



# 2025 Annual Report

## The Year In Review

I am privileged to share the Management's endeavors, experiences, and accomplishments of the year 2025 for the Annual Report. This is the first year of my second term as the Chief Executive Officer.



### Operational Highlights for the Year 2025

In 2025, Thimphu TechPark Limited (TTPL) advanced its strategic objective of becoming a national technology enabler by strengthening core capabilities, expanding its solutions portfolio, and investing in long-term value creation. Despite operating within a constrained market environment, the Company maintained a disciplined approach focused on capability building, product development, and deepening institutional partnerships.

A key area of progress during the year was human capital and capability development. TTPL recorded 41 employee participations in training programs and 29 participations in international conferences, workshops, and specialized learning engagements. In parallel, 26 employees achieved globally recognized certifications across SAP, Scrum, DevOps, and Cybersecurity domains. This was supported by a total investment of Nu. 8.64 million in learning and development, underscoring the Company's commitment to building a future-ready workforce aligned with global standards.

Complementing internal capability growth, TTPL strengthened its role in Bhutan's innovation ecosystem through the operationalization of the Bhutan Innovation and Technology Centre (BITC). The Centre delivered structured programs including bootcamps for government executives and startup communities, the National Startup Weekend, and TTPL InnoSprint 2025. The flagship seven-week InnoSprint program focused on developing and validating Minimum Viable Products, culminating in a Demo Day where three internal teams received product development grants. Overall, BITC engaged over 190 participants, supported seven startups, and facilitated the graduation of three ventures from incubation, positioning it as a driver of both intrapreneurship and national innovation.

On the solutions and delivery front, TTPL continued to implement high-impact digital systems across public sector institutions. Notably, the Company successfully delivered Phase I of the Five-Year Plan Management System for the Office of the Prime Minister, establishing a scalable platform for national planning and performance monitoring, while creating a pipeline for future phases. In parallel, a Proof of Concept for an Online Voting System was developed for the Election Commission of Bhutan, demonstrating TTPL's readiness to operate in secure and mission-critical domains.

The Electronic Patient Information System (ePIS) was successfully operationalized and continued to support the delivery of healthcare services across the country. The system has been deployed in 58 hospitals and over 250 Primary Health Centres (PHCs) and sub-posts nationwide. During the year, major system improvements were carried out to enhance the reliability, performance, and high availability of the platform, ensuring uninterrupted access to healthcare services and patient information across all connected health facilities.

The Company also expanded its institutional footprint through multiple engagements, delivering systems such as vehicle tracking and e-waste management for the Ministry of Health, and advanc-

ing the Royal University of Bhutan Information Management System through its IntegraSuite ERP Unit for deployment across all nine colleges. Engagements with eleven agencies resulted in several system implementations and upgrades, reinforcing TTPL's recurring engagement model.

Further diversification of the solutions portfolio included the development of operational platforms such as the Volunteer Management System and Mobile Application for DeSuung, customer information file for BDBL and BoBL, and upgradation of MyResource App for NRDCL. Additional tools like the NoteSheet System and Smart Verify were introduced to improve institutional efficiency and compliance, strengthening TTPL's reputation as a provider of contextually relevant digital solutions.

Alongside, TTPL made significant strides in enterprise systems and large-scale digital transformation initiatives. With continued shareholder support, the Company commenced the RISE with SAP project for the DHI Group. Under Phase I, Wave I, SAP solutions were successfully deployed at Bhutan Power Corporation, DHI, Drukair and Bhutan NDI with further implementations across hydropower and infrastructure entities. These initiatives reinforced TTPL's ability to manage complex ERP environments while strengthening long-term client relationships within the DHI ecosystem.

Cybersecurity and managed services also remained a priority area. Through its Centre for ICT Excellence, TTPL conducted network security assessments for eight DHI companies and performed Vulnerability Assessment and Penetration Testing for Bhutan NDI, identifying and addressing 82 vulnerabilities. At the same time, the Company expanded its Microsoft solutions portfolio by onboarding eight new clients, contributing to the growth of recurring service and licensing revenues.

A notable strategic shift during the year was the introduction of NorPOS, TTPL's in-house point-of-sale solution. Designed as an integrated platform for sales, inventory, customer management, and reporting, NorPOS represents the Company's move toward scalable, product-based revenue streams. Pilot deployments with five clients validated its effectiveness and usability, setting the foundation for broader commercialization in 2026.

Overall, TTPL's performance in 2025 reflects a balanced and forward-looking approach anchored in capability development, innovation, and strategic project execution. While revenue growth remained moderate due to prevailing market constraints, the Company has established strong foundation to support sustainable growth and an expanded role in Bhutan's digital transformation journey.

### **Financial Highlight**

During the financial year 2025, Thimphu TechPark Limited (TTPL) generated a total revenue of Nu. 150.95 million against a target of Nu. 250.00 million. The shortfall was mainly due to timing and external factors affecting project execution, including the non-securing of a Nu. 40 million project due to insufficient funding and a Nu. 25 million project deferred due to shifting priorities. Both projects remain strategically important and may be revisited in future, subject to client readiness and funding availability.

The Company also began the year with an estimated revenue gap of Nu. 35.00 million, as part of the planned pipeline had not yet been contractually secured. Total expenditure stood at Nu. 137.98 million, below the planned Nu. 179.10 million, reflecting timely cost rationalisation aligned with actual project activity while maintaining core operations. As a result, TTPL recorded a profit after tax of Nu. 10.16 million much lower than the planned Nu. 70.90 million, the Company remained

profitable and financially stable.

We would like to formally express the management's gratitude to all stakeholders and individuals, with special thanks to DHI and the Board for their unwavering guidance and support. We also extend our sincere appreciation to our employees, valued clients, and FDI companies at TechPark for their continued cooperation.

Wishing 2026 a year filled with success and prosperity.



(Kuenga Jurmi)  
Chief Executive Officer

# The Year In Picture



Completion of SAP End-User Training



New Employee Orientation



Celebrating 13th Foundation Day



Meeting with IMF delegation on FinTech Innovation



Progress Update Meeting by Startup Weekend Winners



eBMSIS Testing and Issues Resolution Workshop



TIPPL at GMC



Meeting with Esports Association



Hosting students from CST



Cyber Security Workshop



Meeting with World Bank Exploring Potential collaboration in advancing digital agriculture in Bhutan



Training on Building Agentic Using Open-Source Models



Signing of SAP Ariba Implementation Contract for DHI



TITPL Business Process Review



Training on Commercial and Contract Management



Attending National Job Fair at Changlimithang



Celebrating 10 Years of Service



Training on Blockchain With Focus on Ethereum, Polygon, Smart Contract Development, and Minting NFTs and SFTs

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## 1. COMPANY PROFILE

Thimphu TechPark Limited (TTPL) is Bhutan's first Information Technology (IT) Park, established as a strategic initiative by the Royal Government of Bhutan through the then Department of Information Technology and Telecom (presently Government Technology Agency) under the Ministry of Information and Communication. The park was developed with funding support from the World Bank Group under the Private Sector Development Project (PSDP), aiming to promote the IT/ITES sector, enhance national IT skills, and improve access to finance.

### Development and Public-Private Partnership

Built under a pioneering Public-Private Partnership (PPP) model, Bhutan's first IT Park was jointly developed by Druk Holding and Investments Ltd. (DHI) with a 26% equity stake and Assetz Property Group holding 74% equity. This model facilitated the Design, Build, Finance, Own, Operate, and Transfer (DBFOOT) mechanism, marking a significant milestone in Bhutan's infrastructure development history.

The construction of the IT Park was completed on 30th April 2012, and operations commenced on 7th May 2012.

### Transition to National Ownership

In a strategic move to enhance national digital capabilities, DHI assumed full ownership of the park, and the entity was officially incorporated as Thimphu TechPark Limited (TTPL) on 29th October 2014.

### Initial Mandate

TTPL was initially mandated to:

- Attract and facilitate Foreign Direct Investments (FDIs) in the IT/ITES sector,
- Offer commercial spaces for global IT companies to establish operations in Bhutan,
- Manage and operate the Bhutan Innovation and Technology Centre (BITC), which included a Tier-2 Data Centre, Business Incubation Space, and a Shared Service Centre to support innovation and entrepreneurship.

### Strategic Transformation

In 2019, TTPL embarked on a strategic transformation from a facility management entity to a software and IT services company, aligning with the national vision of digital transformation and innovation. This transition positioned TTPL as a Centre of Excellence in Software Engineering, with a core focus on:

- Custom software development,
- Mobile and web-based application development,
- Implementation and support of ERP solutions such as IntegraSuite ERP and SAP,
- Data analytics and business intelligence services, and
- To continue with operation of BITC and leasing of commercial space to FDIs.

TTPL also emerged as the preferred IT service provider for DHI-owned companies, Government Technology Agency, various governmental agencies, development partners and private companies offering comprehensive and integrated IT solutions under a "One-Stop IT Service Provider" model.

## 1.2 Vision, Mission and Values



**Vision**

To be a leader in digital innovation that empowers communities.



**Mission**

To drive digital transformation by delivering innovative and secure solutions for people and businesses.

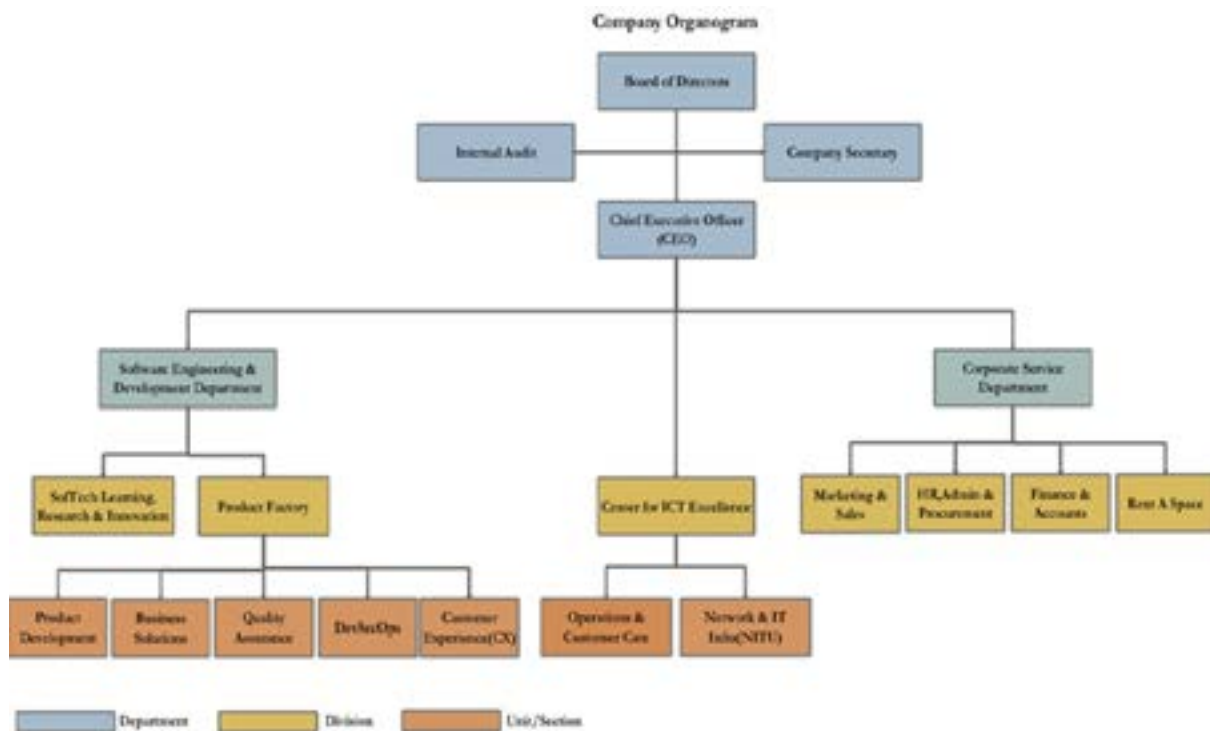


**Values**

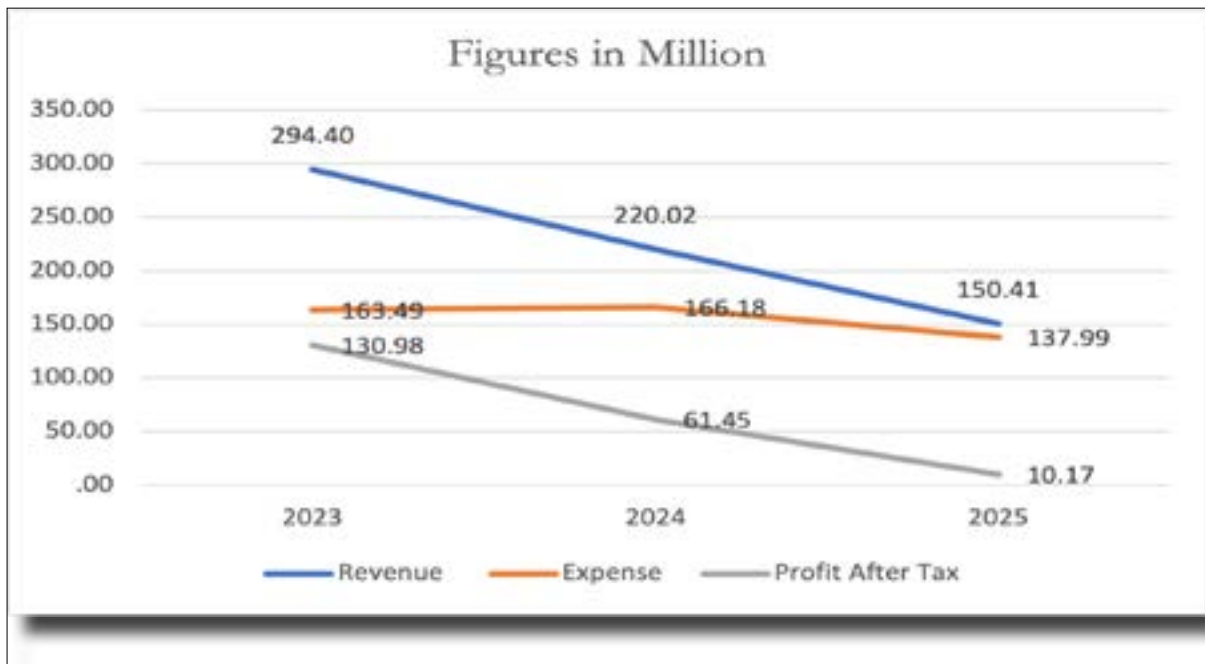
TTPL employees live and breathe our values to showcase our **HEART** to the world:

<b>Honor:</b>	We do the right things.
<b>Excellence:</b>	We do things right.
<b>Adaptability:</b>	We respond right.
<b>Respect:</b>	We treat others right.
<b>Teamwork:</b>	We perform right.

## 1.3 Organisationl Chart



### 1.4 Financial Performance (2023-2025)



## 2. BOARD OF DIRECTORS



### Mr. Jacques von Benecke, Chairman since August 2022

Mr. Jacques has over 30 years of experience in the area of Consulting. Over this time, Jacques has developed strong competencies in the areas of Digital Transformation, Strategy, Innovation, Culture, and Operational change design and implementation, Developing and coaching startup companies, Enterprise Architecture and Solution Architecture. Jacques successfully delivers complex programs of work by utilizing his skills and experience to identify problems and matching that with innovative solutions from cross-industry to deliver outstanding business outcomes.

### Mr. Tenzin, Director since April 2024

Tenzin is an Associate Director of Druk Holding & Investment Ltd.'s Department of Investment. In 2002, he began working for Bhutan Power Corporation Ltd. He holds a Bachelor of Engineering (electrical and electronics) from PSG College of Technology in Coimbatore, Tamil Nadu, India, and a Master of Business Administration (MBA) from the University of Texas at El Paso, USA. His areas of experience, knowledge, and passions include project management; smart cities; corporate finance; company growth; and innovation and technology.



### Pema Dorji (PhD), Director since April 2024

Pema Dorji is an Economist at the Department of Macro-Fiscal and Development Finance, Ministry of Finance, Bhutan. He has a PhD in Economics from Nagoya University, Japan with Master of Economics Degree from University of New England, Australia. He started his career with Department of Revenue and Customs, Ministry of Finance, in 2007. His areas of experience and expertise lies in the fields of Bhutanese economy, macroeconomics and growth theories.

