lottery Agents and 2 Public Sellers operated on a commission basis, supported by more than 69 sub-sellers, contributing significantly to our core mandate of employment generation. On 7<sup>th</sup> September 2024, BLL transitioned to an



## Director' Report 2024

“*Open Seller Modality*”, enabling interested individuals, telcos, or financial institutions to sell lottery products. To further expand the market base, 3 additional Public Sellers were appointed in the empty Dzongkhags by the end of the year.

To strengthen online player retention and improve engagement, BLL launched two new online games ‘*Spin the Wheel*’ introduced on 25<sup>th</sup> September 2024, which propelled monthly revenue from Nu. 80.39 million to Nu. 163.22 million in October (the highest for the year), generating Nu. 169.26 million in total revenue; and ‘*Daily Free Roll*’, launched on 20<sup>th</sup> June 2024, which increased daily player participation from 3,500 to 4,500.

Additionally, to enhance accessibility, ‘*Bhutan Daily Raffle*’, initially online-based, was introduced on terminal platforms on 24<sup>th</sup> May, 2024, while Phuensum Lotto 5/36, originally terminal-based, was launched on an online platform on 3<sup>rd</sup> May, 2024. Following a payout reduction from 75% to 70% in July 2023, which led to a 12% decline in half-yearly sales, BLL reinstated the 75% payout rate on 30<sup>th</sup> July 2024 to retain player interest and competitiveness.

In total, BLL distributed over Nu. 789.8 million in prizes, a 2.7% increase from 2023, reaffirming our dedication to transforming lives through lottery.

BLL also collaborated with financial institutions (BoB, BNB, and TBank) and telecom providers (TashiCell and Bhutan Telecom) to expand promotional outreach, improve payment gateway options, and grow the seller network.

This performance and operational review highlight our continuous efforts to align daily activities with strategic goals, ensuring the delivery of exceptional and ethical entertainment while positively contributing to Bhutan’s socio-economic development.

### Financial Highlights

Financially, 2024 was a successful year for BLL. Sales from the lottery increased by 5.41%, from Nu.1084.40 million in 2023 to Nu. 1143.08 million in 2024. Total revenue for the year, including other income of Nu. 12.15 million, reached Nu.1155.23 million, making 2024 a notably successful year for BLL.

The operating profit before tax stood at Nu. 243.44 million, and the net profit after tax was Nu. 170.39 million, marking an increase of 12.51% from Nu. 151.44 million in 2023. The increase in sales and profit is largely attributed to the proactive approach in catering to market preferences, market expansion, and the commitment to responsible gaming.



## Director' Report 2024

The financial performance of BLL increased steadily over the years as presented in the table below (Amount in Nu. million).

Detail	2021	2022	2023	2024
Revenue	702.38	954.67	1092.7	1155.23
Cost	569.37	767.74	876.66	911.79
Profit Before Tax	133.01	186.93	216.35	243.44
Profit After Tax	93.73	130.93	151.44	170.39
Dividend	80.00	100.00	-	-
Staff Strength	19	19	21	21

### Winning Tax Paid

During the financial year 2024, BLL significantly contributed to the national treasury by collecting and remitting Nu. 26.73 million in winning tax. Additionally, BLL paid Nu. 73.02 million in corporate income tax, reinforcing our commitment to being a responsible corporate entity and supporting the national economy.

### Statutory Audit

The financial statements for the year 2024 have been audited by Jigmi Audit and Financials Private Limited a firm based in Thimphu, who was appointed by Royal Audit Authority, reaffirming our commitment to financial transparency and integrity.

### Recommendation on Dividend

Since BLL has generated profits in 2024 and has substantial cash reserves, it is a position to declare dividends. The shareholder informed that the government has provided sufficient budget to DSP through the Economic Stimulus Plan, so a dividend is not required this year. In case, the shareholder requires funds during the year, an Extraordinary General Meeting (EGM) could be convened when required.

### Corporate Social Responsibilities (CSR)

As part of its Corporate Social Responsibility initiatives, BLL engages in buying back expired or used tickets from the market to minimize waste from lottery products to promote environmental sustainability. Alongside these initiatives, BLL supports the community through various CSR activities. Given the controversial nature of lottery operation, implementing CSR is to balance profitability with social responsibilities.

### Human Resource

As of December 2024, there are a total of 21 employees in Bhutan Lottery Limited:

- 11 males and 10 females
- 1 Contract Employee and 20 Regular Employees

During the year, a total of 3 employees resigned from the service. A total of 3 new employees were recruited in the year to replace the outgoing employees of the year and the previous year.

Bhutan Lottery Limited

## Director' Report 2024

### Challenges and Way Forward

BLL faces market growth challenges due to social stigma and skepticism, including doubts about jackpot winners. To overcome this, BLL will emphasize how lottery revenue supports nation-building and community services. Through strategic advertising and targeted promotions, we aim to transform public perception while reinforcing trust in our operations.

Recruiting agents and open sellers is difficult due to upfront deposit requirements, which ensure financial security but deter many potential candidates. BLL is working on strategies to overcome this hurdle, aiming to expand its seller network while maintaining sustainable growth and a wider customer base.

Unstable internet connectivity disrupts e-lottery operations, causing transaction failures, deposit delays, and interrupted ticket purchases. The problem worsens due to limited payment options, as customers can only use the Royal Monetary Authority (RMA) or Bank of Bhutan (BOB) gateways. To enhance accessibility and convenience for players, BLL commits to introduce diverse payment options to address the issues of limited payment options available.

Illegal lottery operators on social media and Indian lottery products (with frequent draws and variety) pose major challenges. To address this, BLL will strengthen market surveillance and collaborate with regulatory authorities to suppress illegal activities while introducing more competitive products.

To ensure security and reliability, BLL will upgrade its online platform and data storage with advanced protections, reinforcing its commitment to responsible gaming.

### Conclusion

Bhutan Lottery's annual report underscores a year of resilience, innovation, and commitment. Despite economic and operational challenges, the company has remained steadfast to its core values of transparency, integrity, and responsible gaming practices, nearly meeting all its financial targets for 2024. This has ensured a robust domestic presence and significant contribution to government revenues.

Finally, I extend my gratitude to our board members, management team, and stakeholders for their relentless commitment to our success.

**For and on behalf of the Board**



**(Dasho Karma Yonten)**

**Chairman**

**Chairman**  
**Bhutan Lottery Limited**  
**Phuentsholing : Bhutan**



## 4. Report on Corporate Governance

Bhutan Lottery Limited has complied with the requirements of the Companies Act of Bhutan 2016, Corporate Governance Guidelines of State-Owned Enterprise, 2019 and other statutory requirements.

### 4.1 Board

#### 1. Board Composition

For the first four months, Bhutan Lottery Limited operated under the guidance of a five-member Board of Directors appointed by the Government. The board, chaired by the Cabinet Secretary, included senior representatives from the Ministry of Finance, Ministry of Foreign and External Trade and Ministry of Industry, Commerce and Employment. The CEO of Bhutan Lottery Limited also serves on the board and functions as the member secretary.

Sl. No	Name	Designation	Address
1	Kesang Deki	Chairperson	Cabinet Secretary, Thimphu
2	Tashi Penjore	Board Director	Consulate General, Kolkata, India
3	Sonam Tenzin	Board Director	Director General, DoT, MoEA, Thimphu
4	Norbu Dendup	Board Director	Director, Department of Treasury and Accounts, MoF, Thimphu
5	Phenphay R. Drukpa	CEO	Bhutan Lottery Limited

Subsequently, on April 5, 2024, following an order from the Office of the Gyalpoi Zimpon, a new board was reconstituted and during the 8<sup>th</sup> Annual General Meeting the complete operation was handed over by the former Board to the new Board on 15<sup>th</sup> April, 2024. Bhutan Lottery Limited now operates under the leadership of a five-member Board of Directors. The board is chaired by the Head of the Office of Performance Management under His Majesty's Secretariat and includes the Vice Chairman of Tashi Group of Companies, the CEO of Bhutan Board Product Limited, the Director of the Department of Finance at DHI, and the CEO of Bhutan Lottery Limited.

The current board directors are:

Sl. No	Name	Designation	Address
1	Dasho Karma Yonten	Chairperson	OPM, His Majesty's Secretariat, Thimphu
2	Mr. Wangchuk Dorji	Board Director	Vice Chairman, Tashi Group of Companies, Thimphu
3	Tashi Lhamo	Board Director	Director, Department of Finance, DHI, Thimphu
4	Sherab Namgay	Board Director	CEO, BBPL, Phuentsholing
5	Phenphay R. Drukpa	CEO	Bhutan Lottery Limited

## 2. Board Meetings

A total of five Board Meetings were held in 2024. The details of the Board attendance are as follows;

Board Meeting No.	Date	Members Present	Leave of Absence
40 <sup>th</sup>	14 <sup>th</sup> April, 2024	1. Mrs. Kesang Deki 2. Mr. Tashi Penjore 3. Mr. Sonam Tenzin 4. Mr. Norbu Dhendup 5. Mr. Phenphay R. Drukpa	None
41 <sup>st</sup>	29 <sup>th</sup> April, 2024	1. Dasho Karma Yonten 2. Mr. Wangchuk Dorji 3. Mr. Sherab Namgay 4. Mrs. Tashi Lhamo 5. Mr. Phenphay R. Drukpa	None
42 <sup>nd</sup>	22 <sup>nd</sup> May, 2024	1. Dasho Karma Yonten 2. Mr. Wangchuk Dorji 3. Mr. Sherab Namgay 4. Mrs. Tashi Lhamo 5. Mr. Phenphay R. Drukpa	None
43 <sup>rd</sup>	26 <sup>th</sup> July, 2024	1. Dasho Karma Yonten 2. Mr. Wangchuk Dorji 3. Mr. Sherab Namgay 4. Mrs. Tashi Lhamo 5. Mr. Phenphay R. Drukpa	None
44 <sup>th</sup>	9 <sup>th</sup> December, 2024	1. Dasho Karma Yonten 2. Mr. Wangchuk Dorji 3. Mr. Sherab Namgay 4. Mrs. Tashi Lhamo 5. Mr. Phenphay R. Drukpa	None

## 3. Director's Remuneration

The Sitting Fees of Board Directors for the year 2023 is as follows:

S/N	Directors	Fees
1	Full Board	125,000.00
2	Annual General Meetings	25,000.00



#### **4. Annual General Meeting**

The 8<sup>th</sup> Annual General Meeting (AGM) was held on 15<sup>th</sup> April 2024 and the AGM was attended by the shareholders, Board Directors and the key members of the management team.

#### **Risk Management System**

Bhutan Lottery Limited (BLL) has developed a Risk Management Manual (RMM) to guide the organization in identifying, assessing, and managing risks associated with its operations. Recognizing that risk is inherent in all business functions, particularly in the lottery sector, the manual promotes a proactive and structured approach to risk management. Rather than eliminating risk, the focus is on minimizing adverse impacts while maximizing opportunities.

The RMM aims to enhance internal controls, improve decision-making, and promote accountability across all levels of the organization. It emphasizes the shared responsibility of all employees in managing risks effectively and responsibly. The manual outlines key risk areas such as lottery scams, scheme transitions, player protection, and operational disruptions like force majeure.

BLL's risk management framework is designed to adapt to market changes and evolving operational modalities. It mandates quarterly reviews and continuous monitoring by the designated risk focal officer to ensure compliance with the established risk mitigation measure. The manual aims to enhance operational resilience, minimize uncertainties, and safeguard the integrity of lottery operations.



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**BHUTAN LOTTERY LIMITED**

*(Responsible Gaming Organization)*

## **Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2024**

### **Brief Outline on CSR Policy of the Company**

The Company has in place a Corporate Social Responsibility Policy framed pursuant to the provisions of Section 164 & 165 of the Companies Act of Bhutan, 2016 and Corporate Governance Guidelines for State Enterprise, 2019.

This Policy is a guideline for Company's CSR activities intended to make stronger communities and enrich the lives of underprivileged people on a variety of socially desirable activities with a view to enable high impact and to ensure measurable outcomes of the funds deployed towards such activities.

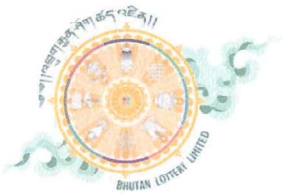
### **Objective**

BLL, in pursuit of its vision and mission, significantly contributes to community support through its corporate social responsibility (CSR) endeavors. The primary goal is to contribute to society by preserving the natural environment, safeguarding and promoting cultural heritage and religious identity, alleviating poverty, addressing sickness or disability, advancing education for vulnerable individuals, and promoting other public initiatives that benefit the Bhutanese Community.

### **Background**

Bhutan Lottery Limited (BLL) upholds strong ethical standards in its business operations and places high importance on its corporate social responsibility (CSR). In line with this commitment, BLL undertakes various charitable and socially responsible initiatives. One such initiative is its effort to reduce waste from lottery products through a Buy-back Policy. Under this policy, BLL purchases used or expired lottery tickets and recycles them. These tickets are then provided to small business startups, who repurpose them into products such as egg trays. This not only helps reduce environmental waste but also supports local entrepreneurship by providing raw materials for production.

For the year 2024, a total budget of Nu. 3 million has been approved during the 42<sup>nd</sup> Board Meeting of which Nu. 1.5 million allocated to the Buy-back Policy and another Nu. 1.5 million allocated for other CSR initiatives.



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**BHUTAN LOTTERY LIMITED**

*(Responsible Gaming Organization)*

### **Committee Members for CSR**

Based on the management resolution, Bhutan Lottery Limited (BLL) has duly constituted the CSR Committee, comprising of the following members;

1. Dy. General Manager, IT
2. Marketing Manager
3. Internal Auditor
4. Finance Officer
5. Legal Officer
6. Asst. Finance Officer

### **Past CSR Activities**

Bhutan Lottery Limited (BLL) has been actively fulfilling its corporate social responsibility (CSR) by implementing its own “Buy-back” policy, which has been in place since 2017. Under this policy, BLL purchases used or expired lottery tickets from the general public at a rate of Nu. 25 for every 100 tickets. This initiative not only contributes to environmental protection by reducing waste but also supports social causes by donating the collected tickets to small startups, communities, and NGOs for reuse in the production of various goods.

One such beneficiary is Mr. Hasta Moni Rai, who has started an egg tray production business in Chelumchen, Dorokha, Samtse. BLL has been providing him with used and expired tickets free of cost to support his initiative.



According to Mr. Hasta Moni Rai, “Waste is not waste until we choose to waste it. Each of us has a role in creating a cleaner, healthier environment by reducing, reusing, and recycling whenever possible. Together, we can address the growing waste problem and build a more sustainable future for ourselves and the generations to come. Thank you to the Bhutan Lottery Limited—your support in waste management has inspired us to become even more devoted waste management servants.”





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**BHUTAN LOTTERY LIMITED**

*(Responsible Gaming Organization)*

### Yearly breakup report for buy-back policy

Yearly	Amount (in Nu)
2018	1,075,921.98
2019	1,212,534.82
2020	599,707.97
2021	718,410.50
2022	883,501.00
2023	928,072.00
2024	788,553.00
<b>Total amount</b>	<b>6,206,701.27</b>

### Activities:

To fulfill its commitment to giving back to society, the CSR Committee of Bhutan Lottery Limited (BLL) has identified key focus areas to guide its corporate social responsibility efforts. BLL will extend its support to communities through the following initiatives:

1. Support for schools for children with disabilities and underprivileged children
2. Environmental conservation
3. Assistance during unforeseen or emergency situations
4. Collaboration with recognized Civil Society Organizations (CSOs)

In addition to the ongoing “Buy-back Policy,” BLL has extended its support through various initiatives aligned with these identified priority areas.

#### 1. Kamji Central School

The Special Education Needs (SEN) program for students with disabilities at Kamji Central School was established on October 8, 2014. Since its inception, the program has supported over 100 students, and in 2024, the school enrolled 44 new students with diverse disabilities. However, the





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**BHUTAN LOTTERY LIMITED**

(Responsible Gaming Organization)

SEN services have been provided with classroom furniture and materials that are not adequately designed to meet the needs of differently-abled students.

With the aspiration to uplift the living and learning for the children living with disabilities, BLL provided the financial aid of Nu. 333,500/- (Ngultrum Three hundred Thirty-Five thousand Five hundred) only in procuring verities of classroom furniture and materials.



Message from school management;

*“With the replacement of the old furniture with the new one, the classroom ambience and the wide smile of the child have accelerated and boasted the energy of the service provider then before. Therefore, the Special Educational Needs recipients, the children with disability, school administration and SEN Service provider would like to thank all the staffs of Bhutan Lottery Limited for your kindness and generosity and supporting our SEN program”.*

## **2. Plant Nursery Development at De-suung Regional Office, Phuentsholing.**

BLL contributed Nu. 220,000/- (Ngultrum Two hundred Twenty thousand) only to De-suung regional office, Phuentsholing to support the development of plant nursery as their initiative to supply the plants and flower saplings to GMC to support the beautification and landscaping.

## **3. Contribution to National Day**

To commemorate the joyous occasion of 117<sup>th</sup> National Day and to foster a sense of unity and civic pride, BLL also contributed Nu.1,000,000/- (Ngultrum One Million) only towards the national event for sponsorship of goody bags.



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**BHUTAN LOTTERY LIMITED**

*(Responsible Gaming Organization)*

#### 4. Other Contribution

To promote diversity and inclusivity of community, BLL also contributed a total amount of Nu. 60,000/- (Sixty Thousand) only for the activities:

- i. Gongsar Ugyen Wangchuk Open Archery Tournament in Compound Bow organized by Phuentsholing Sports Association: Nu. 30,000/-
- ii. 2<sup>nd</sup> Edition of Open Badminton Championship organized by Bhutan Badminton Federation: Nu.20,000/-
- iii. Hosting Event on World Environment Day by Kuensel Corporation Ltd: Nu. 10,000/-

#### Conclusion

The manifestation of Corporate Social Responsibility highlights that the incorporation of social and environmental considerations into business strategies is not merely a choice but a duty. Going beyond mere compliance, CSR emerges as a strategic necessity that not only mitigates risks but also generates opportunities for innovation and long-term sustainability. Corporations actively participating in philanthropy, environmental conservation, and ethical labor practices signify a transition towards more conscientious and sustainable future.

In essence, Corporate Social Responsibility is not merely a passing trend or a marketing tactic, it is a foundational principle aligning business success with societal advancement. As stakeholders increasingly demand transparency, accountability, and ethical conduct from corporations, embracing CSR is not merely an alternative, rather it is a route to sustainable growth, collective prosperity, and better future for all.

(Tshering Choden)  
Legal Officer

(Karma Tenzin)  
Finance Officer

(Jigme Lhendrup)  
Asst. Internal Auditor

(Karma Chopel)  
Mkt. Manager

(Saran Gurung)  
Dy. GM, IT

AIN No. 60 AD-26 25-229



འཛིགས་མེད་ཚེས་ཁྱིམ་དང་དུས་འབྲེལ།  
JIGMI Audit & Financials  
(A Private Limited Company)

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**AUDIT REPORT ON THE FINANCIAL STATEMENTS OF  
BHUTAN LOTTERY LIMITED, PHUENTSHOLING**

**PERIOD: 01/01/2024 to 31/12/2024**

**May 2025**



JIGMI Audit & Financials Pvt. Ltd.  
Bldg 11/B, Lodrey Zur Lam 6 SW, P.O. Box No. 689  
Thimphu 11001, Bhutan  
Mobile: +975 17601963/77719442  
Email: [pjrinzin@gmail.com](mailto:pjrinzin@gmail.com), [jafplc2018@gmail.com](mailto:jafplc2018@gmail.com)  
Facebook: JIGMI Audit & Financial

Title Sheet	
Title	Audit Report on the financial statements of Bhutan Lottery Limited for the Financial Year 2024
AIN:	COAD- 2025-229
Board Chairperson	Dasho Karma Yonten (From: 15 April 2024), OPM, HMS, CID No. 10xxxxxxx68 Email: karmayonten@gmail.com  Kesang Deki (Till: 15 April 2024)
Head of the Agency	Phenphay R Drukpa, Chief Executive Officer, CID No.10xxxxxxx86 Email: <a href="mailto:phenphay@bll.bt">phenphay@bll.bt</a>
Finance Personnel	Karma Tenzin, Finance Officer (From 26/11/2023 – till date) CID No. 10xxxxxxx39 Email: <a href="mailto:karmatenzin@bll.bt">karmatenzin@bll.bt</a>
Period Audited	1 Jan. 2024 – 31 Dec. 2024
Schedule of Audit	<b>Planning:</b> 3 - 7 February 2025 <b>Actual:</b> 8 - 16 February 2025 <b>Reporting:</b> .....
Composition of Audit Team	i. Jigmi Rinzin FCCA, Partner, CID No. 10xxxxxxx64 ii. Narapati Nepal, Team Leader, CID No.11xxxxxxx80 iii. Laxmi Prasad Giri, Senior Audit Associate, CID No. 11xxxxxxx26 iv. Panchaman Limbo Sangbo, Audit Assistant, CID No.10xxxxxxx42 v. Kamal Prasad Dhimal, Audit Assistant, CID No.11xxxxxxx30
Supervising Officer	Jigmi Rinzin, Partner, CID No. 10xxxxxxx64 Email: <a href="mailto:prinzin@gmail.com">prinzin@gmail.com</a>
Engagement Letter	RAA(SA-39)/COAD/2024/3256 dated 19 November 2024
Focal Person	Jigmi Rinzin FCCA, Partner
Date of Exit Conferences	13 March 2025 and 1 May 2025

## ACRONYMS and ABBREVIATIONS

AASBB:	Accounting and Auditing Standards Board of Bhutan
AFD:	Administration & Finance Department
AGM:	Annual General Meeting
AIN:	Audit Information Number
BAS:	Bhutanese Accounting Standards
BFRS:	Bhutanese Financial Reporting Standards
BoB:	Bank of Bhutan Limited
BLL:	Bhutan Lottery Limited
BNB:	Bhutan National Bank Ltd
CA:	Company's Account
CEO:	Chief Executive Officer
CID:	Citizenship Identity Card
DBO:	Defined Benefit Obligation
DLO:	Department of Law and Order
DoT:	Department of Trade
DPNB:	Druk PNB Bank Ltd
EPS:	Earnings Per Share
FCCA:	Fellow Chartered Certified Accountant
FD:	Fixed Deposit
FS:	Financial Statement
HMS:	His Majesty's Secretariat
IFRS:	International Financial Reporting Standards
ISA:	International Standards on Auditing
IT:	Information Technology
ITA:	Income Tax Act
JAF:	JIGMI Audit & Financials Pvt. Ltd.
KMPs:	Key Management Personnel
LMS:	Lottery Management System
MoF:	Ministry of Finance
MoHA:	Ministry of Home Affairs
MoICE:	Ministry of Industry, Commerce and Employment
NBV:	Net Book Value
Nu:	Ngultrum
OCI:	Other Comprehensive Income
OPM:	Office of Performance Management
PAT:	Profit After Tax
PBVP:	Performance-Based Variable Pay
P/L:	Profit & Loss
PPE:	Plant, Property and Equipment
PF:	Provident Fund
PLC:	Public Limited Company
PMS:	Performance Management System



PO:	Post Office
PS:	Performance Security
PSU:	Public Sector Undertaking
PUC:	Projected Unit Credit
PY:	Prior/Previous Years
RAA:	Royal Audit Authority
RGoB:	Royal Government of Bhutan
RICBL:	Royal Insurance Corporation of Bhutan Limited
ROC:	Registrar of Companies
RoU:	Right of Use
SoCE:	Statement of Changes in Equity
SOE:	State Owned Enterprise
TD:	Timing Difference
TDS:	Tax Deducted at Source

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF BHUTAN LOTTERY LIMITED FOR THE YEAR 2024**

To the shareholders of Bhutan Lottery Limited, Phuentsholing

**Opinion**

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 of its financial performance and its cash flows for the year then ended in accordance with the Bhutanese Accounting Standards (BAS).

**Basis for Opinion**

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bhutan 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 reasonable basis for our audit opinion.

**Key Audit Matters**

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

**Information Other than the Financial Statements and Auditor's Report Thereon**

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with BAS, and for such internal control as 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.

### **Auditor's 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 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 skepticism throughout the planning and performance of 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 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 audit report; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

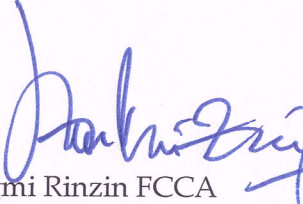
#### **Report on Other Legal and Regulatory Requirements:**

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

Further, as required by Section 265 of the Act, we report that:

- a) We have obtained all the information and explanations to the best of our knowledge and belief were necessary, for the purpose of our audit.

- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report have been prepared in accordance with BAS; and
- d) Based on the information, explanations and management representations received during the course of our audit, the Company has complied with other legal and regulatory requirements to the extent applicable to the Company.