### Mr. Karma Sonam, Director since April 2024

Mr. Karma Sonam started his career as an Assistant ICT Officer at the Ministry of Work and Human Settlement. He holds a Master's Degree in Information Technology and Systems from the University of Canberra, Australia. With over 19 years of experience in the civil service, he has significantly contributed to the ICT Sector of the Royal Government of Bhutan, overseeing numerous ICT projects in software, networks and data centers. He currently works as the Chief ICT Officer at the GovTech Agency.



### Mr. Tashi Penjor, Director since April 2024



Tashi Penjor is the Director for Department of Human Settlement, Ministry of Infrastructure and Transport, Royal Government of Bhutan. As the Director, he has led the formulation, implementation and management of many nationally significant projects such as, Comprehensive National Development Plan for Bhutan 2030, Thimphu Paro Regional Strategy, Thimphu Structure Plan and Regenerative Bhutan (Preserving our past and shaping our future) that continues to promote safe, sustainable and livable human settlements. In his professional career spanning close to two decades, he has also been involved in designing and implementing numerous landscape and architectural projects that strives to shape the future of our cities, towns and villages. Tashi studied architecture in India and he has master's degree in Urban Design and Development from UNSW, Australia. He serves as the Board Director of Thimphu TechPark Ltd, a DHI owned company. He also serves as the Executive Director of Tarayana Foundation and engages in the holistic community growth and development initiatives. Tashi is a member of the Royal Bhutanese Institute of Architects.

### Ms. Audrey Low, Director since April 2024

Audrey is currently the President of Gyalphozhing College of Information Technology and the Chief Advisor to Sherubtse College. She has been instrumental in reforming Bhutan's ICT Higher Education, introducing modern Pedagogical and Andragogical approaches in teaching & learning along with advancing GCIT and Sherubtse applied abilities in Computer Science, Interactive Development, Digital Design, Project Management and Economics. Prior to moving to Bhutan, she has more than 10 years of teaching experiences in Singapore and a decade of organisational experiences in Finance and Oil & Gas. Audrey is a regular feature on stage where she enjoys sharing Knowledge about Disruptive and Generative Technologies. Her most recent conversation is about Generative AI and the exponential growth of Blockchain Software Technology. During weekends, she enjoys planning for day-hikes around Bhutan, watching non-fictional documentaries in Netflix and loves playing golf. She has one favorite motto to achievement and that is "If you want to Build something worthwhile, be ready for Criticism".



### Mr. Kuenga Jurmi, CEO/Director since January 2022



Mr. Kuenga Jurmi is the Chief Executive Officer of Thimphu TechPark Limited (TTPL), the flagship IT park and a key driver of Bhutan's digital transformation. Mr. Jurmi spearheads the park's mission to become a center of excellence in IT and a vibrant hub for the nation's burgeoning startup ecosystem. With an extensive career in technology management and capacity building, he previously served as the founding CEO of the Financial Institutions Training Institute (FITI), where he was instrumental in professionalizing Bhutan's financial sector workforce. His professional background also includes significant leadership and technical roles at the Bank of Bhutan (BoBL) and the Royal Institute of Management (RIM). Mr. Jurmi holds a Master of Information Technology (MIT) from the University of Canberra, Australia. He advocate for leveraging technology to solve real-world problems and frequently mentors young entrepreneurs through Bhutan Innovation and Technology Center (BITC). At this summit, he brings a unique perspective on bridging the gap between engineering education and industry-led innovation in Bhutan.

### 3. MANAGEMENT TEAM



**Mr. Kinley Tshering**  
CPO



**Mr. Kuenga Jurmi**  
CEO



**Mr. Tenzin Rabgay**  
COO



**Ms. Lungten Zangmo**  
Lead, RISE with SAP



**Ms. Karuna Rai**  
Head, HRAD



**Ms. Sonam Zangmo**  
Lead, IntegraSuite ERP



**Ms. Kinley Wangmo**  
Head, Finance & Accounts



**Ms. Yangchen Pelmo**  
Lead, Marketing & Sales



**Mr. Purna Kumar Chhetri**  
Lead, ePIS Unit



**Ms. Drishti Khampa**  
Lead, Center of Excellence (CIE)



**Mr. Phurpa Thinley**  
Lead, ASDU

## 4. DIRECTOR'S REPORT

On behalf of the Board, I am pleased to present the performance of Thimphu TechPark Limited (TTPL) for the financial year 2025. During the year, the Company remained focused on strengthening its strategic role as a national technology partner, delivering critical digital systems, and building capabilities that will support sustainable long-term value creation, despite operating within a constrained and highly competitive market environment.



### Operational Highlights

During the financial year 2025, Thimphu TechPark Limited (TTPL) continued to strengthen its position as a national technology enabler by delivering high-impact digital solutions, expanding enterprise systems implementation, and deepening its capabilities in cybersecurity and licensed software services. Despite operating in a constrained market environment, the Company focused on building long-term value through strategic projects, platform development, and capability enhancement.

In the area of software development, TTPL successfully delivered Phase I of the Five-Year Plan Management System for the Office of the Prime Minister, marking a significant milestone in supporting national planning and performance monitoring through digital platforms. The project establishes a scalable foundation for subsequent phases, ensuring continuity of engagement and sustained value realization in the coming years. TTPL also demonstrated innovation and technical readiness in sensitive and emerging domains through the development of a Proof of Concept for an Online Voting System for the Election Commission of Bhutan, positioning the Company for future opportunities in secure, mission-critical government systems.

The Company continued to deliver sector-specific digital solutions to key public institutions, including vehicle tracking and e-waste management systems for the Ministry of Health. Through its IntegraSuite ERP Unit, TTPL advanced the development of the Royal University of Bhutan Information Management System, a multi-institutional platform intended for deployment across all nine colleges under the University. During the year, the ERP Unit engaged with eleven agencies, completing multiple system implementations and upgrades, thereby reinforcing TTPL's recurring engagement model and institutional footprint.

TTPL further expanded its solution portfolio by delivering operational systems such as a Volunteer Management System and Mobile Application for DeSuung, customer information systems for BDBL and BoBL, and enhancements to the MyResource application for NRDCL. Additional productivity and verification tools, including NoteSheet System and Smart Verify, were developed to address evolving institutional efficiency and compliance needs. These initiatives collectively strengthened TTPL's reputation as a trusted provider of customized, locally relevant digital solutions.

A key strategic achievement during the year was the development of NorPOS, TTPL's in-house point-of-sale product. The solution was designed as an integrated platform supporting sales, inventory, customer management, and reporting, representing a shift towards product-based and scalable revenue models. Initial deployments with five pilot clients validated system performance and user adoption. Building on this foundation, the Company will pursue structured market expansion and commercialization in 2026, with the objective of broadening revenue streams beyond

project-based engagements.

With continued shareholder support, TTPL commenced the implementation of the RISE with SAP Project for the DHI Group, a strategically significant initiative that positions the Company at the core of enterprise digital transformation within the DHI ecosystem. Under Phase I, Wave I, the upgraded SAP solution was successfully deployed in Bhutan Power Corporation, DHI and Drukair. In parallel, the SAP Unit delivered additional implementations and rollouts across multiple hydropower and infrastructure entities, reinforcing TTPL's capability in complex ERP deployments and strengthening long-term client relationships.

The Centre for ICT Excellence sustained its focus on enhancing national and corporate cybersecurity resilience. During the year, network security assessments were completed for eight DHI companies, supported by detailed risk analyses and improvement recommendations. TTPL also conducted Vulnerability Assessment and Penetration Testing for Bhutan NDI, further underscoring its role in safeguarding critical digital infrastructure. In total, 82 vulnerabilities were identified and addressed through the VAPT and network assessments. Complementing these services, TTPL expanded its Microsoft solutions portfolio, onboarding eight new clients and strengthening recurring service and licensing revenues.

Under its IT Services mandate, Thimphu TechPark Limited (TTPL) successfully brought the Bhutan Innovation and Technology Centre (BITC) into full operation, strengthening the Company's role in advancing innovation, entrepreneurship, and technology capability development in Bhutan. BITC implemented a structured suite of startup development, training, and mentorship programmes, including the Entrepreneurship Bootcamp for government Executives attended by 16 executives, Startup Community Bootcamp attended by 62 participants, National Startup Weekend which trained over 115 participants including tech graduates, students, and aspiring innovators, and TTPL InnoSprint 2025.

The flagship InnoSprint 2025, conducted from 24th October to 11th December, provided a seven-week innovation programme focused on nurturing innovative ideas, strengthening entrepreneurial and intrapreneurial capabilities, and supporting early-stage teams in developing and validating Minimum Viable Products (MVPs). The programme concluded with a Demo Day, with three selected teams from within the employees receiving Product Development Grants to further advance their solutions. Outputs from these initiatives are expected to contribute to new product and service offerings from 2026.

Fully revived in 2025, BITC emerged as a dynamic engine of innovation within TTPL, playing a pivotal role in fostering a strong culture of intrapreneurship and empowering employees to actively contribute to innovation and solution development. In parallel, the Information Access Centre delivered targeted capacity-building programmes in cutting-edge technology domains, including Artificial Intelligence, Blockchain, Cybersecurity, Digital Identity, SAP, Commercial and Contract Management, and Machine Learning.

Through a diverse range of initiatives such as bootcamps and startup-focused events, BITC successfully engaged over 190 participants, spanning government executives, students, and aspiring innovators, thereby cultivating a vibrant and inclusive innovation community.

Further strengthening its impact, BITC supported seven startups and aspiring entrepreneurs, of which three successfully graduated from the incubation programme, while four continue to benefit

from mentorship and support. As TTPL advances towards institutionalising InnoSprint as a flagship annual initiative, BITC remains steadfast in its commitment to nurturing Bhutan's innovation ecosystem and contributing meaningfully to national development priorities.

During the year, TTPL continued to place strong emphasis on strengthening employee capabilities to meet the growing demands of emerging technologies and rapidly evolving digital trends. A total of 41 employee participations were recorded in various training programs, comprising both in-house initiatives and programs delivered by specialized external institutions. Complementing these efforts, 29 employees participated in ex-country trainings, conferences, and workshops, enabling the Company to deepen technical competencies and broaden global exposure in critical technology domains.

To further enhance professional credibility and domain expertise, TTPL supported its workforce in pursuing globally recognized certifications. As a result, 26 employees have successfully obtained international certifications – including 12 employees certified in various modules of SAP, 5 as Scrum Product Owners, 1 as a Scrum Developer, 5 as DevOps Engineers, 1 as a Cyber Secure Coder, and 2 in CompTIA Security++, with several more currently progressing through certification pathways. These initiatives reflect the Company's commitment to ensuring its talent pool remains competitive, future ready, and well equipped to lead digital transformation efforts across sectors.

In total, Nu. 8.64 million was invested in learning and development during the year, underscoring TTPL's continued priority on retooling, upskilling, and building a resilient workforce capable of delivering high quality technology solutions aligned with emerging global standards.

Overall, the Company's performance in 2025 reflects a deliberate focus on strategic capability building, institutional trust, and scalable solution development. While short-term revenue growth was moderated by market and funding constraints, the initiatives undertaken during the year have positioned TTPL to unlock sustainable growth, deepen shareholder value, and play an increasingly central role in Bhutan's digital transformation agenda.

### Financial Position and Key Financial Performance Highlights

During the financial year 2025, Thimphu TechPark Limited (TTPL) achieved total revenue of Nu. 150.95 million against an approved target of Nu. 250.00 million. The revenue variance primarily arose from timing-related and external factors impacting project execution, including the non-securing of a project worth Nu. 40 million due to insufficient fund, and project worth Nu. 25 million due to change in the priorities. These projects remain strategically relevant and are expected to be reconsidered in subsequent periods, subject to client readiness and availability of fund.

The Company also commenced the year with an estimated revenue gap of Nu. 35.00 million, as a portion of the planned revenue pipeline had not yet been contractually secured at the beginning of the financial year. This highlighted the need for earlier project confirmation and stronger pipeline visibility, which the Company has since prioritised as a key management focus.

Total expenditure for the year stood at Nu. 137.98 million, lower than the planned expenditure of Nu. 179.10 million. This reflects timely cost rationalisation measures aligned with actual project activity, enabling the Company to manage financial exposure while maintaining core operational capacity.

Consequently, TTPL recorded a profit after tax of Nu. 10.16 million for the year. While the outcome was below the planned profit of Nu. 70.90 million, the Company remained profitable and financially stable. The Board has taken note of the underlying structural lessons from the year and has initiated measures to strengthen project readiness, enhance revenue pipeline certainty, and improve execution alignment. These actions are expected to support more consistent performance and improved financial outcomes in future financial years.

### Corporate Governance

TTPL remains firmly committed to upholding the highest standards of corporate governance, accountability, and transparency in all aspects of its operations. During the financial year under review, the Company fully complied with the requirements of the Companies Act of Bhutan 2016 and the Druk Holding and Investments (DHI) Corporate Governance Code.

The Board of Directors continued to provide strategic leadership and effective oversight to the Company. Over the year, the Board convened four (4) meetings—one in each quarter—in accordance with all statutory and regulatory provisions. All meetings were duly constituted, with quorum requirements fully met.

As at the end of the financial year, the Board comprised seven (7) Directors, including the Chief Executive Officer. The Board functioned cohesively and discharged its fiduciary responsibilities diligently, ensuring that the interests of the Company and its shareholder were consistently upheld.

### Challenges and Outlook for 2026

As TTPL enters 2026, the Company continues to operate in a rapidly evolving and competitive technology environment. Several structural and market-related challenges are expected to shape operational priorities and strategic direction. Recognizing these risks, the Board has instituted measures to strengthen resilience, enhance competitiveness, and position the Company for sustainable growth.

1. **Talent Availability and Skills Development:** The domestic talent pool for senior technical specialists including architects, cybersecurity professionals, and AI engineers remains limited. Up-skilling existing staff for emerging technologies requires sustained investment. TTPL to continue its investment in professional development, structured learning pathways, and selective recruitment through remote and hybrid models.
2. **Market Size and Revenue Diversification:** Bhutan's domestic market for enterprise software solutions remains small, and the pace of digital procurement particularly within the public sector continues to be gradual. Many agencies are still transitioning from manual or legacy systems, resulting in longer sales cycles and delays in project initiation. TTPL will expand value driven solutions targeting priority national sectors, accelerate product-based offerings to enhance recurring income, and actively explore regional opportunities to diversify demand beyond Bhutan.
3. **Increasing Competition from Cost-Competitive Players:** TTPL faces growing competition from private firms with lower operating costs, as well as from global freelance and near-shore vendors offering competitively priced services. To counter competitive pricing, TTPL will strengthen differentiation through domain expertise, quality assurance frameworks, security

compliance, and localized customer support.

4. **Rapid Technological Change:** The pace of technological advancement presents both a challenge and an opportunity. Continuous changes in platforms, tools, and customer expectations require ongoing investment and adaptability. TTPL's strategy is to remain technology-agnostic, adopt scalable and modular solutions, and prioritize continuous learning and innovation to ensure our offerings remain relevant and competitive.
5. **Limited Strategic Partnerships:** The lack of robust alliances with global technology firms and cloud or consulting partners restricts TTPL's access to new markets, technologies, and solution ecosystems. TTPL will actively cultivate strategic partnerships, pursue reseller and implementation agreements, and strengthen participation in regional technology networks.
6. **Private Sector Reluctance in Commissioning Large-Scale Software Projects:** Some large private organizations continue to prefer established international vendors or in-house development due to perceived maturity, risk appetite, or experience considerations. TTPL to build its brand and its presence by strengthening its enterprise capability credentials through robust case studies, certifications, and successful delivery of mission-critical systems, improving market confidence in local expertise.

Despite the challenges, the Company remains well-positioned for forward momentum. Bhutan's continued digitalization efforts, rising awareness of technology led efficiency, and TTPL's strengthened strategic direction offer meaningful growth opportunities. With a renewed focus on people, partnerships, innovation, and operational discipline, TTPL is poised to navigate uncertainties and build a more resilient and competitive future in 2026 and beyond.

### Acknowledgement

The Company reaffirms its commitment to excellence, integrity, and the long term aspirations of our shareholder. We express our deep appreciation for the unwavering guidance, trust, and support received from DHI, the DHI Owned Companies, Board Directors, tenant companies, the management and employees, and the Royal Government of Bhutan. Their collective support has been instrumental in enabling TTPL to pursue its strategic objectives, strengthen national digital capabilities, and navigate an increasingly dynamic operating environment.