  
Jigmi Rinzin FCCA  
(Membership No. 0283308)  
Partner



Date: 22/05/2025





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**MINIMUM AUDIT EXAMINATIONS AND REPORTING  
REQUIREMENTS**

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## MINIMUM AUDIT EXAMINATIONS AND REPORTING REQUIREMENTS

As required by Section 266 of the Companies Act of Bhutan, 2016, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we report, to the extent applicable, that:

1. The Company has maintained proper records of Property, Plant & Equipment (PPE) in the Assets Register to show full particulars including quantitative details and situation of the assets.
2. None of the PPEs have been revalued during the year.
3. The Company has not availed any loans, secured or unsecured.
4. The Company has not granted any loans to other companies, firms or other parties.
5. Loans and advances granted by the company to its officers/staff are as per the provisions of service rules. No instance of excessive/frequent advances or accumulation of large advance against particular individuals has been noted during our test verification.
6. In our opinion, there are adequate system of internal controls to ensure completeness, accuracy and reliability of accounting records, carrying out the business in an orderly and efficient manner, to safeguard the assets of the Company as well as to ensure adherence to the rules/regulations, system and procedures. The Company has adopted, and following, the policies and system and procedures, as approved by the Board or the other higher authorities to ensure the existence of a prudent and sound financial management in managing the affairs of the Company.
7. In our opinion, there is adequate system of competitive biddings, commensurate with the size of the Company and nature of its business, for the purchase of PPEs and other items, such as, stationeries and related expendable items, etc.
8. Transactions of advancing of loans and for purchase of services, etc., made in pursuance of contracts or arrangements entered into with the Director/s or any other party related to the Director/s or with companies or firms in which the Director/s are directly or indirectly interested have been made at prices, which are reasonable having regard to the prevailing market rates/prices for such loans or services or at rates/prices at which the transactions for similar loans or services have been made with other parties.
9. To the best of our knowledge, expenses charged to the Company's accounts represent legitimate business expenses and no personal expenses have been debited to the Statement of Comprehensive Income other than those payable under contractual obligations/service rules.
10. In our opinion, the Company is regular in depositing rates, taxes, duties, royalties, provident funds, and other statutory dues with appropriate authorities. Further, the corporation tax was found to be adequately computed and deposited timely in accordance with the current applicable taxation laws, and has been appropriately disclosed in the financial statements.





11. The Company had the following statutory dues payable as at the year-end dates:

Particulars	2024 (Nu.)	2023 (Nu.)
TDS Payable	5,408,885.77	2,155,401.55
Statutory Dues Payable	<u>61,940.00</u>	<u>79,514.00</u>
Total	<u>23,563,236.19</u>	<u>17,837,256.32</u>

12. Considering the requirements of funds in the normal business, the management of the Company's liquid resources, particularly, cash/bank and short-term deposits etc. are adequate and no excessive amount is lying idle in non-interest-bearing accounts.
13. In our opinion and to the best of our knowledge, activities carried out by the Company are lawful and *intra vires* the Articles of Incorporation of the Company.
14. The Company has system and procedures for obtaining approvals of the Board/ delegated authority for all capital investment and also for investments. Investments made in the Fixed Deposit in banks and investments in new projects/ventures are made after considering the technical and economic feasibility of such projects as per the stipulated procedures.
15. In our opinion, the Company has established an effective budgetary control system.
16. In our opinion, other than the remunerations to the Chief Executive Officer, and sitting fees to other Directors, no other payments in cash or in kind, has been paid to them or any of their relatives, in the nature of remuneration or commission. Remunerations and sitting fees paid to the Chief Executive Officer, and the Directors, are disclosed in the Financial Statement under *Note 22: Key Management Personnel*.
17. Directives of the Board have been found to be complied with by the Company.
18. Price sensitive information, to the best of our knowledge, have not been transmitted by any officer of the Company, unauthorized to any other person with intent to benefit themselves.
19. Proper records are kept for inter-Sales Agent transactions and services.
20. In our opinion, the Company has generally maintained adequate documents and records for loans and advances granted, and has also drawn up adequate agreements for the same.
21. In our opinion, provisions towards permanent diminution, in the value of investments is made wherever, required and considered necessary.

#### Computerized Accounting Environment:

1. In our opinion, size and nature of IT (Computer) system and installations are adequate for organizational system development and other relevant internal control.
2. In our opinion, the Company has adequate safeguard measures and back-up facilities.
3. In our opinion, there are back-up facilities of keeping files at different and remote locations.
4. In our opinion, operational controls are adequate to ensure correctness and validity of input data and output information.





5. In our opinion, measures to prevent unauthorized access over the computer installation and files are in existence and adequate.

## General

### 1. Going Concern

Based on the net asset position reflected in the statement of financial position as at 31 December 2024, audited by us in accordance with the ISAs and on basis of such other tests, as we considered necessary in this regard, we have no reason to believe that the Company is not a going concern on the date of statement of financial position and is not likely to become sick in near future.

### 2. Ratio Analysis (attached separately)

Significant ratios indicating the financial health and performance of the Company are provided under *Annexure-I* of this Report.

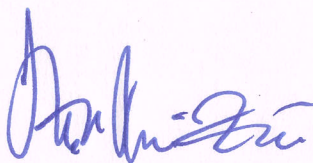
### 3. Compliance with the Companies Act of the Kingdom of Bhutan, 2016

The Company has complied with the applicable provisions of the Companies Act of Bhutan, 2016. Details of Compliance calendar and Compliance checklist are given under *Annexure-II* of this Report.

### 4. Adherence to Laws, Rules and Regulations

The audit of the Company is governed by the Companies Act of Bhutan 2016 and the scope of audit is limited to examination and reviews of the financial statements as produced to us by the Management. In the course of the audit, we have considered the compliance of provisions of the said Companies Act, its Articles of Incorporation and applicable Bhutanese Accounting Standards.

*For JIGMI Audit & Financials Pvt. Ltd.*



Jigmi Rinzin FCCA  
(Membership No. 0283308)  
Partner



Date: 22/05/2025



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## **FINANCIAL STATEMENTS**

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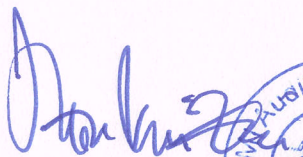

**BHUTAN LOTTERY LIMITED, PHUENTSHOLING**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024**

(All in Ngultrum)

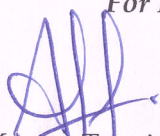
Particulars	Notes	31-Dec-24	31-Dec-23
<b>ASSETS</b>			
<b>Non-current Assets -</b>			
Property, Plant and Equipment	2	9,760,168.44	11,465,925.55
Right of Use Asset	3.1	<u>9,671,383.11</u>	<u>0.00</u>
<b>Total Non-current Assets</b>		<b><u>19,431,551.54</u></b>	<b><u>11,465,925.55</u></b>
<b>Current Assets -</b>			
Trade and Other Receivables	4	44,393,718.87	18,905,993.38
Other Assets	5	39,458,042.89	42,778,135.35
Short Term Investments	6	280,000,000.00	160,000,000.00
Cash and Bank Balances	7	199,093,097.03	154,937,144.55
Net Defined Benefit Assets/(Liability)	9.5.a	<u>1,124,474.13</u>	<u>713,601.01</u>
<b>Total Current Assets</b>		<b><u>564,069,332.92</u></b>	<b><u>377,334,874.29</u></b>
<b>Total Assets</b>		<b><u>583,500,884.46</u></b>	<b><u>388,800,799.84</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	8		
Share Capital	8.1	60,000,000.00	60,000,000.00
Retained Earnings	8.2	<u>412,561,626.90</u>	<u>242,016,514.70</u>
<b>Total Equity</b>		<b><u>472,561,626.90</u></b>	<b><u>302,016,514.70</u></b>
<b>Non-current Liabilities -</b>			
Deferred Tax Liability	10.a	842,984.51	828,541.00
Lease Liability	3.3	<u>4,536,460.15</u>	<u>0.00</u>
<b>Total Non-current Liabilities</b>		<b><u>5,379,444.66</u></b>	<b><u>828,541.00</u></b>
<b>Current Liabilities -</b>			
Trade and Other Payables	11	23,563,236.19	17,837,256.32
Other Liabilities (Performance Security Deposits)	12	2,023,187.50	2,831,055.50
Short Term Provisions	13	74,155,469.31	65,287,432.32
Lease Liability	3.3	<u>5,817,919.91</u>	<u>-</u>
<b>Total Current Liabilities</b>		<b><u>105,559,812.91</u></b>	<b><u>85,955,744.14</u></b>
<b>Total of Equity and Liabilities</b>		<b><u>583,500,884.46</u></b>	<b><u>388,800,799.84</u></b>

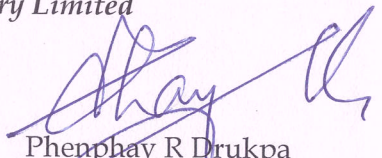
For JIGMI Audit & Financials Pvt. Ltd.

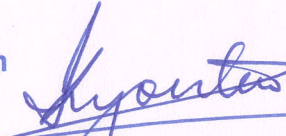
For Bhutan Lottery Limited

  
  
Jigmi Rinzin FCCA  
(Membership No. 0283308)  
Partner

Date: 22/05/2025

  
Karma Tenzin  
Finance Officer  
Bhutan Lottery Ltd.  
Phuentsholing : Bhutan

  
Phenphay R Drukpa  
Chief Executive Officer  
PHENPHAY R. DRUKPA  
CHIEF EXECUTIVE OFFICER  
BHUTAN LOTTERY LTD.  
PHUENTSHOLING : BHUTAN

  
Dasho Karma Yonten  
Chairperson  
**Chairman**  
Bhutan Lottery Limited  
Phuentsholing : Bhutan



**BHUTAN LOTTERY LIMITED, PHUNTSHOLING**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER**  
**2024 (All in Ngultrum)**

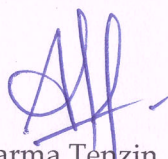
Particulars	Notes	31-Dec-24	31-Dec-23
<b>INCOME -</b>			
Sale of Lottery Tickets	14	1,143,086,000.00	1,084,393,060.00
Less: Prize Winning Payouts	15	(789,893,242.82)	(769,100,294.56)
<b>Net Revenue from Sales of Lottery Tickets</b>		<b>353,192,757.18</b>	<b>315,292,765.44</b>
Other Income	16	12,149,987.77	8,617,851.12
<b>Gross Revenue</b>		<b>365,342,744.95</b>	<b>323,910,616.56</b>
Less: Direct Expenses	17	(84,833,630.31)	(74,694,821.09)
<b>Gross Profit</b>		<b>280,509,114.64</b>	<b>249,215,795.47</b>
<b>EXPENDITURE -</b>			
Operating Expenses	18	744,239.33	396,832.23
Employee Benefits Expense	19	13,555,226.50	13,509,594.80
Other Expenses	20	15,434,998.15	16,590,874.36
Depreciation and Amortization Expenses	2	1,844,830.11	2,366,697.78
Depreciation on Right to Use Asset	3.2	5,489,599.76	0.00
<b>Total Expenditure</b>		<b>37,068,893.85</b>	<b>32,863,999.17</b>
<b>Profit Before Tax</b>		<b>243,440,220.79</b>	<b>216,351,796.30</b>
Less: Income Tax Expense		73,027,271.31	64,801,272.32
Deferred Tax Expense		14,443.51	109,541.40
<b>Profit after Tax</b>		<b>170,398,505.97</b>	<b>151,440,982.58</b>
<b>OTHER COMPREHENSIVE INCOME -</b>			
Actuarial Gain/ (Loss) on Post Employment	9.5(c)	146,606.23	(314,119.27)
<b>Net Other Comprehensive Income</b>		<b>146,606.23</b>	<b>(314,119.27)</b>
<b>Total Comprehensive Income</b>		<b>170,545,112.20</b>	<b>151,126,863.31</b>
Basic and Diluted Earnings per Share	21	284.00	252.40

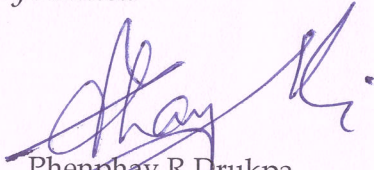
For JIGMI Audit & Financials Pvt. Ltd.