As we look ahead, TTPL remains dedicated to delivering sustained value, driving innovation, and contributing meaningfully to Bhutan's digital transformation. We look forward to continued collaboration, support, and shared commitment in the years to come.

For and on behalf of the Board



(Jacques von Benecke)  
Chairman, TTPL Board

## 5. Corporate Governance Report

TTPL strives to uphold high standards of corporate governance and ensure full compliance with the Companies Act of Bhutan, 2016, the Corporate Governance Code, the Ownership Policy developed by DHI, and all other statutory requirements.

### 5.1 Board of Directors

The Board of Directors plays an active role in TTPL's operations and decision-making by contributing professional insights and participating actively in discussions. It serves as the company's governing body. The TTPL Board comprises seven members, including the Chief Executive Officer, all of whom are identified and appointed by DHI and subsequently endorsed at general meetings. DHI also organizes and conducts orientation programs for new board members to equip them for their roles and responsibilities.

Sl.	Board Directors	Designation/ Address	Date of Appointment	Director type	Remarks
1	Mr. Jacques von Benecke	Chief Technology Officer, DHI	August 2022	Non-Independent	2 <sup>nd</sup> Term
2	Mr. Pema Dorji (PhD)	Chief Program Officer, DoMDF, MoF	April 2024	Independent	1 <sup>st</sup> Term
3	Mr. Karma Sonam	Chief ICT Officer, GovTech	April 2024	Independent	1 <sup>st</sup> Term
4	Mr. Tashi Penjor	Director, DHS, MoIT	April 2024	Independent	1 <sup>st</sup> Term
5	Mr. Tenzin	Associate Director, DoI, DHI	April 2024	Non-Independent	1 <sup>st</sup> Term
6	Ms. Audrey Low	President, GCIT	April 2024	Independent	1 <sup>st</sup> Term
7	Mr. Kuenga Jurmi	CEO, TTPL	Since 15 <sup>th</sup> January 2022	Non-Independent	2 <sup>nd</sup> Term

### 5.2 Board Meetings

A total of four (4) Board Meetings were conducted in the year 2025. The details of the Board Meetings are shown in the table below:

Meeting No.	Board Directors	Attendance
<b>92nd Board Meeting</b> Date: 7th March 2025	Mr. Jacques von Benecke	Present
	Ms. Audrey Low	Present
	Mr. Pema Dorji	Apologies
	Mr. Karma Sonam	Present
	Mr. Tenzin	Present
	Mr. Tashi Penjor	Apologies
	Mr. Kuenga Jurmi	Present

<b>93rd Board Meeting</b> Date: 24th June 2025	Mr. Jacques von Benecke	Present
	Ms. Audrey Low	Present
	Mr. Pema Dorji	Present
	Mr. Karma Sonam	Apologies
	Mr. Tenzin	Present
	Mr. Tashi Penjor	Present
	Mr. Kuenga Jurmi	Present
<b>94th Board Meeting</b> Date: 30th September 2025	Mr. Jacques von Benecke	Apologies
	Ms. Audrey Low	Apologies
	Mr. Pema Dorji	Present
	Mr. Karma Sonam	Present
	Mr. Tenzin	Present
	Mr. Tashi Penjor	Present
	Mr. Kuenga Jurmi	Present
<b>95th Board Meeting</b> Date: 28th November 2025	Mr. Jacques von Benecke	Present
	Ms. Audrey Low	Present
	Mr. Pema Dorji	Present
	Mr. Karma Sonam	Present
	Mr. Tenzin	Present
	Mr. Tashi Penjor	Present

### 5.3 Board Committees

1. Board Audit Committee (BAC)
2. Board Tender Committee (BTC)
3. Board HR Committee (BHRC)

#### Board Audit Committee

The Board Audit Committee is formed to oversee the company's internal control system and ensure compliance with laws and regulations. BAC is the cornerstone for effective corporate governance.

One Board Audit Committee Meeting was conducted in 2025 and as detailed below:

Meeting No.	Member's present	Chairman /Member	Attendance
<b>13<sup>th</sup> Board Audit Committee</b> Date: 10 <sup>th</sup> February 2025	Mr. Tenzin	Chairman	Present
	Mr. Pema Dorji (PhD)	Member	Present

*Board Tender Committee (BTC)*

The Board Tender Committee is a standing committee of the TTPL Board of Directors, primarily responsible for reviewing tender-related proposals and associated matters submitted by Management, and either approving them or recommending them to the TTPL Board. No Board Tender Committee meetings were held during 2025.

*Board HR Committee (BHRC)*

The objective of BHRC is to support the Board in carrying out its responsibilities related to human resource development and management by reviewing proposals, making decisions at its discretion, or providing recommendations to the Board.

One Board HR Committee Meetings was conducted during 2025 as follows:

Meeting No.	Member's present	Chairman / Member	Attendance
<b>20<sup>th</sup> Board HR Committee</b> Date: 18 <sup>th</sup> August 2025	Ms. Audrey Low	Chairman	Present
	Mr. Tashi Penjor	Member	Present
	Mr. Kuenga Jurmi	Member	Present

**5.4 Board Remuneration**

The Board and CEO's remuneration paid during the financial year 2025 are provided in the following table:

<b>a. Summary of compensation paid to the Chief Executive Officer:</b>	
Particulars	Amount (Nu.)
Salary & Allowances	3,035,609.00
Sitting Fees	61,000.00
Provident Fund Contribution	190,196.00
Training (incl. workshop, seminar, etc.) Expenditures during the year (e.g., Inception Fees, Travel, food/Room & etc.)	103,366.43
Other Benefits (LTC, Leave, PBVA & Bonus)	121,029.10
<b>Total Amount [in Nu.]</b>	<b>3,511,200.43</b>

<b>b. Summary of compensation paid to Board of Directors (Inclusive of CEO)</b>	
Particulars	Amount (Nu.)
Directors' Sitting Fees (Board & Sub-Board)	348,500.00
Directors' Training (incl. workshop, seminars, etc.) Expenditures during the year (e.g., Inception Fees, Travel, food/ Room & etc.)	-
Directors' DSA	-
<b>Total Amount [in Nu.]</b>	<b>348,500.00</b>

### ***5.5 Annual General Meeting***

The 16<sup>th</sup> Annual General Meeting was held on March 25, 2026, at DHI Board Room and attended by the Shareholder, Board Directors, and the key members of the management team.

The Annual General Meeting transacted the following business items:

- a) Ratification of the Minutes of the 15<sup>th</sup> Annual General Meeting.
- b) Consideration of audited accounts for the financial year ended December 31, 2025 along with Auditor's Report and Director's Report.
- c) Declaration of Dividend.
- d) Review and assessment of Compact 2025.
- e) Appointment and retirement of Directors.
- f) Endorsement of re-appointment of the Chief Executive Officer
- g) Declaration of remuneration for CEO and Directors.
- h) Appointment and fixing remuneration of Auditors.

### ***5.6 Risk Management System***

TechPark adopts a comprehensive and structured approach to identifying and managing risks in alignment with the guidelines set by DHI.

The Risk Management System serves as a strategic tool to enhance corporate governance and strengthen institutional capacity. This is achieved by systematically identifying and prioritizing risks through:

- a) assessing their impact and likelihood,
- b) identifying appropriate mitigation measures,
- c) evaluating the effort and resources required to implement these measures,
- d) making informed decisions to either accept the risk or allocate resources to reduce or eliminate it, and
- e) assigning responsibility for the identified actions to the relevant personnel.

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**INDEPENDENT  
AUDITOR'S REPORT**

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**TITLE SHEET**

Title	:	Audit Report on the financial statements of Thimphu TechPark Limited
AIN	:	
Head of the Agency	:	<b>Kuenga Jurmi</b> Designation: Chief Executive Officer CID No. 11306002310
Finance Personnel	:	Mrs. Kinley Wangmo Designation: Sr. Finance Manager CID No. 10505000367
Period Audited	:	<b>Jan. 1, 2025 – Dec. 31, 2025</b>
Schedule of Audit	:	Planning: 03.01.2026 to 03.09.2026 Actual: 03.01.2026 to 13.01.2026 Reporting: January 2026
Composition of Audit Team	:	<u>Team Leader:</u> <b>CA Dilli Ram Bista</b> CID No. 11810002939  <u>Team Members:</u> 1. Jeevan Kumar Chhetri, CID No. 10205009664 2. Heman Adhikari, CID No. 11302000560 3. Nar Bir Kammer, CID No. 10304000475 4. Tshering Choden, CID No. 10204001730 5. Sonam Yangzom, CID No. 10701001847
Supervising Officer	:	<b>Yok Bahadur Karki</b>
Appointment Letter Engagement Letter	: :	RAA(SA-31) COAD/2025/781 dated 03.11.2025 DY&A/SAEL/2026/01
Focal Person	:	<b>CA Dilli Ram Bista</b> Email: cabhutan@yahoo.com Phone: 17258738/17420185
Date of Exit Conference	:	<b>23.01.2026</b>

## INDEPENDENT AUDITORS' REPORT

To,  
The Shareholder(s)  
Thimphu TechPark Ltd. (TTPL),  
Thimphu, Bhutan.

### Report on the Audit of Financial Statements

#### Opinion

We have audited the financial statements of **Thimphu TechPark Limited** (the “Company” **TTPL**), which comprise the Statement of Financial Position as at December 31, 2025, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and explanation given to us, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance and its cash flows, for the year then ended in accordance with Bhutanese Accounting Standard (BAS).

#### Basis for Opinion

We conducted our audit in accordance with the provision of the Companies Act of Bhutan, 2016 (“The Act”) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with 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 basis for our opinion.

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

The management is responsible for the preparation and fair representation of the financial statements in accordance with the Bhutanese Accounting Standards (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 Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 International Auditing Standards and the General Terms of Reference in Bhutan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing and terms of reference for audit, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the 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 the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them



all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

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

### **Report on other Legal and Regulatory Requirements**

As required by Section 266 of the Act (the Minimum Audit Examination and Reporting Requirements), we enclose in the Annexure 'A' a statement on the matters specified therein to the extent applicable.

As required by section 265 of the Act, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company in 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 Cash Flows and the Statement of Changes in Equity dealt with by this report agrees with the books of account.
- d) In our opinion, the Company has complied with other legal and regulatory requirements.

**Dilli Yok & Associates Chartered Accountant Firm**

**License No: CRC2625**



**CA Dilli Ram Bista**  
**Membership No.542831**

**Place: Thimphu**

**Date: 08/04/26**

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**REPORT ON MINIMUM AUDIT  
EXAMINATION REQUIREMENTS**

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**Annexure “A”**

**MINIMUM AUDIT EXAMINATION AND REPORTING REQUIREMENTS**  
**(To the Extent Applicable)**

All audits have been carried out applying the International Standards on Auditing (ISA) as adopted and issued by the Accounting and Auditing Standards Board of Bhutan (AASBB).

**General**

1. The Company has adhered to the Corporate Governance Guidelines and Regulations as applicable to them.
2. Generally, the governing board/authority pursued a prudent and sound financial management practice in managing the affairs of the company.
3. The financial statements are prepared applying the Bhutanese Accounting Standards issued by the Accounting and Auditing Standards Board of Bhutan (AASBB).
4. Proper books of accounts have been maintained, and financial statements are in agreement with the underlying accounting records.
5. Adequate records as specified under Section 228 of the Companies Act of Bhutan 2016 have been maintained.
6. Mandatory obligations social or otherwise, if any, entrusted are being fulfilled.
7. The amount of tax is computed correctly and reflected in the financial statements.

**In the case of a Service Sector company**

1. The Company has maintained proper records in IntegraSuite ERP system showing full particulars including situation and location-wise quantitative details of fixed assets. There were no discrepancies as per book records and physical verification report.
2. The fixed assets were not revalued during the year under audit.
3. During our examinations there is no such inventories such as finished goods, stores, spares parts and raw materials except inventories pertain to office stationeries. The management informed us that the physical verification of the stocks of office stationeries is done at the year end.
4. The clause is not applicable as per the clause 3.
5. The clause is not applicable as per the clause 3.
6. The company has a reasonable system of recording receipts, issues and consumption



of office stationery Items commensurate with its size and nature of its business.

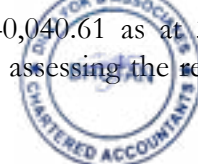
7. The clause is not applicable as per the clause 3.
8. The clause is not applicable as per the clause 3.
9. As per clause 8, the said clause is not applicable.
10. As per clause 8, the said clause is not applicable.
11. As per clause 8, the said clause is not applicable.
12. Based on the information and explanations provided to us by the company, no new loans were availed during the financial year under review.
13. The Company has granted a short-term loan of Nu. 100 million to State Trading Corporation of Bhutan Limited for a period of 43 days at an interest rate of 3.5% during the year.
14. Loans/advances granted to the officers/staff, if any, are generally in keeping with the provisions of the Company's Service Rules and neither excessive/frequent advances were granted nor accumulation of large advances against individuals were noticed.
15. According to the information's and explanations made by the management, the company has established 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. Internal Control/Risk Management is satisfactory with the size and volume of the business.
16. There is a reasonable system of authorization at proper levels and adequate system of internal control commensurate with the size of the company and nature of its business on issue of stores and allocation of Stores and Labour to jobs.  
  
In our opinion and according to the information and explanations given to us, having regard to the exception that some of the items of special nature, there is an adequate system of competitive bidding, commensurate with the size of the company and the nature of its business, for the purchase of goods and services including stores, plant and machinery, equipment and other assets.
17. There is a system of competitive biddings, commensurate with the size of the company and the nature of its business, for the purchase of goods & services.
18. (a) There is register of Contracts in which Directors are Interested. While reviewing the documents there was no transactions of purchases of goods and services made in pursuance of contracts or arrangements entered into with the directors or any other parties related to the directors or with companies or firms in which the directors are directly or indirectly interested.



- (b) This clause is not applicable in view of observation in clause (a) above.
19. According to our examination, no as such personal expenses are capittalized under the work in progress.
  20. The said clause is not applicable in the view of the nature of the business.
  21. The said clause is not applicable in the view of the nature of the business.
  22. The said clause is not applicable in the view of the nature of the business.
  23. The said clause is not applicable in the view of the nature of the business.
  24. Based on test verification, the Company is regular in depositing rates and taxes, duties, royalties, provident funds, and other statutory dues with the appropriate authority. Further the provision for corporate tax is adequate and that necessary adjustments have been made to compute amount of tax as per the prevailing tax laws, rules and regulations of Bhutan.
  25. As per the records made available to us, there was undisputed amount payable in respect of rates, taxes, provident funds and other statutory dues, which are outstanding as on the last day of the financial year.

SI No.	Particular	Amount (Nu)
1	2% TDS Payable	21,717.67
2	3% TDS Payable	27,086.40
3	Salary Tax Payable	505,970.00
4	Health Contribution	54,637.00
	<b>Total</b>	<b>609,411.07</b>

26. The company has a reasonable system of allocating man-hours utilized to the respective jobs, commensurate with the size and nature of its business
27. The said clause is not applicable in the view of the nature of the business.
28. The credit policy was approved by the Board during its 92nd Board Meeting and was implemented with effect from 7 March 2025.
29. The said clause is not applicable in the view of the nature of the business.
30. The company had come up with the reasonable system for continuous follow-up with debtors and other parties for recovery of outstanding amounts. Also, age- wise analysis of outstanding amounts is carried out for management information and follow-up action.
31. The management of liquid resources particularly cash/bank and short-term deposits etc. are generally adequate and that excessive amount is not lying idle in non-interest-bearing accounts, except for the substantially high bank balance Nu. 126,040,040.61 as at 31-12-2025. The withdrawals of loan amounts if required are made after assessing the require-



ments of funds from time to time and no excess amounts are withdrawn leading to avoidable interest burden on the company.