For Bhutan Lottery Limited

  
Jigmi Rinzin FCCA  
(Membership No.0283308)  
Partner

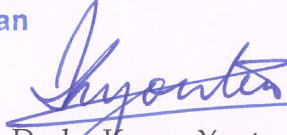


  
Karma Tenzin  
Finance Officer  
Bhutan Lottery Ltd.  
Phuntsholing : Bhutan

  
Phenphay R Drukpa  
Chief Executive Officer

**PHENPHAY R. DRUKPA**  
**CHIEF EXECUTIVE OFFICER**  
**BHUTAN LOTTERY LTD.**  
**PHUENTSHOLING : BHUTAN**

Date: 22/05/2025

  
Dasho Karma Yonten  
Chairperson  
**Chairman**  
**Bhutan Lottery Limited**  
**Phuntsholing : Bhutan**



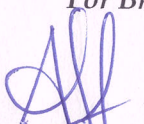
**BHUTAN LOTTERY LIMITED PHUENTSHOLING**
**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**  
*(All in Ngultrum)*

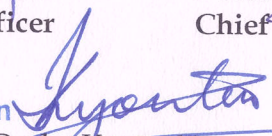
Particulars	31-Dec-24	31-Dec-23
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit (loss) before tax	243,420,843.72	216,351,796.30
Adjustment for:		
Depreciation	1,844,830.11	2,366,697.78
Increase in Gratuity Provision	125,210.42	183,441.58
Actuarial Gain/(Loss) on Post Employment	146,606.23	(314,119.27)
Depreciation on Right-of-Use Asset	5,489,599.76	0.00
<b>Operating Profit before working capital changes</b>	<b>251,046,467.31</b>	<b>218,587,816.39</b>
Adjustment for:		
(Increase)/Decrease in Trade and Other Receivables	(25,487,725.49)	(8,784,582.15)
(Increase)/Decrease in Other Current Assets	(3,082,000.86)	(3,347,864.34)
Increase/(Decrease) in Trade and Other Payables	6,387,027.87	5,157,011.57
Increase/(Decrease) in Other Current Liabilities	(807,868.00)	2,032,395.00
Increase/(Decrease) in Short-term provisions	(19,010.00)	112,640.00
Income Tax Paid	(58,935,262.54)	(64,288,569.06)
<b>Net Cash Flow from Operating Activities</b>	<b>169,101,628.29</b>	<b>149,468,847.41</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/(Purchase) of Property, Plant and Equipment	(139,073.00)	(1,689,114.04)
(Increase)/Decrease in Short Term Deposits	(120,000,000.00)	(80,000,000.00)
Increase/(Decrease) in Capital Work-in-Progress	0.00	0.00
Prior Period adjustment	0.00	0.00
<b>Net Cash Flow from Investing Activities</b>	<b>(120,139,073.00)</b>	<b>(81,689,114.04)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Capital	0.00	0.00
Dividend Paid	0.00	(100,000,000.00)
Lease Liability principal repayment	(4,806,602.81)	0.00
<b>Net Cash from / (Used in) Financing activities</b>	<b>(4,806,602.81)</b>	<b>(100,000,000.00)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>44,155,952.48</b>	<b>(32,220,266.63)</b>
Cash and Cash equivalents at the beginning of the year	154,937,144.55	187,157,411.18
Cash and Cash equivalents at the end of the period	199,093,097.03	154,937,144.55

For JIGMI Audit &amp; Financials Pvt. Ltd

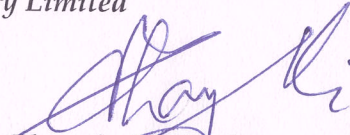
  
  
**Jigmi Rinzin, FCCA**  
**(Membership No. 0283308)**  
**Partner**  
**Date: 22/01/2025**

For Bhutan Lottery Limited

  
**Karma Tenzin**  
**Finance Officer**  
**Bhutan Lottery Ltd.**  
**Phuentsholing : Bhutan**

  
**Dasho Karma Yonten**  
**Chairperson**  
**Chairman**

**Bhutan Lottery Limited**  
**Phuentsholing : Bhutan**

  
**Phenphay R Drukpa**  
**Chief Executive Officer**

**PHENPHAY R. DRUKPA**  
**CHIEF EXECUTIVE OFFICER**  
**BHUTAN LOTTERY LTD.**  
**PHUENTSHOLING : BHUTAN**



**BHUTAN LOTTERY LIMITED PHUENTSHOLING**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024**

*(All figures in Ngultrums unless otherwise stated)*

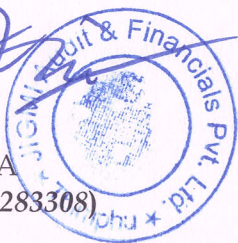
Particulars	Ordinary Shares			Retained Earnings	Total
	No. of Shares (issued and fully paid up)	Par value per Share	Total Value of Shares		
Balance as at 1 January 2023	600,000	100.00	60,000,000.00	190,889,651.39	250,889,651.39
Profit after income-tax				151,440,982.58	151,440,982.58
OCI for the year				(314,119.27)	(314,119.27)
Less: Dividend for the year 2022				(100,000,000.00)	(100,000,000.00)
Balance as at 31 December 2023	600,000	100.00	60,000,000.00	242,016,514.70	302,016,514.70
Profit after income-tax				170,398,505.97	170,398,505.97
OCI for the year				146,606.23	146,606.23
Less: Dividend for the year 2023				0.00	0.00
Balance as at 31 December 2024	<u>600,000</u>	<u>100.00</u>	<u>60,000,000.00</u>	<u>412,561,626.90</u>	<u>472,561,626.90</u>


*For JIGMI Audit & Financials Pvt. Ltd.*


*For Bhutan Lottery Limited*

  
Jigmi Rinzin, FCCA  
(Membership No.0283308)  
Partner

Date: 22/05/2025



  
Karma Tenzin  
Finance Officer  
Bhutan Lottery Ltd.  
Phuentsholing : Bhutan

  
Phenphay R Drukpa  
Chief Executive Officer

**PHENPHAY R. DRUKPA**  
**CHIEF EXECUTIVE OFFICER**  
**BHUTAN LOTTERY LTD.**  
**PHUENTSHOLING : BHUTAN**

  
Dasho Karma Yonten  
Chairperson  
**Chairman**  
**Bhutan Lottery Limited**  
**Phuentsholing : Bhutan**



## **ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

## NOTES TO FINANCIAL STATEMENTS

### GENERAL CORPORATE INFORMATION

Bhutan Lottery Limited (BLL) was incorporated a Limited Liability Public Company under the Companies Act of the Kingdom of Bhutan 2000 (Amendment, 2016) on 2 October 2015 vide Certificate of Incorporation Registration No.20151002TH10491. The Ministry of Finance (MoF), Royal Government of Bhutan is the Company's sole Shareholder. However, on 19 October 2023, an agreement was executed between MoF and De-suung Skilling Programme (DSP), His Majesty's Secretariat (HMS), on the transfer of shares from MoF to DSP. In line with the 8<sup>th</sup> Annual General Meeting, the Corporate Registry Authority, Ministry of Industry, Commerce and Employment, Thimphu, has issued its approval No. MoICE/CRA-491/2024/141 dated 05.06.2024 to transfer the entire shares. Accordingly, all 600,000 number of shares have been transferred to DSP, under HMS, at par value of Nu.100 each, amounting to Nu.60, 000,000.00, value dating 26 April 2024.

BLL is entrusted to carry out lottery and associated business and primarily engaged in the lottery business. It has its Head Office in Phuentsholing Thromde, Chhukha Dzongkhag.

The consolidated financial statements for the year ended 31 December 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 24<sup>th</sup> April, 2025.

### NOTE 1: BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation

The financial statements which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes (the "financial statements") have been prepared in accordance with Bhutan Accounting Standards (BAS 2020) as issued by Accounting and Auditing Standards Board of Bhutan and as prescribed by the Companies Act of Bhutan, 2016.

#### 1.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items which are measured at fair value:

- Defined benefit plan obligations are measured as the present value of the defined benefit obligation, less the fair value of any plan assets, in accordance with BAS 19 *Employee Benefits*.
- Certain financial assets and financial liabilities are measured at fair value through profit or loss (FVTPL) or through other comprehensive income (FVOCI), as applicable, in accordance with IFRS 9 Financial Instruments.

#### 1.3 Functional Currency

The consolidated financial statements are presented in Bhutanese Ngultrum (Nu.), which is both the functional currency and the presentation currency of the Company.

#### 1.4 Rounding off





All financial information presented in Ngultrum has been rounded to the nearest unit, unless otherwise stated.

### **1.5 Comparative Information**

Where necessary, certain comparative information has been re-classified and updated in order to provide a more appropriate basis for comparison.

### **1.6 Presentation of financial statements**

The Company presents its consolidated statement of financial position based on the order of liquidity, as permitted by BAS 1 Presentation of Financial Statements. Assets and liabilities are classified as current or non-current based on their expected recovery or settlement:

- Assets expected to be realized, sold, or consumed within twelve months after the reporting date are classified as current. All other assets are classified as non-current.
- Liabilities expected to be settled within twelve months after the reporting date are classified as current. All other liabilities are classified as non-current.

Financial assets and financial liabilities are offset, and the net amount is presented in the consolidated statement of financial position only when there is:

- A legally enforceable right to offset the recognized amounts; and
- An intention either to settle on a net basis or to realize the asset and settle the liability simultaneously, in accordance with BAS 32 Financial Instruments: Presentation.

Income and expenses are offset only when required or permitted by BFRS, and such offsetting is specifically disclosed in the accounting policies.

### **1.7 Significant accounting judgments, estimates and assumptions**

The preparation of the financial statements in conformity with BAS requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and in any future periods affected. Uncertainty about these judgments, assumptions, and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future reporting periods.

Areas involving significant judgments, estimates, and assumptions are summarized below:

#### **1.7(i) Revenue Recognition-Lottery ticket sales and online gaming**

The Company applies judgment in determining the timing of revenue recognition from lottery ticket sales and online gaming activities in accordance with BFRS. Revenue from lottery games is recognized when control of the ticket (i.e., the chance to participate) transfers to the customer, which is generally at the point of sale. Management estimates and recognizes revenue net of expected unclaimed prizes based on historical patterns and trends.





#### **1.7(ii) Fair Value Measurement of Financial Instruments**

Certain financial assets and liabilities are measured at fair value under BFRS 9 *Financial Instruments* and BFRS 13 *Fair Value Measurement*. Where quoted market prices are not available, fair values are determined using valuation techniques that require significant management judgment, particularly regarding assumptions such as discount rates, credit spreads, and expected future cash flow.

#### **1.7(iii) Defined Benefit Pension Obligations**

The cost of defined benefit pension plans is determined using actuarial valuations in accordance with BAS 19 *Employee Benefits*. Significant assumptions used in the actuarial valuation include discount rates, expected salary increases, mortality rates, and retirement ages. These assumptions are subject to estimation uncertainty and are reviewed annually.

#### **1.7(iv) Useful Lives and Residual Values of Property, Plant and Equipment**

Management reviews the estimated useful lives and residual values of property, plant and equipment at each reporting date, in accordance with BAS 16 *Property, Plant and Equipment*.

Judgment is exercised in determining appropriate useful lives, particularly for specialized gaming and IT equipment where technological changes may lead to shorter useful lives than originally estimated.

#### **1.7(v) Provision for Prize Liabilities**

The Company recognizes a provision for prizes won but not yet claimed, based on historical trends and anticipated claim patterns. The estimation of this liability requires management to apply judgment and assumptions about the likelihood and timing of claims. Changes in these assumptions could materially impact the recognized provision.

#### **1.7(vi) Deferred Tax Assets Recognition**

Deferred tax assets are recognized for all unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which they can be utilized, in accordance with BAS 12 *Income Taxes*.

Significant judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

#### **1.7(vii) Lease Recognition and Measurement**

The Company determines whether an arrangement is, or contains, a lease at inception, in accordance with BFRS 16 *Leases*. Judgment is applied in identifying the lease term, particularly regarding renewal and termination options, and in estimating the incremental borrowing rate when the implicit rate is not readily determinable. Right-of-use assets and corresponding lease liabilities are recognized at the commencement date based on the present value of future lease payments. Changes in assumptions regarding lease terms or discount rates may significantly impact the measurement of lease assets and liabilities.

### **1.8 Cash and cash equivalents**





Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, and balance in current accounts with banks.

### 1.9 Property, Plant and Equipment

All Property, Plant and Equipment (PPE) are stated at historical cost less depreciation and impairment, if any. Cost includes the purchase price, taxes and duties, labor cost, directly attributable costs of bringing the asset to its working condition for its intended use, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, where applicable.

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

Depreciation is calculated on a straight-line basis to allocate the cost of assets, net of residual values, over their estimated useful lives as follows:

Asset Type	Useful Life
Furniture & Fittings	10 Years
Office Equipment	10 Years
Motor Vehicles	10 Years (20% residual value)
Data Processing Equipment	4 Years
Land is not depreciated	Not Applicable

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals of assets are determined by comparing the disposal proceeds with the carrying amount and are recognized in the income statement within 'Other Income' or 'Other Expenses', as appropriate.

Assets received free of cost (gifts) are recognized at their fair value at the date of with a corresponding credit recognized in "Other Income," unless conditions attached to the asset require alternative accounting treatment.

If the gift is subject to conditions — such as restrictions on use (e.g., for public benefit only, or prohibitions on sale or transfer) — the recognition and subsequent measurement may be governed by BAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* or other applicable guidance. In such cases, recognition of income is deferred and recognized in the income statement systematically over the periods in which the entity recognizes the related expenses for which the grant is intended to compensate.

### 1.10 Intangible Asset

Intangible assets comprise acquired computer software licenses are capitalized at cost. Cost includes all directly attributable costs necessary to acquire and prepare the asset for its intended





use. Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful life of the software, which is four (4) years.

Expenditures that maintain or restore the performance of software programs, such as upgrades, minor enhancements, or routine maintenance costs, are expensed as incurred.

### **1.11 Financial Assets**

Financial assets are classified at initial recognition as financial assets at amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL), as appropriate, in accordance with BFRS 9 *Financial Instruments*.

The Company classifies its financial assets as financial assets at amortized cost when both of the following conditions are met:

- The asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets classified at amortized cost are initially recognized at fair value plus transaction costs directly attributable to the acquisition of the financial asset. Subsequently, they are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables, being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, are included within this category. These typically comprise 'Trade and Other Receivables' and 'Cash and Cash Equivalents' as presented in the Statement of Financial Position.

#### **1.11(i) Trade and Other Receivables**

Trade and other receivables are initially recognized at the fair value of the amounts to be received. Subsequent to initial recognition, receivables are measured at amortized cost using the effective interest method, less any impairment losses.

If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

#### **1.11(ii) Impairment of Financial Assets (Trade Receivables)**

The Company applies the simplified approach permitted by BFRS 9 *Financial Instruments* for trade receivables, which requires recognition of lifetime expected credit losses from initial recognition.

In assessing expected credit losses, the Company considers historical credit loss experience, adjusted for current conditions and forward-looking information where relevant. The Company follows a 45-day settlement policy for all receivables arising from the sale of lottery tickets. As all receivables outstanding at year-end were within the agreed settlement period, the Company has assessed that the lifetime expected credit loss (ECL) for trade receivables is





immaterial based on historical experience, current conditions, and forward-looking information. Accordingly, no ECL allowance has been recognized as of 31 December 2024 (Refer *Note 4* for details on the receivable balance).

#### **1.11(iii) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand and balances held in current accounts with banks. In the Statement of Cash Flows, cash and cash equivalents include cash and balances with banks that are readily available for use by the Company without any significant restriction and that are subject to an insignificant risk of changes in value.

#### **1.12 Financial Liabilities**

Financial liabilities are classified at initial recognition as financial liabilities at amortized cost or at fair value through profit or loss (FVTPL), in accordance with BFRS 9 *Financial Instruments*.

The Company's financial liabilities are initially recognized at fair value. For financial liabilities not classified at fair value through profit or loss, the initial measurement includes transaction costs that are directly attributable to the acquisition or issue of the liability. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method, unless they are designated at fair value through profit or loss.

The company's financial liabilities measured at amortized cost primarily include 'Trade and Other Payables' and 'Lease Liabilities' recognized in the Statement of Financial Position.

Financial liabilities are classified as current liabilities if they are due to be settled within twelve months after the reporting date, or if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date. All other financial liabilities are classified as non-current.

Financial liabilities are derecognized when the obligation under the liability is discharged, canceled, or expires.

#### **1.13 Provisions and Contingent Liabilities**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

A contingent liability is only disclosed when the existence of an obligation will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or when a present obligation does not meet the recognition criteria for a provision.

Contingent liabilities are not recognized in the Statement of Financial Position.

#### **1.14 Revenue Recognition**

Revenue is recognized when the control of goods or services is transferred to the customer, and it is probable that the economic benefits associated with the transaction will flow to the Company.





Revenue is measured at the fair value of the consideration received or receivable, net of discounts, returns, and applicable taxes.

#### **1.14(i) Lottery Revenue**

The Company recognizes revenue from various lottery products as follows:

##### **1.14(i)(a) Online Lotteries**

Revenue from online lottery ticket sales is recognized at the point of sale, when a ticket is generated and sold to the customer through the system. Control is considered transferred at the moment the customer receives the ticket and the right to participate. Although system-generated reports are available daily, revenue is recorded on a consolidated monthly basis for accounting purposes.

##### **1.14(i)(b) Offline Draw-Based Lotteries**

Revenue from draw-based lottery products, such as *Phuensum Weekly Lottery* (PWL), *Daily Lotteries*, and *Bumper Lotteries*, is recognized on the date of the lottery draw. The performance obligation is satisfied at the point when the customer's participation right in the lottery is fulfilled through the occurrence of the draw.

##### **1.14(i)(c) Scratch Card Lotteries**

Revenue from scratch card lottery products, including *Thuensum Scratch Card* (T-30), *Thuensum Quick Cash* (T-20), and *Thuensum Scratch* (T-50), is recognized upon distribution of scratch cards to retailers. Distribution to retailers constitutes the transfer of control and the associated risks and rewards of ownership.

#### **1.14(ii) Interest Income:**

Interest income is recognized using the effective interest method, based on the time proportionate principle and the effective interest rate applicable to the outstanding amount, when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

#### **1.15 Earnings per Share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares in accordance with BAS 33 *Earnings per Share*.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.





**NOTE 2: PROPERTY, PLANT & EQUIPMENT (PPE)**  
(All in Ngultrums)

Particulars	Furniture and Fittings	Data Processing Equipment	Vehicles	Plant & Electrical Equipment	Software	Total
<b>COST:</b>						
At 1 January 2023	663,340.44	5,799,657.50	7,014,044.00	7,018,357.49	74,000.00	20,569,399.43
Additions	111,440.00	1,477,674.04	0.00	100,000.00	0.00	1,689,114.04
Disposals	(7,685.20)	0.00	0.00	0.00	0.00	(7,685.20)
Adjustment	0.00	0.00	0.00	0.00	0.00	0.00
At 1 January 2024	767,095.24	7,277,331.54	7,014,044.00	7,118,357.49	74,000.00	22,250,828.27
Additions	0.00	139,073.00	0.00	0.00	0.00	139,073.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
Adjustment	0.00	0.00	0.00	0.00	0.00	0.00
At 31 December 2024	<u>767,095.24</u>	<u>7,416,404.54</u>	<u>7,014,044.00</u>	<u>7,118,357.49</u>	<u>74,000.00</u>	<u>22,389,901.27</u>
<b>DEPRECIATION AND IMPAIRMENT:</b>						
At 1 January 2023	278,625.99	3,564,066.66	3,326,926.04	1,176,142.22	73,998.00	8,419,758.90
Disposals	(1,553.96)	0.00	0.00	0.00	0.00	(1,553.96)
For the year	67,680.79	1,042,466.55	561,123.52	695,426.92	0.00	2,366,697.78
Adjustment	0.00	0.00	0.00	0.00	0.00	0.00
At 31 December 2023	344,752.82	4,606,533.21	3,888,049.56	1,871,569.14	73,998.00	10,784,902.72
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
For the year	76,709.52	507,302.32	561,123.52	699,692.75	2.00	1,844,830.11
Adjustment	0.00	0.00	0.00	0.00	0.00	0.00
At 31 December 2024	<u>421,462.34</u>	<u>5,113,835.53</u>	<u>4,449,173.08</u>	<u>2,571,261.89</u>	<u>74,000.00</u>	<u>12,629,732.83</u>
<b>NET BOOK VALUE:</b>						
At 31 December 2023	<u>422,342.43</u>	<u>2,670,798.33</u>	<u>3,125,994.44</u>	<u>5,246,788.35</u>	<u>2.00</u>	<u>11,465,925.55</u>
At 31 December 2024	<u>345,632.91</u>	<u>2,302,569.01</u>	<u>2,564,870.92</u>	<u>4,547,095.60</u>	<u>0.00</u>	<u>9,760,168.44</u>

**NOTE 3: LEASES**

The Company had been paying a monthly office rent of Nu.460,886.16 to the Department of Revenue and Customs, Ministry of Finance, up to September 2024. The lease arrangement is renewed every two years, with each renewal incorporating a 10% escalation on the existing rent. Following the latest renewal, the current monthly rent amounts to Nu.542,355.68.

The Company recognizes a lease liability and a corresponding Right-of-Use (RoU) asset at the commencement date of a lease, which is the date when the leased asset is available for use by the Company.

**Right-of-Use Assets (RoU)**

RoU assets are initially measured at cost, comprising:

- The amount of the initial lease liability recognized.





- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs incurred by the company; and
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the site.

Subsequently, RoU assets are measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of lease liabilities. RoU assets are depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. RoU assets are also subject to impairment testing.

#### **Lease Liabilities and Right of Use Assets**

At the commencement date, the company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

The present value of lease payments is discounted using the company's incremental borrowing rate, as the interest rate implicit in the lease is generally not readily determinable.

After initial recognition, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification due to a change in the lease term and or change in the lease payments.

Interest expense on lease liabilities and depreciation on right-of-use assets are recognized separately in the income statement.

#### **Short-Term Leases and Leases of Low-Value Assets**

The Company applies the recognition exemption permitted by BFRS 16 to short-term leases (i.e., leases with a lease term of 12 months or less) and leases of low-value assets (such as small items of office furniture or IT equipment).

Lease payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

#### **Note 3.1: Right-of-Use Assets**

Particulars	2024(Nu.)	2023(Nu)
Right-of-use asset at 1 Jan. 2024 (initial recognition)	14,385,980.45	0.00
Right-of-use asset at 1 May 2024 (initial recognition)	775,002.42	0.00
<b>Total Initial Recognition</b>	<b><u>15,160,982.86</u></b>	<b><u>0.00</u></b>
<b>Less: Accumulated depreciation as at 31 December 2024</b>	<b><u>5,489,599.76</u></b>	<b><u>0.00</u></b>
<b>Net carrying amount at 31 December 2024</b>	<b><u>9,671,383.11</u></b>	<b><u>0.00</u></b>

#### **Note 3.2: Depreciation charge for the period**

Particulars	2024(Nu.)	2023(Nu)
Depreciation expense recognized for the period	<u>5,489,599.76</u>	<u>0.00</u>





**Note 3.3: Lease Liability**

Particulars	2024(Nu.)	2023(Nu.)
Lease liability at 1 Jan 2024 (initial recognition lease 1)	14,385,980.45	0.00
Lease liability at 1 May 2024 (initial recognition lease 2)	775,002.42	0.00
<b>Total initial recognition</b>	<b>15,160,982.42</b>	<b>0.00</b>
<i>Add:</i> Interest expense accrued for the period	1,145,344.17	0.00
<i>Less:</i> Lease payments made during the year	5,951,946.98	0.00
<b>Lease liability as at 31 December 2024</b>	<b><u>10,354,380.06</u></b>	<b><u>0.00</u></b>

Particulars	2024(Nu.)	2023(Nu.)
Current portion of Lease Liability (within 1 year)	5,817,919.91	0.00
Non-current portion of Lease Liability (beyond 1 year)	4,536,460.15	0.00
<b>Total Lease liability as at 31 December 2024</b>	<b><u>10,354,380.06</u></b>	<b><u>0.00</u></b>

Amortization of Right-of-Use Assets	5,489,599.76	0.00
Interest Expenses on Lease Liabilities	1,145,344.17	0.00
<b>Total amount recognized in income statement</b>	<b><u>6,634,943.93</u></b>	<b><u>0.00</u></b>

**Maturity Analysis of Lease Liabilities (Undiscounted Cash Flows)**

Maturity Bucket	Lease Payments (Nu.)
Within 1 year	6,508,268.11
1-2 years	4,704,296.57
<b>Total undiscounted lease payments</b>	<b><u>11,212,564.70</u></b>
<i>Less:</i> Unexpired finance charges	(858,184.63)
<b>Present Value of lease liabilities</b>	<b><u>10,354,380.06</u></b>

**NOTE 4: TRADE AND OTHER RECEIVABLES**

Particulars	2024 (Nu.)	2023 (Nu.)
Gyeltshen Lottery Agent (Tsirang)	196,115.06	109,681.49
Indo Lottery Agent, Paro	4,151,239.55	2,586,762.60
Jigme Dorji (Trongsa)	0.00	(509.00)
Kuenjung Lottery Agent	1,382,453.75	274,921.65
M/s Bhutan Lottery Agent, S/Jongkhar	2,336,873.92	1,572,700.24
M/s Bhutan Smart Lottery, Thimphu	3,945,866.31	1,353,726.42
M/s Menjong Lottery, Sarpang	3,939,457.58	2,085,987.93
Tashi Wangchuk Lottery Agent, Mongar	6,232,847.56	3,562,258.49
Blessed Lottery-Thimphu	10,987,214.67	4,794,469.75
Deki Lhamo (Trongsa Open Seller)	194,207.65	(23,440.00)
Draduel's Delight, Wangdue	3,456,986.18	977,690.76
Kuenphen Lottery - Phuentsholing	5,037,665.55	1,660,143.55
Pema Chuki Trashigang Open Seller	907,785.92	23,905.50
Phuntsho Wangdi (Nganglam Open Seller)	1,390,976.14	(72,306.00)
Autsho Open Seller Ngawang Dorji	(10,084.20)	0.00
Deki Punakha Open Seller	268,705.73	0.00
Mon Bdr Gurung Lhuentse Open Seller	(5,982.90)	0.00
Nir Maya Gurung Open Seller	(24,967.60)	0.00