32. In our opinion, the activities carried out by the management are lawful and intra-vires the Articles of Incorporation of the Company.
33. The investment decisions are made subject to prior approval of the Board and investment in new projects is made only after ascertaining the technical and economic feasibility of such new ventures.
34. The Company has established a budgetary control system, which in our opinion is adequate and effective.
35. The said clause is not applicable in the view of the nature of the business.
36. In our opinion, other than the sitting fees for the directors, no other payments in the nature of remuneration and commission have been paid to the Directors Except to CEO. The sitting fees and other expenses paid to the Directors are disclosed in Note No. 2.23, Related Party Transactions of this Report.
37. To the best of our knowledge, we have not come across any instance of the directives of the Board that has not been complied with.
38. We are given to understand by the Management the officials of the company have not transmitted any price sensitive information which are not made publicly available, unauthorized to their relatives/friends/associates or close persons which would directly or indirectly benefit themselves.
39. Proper records are kept for inter unit transactions/services and arrangements for services made with other agencies engaged in similar activities.
40. As per our examination the proper agreements are executed, and the terms and conditions of leases are reasonable and the same are applied.

### **Computerized Accounting Environment**

1. The company maintains its system in Integra Suite ERP and access to database is restricted and limited in accordance with the nature of the work, users and official's designation. This ensures adequate organizational system and internal control relating to the size and nature of computer installations.
2. The accounting system software and all the computers are strictly password protected with appropriate user-access over the computer installations and the files.
3. The company has adequate safeguard measures and back up facility. As per information provided to us, the back-up facilities are additionally kept in Microsoft Cloud Service platform to serve the requirement of storing them at a separate location.



4. The operational controls are adequate and automatic to ensure correctness and validity of input data and output information.
5. In our opinion and according to the information and explanations given to us, the measures taken by the Company to prevent unauthorized access over the computer installations and files are adequate.
6. No change-over to a new system had been done during the audit period. Hence question of data migration does not arise.

**Other requirements:**

**1. Going concern problems**

The Company's present operational and financial data indicates that the Company is financially healthy, and we have no reason to believe that the Company is not a going concern entity. Accordingly, the financial statements have been prepared on the going concern assumption.

**Ratio Analysis**

Refer To **Exhibit-III**

**2. Compliance with the Companies Act of Bhutan 2016**

As confirmed by the Management and as verified from accounts and information provided, we are of the opinion that the Company has complied with provisions of The Companies Act of Bhutan 2016.

**3. 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 review of the financial statement as produced to us by the management. In the course of Audit, we have considered the compliance of provisions of the said Companies Act, Income Tax Laws and its Articles of Incorporation only.

**Dilli Yok & Associates Chartered Accountant**

**Firm License No: CRC2625**



**CA Dilli Ram Bista**  
**Membership No.542831**  
**Place: Thimphu**  
**Date: 08/04/26**

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# FINANCIAL STATEMENTS

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**THIMPHU TECHPARK LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 December 2025**

*(All figures in Bhutanese Ngultrums unless otherwise stated)*

Particulars	Note	As at 31-Dec-2025	As at 31-DEC-2024
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investment Property	7A	194,051,543.84	201,618,954.71
Property, Plants & Equipment	7B	78,640,560.44	81,316,443.27
Right-of-Use-of-Asset	7C	935,340.00	1,003,778.94
Deferred Tax Assets	7D		1,633,669.62
<b>Total Non-Current Assets</b>		<b>273,627,444.28</b>	<b>285,572,846.54</b>
<b>CURRENT ASSETS</b>			
<b>Financial Assets</b>			
Trade & Other Receivables	4	30,811,126.29	108,539,790.60
Short Term Investment	6	43,470,475.93	41,881,401.08
Cash and Cash Equivalents	5	126,040,040.61	71,866,756.43
Other Current Assets	7	4,763,974.44	2,035,455.14
<b>Total Current Assets</b>		<b>205,085,617.27</b>	<b>224,323,403.25</b>
<b>TOTAL ASSETS</b>		<b>478,713,061.55</b>	<b>509,896,249.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital		223,090,900.00	223,090,900.00
Retained Earnings		116,270,464.16	116,104,649.19
Other Comprehensive Income		3,515,546.53	2,227,828.03
<b>TOTAL EQUITY</b>		<b>342,876,910.69</b>	<b>341,423,377.22</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Other Non-Current Liabilities	9	99,328,081.30	104,123,132.52
Long Term Employee Benefits	10	1,334,990.33	1,712,589.06
Deferred Tax Liabilities	11	621,875.95	-
<b>Total Non-Current Liabilities</b>		<b>101,284,947.58</b>	<b>105,835,721.58</b>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	12	19,740,331.00	44,941,314.46
Other Current Financial Liabilities	13	1,155,555.00	1,155,555.00
Other Current Liabilities	14	12,065,072.01	14,901,056.43
Lease Liability	15	1,590,244.76	1,639,224.37
<b>Total Current Liabilities</b>		<b>34,551,202.77</b>	<b>62,637,150.99</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>478,713,061.55</b>	<b>509,896,249.79</b>

\* The Accompanying notes form an integral part of the standalone financial statements

In terms of our separate report attached herewith

For Dilli Yok & Associates  
Chartered Accountants  
FRN: CRC2625



CA Dilli Ram Bista  
Membership No.: 542831  
Place: Thimphu  
Date:



For Thimphu Techpark Limited



Chairman



Chief Executive Officer

## THIMPHU TECHPARK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 December 2025

(All figures in Bhutanese Ngultrums unless otherwise stated)

Particulars	Note	As at 31-Dec-2025	As at 31-DEC-2024
<b>COMPREHENSIVE INCOME</b>			
Revenue from Operations	17	135,832,916.31	208,475,799.75
Finance Income	18	2,133,282.54	2,116,001.73
Other Income	19	12,443,923.55	9,431,009.62
<b>Total Income</b>		<b>150,410,122.40</b>	<b>220,022,811.10</b>
<b>EXPENSES</b>			
Employee Related Costs	20	73,767,623.56	72,123,326.34
IT & IT Services Expenses	21	26,885,020.21	65,406,938.22
Operation & Maintenance Expenses	22	1,038,481.10	711,820.42
General Administration Expenses	23	16,728,826.98	12,287,168.91
Depreciation & Amortization	7	19,215,657.69	14,819,873.45
Finance Cost	24	353,152.32	828,752.80
<b>Total Expenses</b>		<b>137,988,761.86</b>	<b>166,177,880.14</b>
<b>Profit on Operations before Tax</b>		<b>12,421,360.54</b>	<b>53,844,930.96</b>
Current Income Tax Expenses	27	-	-
Deferred Tax	27	(2,255,545.57)	7,606,713.37
<b>Profit on Operations after Tax</b>		<b>10,165,814.97</b>	<b>61,451,644.33</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified to Profit &amp; Loss</i>			
Actuarial Gain/(Loss) on Post-Employment Benefits	26	1,287,718.50	358,261.06
Fair Value Changes on Investment Property, Net	25	-	-
Income Tax relating to items that will not be Reclassified		-	-
<b>Other Comprehensive Income for the period, net of tax</b>		<b>1,287,718.50</b>	<b>358,261.06</b>
<b>Profit/(loss) for the year</b>		<b>11,453,533.47</b>	<b>61,809,905.39</b>
Basic and Diluted Earnings per Share	28	4.56	27.55

\* The Accompanying notes form an integral part of the standalone financial statements

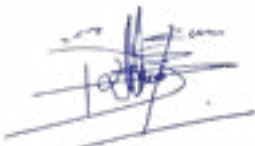
In terms of our separate report attached herewith

For Dilli Yok &amp; Associates

for Thimphu Techpark Limited

Chartered Accountants

FRN: CRC2625



CA Dilli Ram Bista




Chairman


Chief Executive  
Officer

Membership No.: 542831

Place: Thimphu

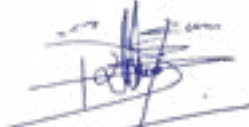
Date:

**THIMPHU TECHPARK LIMITED**  
**STATEMENT OF CHANGE IN EQUITY FOR THE ENDED 31 DECEMBER 2025**

*(All figures in Bhutanese Ngultrums unless otherwise stated)*

Particulars	Equity Share Capital	Retained Earnings	Other Comprehensive Income	Total Equity attributable to equity holders of the company
<b>Balance as on 01.01.2023</b>	223,090,900.00	(53,323,077.50)		169,767,822.50
Net Profit/(Loss) for the year		130,976,082.36		130,976,082.36
Actuarial Gain/(Loss) on Post Employment Benefits			1,869,566.97	1,869,566.97
<b>Balance as on 31.12.2023</b>	223,090,900.00	77,653,004.86	1,869,566.97	302,613,471.83
<b>Balance as on 01.01.2024</b>	223,090,900.00	77,653,004.86	1,869,566.97	302,613,471.83
Payment of Dividend	-	(23,000,000.00)		(23,000,000.00)
Actuarial Gain/(Loss) on Post-Employment Benefits			358,261.06	358,261.06
Profit for the period	-	61,451,644.33	-	61,451,644.33
<b>Balance as of December 31, 2024</b>	223,090,900.00	116,104,649.19	2,227,828.03	341,423,377.22
Payment of Dividend	-	(10,000,000.00)		(10,000,000.00)
Actuarial Gain/(Loss) on Post-Employment Benefits			1,287,718.50	1,287,718.50
Profit for the period	-	10,165,814.97		10,165,814.97
<b>Balance as of December 31, 2025</b>	223,090,900.00	116,270,464.16	3,515,546.53	342,876,910.69

For Dilli Yok & Associates  
 Limited Chartered Accountants  
 FRN: CRC2625

  
 CA Dilli Ram Bista  
 Membership No.: 542831  
 Place: Thimphu



For Thimphu TechPark

  
 Chairman



Chief Executive Officer

**THIMPHU TECHPARK LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2025**

(All figures in Bhutanese Ngultrums unless otherwise stated)

Particulars	As at 31 Dec 2025	As at 31 DEC 2024
<b>Cash flows from operating activities (indirect method)</b>		
<i>Profit/ (Loss) Before Tax</i>	12,421,360.54	53,844,930.96
<b>Adjustments for:</b>	-	-
Depreciation & amortization	19,215,657.69	14,819,873.45
Interest expense	-	828,752.80
Less: Interest Income	(2,133,282.54)	(2,116,001.73)
Less: Profit on sale of fixed Assets	(731,808.38)	
<b>Cash from operations before working capital changes</b>	28,771,927.31	67,377,555.48
(Increase)/Decrease in trade and other receivables	77,728,664.31	(748,505.67)
(Increase)/ Decrease in Other current asset	(2,728,519.30)	(463,849.57)
Increase/(decreased) Trade & Other Payables	(25,200,983.46)	6,262,779.78
Increase/(Decrease In employee Long -Term Liabilities	(377,598.73)	12,591,574.20
Increase/(Decrease) in Other Current Liabilities	(2,835,984.42)	1,668,406.90
Increase/(Decrease) in Other Non-current Liabilities	(3,507,333.00)	295,233.73
Decrease in Lease Liability	(48,979.61)	(48,979.61)
<b>Cash generated from operations</b>	<b>71,801,193.10</b>	<b>86,934,215.24</b>
Income taxes Paid	-	-
<b>Net cash from operating activities</b>	<b>71,801,193.10</b>	<b>86,934,215.24</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE (excl. ROU asset)	(9,219,607.02)	(24,312,257.07)
Increase in Short Term Investment	(1,589,074.85)	(1,881,401.09)
Proceed from Sale Fixed Asset	1,047,490.41	
<b>Net cash used in investing activities</b>	<b>(9,761,191.46)</b>	<b>(26,193,658.16)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(10,000,000.00)	(23,000,000.00)
Repayments of long-term borrowings & Interest		(26,411,852.24)
Interest Received on investment	2,133,282.54	2,116,001.73
Interest Paid on loan	-	(828,752.80)
<b>Net cash from financing activities</b>	<b>(7,866,717.46)</b>	<b>(48,124,603.31)</b>
<b>Net increase in cash and cash equivalents</b>	<b>54,173,284.18</b>	<b>12,615,953.77</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>71,866,756.43</b>	<b>59,250,802.66</b>
<b>Cash and cash equivalents at end of period</b>	<b>126,040,040.61</b>	<b>71,866,756.43</b>

For Dilli Yok & ASSOCIATES  
 Limited Chartered Accountants  
 FRN: CRC2625

for Thimphu TechPark



CA Dilli Ram Bista  
 Membership No.: 542831  
 Place: Thimphu




Chairman



Chief Executive Officer

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**ACCOUNTING POLICIES AND  
NOTES TO ACCOUNTS**

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## THIMPHU TECHPARK LIMITED THIMPHU, BHUTAN

Schedule forming part of the financial statements for the year ended 31<sup>st</sup> Dec. 2025.

### **NOTE 1: Accounting policies, judgements and estimates**

#### **1.1 General Information**

##### **Overview**

Thimphu TechPark Limited (TTPL) is Bhutan's first Information Technology (IT) Park, established as a strategic initiative by the Royal Government of Bhutan through the then Department of Information Technology and Telecom (presently Government Technology Agency) under the Ministry of Information and Communication. The park was developed with funding support from the World Bank Group under the Private Sector Development Project (PSDP), aiming to promote the IT/ITES sector, enhance national IT skills, and improve access to finance.

##### **Development and Public-Private Partnership**

Built under a pioneering Public-Private Partnership (PPP) model, Bhutan's first IT Park was jointly developed by Druk Holding and Investments Ltd. (DHI) with a 26% equity stake and Asset Property Group holding 74% equity. This model facilitated the Design, Build, Finance, Own, Operate, and Transfer (DBFOOT) mechanism, marking a significant milestone in Bhutan's infrastructure development history. The construction of the IT Park was completed on 30th April 2012, and operations commenced on 7th May 2012.

##### **Transition to National Ownership**

In a strategic move to enhance national digital capabilities, DHI assumed full ownership of the park, and the entity was officially incorporated as Thimphu TechPark Limited (TTPL) on 29th October 2014.

##### **Initial Mandate**

TTPL was initially mandated to:

- Attract and facilitate Foreign Direct Investments (FDIs) in the IT/ITES sector,
- Offer commercial spaces for global IT companies to establish operations out of Bhutan,
- Manage and operate the Bhutan Innovation and Technology Center (BITC), which included a Tier-2 Data Center, Business Incubation Space, and a Shared Service Center to support innovation and entrepreneurship.

##### **Strategic Transformation**

In 2019, TTPL embarked on a strategic transformation from a facility management entity **to a software and IT services company**, aligning with the **national vision of digital transformation and innovation**. This transition positioned TTPL as a **Center of Excellence in Software Engineering**, with a core focus on:

- Custom software development,
- Mobile and web-based application development,
- Implementation and support of ERP solutions such as IntegraSuite ERP and SAP,



- Data analytics and business intelligence services, and
- To continue with operation of BITC and leasing of commercial space to FDIs.

TTPL also emerged as the preferred IT service provider for DHI-owned companies, Government technology Agency, various governmental agencies, development partners and private companies offering comprehensive and integrated IT solutions under a “One-Stop IT Service Provider” model.

All significant operations take place within Bhutan. The Company is a limited liability company incorporated and domiciled in Bhutan. The address of its principal place of business is Babesa, Thimphu, Bhutan.

## 1.2 Statement of compliance with BAS 2020

The financial statements have been prepared in accordance with Bhutanese Accounting Standard 2020 (BAS 2020)

- **Going Concern**

The financial statements have been prepared on a going concern basis. The company has performed an assessment of its financial position as of 31st December 2025 and has prepared forecasts for at least twelve months from the date of authorization of these financial statements (the going concern assessment period and the foreseeable future).

The company has assessed on the monthly basis the projected cashflows over the going concern assessment period by identifying all the expected cash inflows from the Rental income, Information Technology Service, BITC Operation, interest income from fixed deposits and expected cash out flows towards operational expense, capital expenditures, dividend.

Based on the evaluation described above, management believes that the company has sufficient financial resources available at the date of approval of these financial statements. Furthermore, it expects the company to continue as a going concern in the foreseeable future and for a period of at least twelve months from the date of authorization of these financial statements.

- **Capital Management**

### **Risk management**

The company’s objectives when managing capital are to:

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

The Company's capital structure is based on management’s judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity.



The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary, adjust its capital structure.

## NOTE 2: Summary of Significant Accounting Policies

### 2.1 Basis of Preparation

The financial statements of the Thimphu TechPark Limited (a Company) have been prepared in accordance with Bhutanese Accounting Standards (BAS) issued by Accounting and Auditing Standard Board of Bhutan (AASBB) and the relevant provisions of The Companies Act of Kingdom of Bhutan 2016 including the Regulation for Accounting and Auditing Standards of Companies in Bhutan, 2024. The said financial statements have been prepared on the accrual basis of accounting with the historical cost convention and going concern basis except as stated otherwise in the Financial Statements.