Som Bdr Mongar Lhamozingkha Open Seller	(1,029.00)	0.00
Sumitra Rai Haa Open Seller	(613.00)	0.00
Yasoda Mongar Samtse Open Seller	8,000.00	0.00
<b>Total</b>	<b><u>44,393,718.87</u></b>	<b><u>18,905,993.38</u></b>

- a) The Company's year-end receivables of Nu.44,393,718.87 as of 31.12.2024 (**Refer Note 4: Trade and Other Receivables**) were within the company's settlement period of 45 days (**Refer Note 2.11.1: Trade and Other Receivable**). As an ongoing business, an updated balance of receivables as of 31 March 2025 against the respective debtors are provided below:

Particulars	31.03.2025 (Nu.)	31.12.2024 (Nu.)
Gyeltshen Lottery Agent (Tsirang)	285,139.31	196,115.06
Indo Lottery Agent, Paro	4,524,168.56	4,151,239.55
Kuenjung Lottery Agent	1,250,296.98	1,382,453.75
M/s Bhutan Lottery Agent, S/Jongkhar	1,866,184.97	2,336,873.92
M/s Bhutan Smart Lottery, Thimphu	3,698,628.61	3,945,866.31
M/s Menjong Lottery, Sarpang	3,867,616.73	3,939,457.58
Tashi Wangchuk Lottery Agent, Mongar	5,014,877.21	6,232,847.56
Blessed Lottery-Thimphu	12,229,387.57	10,987,214.67
Deki Lhamo (Trongsa Open Seller)	0.00	194,207.65
Draduel's Delight, Wangdue	2,961,850.55	3,456,986.18
Kuenphen Lottery - Phuentsholing	3,711,933.45	5,037,665.55
Pema Chuki Trashigang Open Seller	772,941.07	907,785.92
Phuntsho Wangdi (Nganglam Open Seller)	1,034,128.29	1,390,976.14
Autsho Open Seller Ngawang Dorji	0.00	(10,084.20)
Deki Punakha Open Seller	60,997.18	268,705.73
Mon Bdr Gurung Lhuentse Open Seller	39,081.00	(5,982.90)
Nir Maya Gurung Open Seller	3,000.00	(24,967.60)
Som Bdr Mongar Lhamozingkha Open Seller	0.00	(1,029.00)
Sumitra Rai Haa Open Seller	13,609.30	(613.00)
Yasoda Mongar Samtse Open Seller	0.00	8,000.00
Tshering Wangmo Open Seller Paro	113,853.60	0.00
<b>Total</b>	<b><u>41,447,694.38</u></b>	<b><u>44,393,718.87</u></b>

#### NOTE 5: OTHER ASSETS

Particulars	2024 (Nu.)	2023 (Nu.)
Advance Payments to Third Parties	225,000.00	229,818.00
Lottery Tickets in Hand	1,610,825.00	969,000.00
Advance Income Tax	31,951,371.91	37,817,381.69
TDS Receivable	388,177.64	187,500.00
Interest accrued on Short Term Deposits	5,086,624.18	3,242,465.75
Apple Watch (For Giveaway Prize Payouts)	0.00	44,990.00
I-Phone 15 Pro Max (For Giveaway Prize Payouts)	0.00	123,000.00
Samsung Phone A34 (For Giveaway Prize Payouts)	0.00	149,994.00
Prepaid Expenses	18,428.11	13,985.91





Samsung Galaxy A15 5G 8GB RAM 128GB	16,199.00	0.00
Samsung Galaxy A55	34,294.05	0.00
Vivo V30(12+256GB) 5G	59,398.00	0.00
Laptop Giveaway	67,725.00	0.00
<b>Total</b>	<b><u>39,458,042.89</u></b>	<b><u>42,778,135.35</u></b>

#### NOTE 6: SHORT-TERM INVESTMENT

Particulars	2024 (Nu.)	2023 (Nu.)
Fixed Deposit with Banks	<u>280,000,000.00</u>	<u>160,000,000.00</u>
<b>Total</b>	<b><u>280,000,000.00</u></b>	<b><u>160,000,000.00</u></b>

\*Short Term Deposits with Bank was not considered as Cash & Cash Equivalent as the pending maturity period is more than 3 months as on 31.12.2024.

#### NOTE 7: CASH AND BANK BALANCES

Particulars	2024 (Nu.)	2023 (Nu.)
Cash In Hand	122,102.58	30,045.41
Imprest with employees	140,000.00	20,000.00
Balances with Banks	<u>198,830,994.45</u>	<u>154,887,099.14</u>
<b>Total</b>	<b><u>199,093,097.03</u></b>	<b><u>154,937,144.55</u></b>

#### NOTE 8: EQUITY

##### Note 8.1 - Issued Capital

Particulars	2024 (Nu.)	2023 (Nu.)
Authorized Capital	<u>500,000,000.00</u>	<u>500,000,000.00</u>
<b>Issued Capital</b>		
600,000 fully paid Equity shares of Nu 100 each	<u>60,000,000.00</u>	<u>60,000,000.00</u>
<b>Total</b>	<b><u>60,000,000.00</u></b>	<b><u>60,000,000.00</u></b>

i: All shares are of same class and have the same right attached.

ii: At the time of incorporation on 2nd October 2025, the Ministry of Finance, Royal Government of Bhutan as a subscriber to the Articles of Incorporation agreed to subscribe to 5,000,000 Equity Shares of Nu 100 each amounting to Nu 500,000,000. However, as of 31st December 2024, only equity shares had been subscribed amounting to Nu 60,000,000.

Subsequently, on 26 April 2024, pursuant to approval No. MoICE/CRA-491/2024141 dated 05th June 2024 issued by the Corporate Registry Authority, Ministry of Industry, Commerce and Employment, Thimphu, the entire holding of 600,000 shares transferred to De-suung Skilling Program, under His Majesty's Secretariat. The transfer was affected, at par value of Nu.100 each, amounting to Nu. 60,000,000.00.

##### Note 8.2: Retained Earnings

Particulars	2024 (Nu.)	2023 (Nu.)
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Opening Balance	242,016,514.70	190,889,651.39
<i>Less:</i> Dividend paid for the year 2023	0.00	(100,000,000.00)
<i>Add:</i> Comprehensive Income/(Loss) during the Year	170,545,112.20	151,126,863.31
<i>Less:</i> Net Prior year adjustments	0.00	0.00
<b>Total</b>	<b><u>412,561,626.90</u></b>	<b><u>242,016,514.70</u></b>

## NOTE 9: RETIREMENT BENEFIT OBLIGATIONS

### Note 9.1: Defined Contribution Scheme

The Company operates a defined contribution plan for its employees, whereby it contributes a defined percentage of gross emoluments to an approved provident fund scheme (i.e., the National Pension and Provident Fund).

Under a defined contribution plan, the Company's obligation is limited to the amount that it agrees to contribute to the fund. The Company has no further legal or constructive obligation to pay additional contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to the defined contribution plan are recognized as an expense in the income statement in the periods during which the related services are rendered by employees.

### Note 9.2: Defined Benefit Scheme

The Company operates a defined benefit gratuity scheme for qualifying employees, under which retirement benefits are based on the employee's final salary and years of service with the Company.

The Company maintains a gratuity fund deposit with Royal Insurance Corporation of Bhutan Limited (RICBL). The net defined benefit asset recognized is calculated in accordance with BAS 19, offsetting the fair value of plan assets against the present value of defined benefit obligations." The defined benefit obligation is determined by independent actuaries through an actuarial valuation performed annually. The valuation of the actuarial obligation of the defined benefit scheme was carried out by Druk Infinity Consulting, a registered actuary firm in the country.

Actuarial gains and losses arising from experience adjustments (the effects of differences between previous actuarial assumptions and what has actually occurred) and changes in actuarial assumptions are recognized immediately in other comprehensive income (OCI) in the period in which they occur. Past service costs, if any, are recognized immediately in profit or loss.

### Actuarial Valuation Assumptions

The key actuarial assumptions used in the valuation are as follows:

- Discount rate: 8.20% per annum
- Expected salary growth rate: 8.00% per annum
- Mortality rate: 100% of Indian Assured Lives Mortality Table (2012-14)
- Employee turnover rate: 1.00% per annum





The Projected Unit Credit (PUC) method has been used to determine the present value of the defined benefit obligation.

The obligation for the scheme is subject to risks in respect of employee attrition and Salary rates. Employee attrition: The obligation is based on Management's estimate of the expected number of staff who will resign before reaching the standard retirement age. If the number of staff resigning is greater or less than the expected rate, the outstanding obligation will be affected.

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

### **Note 9.3: Other Long-Term Employee Benefits**

In addition to gratuity, the Company provides other long-term benefits including:

- Transfer grant
- Repatriation allowance
- Carriage charges

These benefits are payable under specific service conditions upon employee relocation or cessation of service.

As of 31 December 2024:

- These benefits have not yet been actuarially valued separately.
- Management has assessed that the liability is not material relative to the Company's overall financial position.
- Consequently, these benefits have not been recognized as a separate defined benefit liability in the financial statements.

The Company will continue to monitor the materiality of these obligations and will commission an actuarial valuation if deemed necessary in future reporting periods.

### **Note 9.4: Short-Term Employee Benefits**

Short-term employee benefits include:

- Annual leave encashment
- Bonus/Performance-Based Variable Pay (PBVP)

These benefits are recognized as an expense and liability at year-end, based on management's best estimates, and are settled within twelve months after the reporting period. Accordingly, no actuarial valuation is required for these benefits under BAS 19.

### **Note 9.5: Amounts Recognized in the Financial Statements**

#### **a) Statement of Financial Position**

Descriptions	2024 (Nu.)	2023(Nu.)
Present value of defined benefit obligation	2,042,209.79	1,916,999.37
Fair value of plan assets	3,166,683.92	2,630,600.38
Net defined benefit asset/(liability)	1,124,474.13	713,601.01





The net defined benefit asset is classified as a non-current asset in the statement of financial position.

**b) Statement of Comprehensive Income**

Descriptions	2024 (Nu.)	2023 (Nu.)
Current service cost	<u>411,277.52</u>	<u>431,576.59</u>
Past service costs		<u>8,982.33</u>
Interest cost on defined benefit obligation	<u>147,947.63</u>	<u>121,738.45</u>
Less: expected return on plan assets	<u>(230,764.73)</u>	<u>(195,090.06)</u>
<b>Expenses recognized in Comprehensive Income</b>	<b><u>328,460.42</u></b>	<b><u>367,207.31</u></b>

**c) Other Comprehensive Income (OCI)**

Descriptions	2024 (Nu.)	2023 (Nu.)
Actuarial (gain)/loss on liability experience	<u>(208,494.73)</u>	<u>119,029.21</u>
Actuarial (gain)/loss on liability assumption changes	<u>0.00</u>	<u>0.00</u>
Return on plan assets (greater)/less than discount rate	<u>61,888.50</u>	<u>195,090.06</u>
<b>Actuarial (gain)/losses recognized in OCI</b>	<b><u>(146,606.23)</u></b>	<b><u>314,119.27</u></b>

**d) Movements in the Present Value of Defined Benefit Obligation**

Descriptions	2024 (Nu.)	2023 (Nu.)
Opening Defined Benefit Obligation	1,916,999.37	1,733,557.79
Current service cost	411,277.52	431,576.59
Past Service cost	0.00	8,982.33
Interest cost	147,947.63	121,738.45
Actuarial (gain)/loss on experience adjusted	(208,494.73)	119,029.21
Benefits paid	(225,520.00)	(497,885.00)
Actuarial (gain)/loss due to change in demographic assumptions	0.00	0.00
Actuarial (gain)/loss due to change in financial assumptions	<u>0.00</u>	<u>0.00</u>
<b>Closing Defined Benefit Obligation</b>	<b><u>2,042,209.79</u></b>	<b><u>1,916,999.37</u></b>