The preparation of the Financial Statements is in conformity with BAS that requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the DHI Group's accounting policies and the reported amounts of revenue, expenses, assets and liabilities may differ from the estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

- **Fixed Assets:** Fixed assets are depreciated over the estimated useful life. Critical judgments are expected for period of use, condition of the asset, technological advances, regulation, and residual values.
- **Actuarial valuation of employee benefits:** Expected uptake of the gratuities and the discount rate used in the valuation.
- **Income:** Revenue is determined on the basis of the percentage of completion of contracts and the likely outcome of the contract.
  - *Rental charges for the tenants, escalated with the terms of the TTPL as per its contract and negotiation.*
  - *Income on training is recognized as and when it is conducted throughout the year.*
  - *Information Technology Service relates to service contracts entered by TTPL with various companies for providing them service relating to the field of Information Technology.*

The functional currency and presentation are in the Bhutanese Ngultrum.

### 2.2 Critical accounting judgments and key sources of estimation uncertainty

In application of accounting policies as described below, the Company has made judgments and estimations that have significant impact on the amounts stated in the financial statements.

There are following sources of estimation uncertainties:



In determining present value of retirement benefits obligations, estimations of future salary levels and discount rates were made by the actuarial while those represent high uncertainty in the conditions of financial market.

### **2.3 Application of standards, interpretations and their amendments in the financial year**

In the financial year 2022, the TTPL applied BFRS 9 Financial Instruments for the first time while, BFRS 16 Lease has been applied retrospectively from 2020. The BAS 40 Investment property was measured through fair value being determined by Construction Development Corporation Limited. However, TTPL has decided to retrospectively apply cost model to measure the value of the Investment properties effective from 2012 in line with DHI's directives. The fair value amount determined by Bhutan Insurance is Nu. 238, 571,627.86

### **2.4 Segment Reporting**

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

### **2.5 Restatement of Final Accounts**

Restatement of an Accounts is done or necessary when it is determined that a previous Financial Statements contained a "Material" inaccuracy, which results from accounting mistakes, misrepresentation, or simple clerical errors etc. It is an act of revising one or more of a company's previous financial statement to correct an error.

### **2.6 Consolidated Financial Statements**

The financial statements of a DHI group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity as per BFRS -10.

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

The financial statements of subsidiaries are consolidated from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the DHI Group.

### **2.7 Consolidated Financial Statements**

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Company currently has no transaction came out for the offsetting of financial instruments.

### **2.8 Consolidated Financial Statements**

All property, plant and equipment are stated at historical cost less depreciation and impairment, if any, Cost includes purchase price, taxes and duties, labor cost, direct financing costs, direct



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

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

Depreciation on plant and other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Assets Class	Useful Life
Plant & machinery, motor vehicle and other equipment	05 - 20 years
Furniture and fixtures	07 - 10 years
Computers, accessories and office equipment	03 - 07 years
Building & civil structure - permanent	30 - 40 years

The residual value of Property Plant & equipment has been assessed at 0%. The assets' useful lives and residual values are reviewed by the company, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Other Income' or 'Other expenses as the case may be, in the Statement of Comprehensive Income. TTPL recorded disposals of Gross Fixed Assets amounting to Nu. 5,050,961.62 During the period. Among these, one office pool vehicle with a gross fixed asset value of Nu. 2,179,365 was sold, resulting in a gain of Nu. 734,420.57. in addition, one laptop with a gross fixed asset value of Nu. 221,500 was taken over by a staff upon resignation and Office Equipment was disposed without any proceed. The net gain on disposal of PPE amounts to Nu. 731,808.38.

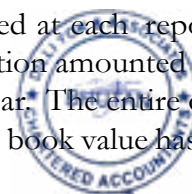
## Intangible Assets

### *Computer Software*

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of 3 to 10 years.

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

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The software cost for the Tally installation amounted to approximately Nu. 197,000, and it was fully depreciated in the previous year. The entire cost of the software was accounted for as an expense over its useful life, and its book value has now been



reduced to zero in the current financial records.

## 2.9 Financial Assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's Current Assets comprise 'Trade & Other Receivables', 'Cash and Cash Equivalents' and 'Other Current Assets' in the balance sheet.

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

- The rights to receive cash flows from the asset have been transferred, or
- The company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients (referred to as a pass-through arrangement).
- When the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.

## 2.10 Trade and Other Receivables

Trade and other receivables are initially recognized at the fair value of the amounts to be received. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Receivables are reviewed regularly for impairment. With implementation of BAS 2020, companies are required to carry out aging Analysis and determine expected credit loss for which companies are required to make provision for such losses.

## 2.11 Cash and Bank or Cash and Cash Equivalents

In the Statement of Cash Flows, Cash and cash equivalents include cash in hand, bank balances and deposits, other short-term highly liquid investments with original maturities of three months or less and that are readily convertible to known amount of cash and cash equivalent, and which are subject to an insignificant risk of changes in value.

## 2.12 Financial Liabilities

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

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

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially



modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

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

### **2.13 Trade and Other Payables**

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

### **2.14 Borrowing Costs**

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

### **2.15 Employee Benefits**

#### ***a. Retirement Benefits***

The costs of retirement benefits and present value of the retirement benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation and its long-term nature, retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **Under Defined Contribution Scheme:**

Employees belong to a Defined Contribution Benefit Plan managed by a separate entity. The company has no legal or constructive obligations to pay further contributions if the separate entity does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

#### **Under Defined Benefit Scheme:**

The Company makes retirement payments based on the final salary and years of service. The gratuity is accrued on the basis of actuarial valuation. Changes in service and interest cost are charged to Profit or loss under Statement of Comprehensive Income. All actuarial gains and losses arising from the defined benefit plan are recognized in Other Comprehensive Income.

#### ***b. Other Benefits***

Other benefits such as Leave Travel Concession, Leave Encashment and Performance Based



Variable Allowances of the income year are accrued only at year end without actuarial valuation.

## 2.16 Provisions and Contingent Liabilities

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

## 2.17 Comparative Information

Where necessary certain comparative information has been rearranged, regrouped and reclassified in order to provide a more appropriate basis for comparison. (*Refer notes to accounts for detail*).

\*1 **Power Charges from Tenants:** Bhutan Power Corporation Limited provides Thimphu TechPark with the power (electricity) and in turn the host institute TTPL distributes the power to its' tenants. The payment method we follow is that TTPL pays the bill to the BPC as the expenses and TTPL raise the invoice to its tenants which is booked as the income from the electricity from tenants.

\*2 **Training & Events Program:** Thimphu TechPark conducts trainings, workshops, competitions and seminars as a part of the mandate of Bhutan Innovation and Technology Centre. BITC partners with various stakeholders to conduct the trainings as well as we do the paid trainings bringing in the resource persons from the outside.

\*3 **Lease Rental income:** The Royal Government of Bhutan through Government Technology Agency then DITT under Ministry of Information and Communication have awarded a contract to design, build, finance, own, operate and transfer (DBFOOT), an IT Park consisting of 50,000 SFT on 5 acres of land at Babesa, Thimphu. The 5 acres of land arranged by GovTech Agency is on lease for an initial period of 30 years and to be renewed automatically for two consecutive times for a period of 30 years each.

In terms of the contract, out of 50,000 SFT of Commercial Space, 10,000 SFT of the space is leased by the company to GovTech Agency for an initial period of 30 years with an automatic renewal for the same tenure up to a maximum of 90 years including initial lease period. The said space is leased to the GovTech Agency for the purpose of establishing an incubation facility, a shared technology center and a data center. Accordingly, the company handed over the aforesaid premises of 10,000 SFT to GovTech Agency in October 2011. The aggregate fixed lease amount of USD 2 million (equivalent to Nu 104,000,000) toward lease of the 10,000 SFT of space has been received from GovTech Agency for the lease period of 90 years and the same has been disclosed as Lease Security Deposit under Non-Current & Current Liabilities.

## A. Defined Contribution Plan – Provident Fund

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



Provident Fund	For The year ended of 31 Dec 2025	For The year ended of 31 Dec 2024
Total cost of contributions	4,908,528.00	4,115,186.00

### **Actuarial Valuation Reports – Defined Benefit Plans**

Valuation in respect of Employees' Gratuity, Transfer Grant, Travel Allowance and Carriage Charges for the year 2025 has been carried out by independent actuary, M/s. Druk Infinity Consulting (Consultant), Bhutan. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured.

### **Rationale for actuarial assumptions and professional opinion**

As actuarial valuation is a projection of future assets and liabilities, it is heavily reliant on assumptions. Thus, it is critically important that the set of assumptions be scrutinized thoroughly as to represent as far as possible, the most probable fund position in the long run. As per BAS 19, "*actuarial assumptions are an entity's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits*". Therefore, the ultimate responsibility for ensuring the appropriateness of the assumptions to the Plan is the responsibility of TTPL and has been duly informed to that effect.

We are of the opinion that the assumptions used are neither imprudent nor excessively conservative and mutually compatible as required by paragraphs 74 and 75 of BAS 19.

### **B. Discount rate**

BAS 19 stipulates that the rate used to discount post-employment benefit obligations shall be determined by reference to market yields as the end of the reporting period on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds shall be used. The currency and term of bonds shall be consistent with that of the currency and estimated term of the post-employment benefit.

As there in neither actively traded bonds in the market nor a long-term yield curve for the economy, the discount rate has been derived considering the bonds listed in the Royal Securities Exchange of Bhutan Ltd. and deposit rates for 7 – 10 years in the banks. In consultation with TTPL, the above discount rate has been used which is reasonable and consistent with that of other reporting entities.

### **C. Salary growth rate**

As per para 84 of BAS 19, "*estimates of future salary increases take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.*" The assumed salary growth rate reflects expectation of salary increment over the long-term inclusive of annual increment and major salary revision every 3 – 5 years.

### **D. Increase in cost of transportation**

As per paras 75 – 80 and para 88 of BAS 19, "*actuarial assumptions reflect future benefit changes that are set out in the formal terms of a plan (or a constructive obligation that goes beyond those terms) at the end of the reporting period.*" The increase in cost of **Carriage charge** in the future has been made consistent with the inflation expectation for Bhutan in the near future.



### **E. Mortality rate**

As Bhutan does not have a standard mortality table adopted by regulation, we have relied on the Indian Assured Life Mortality (IALM) 2012 – 14 which is the best available proxy.

### **F. Employee turnover rate**

The employee turnover rate used in the valuation was prescribed by TTPL based on their past experience and future expectation.

### **G. Gratuity**

Qualifying employees are members of a defined contribution plan operated by the National Pension and Provident Fund. The Company matches employee contributions to the fund. The only obligation on the company is to make the contribution monthly. Qualifying employees are members of a defined benefit plan sponsored by the Company. A separate fund is maintained to cover the future liability for payments.

The gratuity opening balance for FY 2025 different from the FY 2024 closing balance due to a system error and discrepancies in the statement from Royal Insurance Corporation of Bhutan Limited. The FY 2025 opening balance is Nu. 6,528,213.17, while their FY 2024 closing statement shows Nu. 9,350,964.54. We recognized the FY 2024 closing balance as Nu. 6,201,753.36, and the difference has been adjusted as other income amounting to Nu 326,459.81

## **RISK EXPOSURES**

Valuing a defined benefit plan is fundamentally an exercise in estimating the future cost of the benefit, the exact value for which only time will reveal. It relies on a set of financial and demographic assumptions along with prevalent Regulatory framework in valuing liability. Thus, the Plan is exposed to a variety of risk as discussed herein.

- 1. Discount rate risk:** The present value of the defined benefit obligation is heavily dependent on the discount rate. As such, the quantity is highly sensitive to the discount rate and a slight decrease in this assumption parameter will result in an ultimate cost that is significantly higher and vice versa.
- 2. Salary growth risk:** As the Gratuity benefit is a final-pay scheme, the actual cost of the plan will depend on the growth rate of salary over the years. As such, a higher- than-expected growth in salary will result in a cost which is higher than the estimate. Similarly, a slower salary growth will result in actual liability being lower than projected.
- 3. Employee turnover risk:** Employee turnover experience of TTPL will have a significant impact on the design of the benefit and consequently the overall cost of the plan. Furthermore, deviation in actual experience from assumption would also lead to change in the liability of the plan.
- 4. Demographic risk:** In the absence of credible scheme-specific data, the IALM 2012-14 mortality rate has been used in projecting the benefits. Thus, deviation of the actual experience from the rates used will result in change in the cost of the plan.
- 5. Regulatory risk:** The present value of the defined benefit obligation has been arrived at using the current set of regulatory frameworks. As such, any change in the relevant rules and regulations concerning Gratuity benefit such as increase in ceiling, introduction of floor, change in vesting period or benefit accrual rate would eventually alter the liability.



6. **Investment risk:** As the Gratuity scheme is funded, there is a risk that the fund's investment is not able to earn the assumed rate of return. In such a situation, the ultimate cost of the plan will be affected.
7. **Asset-liability mismatch risk:** This risk arises from the unavailability of investments suitable and commensurate with the nature of liability, especially in the absence of well-developed capital market.
8. The key valuation results as at 31<sup>st</sup> December 2025 are summarized in the following tables:

## STATEMENT OF FINANCIAL POSITION

Nu.	31-Dec-25	31-Dec-24
Present value of defined benefit obligation	9,354,588.88	7,914,342.42
Fair value of plan assets	8,019,598.55	9,350,964.54
Funded status – surplus/ (deficit)	(1,334,990.33)	1,436,622.12
Net defined benefit asset/(liability)	(1,334,990.33)	1,436,622.12

## EXPENSES RECOGNIZED IN PROFIT & LOSS

Nu.	31-Dec-25	31-Dec-24
(a) Statement of profit or loss	2,308,838.36	2,161,563.94
(b) Other comprehensive income	(647,388.22)	(3,598,186.06)

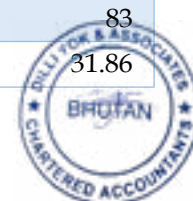
## BASIS OF VALUATION

### KEY FEATURES OF THE PLAN

Parameter	Description
Type of plan	Defined benefit
Employee's contribution	Nil
Employer's contribution	100%
Reference salary	Last basic pay
Normal retirement age	58   60 years*
Note: Retirement age for the contract employees as per the contractual term	
Benefit payable on	Retirement/resignation/death while in service
Form of benefit	Lump sum
Vesting period	4 years for resignation and none for rest
Service definition	Total service rounded to nearest integer
Benefit formula	Reference salary x service years
Benefit floor	None
Benefit ceiling	None

## MEMBERSHIP DATA

	% Change	31-Dec-2025	31-Dec-2024
Members considered for valuation	8.43%	90	83
Average age (years)	0.56%	32.03	31.86



Monthly salary (Nu.)	Average	2.17%	31,870.63	31,192.43
	Total	10.79%	2,868,357.00	2,588,972
Past service (years)	Average	12.34%	3.72	3.31
	Total	21.82%	335	275

## FINANCIAL ASSUMPTIONS

Parameter	31-Dec-2025	31-Dec-2024
Discount rate	8.50%	8.50%
Salary growth rate	10.00%	10.00%

## DEMOGRAPHIC ASSUMPTIONS

Parameter	31-Dec-2025	31-Dec-2024
Mortality rate	100% of IALM (2012-14)	
Employee turnover rate	5.00%	5.00%

### H. Travel Allowance Liability

#### RISK EXPOSURES:

Valuing a defined benefit plan is fundamentally an exercise in estimating the future cost of the benefit, the exact value for which only time will reveal. It relies on a set of financial and demographic assumptions along with prevalent regulatory framework in valuing liability. Thus, the Plan is exposed to a variety of risk as discussed herein.