**e) Movement in Fair Value of Plan Assets**

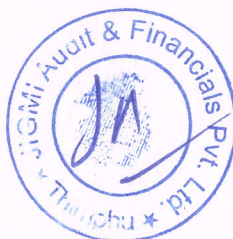
Descriptions	2024 (Nu.)	2023 (Nu.)
Fair value at beginning of the year	2,630,600.38	2,127,693.79
Contributions paid into the plan	367,207.31	502,906.59
Expected return on plan assets	230,764.73	195,090.06
Return on plan assets greater/(less) than expected	<u>(61,888.50)</u>	<u>(195,090.06)</u>
<b>Fair value at end of the year</b>	<b><u>3,166,683.92</u></b>	<b><u>2,630,600.38</u></b>

**f) Bifurcation between current and non-current Net Liability**

Descriptions	2024 (Nu.)	2023 (Nu.)
Current liability	2,630,600.38	2,127,693.79
Non-current liability	<u>367,207.31</u>	<u>502,906.59</u>
<b>Net Liability/(Assets)</b>	<b><u>(1,124,474.13)</u></b>	<b><u>(713,601.01)</u></b>

**g) Expected benefit payments for the year ending**

Descriptions	2024 (Nu.)	2023 (Nu.)
December 31, 2025	31,427.08	853,950.24





December 31, 2026	41,658.11	16,748.08
December 31, 2027	1,311,444.19	25,873.95
December 31, 2028	42,564.90	43,103.19
December 31, 2029	53,082.47	52,984.29
December 31, 2030 to December 31, 2034	777,692.36	756,898.84
December 31, 2035 to December 31, 2044	<u>9,067,910.92</u>	<u>10,891,821.88</u>
Weighted Average Duration of Defined Benefit Obligation	<u>20 Years</u>	<u>20 Years</u>

#### h) Sensitivity Analysis

i) Discount Rate-	2024 (Nu.)	2023 (Nu.)
Discount Rate as at 31 December 2024	8.20%	8.20%
Effect on DBO due to 1% increase in Discount Rate	(106,195.01)	(91,080.36)
Effect on DBO due to 1% decrease in Discount Rate	116,524.72	100,423.98
ii) Salary Escalation Rate-	2024 (Nu.)	2023 (Nu.)
Salary Escalation rate as at 31 December 2024	8.00%	8.00%
Effect on DBO due to 1% increase in Salary Escalation Rate	121,220.89	106,537.57
Effect on DBO due to 1% decrease in Salary Escalation Rate	(111,383.33)	(97,612.47)

#### NOTE 10: CURRENT AND DEFERRED INCOME-TAX

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 or directly in equity. In such cases, the tax is also recognized in other comprehensive income or directly in equity, respectively. The current income tax charge is based on taxable profit for the year, calculated using tax rates and laws that have been enacted or substantively enacted at the reporting date.

Management periodically evaluates positions taken in tax returns with respect to situations where applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, based on 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 amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred 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.

The Company offsets deferred tax assets and deferred tax liabilities if, and only if, there is a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred taxes relate to income taxes levied by the same taxation authority on the same taxable entity.





**Note 10.a: Deferred Tax**

Descriptions	2024 (Nu.)	2023 (Nu.)
Opening as per BLL system	828,541.00	718,999.60
Provision for tax due to timing differences	<u>14,443.51</u>	<u>109,541.40</u>
Closing Balance	<u>842,984.51</u>	<u>828,541.00</u>

**Note 10.b: Computation of Actual Tax Liability**

Descriptions	2024 (Nu.)	2023 (Nu.)
Provision Income Tax for 2023	73,027,271.31	64,801,272.32
Less: Advance Income Tax	(31,951,371.91)	(37,817,381.69)
Less: TDS Retained	<u>(388,177.64)</u>	<u>(187,500.00)</u>
Net payable Income Tax	<u>40,687,721.76</u>	<u>26,796,390.63</u>

**NOTE 11: TRADE AND OTHER PAYABLES**

Descriptions	2024 (Nu.)	2023 (Nu.)
Trade Payables to Prize Winners	10,908,000.00	7,920,810.00
Trade Payables to Others	7,064,160.42	7,375,007.77
Payables to Employees	0.00	191,523.00
TDS Payable	5,408,885.77	2,155,401.55
Statutory Dues Payable	61,940.00	79,514.00
Outstanding Liabilities: Audit Fees	110,250.00	105,000.00
Outstanding Liabilities: Consultancy Fees	<u>10,000.00</u>	<u>10,000.00</u>
Total	<u>23,563,236.19</u>	<u>17,837,256.32</u>

**NOTE 12: OTHER CURRENT LIABILITIES**

Particulars	2024 (Nu.)	2023 (Nu.)
Performance Security Deposit received from suppliers	1,095,450.50	1,010,510.50
Security Deposit (Received)	24,737.00	1,520,545.00
Lotto Security Deposit	<u>903,000.00</u>	<u>300,000.00</u>
Total	<u>2,023,187.50</u>	<u>2,831,055.50</u>

**NOTE 13: SHORT-TERM PROVISIONS**

Descriptions	2024 (Nu.)	2023 (Nu.)
Leave Encashment	467,150.00	486,160.00
PBVP (Refer Note 25(c) below)	661,048.00	0.00
Provision for Income Tax	<u>73,027,271.31</u>	<u>64,801,272.32</u>
Total	<u>74,155,469.31</u>	<u>65,287,432.32</u>

**NOTE 14: SALES OF LOTTERY TICKETS**

Particulars	2024 (Nu.)	2023 (Nu.)
Sales Elotery Interactive	939,993,320.00	891,835,060.00
Sales Elotery Lotto	10,119,430.00	9,150,750.00
Sales (Phuensum Weekly Lottery)	47,357,350.00	63,321,350.00
Sales Special Tshe-Jur Bumper	8,880,000.00	0.00





Sales Special Losar Bumper	11,601,000.00	10,236,300.00
Sales Monsoon Bumper	9,972,000.00	10,259,400.00
Sales Thruabab Bumper	0.00	10,871,400.00
Sales National Day Bumper	27,408,000.00	0.00
Sales (Thuensum Quick Cash Cards)	30,240,000.00	45,910,000.00
Sales (Thuensum Scratch Cards)	29,535,000.00	42,808,800.00
Sales (Daily Lottery)	27,979,900.00	0.00
<b>Total Sales of Lottery Tickets</b>	<b><u>1,143,086,000.00</u></b>	<b><u>1,084,393,060.00</u></b>

#### NOTE 15: PRIZE WINNING PAYOUTS

Particulars	2024 (Nu.)	2023 (Nu.)
Elottery Interactives	678,036,753.52	645,131,734.00
Elottery Lotto	7,050,929.30	10,493,700.56
Bumper	30,636,000.00	16,712,000.00
Phuensum Weekly Lottery	25,890,500.00	42,725,700.00
Thuensum Scartch Cards	14,047,740.00	27,172,160.00
Thuensum Quick Cash	18,539,320.00	26,865,000.00
Daily Lottery	15,692,000.00	0.00
<b>Total</b>	<b><u>789,893,242.82</u></b>	<b><u>769,100,294.56</u></b>

#### NOTE 16: OTHER INCOME (INTEREST INCOME ON FIXED DEPOSITS)

Particulars	2024 (Nu.)	2023 (Nu.)
Interest Income on Fixed Deposits	9,937,443.85	5,633,972.60
Miscellaneous Income	2,212,543.92	2,839,608.93
<b>Total</b>	<b><u>12,149,987.77</u></b>	<b><u>8,617,851.12</u></b>

#### NOTE 17: DIRECT EXPENSES

Particulars	2024 (Nu.)	2023 (Nu.)
Prize Money to Agents	7,865,251.57	7,020,596.78
Printing of Lottery tickets	12,505,927.50	7,150,725.00
Commission to Agents	26,457,941.84	24,484,067.11
4% Variable cost to Bonobo PLC	38,004,509.40	36,039,432.20
<b>Total</b>	<b><u>84,833,630.31</u></b>	<b><u>74,694,821.09</u></b>

#### NOTE 18: OPERATING EXPENSES (MAINTENANCE EXPENSES)

Particulars	2024 (Nu.)	2023 (Nu.)
Plant & Equipment	281,177.97	161,815.66
Office Building	383,711.00	54,510.00
Motor Vehicles	79,350.36	180,506.57
<b>Total</b>	<b><u>744,239.33</u></b>	<b><u>396,832.23</u></b>

#### NOTE 19: EMPLOYEE BENEFITS EXPENSE

Particulars	2024 (Nu.)	2023 (Nu.)
<b>Payroll and Related Expenses:</b>		
Salary to Staff	10,733,393.00	8,422,663.00
Staff Welfare	232,457.08	212,058.50





**Post Employments Benefit:**

Provident Fund Contribution	799,658.00	754,979.00
Gratuity Provision ( <i>Refer Note 9.5(b) above</i> )	328,460.42	367,207.31

**Other Employee Benefits:**

Leave Encashment	504,952.00	569,627.99
Leave Travel Concession	295,258.00	379,958.00
PBVP	661,048.00	2,803,101.00

<b>Total</b>	<b><u>13,555,226.50</u></b>	<b><u>13,509,594.80</u></b>
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**NOTE 20: OTHER EXPENSES**

Particulars	2024 (Nu.)	2023 (Nu.)
Board Sitting Fee & Meeting Expenses	244,350.00	270,787.00
Fees & Subscription	92,780.00	45,500.00
Printing & Stationery	272,476.00	229,417.00
Advertisement & Sales Promotion Expenses	5,308,184.26	2,719,192.40
Travelling Expenses	411,087.00	408,147.00
Communication Internet & Telephone Charges	500,778.30	568,381.70
License and Registration	18,120.00	13,120.00
Electricity Charges	97,095.00	80,877.00
Training, Recruitment & Development	74,878.00	1,239,341.84
Hospitality Expenses	32,017.50	110,304.35
Professional Fees	10,000.00	10,000.00
CSR Expenses	2,404,053.00	2,574,835.00
Rent Expenses	0.00	5,583,633.92
Interest Expense	1,145,344.17	0.00
Miscellaneous Expenses	1,513,338.95	1,001,661.07
Bank Charges	89,038.89	92,927.45
Mbob Inward Remittance	2,209,612.28	753,015.78
Postage and Telegram	445,540.00	328,045.00
Insurance Expenses	28,013.80	37,597.85
Audit Expenses ( <i>Refer Note 24 below</i> )	184,651.00	254,655.00
Draw Result's Communication Expenses	353,640.00	269,435.00
<b>Total</b>	<b><u>15,434,998.15</u></b>	<b><u>16,590,874.36</u></b>

**NOTE 21: EARNINGS PER SHARE**

Particulars	2024 (Nu.)	2023 (Nu.)
Profit/(loss) after Income tax	170,398,505.97	151,440,982.58
Other comprehensive income for the year	146,606.23	(314,119.27)
Profit used to determine basic Earnings Per Share	<u>170,545,112.20</u>	<u>151,126,863.31</u>
Number of shares at the beginning of the year	600,000.00	600,000.00
Number of shares at the end of the year	600,000.00	600,000.00
Weighted average number of ordinary shares in issue	600,000.00	600,000.00
Basic and Diluted Earnings Per Share	<u>283.97</u>	<u>252.40</u>





## NOTE 22: KEY MANAGEMENT PERSONNEL

Key Management Personnel (KMPs) are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly including any director whether executive or otherwise.

Key management personnel of the company for the purpose of disclosure of compensation including the Chief Executive Officer, as required by the Companies Act of the Kingdom of Bhutan, 2016, with details of transactions for 2024 year, are as under:

- a) Dasho Karma Yonten - Chairperson, OPM, His Majesty's Secretariate, Thimphu (from 15 April 2024);
- b) Kesang Deki - Chairperson, Cabinet Secretary, Thimphu (till 15 April 2024);
- c) Tashi Penjore - Board Director, Consulate General, Ministry of Foreign Affairs and External Trade, Thimphu (till 15 April 2024);
- d) Wangchuk Dorji - Board Director, Vice Chairman, Tashi Group of Companies, Thimphu (from 15 April 2024);
- e) Sonam Tenzin - Board Director, Director General, National Statistics Bureau, Thimphu (till 15 April 2024);
- f) Tashi Lhamo - Board Director, Director, Department of Finance, DHI, Thimphu (from 15 April 2024);
- g) Norbu Dhendup - Board Director, Director, Department of Treasury, Thimphu (till 15 April 2024);
- h) Sherab Namgay - Board Director, Chief Executive Officer, BBPL, Phuentsholing (from 15 April 2024); and
- i) Phenphay R Drukpa - Board Director, Chief Executive Officer of the Company, Phuentsholing.