- 1. Discount rate risk:** The present value of the defined benefit obligation is heavily dependent on the discount rate. As such, the quantity is highly sensitive to the discount rate and a slight decrease in this assumption parameter will result in an ultimate cost that is significantly higher and vice versa.
- 2. Salary growth risk:** As the Travel Allowance benefit is a final-pay scheme, the actual cost of the plan will depend on the growth rate of salary over the years. As such, a higher-than-expected growth in salary will result in a cost which is higher than the estimate. Similarly, a slower salary growth will result in actual liability being lower than projected.
- 3. Employee turnover risk:** Employee turnover experience of TTPL will have a significant impact on the design of the benefit and consequently the overall cost of the plan. Furthermore, deviation in actual experience from assumption would also lead to change in the liability of the plan.
- 4. Demographic risk:** In the absence of credible scheme-specific data, the IALM 2012-14 mortality rate has been used in projecting the benefits. Thus, deviation of the actual experience from the rates used will result in change in the cost of the plan.
- 5. Regulatory risk:** The present value of the defined benefit obligation has been arrived at using the current set of regulatory frameworks. As such, any change in the relevant rules and regulations concerning Travel Allowance benefit such as increase in ceiling, introduction of floor, change in vesting period or benefit accrual rate would eventually alter the liability.
- 6. Liquidity risk:** Finally, there is a risk that TTPL may not be able to honor the Travel Allowance payments in the short run due to liquidity constraints.
- 7.** The key valuation results as at 31<sup>st</sup> December 2025 are summarized in the following Tables.



**Statement of financial position**

Nu.	31-Dec-2025	31-Dec-2024
Present value of defined benefit obligation	494,706.82	624,875.01
Fair value of plan assets	-	-
Net defined benefit asset/(liability)	(494,706.82)	(624,875.01)

**Expenses recognized in Profit & Loss**

Nu.	31-Dec-2025	31-Dec-2024
(a) Statement of profit or loss	184,176.63	230,679.87
(b) Other comprehensive income	(202,284.82)	83,225.58

**KEY FEATURES OF THE PLAN**

Parameter	Description
Type of plan	Defined benefit
Employee's contribution	Nil
Employer's contribution	100%
Reference salary	Last basic pay
Normal retirement age	58   60 years*
Note: Retirement age for the contract employees as per the contractual term	
Benefit payable on	Retirement/resignation/death while in service
Form of benefit	Lump sum
Vesting period	4 years for resignation and none for rest
Service definition	Total service rounded to nearest integer
Benefit formula	One month's basic pay
Benefit floor	None
Benefit ceiling	None

**MEMBERSHIP DATA**

	% Change	31-Dec-2025	31-Dec-2024
Members considered for valuation	8.43%	90	83
Average age (years)	0.56%	32.03	31.86
Monthly salary (Nu.)	Average	31,870.63	31,192.43
	Total	2,868,357.00	2,588,972.00
Past service (years)	Average	3.72	3.31
	Total	335	275

**FINANCIAL ASSUMPTIONS**

Parameter	31-Dec-2025	31-Dec-2024
Discount rate	8.50%	8.50%
Salary growth rate	10.00%	10.00%

**DEMOGRAPHIC ASSUMPTIONS**

Parameter	31-Dec-2025	31-Dec-2024
Mortality rate	100% of IALM (2012-14)	
Employee turnover rate	5.00%	5.00%



## I. Transfer Grants Liability

### RISK EXPOSURES:

Valuing a defined benefit plan is fundamentally an exercise in estimating the future cost of the benefit, the exact value for which only time will reveal. It relies on a set of financial and demographic assumptions along with prevalent regulatory framework in valuing liability. Thus, the Plan is exposed to a variety of risk as discussed herein.

- Discount rate risk:** The present value of the defined benefit obligation is heavily dependent on the discount rate. As such, the quantity is highly sensitive to the discount rate and a slight decrease in this assumption parameter will result in an ultimate cost that is significantly higher and vice versa.
- Salary growth risk:** As the Transfer Grant benefit is a final-pay scheme, the actual cost of the plan will depend on the growth rate of salary over the years. As such, a higher-than-expected growth in salary will result in a cost which is higher than the estimate. Similarly, a slower salary growth will result in actual liability being lower than projected.
- Employee turnover risk:** Employee turnover experience of TTPL will have a significant impact on the design of the benefit and consequently the overall cost of the plan. Furthermore, deviation in actual experience from assumption would also lead to change in the liability of the plan.
- Demographic risk:** In the absence of credible scheme-specific data, the IALM 2006-08 mortality rate has been used in projecting the benefits. Thus, deviation of the actual experience from the rates used will result in change in the cost of the plan.
- Regulatory risk:** The present value of the defined benefit obligation has been arrived at using the current set of regulatory frameworks. As such, any change in the relevant rules and regulations concerning Transfer Grant benefit such as increase in ceiling, introduction of floor, change in vesting period or benefit accrual rate would eventually alter the liability.
- Liquidity risk:** Finally, there is a risk that TTPL may not be able to honor the Transfer Grant payments in the short run due to liquidity constraints.
- The key valuation results as at 31<sup>st</sup> December 2025 are summarized in the following Tables.

### Statement of financial position

Nu.	31-Dec-2025	31-Dec-2024
Present value of defined benefit obligation	494,706.82	624,875.01
Fair value of plan assets	-	-
Net defined benefit asset/(liability)	(494,706.82)	(624,875.01)

### Expenses recognized in PROFIT & LOSS

Nu.	31-Dec-2025	31-Dec-2024
(a) Statement of profit or loss	184,176.63	230,679.80
(b) Other comprehensive income	(202,284.82)	83,226.40

### KEY FEATURES OF THE PLAN

Parameter	Description
Type of plan	Defined benefit
Employee's contribution	Nil
Employer's contribution	100%



Parameter	Description
Reference salary	Last basic pay
Normal retirement age	58   60 years*
Note: Retirement age for the contract employees as per the contractual term	
Benefit payable on	Retirement/resignation/death while in service
Form of benefit	Lump sum
Vesting period	4 years for resignation and none for rest
Service definition	Total service rounded to nearest integer
Benefit formula	One month's basic pay
Benefit floor	None
Benefit ceiling	None

## MEMBERSHIP DATA

		% Change	31-Dec-2025	31-Dec-2024
Members considered for valuation		8.43%	90	83
Average age (years)		0.56%	32.03	31.86
Monthly salary (Nu.)	Average	2.17%	31,870.63	31,192.43
	Total	10.79%	2,868,357.00	2,588,972.00
Past service (years)	Average	12.34%	3.72	3.31
	Total	21.82%	335	275

## FINANCIAL ASSUMPTIONS

Parameter	31-Dec-2025	31-Dec-2024
Discount rate	8.50%	8.50%
Salary growth rate	10.00%	10.00%

## DEMOGRAPHIC ASSUMPTIONS

Parameter	31-Dec-2025	31-Dec-2024
Mortality rate	100% of IALM (2012-14)	
Employee turnover rate	5.00%	5.00%

### J. Employees' Carriage Charges Liability

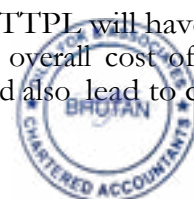
#### RISK EXPOSURES:

Valuing a defined benefit plan is fundamentally an exercise in estimating the future cost of the benefit, the exact value for which only time will reveal. It relies on a set of financial and demographic assumptions along with prevalent regulatory framework in valuing liability. Thus, the Plan is exposed to a variety of risk as discussed herein.

#### Discount rate risk

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

1. An ultimate cost that is significantly higher and vice versa.
2. **Employee turnover risk:** Employee turnover experience of TTPL will have a significant impact on the design of the benefit and consequently the overall cost of the plan. Furthermore, deviation in actual experience from assumption would also lead to change in the liability of the plan.



3. **Demographic risk:** In the absence of credible scheme-specific data, the IALM 2012- 14 mortality rate has been used in projecting the benefits. Thus, deviation of the actual experience from the rates used will result in change in the cost of the plan.
4. **Regulatory risk:** The present value of the defined benefit obligation has been arrived at using the current set of regulatory frameworks. As such, any change in the relevant rules and regulations concerning Carriage charge benefit such as increase in ceiling, introduction of floor, change in vesting period or benefit accrual rate would eventually alter the liability.
5. **Liquidity risk:** Finally, there is a risk that TTPL may not be able to honor the Carriage charge payments in the short run due to liquidity constraints.
6. The key valuation results as at 31<sup>st</sup> December 2025 are summarized in the following tables.

#### Statement of financial position

Nu.	31-Dec-2025	31-Dec-2024
Present value of defined benefit obligation	(300,569.97)	569,417.11
Fair value of plan assets	-	-
Net defined benefit asset/(liability)	(300,569.97)	(569,417.11)

#### EXPENSE RECOGNISED IN PROFIT & LOSS

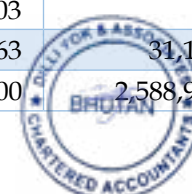
Nu.	31-Dec-2025	31-Dec-2024
(a) Statement of profit or loss	113,653.98	186,874.14
(b) Other comprehensive income	(235,760.64)	102,630.78

#### KEY FEATURES OF THE PLAN

Parameter	Description
Type of plan	Defined benefit
Employee's contribution	Nil
Employer's contribution	100%
Reference salary	Last basic pay
Normal retirement age	58   60 years*
Note: Retirement age for the contract employees as per the contractual term	
Benefit payable on	Retirement/resignation/death while in service
Form of benefit	Lump sum
Vesting period	4 years for resignation and none for rest
Service definition	Total service rounded to nearest integer
Benefit formula	Distance × Rate per km as per RSTA
<b>Grade</b>	<b>Entitlement</b>
M3 and above	Two trucks up to Nu. 55,000
O6 - M2	One truck up to Nu. 30,000
Rest	One DCM up to Nu. 20,000

#### MEMBERSHIP DATA

	% Change	31-Dec-2025	31-Dec-2024
Members considered for valuation	8.43%	90	83
Average age (years)	0.56%	32.03	31.86
Monthly salary (Nu.)	Average	31,870.63	31,192.43
	Total	2,868,357.00	2,588,972.00



Past service (years)	Average	12.34%	3.72	3.31
	Total	21.82%	335	275

## FINANCIAL ASSUMPTIONS

Parameter	31-Dec-2025	31-Dec-2024
Discount rate	8.50%	8.50%
Salary growth rate	10.00%	10.00%

## DEMOGRAPHIC ASSUMPTIONS

Parameter	31-Dec-2025	31-Dec-2024
Mortality rate	100% of IALM (2012-14)	
Employee turnover rate	5.00%	5.00%

### 2.18 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered or goods supplied, stated net of discounts, returns and taxes. The company recognizes revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the company.

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

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

The revenue recognizes, if one of the following criteria as enunciated in **BFRS 15–Revenue from Contract with Customer** is met:

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

Earnings on contracts are determined using the percentage-of-completion method. Earnings are not recognized until the outcome can be reliably estimated. The Company uses its profes-



sional judgment to assess both the physical completion and the forecast financial result of the contract. Provision is made for estimated future losses on the entire contract from the date it is first recognized that a contract loss may be incurred.

## 2.19 Interest Income

Interest Income is recognized when the right to receive payment is confirmed. Interest income is one of total, the operating revenue of the Company. The Company recognized the Interest Income from bank on the Short-term Fixed Deposit, interest on subscription of Commercial papers from Royal Security Exchange of Bhutan Limited, government Loan Interest waiver benefits for company on accrual basis and Employees' Gratuity accounts interest from Royal Insurance Corporation of Bhutan Limited as on closing date. Accordingly, the principle enunciated under **BFRS 15 – Revenue from Contract with Customers** is not applicable to the company.

## 2.20 Foreign Currency Transactions

The functional and presentation currency represent, or items included in the Financial Statements of the Company as on 31<sup>st</sup> December are measured using the currency of the primary economic environment in which the Company operates ('functional currency').

The Financial Statements of the Company are presented in Bhutanese Currency (Nu.), which is also the functional and presentation currency of the Company. The transactions and balances with the foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign exchange Gain/(Loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in "Statement of Comprehensive Income". All other foreign exchange Gain/ (Loss) are presented in the Statement of Profit and Loss on a net basis within other income/ (expense).

## 2.21 Current and Deferred Income Tax

The Company has three Business operating licenses under same taxpayer number. Out of three licenses, two licenses have been granted tax holiday as a part of incentives by the Department of Revenue and Customs as detail below in table:

SI #	Type	Li- cense No	Approval				Extend- able till
				No#	Duration		
					From	To	
1	Real estate activities with own or leased property (Buying, selling and renting of owned or leased property such as IT Park, Industrial Park etc.)		28 Nov '24	RRCO/ TH/Tax/ Tax Holiday/ Incentives-04 / 2024/1269	1 Oct '24	30 Sep '26	Sep '2028
2	IT Enabled Services		28 Nov '24	RRCO/ TH/Tax / Tax Holiday /Incentives 04/2024/1269	1 Oct '24	30 Sep '26	Sep '2028



3	Consultancy		28 Nov '24	RRCO/TH/ Tax /Tax Holiday /Incentives-04 /2024/1269	1 Oct '24	30 Sep '26	Sep '2028
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*Tax Holiday* shall apply to exemption from Income Tax only (Core Income). TDS (including salary and health contribution if applicable) on payment must be deducted and deposited within the time frame.

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

*Current tax assets and liabilities* for the current period are measured at the amount expected to be recoverable from or payable to the Income tax authority based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the reporting date by the Income Tax Authority.

*Deferred income tax* is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

*Deferred income tax liabilities* are recognized for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

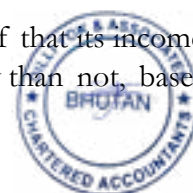
*Deferred income tax assets* are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and the Company intends to settle its current tax assets and liabilities on net basis. Management evaluates positions taken in income tax returns with respect to situations in which applicable income tax regulation is subject to interpretation.

The income tax liabilities are recognized when, despite the Company's belief that its income tax return positions are supportable, the Company believes, it is more likely than not, based on



the technical merits, that certain positions may not be fully sustained upon review by income tax authorities. Benefits from tax positions are measured at the single best estimate of the most likely outcome.

At each Statement of Financial Position date, the tax positions are reviewed, and to the extent that new information becomes available which causes the Company to change its judgment regarding the adequacy of existing income tax liabilities, such changes to income tax liabilities are duly recognized in income tax expense in the year in which such determination is made.

Interest and penalties, if any, related to accrued liabilities for potential tax assessments are included in income tax charge for the year in which the assessment is completed.

## 2.22 Earnings Per Share

The Company presents the basic and diluted EPS data for its ordinary shares. Basic EPS is computed by dividing the net profit for the year attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is computed by adjusting the net profit for the year attributable to the ordinary shareholders and by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

## NOTE 2.23 Disclosure related to KMP & Related Parties

### 1. Key Management Personnel (KMP)

#### a) Summary of Compensation paid to the KMP (Chief Executive Officer)

Particulars	2025	2024
Salary & Allowances	3,035,609.00	2,726,664.00
Sitting Fees	61,000.00	64,000.00
Provident Fund Contribution	190,196.00	173,496.00
Expenditures during the year (e.g. Inception fees, Travel, Food/room etc.)	103,366.43	95,777.00
Other Benefits (LTC, leave, PBVP)	121,029.00	98,538.00
<b>Total Amount</b>	<b>3,511,200.43</b>	<b>3,158,475.00</b>

#### b) Summary of compensation paid to Board of Directors (Inclusive of CEO)

Particulars	2025	2024
Director's Sitting Fees (Board & Sub- Board	348,500.00	394,000.00
Director's Training (Inclusive of workshop, seminar, etc.)		
Director's DSA		2,500.00
<b>Total Amount</b>	<b>348,500.00</b>	<b>396,500.00</b>



c) *List of Directors*

Name of Board director	Date of Joining	Status
Mr. Jacques Von Benecke	28 <sup>th</sup> March,2024	Active Member
Ms. Audrey Low	28 <sup>th</sup> March,2024	Active Member
Dr. Pema Dorji	28 <sup>th</sup> March,2024	Active Member
Mr. Karma Sonam	28 <sup>th</sup> March,2024	Active Member
Mr. Tashi Penjor	28 <sup>th</sup> March,2024	Active Member
Mr. Tenzin	28 <sup>th</sup> March,2024	Active Member

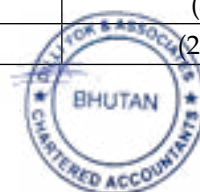
Reimbursement of expenses incurred by related parties for and behalf of the Company and vice-versa, and the related outstanding amounts have not been included in the above disclosures.

2. **Transaction with Group Companies (Related Party Disclosure)**

Name of Related Party	Relationship	Nature of Transaction	Transaction Amount	Amount Receivable/ Payable
DPL	Fellow Subsidiary	Revenue from SAP AMC	(415,637.04)	34,636.42
		Training Revenue	(21,000.00)	
		Revenue from DigiTrust AMC	(2,650.68)	
		Revenue from Microsoft Product	(56,538.00)	
		Prepaid Income (DigiTrust)		(19,849.32)
BOBL	Fellow Subsidiary	Revenue from ERP AMC		
		Revenue from CIF Enhancement	(650,000.00)	
		Revenue from Microsoft Product	(987,435.30)	
		Revenue from Training	(101,066.40)	
		Revenue from Tender System	(75,440.41)	14,250.00
		Revenue from Recruitment System	(152,364.38)	
		Revenue from DigiTrust	(94,027.40)	
		ePayment AMC	96,250.00	
		Bank charges	47,637.61	
		Advance from Customer Gate Way		(81,309.59)
		Advance from Customer Tender		(71,445.21)
		Advance from DigiTrust		(25,972.60)
		Retention Money Receivable		28,500.00
BBPL	Fellow Subsidiary	Revenue from ERP AMC	(300,000.00)	
		Revenue from Network assessment	(140,000.00)	
BHSL		Revenue from SAP AMC	(446,775.00)	



NDI	Fellow Subsidiary	Revenue from SAP AMC	(71,476.97)	
		Revenue from Rental	(720,000.00)	
		Revenue from Power charges	(36,049.40)	5,783.00
		Revenue from Ethical Hacking		
		Revenue from renting IAC hall	(151,000.00)	
		Revenue From Microsoft	(186,785.28)	
		Rental Security Deposit		(120,000.00)
BPC	Fellow Subsidiary	Revenue From SAP AMC	(230,477.64)	
		Electricity Charges	4,165,560.00	
		Electricity Charges Payable		(468,160.00)
BTL	Fellow Subsidiary	Revenue from ERP AMC		
		Revenue from Rental	(78,410.00)	
		Revenue from power charges	(458.17)	39.00
		Revenue from Training	(70,000.00)	
		Revenue from ERP Change Request	(260,000.00)	
		Internet Charges paid	746,100.00	
		Telephone Charges paid	3,600.00	
		Telephone & Internet charges		(62,450.00)
		Rental Security Deposit		(10,800.00)
DHPC	Fellow Subsidiary	Revenue from SAP AMC	(446,775.00)	
DHI	Parent Company	Revenue from Microsoft Product		
		Revenue from Dashboard AMC and Software application AMC		158,467.32
		Revenue from SAP Project		12,982,843.17
		Revenue from Tender	(124,931.51)	
		Revenue from rental charges		
		Revenue from Power charges	(184,138.70)	45,178.00
		Training Revenue	(15,000.00)	15,000.00
		Brand Management Fees	694,579.93	
		Corporate Guarantee Fees	80,973.31	
		Dividend Paid		
		Udemy Expense	75,000.00	
		Advance from customer Tender		(25,068.49)
		Project Security Deposit		(191,409.77)
		Rental Security Deposit		(590,000.00)
		Equity Share		(223,090,900)



		Trade Payable		(4,421)
DACL	Fellow Subsidiary	Revenue from SAP AMC		
		Training Revenue	(126,000.00)	
		Revenue from Microsoft Product	(449,171.10)	
		Airfare expense paid	1,107,693.00	
DGPC	Fellow Subsidiary	Revenue from SAP AMC		3,00,817.67
		Revenue from Training	(584,325.00)	
		Revenue from Recruitment system	(92,449.32)	
		Revenue from SAP Project	(705,900.01)	
		Revenue from Microsoft Product	(16,377.84)	
		Project Revenue from ePayment Implementation	(90,516.01)	
		Advance Received		(3,63,550.68)
		Retention Money Receivable		
DHEL	Fellow Subsidiary	Revenue from SAP AMC	(643,622.04)	
		Training Revenue	(63,000.00)	
DCCL	Fellow Subsidiary	Revenue from SAP AMC		1,27,024.92
		Revenue from DigiTrust AMC	(1782.79)	
		Revenue from Training	(479,550.00)	
		Revenue from Microsoft product	(277,737.66)	
		Revenue from the Recruitment system	(91,933.70)	
		Advance from Customer Gateway		(88,783.51)
KHEL	Fellow Subsidiary	Revenue from SAP AMC	(237,956.04)	19,829.67
		Revenue from Microsoft Product	(121,535.20)	
		Revenue from Change Request	(66,812.53)	
		Revenue from SAP Project	(181,473.10)	
		Training Revenue	(84,000.00)	
CDCL	Fellow Subsidiary	Revenue from ERP AMC		
		Project Revenue from ERP Upgradation		
		Revenue from DigiTrust	(90,000.00)	
		Revenue from Network Assessment	(140,000.00)	
KIL	Fellow Subsidiary	Revenue from Microsoft Product	(5,000.00)	
		Revenue from Network Assessment	(1,00,000.00)	



MSPCL	Fellow Subsidiary	Revenue from ERP AMC	(400,008.00)	1,066,676.00
		Revenue from Network Assessment	(140,000.00)	
		Revenue from Tender	(91,506.85)	
		Advance from Customer Tender		(8,493.15)
NRDCL	Fellow Subsidiary	Revenue from ERP AMC		
		Revenue from DigiTrust AMC	(2712.33)	
		Revenue from ERP Upgradation		2,310,000.00
		Revenue from Hosting Server	(109,200.00)	
		Revenue from Network Assessment	(140,000.00)	
		Revenue from Tender System	(100,335.62)	
		Revenue from Recruitment System	(59,732.88)	
		Revenue from Microsoft Product	(381,024.00)	
		Purchase of Raw Material	24,545.07	
		Advance from Customer Gateway		(144,719.17)
SMCL	Fellow Subsidiary	Revenue from ERP AMC		
		Revenue from DigiTrust AMC	(2,547.95)	
		Revenue from Training	(52,325.00)	
		Revenue from Recruitment System	(124,863.01)	
		Revenue from PMS Module	(500,000.00)	
		Revenue from Microsoft Product	(948,161.52)	
		Advance from Customer Gateway		(62,589.04)



STCBL	Fellow Subsidiary	Training Revenue	(75,775.00)	
		Revenue from Microsoft Product	(625,632.00)	625,632.00
		Revenue from Network Assessment	(140,000.00)	
		Revenue from Recruitment system	(200,358.90)	
		Revenue from ERP implementation		2,600,000.00
		Purchase of Vehicle	3,077,918.82	
		Purchase of Laptop	4,028,863.79	
		Running and Maintenance	211,382.56	
		Advance from customer Gateway		(46,641.10)
		Advance to Supplier		20,000.00
		Retention Money Payable Laptop		(167,596.75)
		THEL	Fellow Subsidiary	Revenue from SAP AMC
PCAL	Fellow Subsidiary	Revenue from Network Assessment	(140,000.00)	

The disclosures given above have been reconciled on the basis of information available with the companies and relied upon by the auditor.



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## NOTES TO ACCOUNT

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## 2025 Annual Report

### NOTE 7A: INVESTMENT PROPERTY

Particulars	Gross Block/Cost				Depreciation/Amortization				Net Book Value 31.12.2025	Net Book Value 31.12.2024
	Opening 01-01-2025	Addition	Del etio ns	Closing 31-12- 2025	Opening 01-01-2025	Addition	Del etio ns	Closing 31- 12-2025		
<b>Investment Property</b>										
Building - Block _ I	268,420,868.98	23,752.00	-	268,444,620.98	85,786,529.41	6,710,894.83		92,497,424.24	175,947,196.74	182,634,339.57
Building - Block: II	22,096,870.30	-	-	22,096,870.30	3,767,948.16	552,421.75		4,320,369.91	17,776,500.39	18,328,922.14
Building - Day Care	3,278,462.75	-		3,278,462.75	2,622,769.75	327,846.29		2,950,616.04	327,846.71	655,693.00
<b>Total</b>	<b>293,796,202.03</b>	<b>23,752.00</b>	<b>-</b>	<b>293,819,954.03</b>	<b>92,177,247.32</b>	<b>7,591,162.87</b>	<b>-</b>	<b>99,768,410.19</b>	<b>194,051,543.84</b>	<b>201,618,954.71</b>

### NOTE 7B: PROPERTY, PLANT & EQUIPMENT & INTANGIBLE ASSETS

Particulars	Opening 01-01-2025	Addition	Deletions	Closing 31-12-2025	Opening 01-01-2025	Addition	Deletions	Closing 31-12-2025	Net Book Value 31.12.2025	Net Book Value 31.12.2024
Building Block II	56,124,808.92	1,689,988.41		57,814,797.33	7,794,310.97	1,430,035.39		9,224,346.36	48,590,450.97	48,330,497.95
Plant & Machinery	14,391,054.00			14,391,054.00	12,487,880.37	607,395.55		13,095,275.92	1,295,778.08	1,903,173.63
Furniture & Fixture	3,550,582.80			3,550,582.80	1,938,105.81	349,875.90		2,287,981.71	1,262,601.09	1,612,476.99
Office Equipment	15,810,498.78	259,422.29	185,634.00	15,884,287.07	7,076,506.07	2,867,155.12	185,627.00	9,758,034.19	6,126,252.88	8,733,992.71
Computer & Peripherals	14,140,406.44	4,159,575.50	2,685,962.62	15,614,019.32	9,650,446.75	2,125,728.83	2,515,867.02	9,260,308.56	6,353,710.76	4,489,959.69
Motor Vehicle	6,104,643.00	3,086,868.82	2,179,365.00	7,012,146.82	3,516,611.50	661,940.28	2,033,785.57	2,144,766.21	4,867,380.61	2,588,031.50
Storeroom	147,800.00			147,800.00	62,169.98	9,853.33		72,023.31	75,776.69	85,630.02
Waste House	204,514.00			204,514.00	56,212.74	13,634.26		69,847.00	134,667.00	148,301.26
Software	197,905.00			197,905.00	197,905.00			197,905.00	-	-
<b>Total</b>	<b>110,672,212.94</b>	<b>9,195,855.02</b>	<b>5,050,961.62</b>	<b>114,817,106.34</b>	<b>42,780,149.19</b>	<b>8,065,618.66</b>	<b>4,735,279.59</b>	<b>46,110,488.26</b>	<b>68,706,618.08</b>	<b>67,892,063.75</b>



## 2025 Annual Report

### Grant Assets

Particulars	Opening 01-01-2025	Addition	Deletions	Closing 31-12-2025	Opening 01-01-2025	Addition	Deletions	Closing 31-12-2025	Net Book Value 31.12.2025	Net Book Value 31.12.2024
Furniture	614,983.65			614,983.65	24852.04	153,746.66		178,598.70	436,386.95	590,131.61
Computers	7,593,181.00			7,593,181	145,623	1,898,295		2,043,918	5,549,263	7,447,558
Heating & Cooling system	1,669,800.00			1,669,800	105,220	417,450		522,670	1,147,130	1,564,580
LED Light	360,000.00			360,000	22,685	90,000		112,685	247,315	337,315
Socket	240,000.00			240,000	15,123	60,000		75,123	164,877	224,877
Office equipment	302,037.00			302,037	12,619	75,509		88,128	213,909	289,418
Office equipment	1,753,500.00			1,753,500	110,494	438,375		548,869	1,204,631	1,643,006
<b>Total</b>	<b>13,961,756.65</b>	<b>-</b>	<b>-</b>	<b>13,961,756.65</b>	<b>537,377.13</b>	<b>3,490,437.16</b>	<b>-</b>	<b>4,027,814.29</b>	<b>9,933,942.36</b>	<b>13,424,379.52</b>

### NOTE 7C: RIGHT-OF-USE-OF-ASSET

Particulars	Opening 01-01-2025	Addition	Deletions	Closing 31-12-2025	Opening 01-01-2025	Addition	Deletions	Closing 31-12-2025	Net Book Value 31.12.2025	Net Book Value 31.12.2023
Right-of-Use-of-Asset	2,053,181.97	-	-	2,053,181.97	1,049,403.04	68,439.00	-	1,117,842.04	935,339.93	1,003,778.93
<b>Total</b>	<b>2,053,181.97</b>	<b>-</b>	<b>-</b>	<b>2,053,181.97</b>	<b>1,049,403.04</b>	<b>68,439.00</b>	<b>-</b>	<b>1,117,842.04</b>	<b>935,340.00</b>	<b>1,003,778.93</b>



**NOTE 7D: DEFERRED TAX ASSETS**

Particulars	As at 31-12-2025	As at 31-12-2024
Opening Balance	(1,633,669.62)	(5,973,044)
Charged to Income Statement	2,255,545.57	7,606,713
<b>Total</b>	<b>621,875.95</b>	<b>(1,633,669.62)</b>

Particulars	Carrying Amount	Tax Base	Temporary difference	Taxable Temporary difference	Deductible Temporary difference	DTL	DTA
Fixed Assets	272,692,104.28	259,220,822.90	(13,471,281.38)	(13,471,281.38)	-	(2,963,681.90)	
Travel Allowance	494,706.82		494,706.82		494,706.82		108,835.50
Carriage Charges	300,569.97		300,569.97		300,569.97		66,125.39
Gratuity	9,354,588.88		9,354,588.88		9,354,588.88		2,058,009.55
Leave Transfer grant	494,706.82		494,706.82		494,706.82		108,835.50
	<b>283,336,676.77</b>	<b>259,220,822.90</b>		<b>(13,471,281.38)</b>	<b>10,644,572.49</b>	<b>(2,963,681.90)</b>	<b>2,341,805.95</b>
<b>Deferred tax (22%)</b>				<b>DTL Net</b>			<b>(621,875.95)</b>

**Carrying Amount:** An amount at which an asset or liability which is recognized in the balance sheet after making necessary adjustment like depreciation and impairment.

**Tax Base:** Tax base of an asset or liability is the amount attributed to that asset or liability for tax purpose.

**Tax Base of an asset:** Is the amount that will be deductible for tax purpose against taxable economic benefit that will flow to an entity when it recovers the carrying amount of an asset.

**Tax Base of Liability:** It's a carrying amount, less any amount that will be deductible for tax purpose in respect of that liability in the future periods.