### Remuneration for Executives

Particulars	2024 (Nu.)	2023 (Nu.)
<b>Remuneration to Chief Executive Officer:</b>		
Salary and allowances	2,148,752.00	1,701,563.00
Other Benefits	375,000.00	369,000.00
Sitting Fees	25,000.00	40,000.00
<b>Sitting fees to other Board of Directors</b>	<u>100,000.00</u>	<u>147,500.00</u>
<b>Total</b>	<u><b>2,648,752.00</b></u>	<u><b>2,258,063.00</b></u>

## NOTE 23: RELATED PARTY DISCLOSURES

The Company is a wholly owned Public Sector Undertaking (PSU) of DSP, HMS. No transaction has been made to the related part during 2024.

## NOTE 24: AUDIT EXPENSES

Particulars	2024 (Nu.)	2023 (Nu.)
Statutory Audit Fee	110,250.00	105,000.00





Statutory and Other audits expenses	74,401.00	149,655.00
<b>Total</b>	<b><u>184,651.00</u></b>	<b><u>254,655.00</u></b>

**NOTE 25: OTHER INFORMATION**

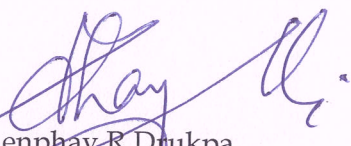
- There is no contingent liability as at 31.12.2024;
- A service payment at 4% on gross monthly sales is made to Bonobo Plc for the online lottery software for three years from 14 December 2023 to 14 December 2026;
- A provision of Nu.661,048 is made for Performance-Based Variable Pay (PBVP), which was calculated based on an evaluation score of 11.78% applied to the basic pay for the year, in line with the results of the Performance Management System (PMS) assessment against set targets (Refer Note 13 above); and
- Wherever the balance confirmation is not available from the parties, balances appearing in the books of accounts have been considered.

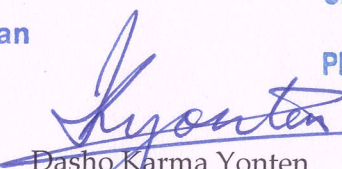
*For JIGMI Audit & Financials Pvt. Ltd.*

*For Bhutan Lottery Limited*

  
  
Jigmi Rinzin FCCA  
(Membership No. 0283308)  
Partner  
Date: 22/05/2025

  
Karma Tenzin  
Finance Officer  
**Karma Tenzin**  
**Finance Officer**  
**Bhutan Lottery Ltd.**  
**Phuentsholing : Bhutan**

  
Phenphay R Drukpa  
Chief Executive Officer  
**PHENPHAY R. DRUKPA**  
**CHIEF EXECUTIVE OFFICER**  
**BHUTAN LOTTERY LTD.**  
**PHUENTSHOLING : BHUTAN**

  
Dasho Karma Yonten  
Chairperson  
**Chairman**  
**Bhutan Lottery Limited**  
**Phuentsholing : Bhutan**



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## ANNEXURES

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**BHUTAN LOTTERY LIMITED, PHUENTSHOLING**

**ANNEXURE - I: Ratio Analysis**

**Financial and Operational Ratio Analysis in respect of the Company are given below:**

Sl. No.	Ratios	Basis	2024	2023	Ratios
1	Earnings per share	(Profit After Tax/No. of shares issued)	284.00:1	252.40:1	Earnings per share
2	Net Profit Ratio (%)	(Net Profit/Turnover * 100)	15%	14%	Net Profit Ratio (%)
3	Operating Efficiency (%)	(Operating Expenses/Revenue*100)	79%	80%	Operating Efficiency (%)
4	Return on Equity (%)	(Net Profit/Owner's Equity *100)	284%	252%	Return on Equity (%)
5	Current Ratio	Current Asset/ Current Liability	5.34:1	4.39:1	Current Ratio





## ANNEXURE II: COMPLIANCE CALANDER & COMPLIANCE CHECKLIST

Check List for Compliance to Provision of the Companies Act of Bhutan, 2016  
Incorporation Registration No.: U20151002PHU0491

Sl. No.	Sec.	Incorporation of a company & securities	Compliance checklist			Remarks
			Yes	No	NA	
1	28	Changes to Articles/ approval			✓	
2	47	Change of name/ Approval			✓	
3	123	Increase or consolidation of share capital			✓	
4	124	Reduction of share capital			✓	
5	82	License Copy and Share Certificate filing	✓			The Company has only one business activities bearing License No. R2003204 (issued on 28.07.2016) for Bhutan Lottery which was renewed on 24.07.2024
6	107	Public offer of shares & Debentures - ROC Approval			✓	
<b>MANAGEMENT &amp; ADMINISTRATION</b>						
7	217	Registered Office of Company (Postal Address & Contact Number)	✓			P.O. Box No. 51, Lower Market, Phuentsholing, 21011, 21101, 021102, Bhutan. PABX: 05-253089
8	221	Publication of name by Company (Letter Head, Seals and Sign Board)	✓			
9	241	Financial Year of Companies as of 31st Dec.	✓			
	242	Extension up to 15 months - ROC approval			✓	
	243	Extension up to 18 months - Authority's approval			✓	
	245	Financial Statements to follow BAS	✓			
10	267	Annual Return Submission (On/before 31 May for listed; others 31 July)	✓			Annual returns for the year 2023 was filed vide BLL/ AFD/12/2024-498 dated 20/06/2024
11	177	Annual General Meeting (Minutes)	✓			8th AGM was held on 15.04.2024.
12	180	Extraordinary General Meeting (Minutes)			✓	Extraordinary General Meeting was held on 14 <sup>th</sup> April 2024.
13	185	Notice for calling general meeting	✓			Notice calling AGM was made vide email to board members on 12.04.2024.



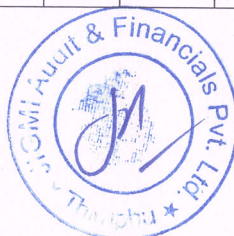


	187	Listed Co. - written as well as in media. Public Co/Private Co. - Written Notice			✓	
14	190	Chairman of meeting (CEO cannot chair)	✓			40 <sup>th</sup> Board Meeting was chaired by Kesang Deki (Hon'ble Cabinet Secretary), and other meetings were chaired by Dasho Karma Yonten (Head, OPM, HMS).
15	192	Representation of corporations at meetings (Appointed by Board Directors)	✓			CEO is a representative of the company.
16	193	Ordinary and special resolutions (Minutes)	✓			A total of five Board Meetings and one Annual General Meeting were held during the year as under: i. 40 <sup>th</sup> Board Meeting held on 14.04.2024 ii. 41 <sup>st</sup> Board Meeting held on 29.04.2024 iii. 42 <sup>nd</sup> Board Meeting held on 22.05.2024 iv. 43 <sup>rd</sup> Board Meeting held on 26.07.2024 v. 44 <sup>th</sup> Board Meeting held on 09.12.2024
17	195 - 198	Board Meetings Minutes of Annual General Meeting and Board Meetings	✓			See Sl. No. 16 above.
18	199	Declaration and payment of dividend (199-209)	✓			Declaration of Dividend for the year 2023 was proposed in the 8 <sup>th</sup> AGM and the board along with shareholder decided to plough back the dividend for the year 2023.
19	232, 233	Books of account to be kept by company (Location & time period)	✓			Consolidated Books of Accounts of the Company is maintained at its Head Office in P.O Box No.52, Jorden Lam, Phuentsholing.
20	250	Board's report (signed by Chairman)	✓			The Board's reports were signed by Dasho Kesang Deki, Chairperson, and then by Dasho Karma Yonten, Chairperson.
21	252 - 255	Appointment and removal of Auditors. Re-appoint annually (251-259)				The incumbent auditor was appointed by Royal Audit Authority vide Appointment Order No. RAA(SA-39)/





			✓			COAD/2024/3256 dated 19 November 2024.
22	260	Resignation of Auditors from office (Annual Resignation)			✓	Appointment and resignation of auditors for SOEs are within the authority of Royal Audit Authority.
23	266	Auditing standards (Audit using Auditing Standards issued by AASBB)	✓			
24	133	Number of directors				<p>The Company had five Board Directors in 2024 including the CEO till 15 April 2024, as under:</p> <ul style="list-style-type: none"> <li>i. Chairperson: Kesang Deki, Cabinet Secretary;</li> <li>ii. Board Director: Tashi Penjore, Consulate General, Ministry of Foreign Affairs and External Trade;</li> <li>iii. Board Director: Sonam Tenzin, Director General, National Statistics Bureau;</li> <li>iv. Board Director: Norbu Dhendup, Director, Department of Treasury; and</li> <li>v. Board Director: Phenphay R Drukpa, Chief Executive Officer.</li> </ul> <p>The Company had five Board Directors in 2024 including the CEO w.e.f 15 April 2024, as under:</p> <ul style="list-style-type: none"> <li>i. Chairman: Dasho Karma Yonten, OPM, His Majesty's Secretariat, Thimphu.</li> <li>ii. Board Director: Mr. Wangchuk Dorji, Vice Chairman, Tashi Group of Companies, Thimphu.</li> <li>iii. Board Director: Mrs. Tashi Lhamo, Director, Department of Finance, DHI, Thimphu.</li> <li>iv. Board Director: Mr. Sherab Namgay, CEO, BBPL, Phuentsholing.</li> <li>v. Board Director: Phenphay R. Drukpa, Chief Executive Officer, BLL, Phuentsholing.</li> </ul>
25	134	One Third of all Public Companies shall be independent			✓	
26	138	(Minimum No. & retirement on rotation)	✓			As the shares of the company is with De-suung Skilling Program, all the directors resigned and five directors are





						appointed in the AGM as per Minutes of AGM dated 15.04.2024.
27	139	Additional directors			✓	Since the share is transferred to De-suung Skilling Program, selection and appointment of Board of Directors is managed by the Office of the Gyalpoi Zimpon.
28	140	Consent to act as directors			✓	
29	141	Certain persons not to be appointed as Directors			✓	
30	142	Resignation by a director			✓	
31	143	Removal of directors /Change of Directors.	✓			Since BLL is under His Majesty's Secretariat and De-suung Skilling Program is the shareholder, all the directors are newly appointed and the removal and change of directors are managed by the Office of the Gyalpoi Zimpon.
32	146	Board meetings (Four Meetings for Public Companies and two Meetings for Private Companies)	✓			Refer Sl. No. 16-17 above.
33	152	General powers of the Board	✓			
34	156	Restriction on powers of Board	✓			
35	210	Appointment of Chief Executive Officer. (Max. 5 years terms & 2 consecutive terms only)	✓			CEO's term was extended for two years by the Board during the 44 <sup>th</sup> Board Meeting held on 9 <sup>th</sup> December, 2024.
36	213	Company Secretary required in all Public Companies			✓	
37	414	Appointment of selling or buying agents. (Government Approval obtained or not)			✓	
38	157	No loans to directors (only for Public Co.)			✓	No loans to directors were given.
39	53	Inter-corporate investments. (Investments to be disclosed) apply old rule			✓	No Inter-corporate investments.
40	158	Conflict of Interest Transaction by Board			✓	No such cases existed with the company.
41	161	Standard of care required by directors. (Reckless decision)			✓	No conflicting events were witnessed in the company.
<b>STATUTORY RECORD AND INSPECTION</b>						
42	228	Statutory record and inspection				
	(a)	Register of buy-back of shares			✓	
	(b)	Register of transfers			✓	Transfer of shares is registered with Corporate Regulatory Authority vide






					MoICE/CRA-491/2024/141 dated 05.06.2024.
(c)	Register of charges			✓	
(d)	Register of inter-corporate loans			✓	No inter corporate loans
(e)	Register of inter-corporate investments	✓			
(f)	Register of contracts in which directors are Interested.			✓	
(g)	Register of Directors	✓			
(h)	Register of Directors' shareholding			✓	

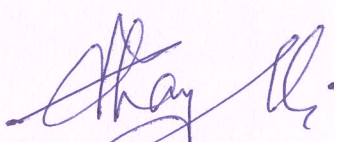
*For JIGMI Audit & Financials Pvt. Ltd.*

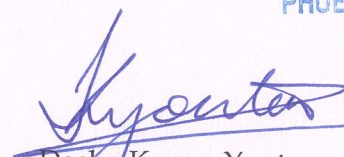
*For Bhutan Lottery Limited*

  
  
 Jigmi Rinzin FCCA  
 (Membership No.0283308)  
 Partner

Date: 22/05/2025

  
 Karma Tenzin  
 Finance Officer  
**Karma Tenzin**  
**Finance Officer**  
**Bhutan Lottery Ltd.**  
**Phuentsholing : Bhutan**

  
 Phenphay R Drukpa  
 Chief Executive Officer  
**PHENPHAY R. DRUKPA**  
**CHIEF EXECUTIVE OFFICE**  
**BHUTAN LOTTERY LTD.**  
**PHUENTSHOLING : BHUTA**

  
 Dasho Karma Yonten  
 Chairperson  
**Chairman**  
**Bhutan Lottery Limited**  
**Phuentsholing : Bhutan**