*(All figures in Bhutanese Ngultrums unless otherwise stated)*

**NOTE 3: INVESTMENT PROPERTY**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
BUILDING - Block I: IP	175,947,196.74	182,634,339.57
BUILDING - Block II: IP	17,776,500.39	18,328,922.14
BUILDING - Day Care ECCD: IP	327,846.71	655,693.00
<b>Total</b>	<b>194,051,543.84</b>	<b>201,618,954.71</b>



**NOTE 4: TRADE & OTHER RECEIVABLES**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
<b>Current</b>		
Trade Receivables, Unsecured, Considered Good	30,811,126.29	109,181,013.60
Provision for Loss Allowance		(641,223.00)
<b>Total</b>	<b>30,811,126.29</b>	<b>108,539,790.60</b>

**NOTE 5: CASH & CASH EQUIVALENTS**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
<b>Balances with Banks</b>		
<b>In Current Accounts</b>		
Bank of Bhutan Ltd (A/c No 100925841)	126,036,895.61	71,864,380.43
Bhutan National Bank (A/c No 0100032525001)	1,000.00	1,000.00
<b>Cash in Hand</b>	2,145.00	1,376.00
<b>Total</b>	<b>126,040,040.61</b>	<b>71,866,756.43</b>

**NOTE 6: Short Term Investment**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Financial Institution		
Fixed Deposit	43,470,475.93	41,881,401.08
<b>Total</b>	<b>43,470,475.93</b>	<b>41,881,401.08</b>

**NOTE 7: OTHER CURRENT ASSETS**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Prepaid Expenses	37,525.29	113,021.24
Advance Payments	26,819.02	111,853.43
Interest Accrued on FDA	1,386,291.34	925,719.14
Retention Monies (Assets)	3,068,218.14	731,667.69
Tax Deducted at Source [TDS] Receivable	216,292.96	103,041.03
Consumables & Stock Assets	28,827.69	50,152.61
<b>Total</b>	<b>4,763,974.44</b>	<b>2,035,455.14</b>

**NOTE 8: OTHER NON-CURRENT FINANCIAL LIABILITIES**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
<b>Long Term Borrowings:</b>		
Bank of Bhutan	-	-
National Pension & Provident Fund (NPPF)		
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 8A:** The term loan from NPPF has settled in 2024



**NOTE 9: OTHER NON-CURRENT LIABILITIES**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Lease Security Deposit	86,666,676.00	87,822,231.00
Security Deposit	2,727,462.94	2,876,522.00
Deferred Grant Liability	9,933,942.36	13,424,379.52
	<b>99,328,081.30</b>	<b>104,123,132.52</b>

**NOTE 10: LONG TERM EMPLOYEE BENEFITS (GRATUITY)**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Gratuity Provision [Non-Current Obligation]	9,354,588.88	7,914,342.42
Defined Benefits Plan Assets (Gratuity)	(8,019,598.55)	(6,201,753.36)
<b>Total</b>	<b>1,334,990.33</b>	<b>1,712,589.06</b>

**NOTE 11: DEFERRED TAX LIABILITIES**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Deferred Tax Liability	2,255,545.57	
Deferred Tax Expenses During the Year (Refer note 7D)	-	
<b>Closing Deferred Tax Liability</b>	<b>2,255,545.57</b>	<b>-</b>

**NOTE 12: TRADE & OTHER PAYABLES**

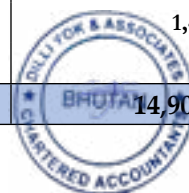
Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Current		
Trade Payable, Unsecured, Considered Good	19,740,331.00	44,941,314.71
<b>Total</b>	<b>19,740,331.00</b>	<b>44,941,314.71</b>

**NOTE 13: OTHER CURRENT FINANCIAL LIABILITIES**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Lease Security Deposit (Current)	1,155,555.00	1,155,555.00
<b>Total</b>	<b>1,155,555.00</b>	<b>1,155,555.00</b>

**NOTE 14: OTHER CURRENT LIABILITIES**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Provisions for:		
<i>Employee Benefit</i>	8,556,225.93	12,732,887.16
Retention Monies	425,177.59	92,100.00
Liabilities for Expenses	530,610.00	540,367.00
Other deductions	100,400.00	100,400.00
TDS Payable	609,411.07	1,423,194.71
Advance from Client	1,843,247.39	12,107.56
<b>Total</b>	<b>12,065,071.98</b>	<b>14,901,056.43</b>



**NOTE 15: LEASE LIABILITY**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Lease Liability - ROU	1,590,244.76	1,639,224.37
<b>Total</b>	<b>1,590,244.76</b>	<b>1,639,224.37</b>

**NOTE 16: PROVISION FOR INCOME TAX**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Income Tax For: Financial Year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE 17: REVENUE FROM OPERATIONS**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Commercial Space	17,348,548.00	18,008,882.00
BITC Space	1,815,000.00	1,800,000.00
Information Technology Service	110,506,446.91	187,511,362.75
BITC and BITC space lease rent	1,155,555.00	1,155,555.00
Income From BITC Operation - TTPL	5,007,366.40	
<b>Total</b>	<b>135,832,916.31</b>	<b>208,475,799.75</b>

**NOTE 18: FINANCE INCOME**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Interest on Fixed Deposit Account	2,133,282.54	1,768,095.08
Interest on Gratuity fund deposit		347,906.65
<b>Total</b>	<b>2,133,282.54</b>	<b>2,116,001.73</b>

**NOTE 19: OTHER INCOME**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Late Rental & Other Fees	8,320.18	4,727.74
Power Charges from Tenants	3,324,491.89	3,252,817.39
Others	5,620,674.32	5,636,087.36
Grant Income	3,490,437.16	537,377.13
<b>Total</b>	<b>12,443,923.55</b>	<b>9,431,009.62</b>



**NOTE 20: EMPLOYEE RELATED COSTS**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Personnel Cost Internship Fees	-	-
Personnel Cost Salary	62,359,298.68	52,206,128.00
Personnel Cost Provident Fund (Employer's Contribution)	4,908,528.00	4,115,186.00
a. Employees; Bonus		
b. Performance Based Variable Pay (PBVP)		8,263,467.22
c. Leave Encashment	2,543,015.92	3,260,511.82
d. Leave Travel Concession	1,165,935.36	941,959.96
e. Gratuity Expenses	2,308,838.36	2,687,839.53
f. Transfer Grants Expenses	184,176.63	230,679.80
g. Carriage Charges	113,653.98	186,874.14
h. Travel Allowance	184,176.63	230,679.87
<b>Total</b>	<b>73,767,623.56</b>	<b>72,123,326.34</b>

**NOTE 21: IT & IT SERVICES EXPENSE**

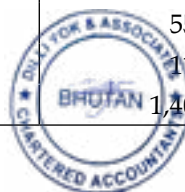
Particulars	As at Dec 31, 2025	As at Dec 31, 2024
<b>E. IT &amp; IT Services Exp. [Information Technology Service]</b>		
ERP-Next Unit Expenses	-	96,250.00
ASD Unit Expenses	-	-
SAP Unit Expenses		1,618,877.00
Projects Expenses	23,049,972.73	49,482,721.00
Other IT Services Expenses		14,209,090.22
<b>BITC Expenses</b>	3,835,047.48	
<b>Total</b>	<b>26,885,020.21</b>	<b>65,406,938.22</b>

**NOTE 22: OPERATION & MAINTENANCE EXPENSE**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
<b>Operation &amp; Maintenance Expenses</b>		
Repair & Maintenance (Civil Structure)	601,663.56	338,632.17
Repair & Maintenance (Computers & IT Products)	105,000.00	74,560.00
Running & Maintenance (Diesel Generator)	50,000.00	54,490.00
Running & Maintenance (Vehicle)	281,817.54	244,138.25
<b>Total</b>	<b>1,038,481.10</b>	<b>711,820.42</b>

**NOTE 23: GENERAL ADMINISTRATION EXPENSES**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
<b>A. Administration Expenses</b>		
Audit Expenses	129,000.00	80,376.00
Brand & Management Expenses	553,368.13	-
Donations	110,000.00	51,625.00
Travelling (In country & Ex country)	1,403,594.04	1,874,774.35



Meeting Expenses	73,474.00	204,730.00
<b>B. Board Meeting &amp; Related Expenses</b>		
AGM/EGM/Compact & Others Sitting Fees.		12,000.00
Board Meeting Expenses	51,134.90	13,742.50
Board Sitting Fees	348,500.00	382,000.00
<b>C. Human Resources Development (HRD) Expenses</b>		
Human Resource Training & Development Expenses	7,623,902.14	1,954,572.42
Employees' Medical Benefits	1,595.00	-
Staff Tea Allowance	500,955.00	430,290.00
Office Annual Picnic Or Retreat (Team Building)	258,520.00	136,691.00
<b>D. Utility Expenses</b>		
15.01 - Utilities - Electricity Charges - TTPL	841,068.11	878,162.61
15.01 - Utilities - Electricity Charges - Rental	3,324,491.89	3,252,817.39
Email & Web Hosting	397,250.00	230,298.85
Internet Leased Line Expenses	746,100.00	645,164.00
Internet, Telephone & Fax Charges	3,600.00	3,600.00
15.07 - Utilities - VPS Charges - TTPL		417,600.00
<b>E. Office Expenses</b>		
Renewal Fees	7,415.00	20,520.00
Miscellaneous/Unforeseen/Office Expenses	82,377.85	665,463.83
Supplies & Materials - Sanitation	82,600.67	94,191.46
Supplies & Materials- Subscriptions	18,210.00	4750.00
Postage, Office Supplies, Printing & Stationeries	97,998.25	127,641.50
Supplies & Materials -Uniforms		94,600.00
<b>F. Marketing &amp; Promotion</b>		
Advertisement (Domestic)	52,160.00	70,335.00
<b>G. Impairment Loss on Financial Assets</b>		
Impairment Loss on Financial Assets	21,512.00	641,223.00
<b>Total</b>	<b>16,728,826.98</b>	<b>12,287,168.91</b>

**NOTE 24: FINANCE COST**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Interest on Borrowings: a) Housing Loan - NPPF		403,408.58
Bank charges	103,358.62	35,564.10
Corporate Guarantee Fees	80,973.31	220,959.73
Finance Cost - Lease	168,820.39	168,820.39
<b>Total</b>	<b>353,152.32</b>	<b>828,752.80</b>

**NOTE 25: FAIR VALUE CHANGES ON INVESTMENT PROPERTY, NET**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Gain/(Loss) on change in Fair Value of Building held under Investment in Properties (As per Valuation Report)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**NOTE 26: ACTUARIAL GAIN/(LOSS) ON POST-EMPLOYMENT BENEFITS**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Actuarial Gain/(Loss) on Post-Employment Benefits held under Employees benefits (As per Valuation Report)	1,287,718.50	358,261.06
<b>Total</b>	<b>1,287,718.50</b>	<b>358,261.06</b>

**NOTE 27: INCOME TAX EXPENSES**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Current Income Tax Expenses		-
Deferred Tax	(2,255,545.57)	7,606,713.37
<b>Deferred Tax Income</b>	<b>(2,255,545.57)</b>	<b>7,606,713.37</b>

**NOTE 28: EARNING PER SHARE**

Particulars	As at Dec 31, 2025	As at Dec 31, 2024
Realized Earning for the year	10,165,814.97	61,451,644.33
Weighted Average No. of Equity Shares	2,230,909.00	2,230,909.00
Basic EPS from continuing operation for the Year	4.56	27.55
Diluted EPS from continuing operation for the Year	4.56	27.55



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## **RATIO ANALYSIS**

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**Thimphu TechPark Limited**  
**Ratio Analysis for the FY 2025**

Particulars	Formula	31-Dec-25	31-Dec-24
Return on Capital Employed: (A)	Profit/(Loss) Before Tax	0.04	6.34
	Share Capital + Reserve & Surplus		
Current Ratio	Current Assets	5.94	3.58
	Current Liabilities		
Quick Ratio	Current Assets except inventory	5.93	3.58
	Current Liabilities		
PBT/Gross Income	Profit/(Loss) Before Tax	0.08	0.24
	Gross Income		
PAT/Gross Income	Profit/(Loss) After Tax	0.07	0.28
	Gross Income		
Employee Cost/Gross Income	Employee Cost	0.49	0.33
	Gross Income		
Total Income/Fixed Assets	Fixed Assets (Net Block)	1.82	1.30
	Total Income		
Return on Capital Employed (B)	Profit/(Loss) Before Tax	0.03	8.31
	Non-Current Liabilities+ Share capital +Reserves (Total equity)		



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# COMPLIANCE CALENDAR

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## COMPLIANCE CHECKLIST

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

NAME OF COMPANY: Thimphu TechPark Limited						
REGISTERED No.: L20090824BHU0107						
Sl. #	Ss.	INCORPORATION OF A COMPANY & SECURITIES	COMPLIANCE CHECKLIST			
			Y	N	NA	REMARKS
1	28	Changes to Articles/ Approval		<input type="checkbox"/>		
2	47	Change of name/ Approval		<input type="checkbox"/>		No change
3	123	Increase or consolidation of share capital		<input type="checkbox"/>		
4	124	Reduction of share capital		<input type="checkbox"/>		
5	82	License Copy and Share Certificate filing	<input type="checkbox"/>			
6	107	Public offer of shares & Debentures- ROC Approval		<input type="checkbox"/>		
MANAGEMENT & ADMINISTRATION						
7	217	Registered Office of Company (Postal Address & Contact Number)	<input type="checkbox"/>			
8	221	Publication of name by Company (Letter Head, Seals and Sign Board)	<input type="checkbox"/>			
9	241	Financial Year of Companies as of 31st Dec.	<input type="checkbox"/>			Yes, company follows the same financial year which ends on 31st Dec.
	242	Extension up to 15 months - ROC approval		<input type="checkbox"/>		
	243	Extension up to 18 months - Authority's approval		<input type="checkbox"/>		
	245	Financial Statements to follow BAS	<input type="checkbox"/>			Yes, company follows BAS while making the financial statements
10	267	Annual Return Submission (On/ before 31st May for listed; others 31st July)	<input type="checkbox"/>			
11	177	Annual General Meeting (Minutes)	<input type="checkbox"/>			15 <sup>th</sup> AGM was held on 27 <sup>th</sup> March 2025.
12	180	Extraordinary General Meeting (Minutes)		<input type="checkbox"/>		
13	185	Notice for calling general meeting	<input type="checkbox"/>			
	187	Listed Co. - written as well as in media Public Co/Private Co. - Written Notice			<input type="checkbox"/>	
14	190	Chairman of meeting (CEO cannot chair)	<input type="checkbox"/>			



Sl.#	Ss.	INCORPORATION OF A COMPANY & SECURITIES	COMPLIANCE CHECKLIST			
			Y	N	NA	REMARKS
15	192	Representation of corporations at meetings (appointed by Board Directors)			<input type="checkbox"/>	
16	193	Ordinary and special resolutions (Minutes)		<input type="checkbox"/>		
17	195	Minutes of Annual General Meeting and Board Meetings (maintained ss.195-198)	<input type="checkbox"/>			
18	199	Declaration and payment of dividend (199-209)	<input type="checkbox"/>			
19	232	Books of account to be kept by company (location & time)	<input type="checkbox"/>			
20		Board's report (signed by Chairman)	<input type="checkbox"/>			Signed by the chairman
21	252	Appointment and removal of Auditors re-appoint annually (251-259)	<input type="checkbox"/>			
22	260	Resignation of Auditors from office (Annual Resignation)	<input type="checkbox"/>			
23	266	Auditing standards (Audit using Auditing Standards issued by AASBB)	<input type="checkbox"/>			
24	133	Number of directors (Minimum No. & retirement on rotation)	<input type="checkbox"/>			1/3 of members resigned and got re-appointed during the AGM
25	139	Additional directors		<input type="checkbox"/>		
26	140	Consent to act as directors	<input type="checkbox"/>			
27	141	Certain persons not to be appointed as Directors	<input type="checkbox"/>			
28	142	Resignation by a director		<input type="checkbox"/>		
29	143	Removal of directors		<input type="checkbox"/>		
30	146	Board meetings (4 meetings for Public Cos. & 2 Meetings for Pvt.)	<input type="checkbox"/>			92 <sup>nd</sup> on 7 <sup>th</sup> March '25 93 <sup>rd</sup> on 24 <sup>th</sup> June '25 94 <sup>th</sup> on 30 <sup>th</sup> Sep '25 95 <sup>th</sup> on 28 <sup>th</sup> Nov '25
31	152	General powers of the board	<input type="checkbox"/>			
32	156	Restriction on powers of Board	<input type="checkbox"/>			
33	210	Appointment of Chief Executive Officer (Max 5 years terms & 2 consecutive terms only)	<input type="checkbox"/>			



34	414	Appointment of selling or buying agents (govt. Approval obtained or not)			<input type="checkbox"/>	
35	157	No loans to directors (only for Public Co.)			<input type="checkbox"/>	
36	53	Inter-corporate investments (investments to be disclosed) apply old rule	<input type="checkbox"/>			Nu.100 million lent to STCBL for 43 days
37	158	Contracts in which directors are interested		<input type="checkbox"/>		
38		Companies to have secretaries	<input type="checkbox"/>			
39	161	Standard of care required by directors (Reckless decision)	<input type="checkbox"/>			

### Check List for Compliance of Provision of the Companies Act of Bhutan, 2016

		STATUTORY RECORD AND INSPECTION	Y	N	NA	REMARKS
40	228	Statutory record and inspection	<input type="checkbox"/>			
41	(a)	Register of buy-back of shares		<input type="checkbox"/>		
42	(b)	Register of transfers	<input type="checkbox"/>			
43	(c)	Register of charges	<input type="checkbox"/>			
	(d)	Register of inter-corporate loans	<input type="checkbox"/>			
44	(e)	Register of inter-corporate investments	<input type="checkbox"/>			
45	(f)	Register of contracts in which directors are interested		<input type="checkbox"/>		
46	(g)	Register of directors	<input type="checkbox"/>			
47	(h)	Register of directors' shareholding	<input type="checkbox"/>			



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**PRIOR YEAR AUDIT FOLLOWUP  
REPORT**

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**Summary of Follow-up Report for Statutory Audit for the year 2024 and prior years**

Accounting year	Total No. of recommendation provided	No. of recommendation implemented	No. of recommendation partially implemented	Balance recommendation to be implemented
2024	0	0	0	0

**Detailed Follow-up Report for the year ended 31<sup>st</sup> December 2024**

There were no Audit observations for the year 2024 and the company has complied with all the observations raised during the previous years.

