



VISION

Always, be the leading provider of ICT services facilitating the attainment of Gross National Happiness.

MISSION STATEMENT

To meet the ICT needs of Bhutan with the most reliable and advanced telecom infrastructure.

1. Enhance accessibility to telecommunications and its related services.
2. Improve customer care and reliability of services at all times.
3. Meet customer demands by offering a wide range of products and services at reasonable rates.
4. Enable and encourage growth of IT and IT enabled services and private businesses based on the Information and Communications Technology (ICT) in Bhutan
5. Enhance functional and operational efficiency through automation and pass on the benefits of these cost reductions to our customers.
6. Make concerted efforts to develop professionalism in all its employees.
7. Provide a reasonable rate of return to the stakeholders.

CORPORATE BELIEFS AND ETHICS

Bhutan Telecom Ltd. is a responsible corporate entity always striving to be accountable through good corporate governance. It is guided by the following corporate ethics and beliefs in all its endeavors;

1. To act responsibly towards local community embracing efficiency, transparency and accountability as its cornerstones for all operations.
2. To act responsibly in upholding the principle of balanced economic development through extension of telecommunications service to rural and remote areas of the country.
3. To promote and practice best work ethics by inculcating a sense of positive attitude in all its employees.
4. To motivate employees by encouraging to take initiative through appropriate incentives and rewards based on merits.
5. To develop human capacities and capabilities through education, training and retraining of employees.
6. To diversify products and services to meet changing needs of its customers and,
7. To implement good internal control systems designed to ensure complete and accurate procedures to limit potential losses and lapses through fraud.



BOARD OF DIRECTORS REPORT

The Board of Directors of Bhutan Telecom Ltd. (BT) is pleased to present the report on the annual performance of the company. Despite the numerous challenges and constraints faced by the company, BT has done very well and witnessed a substantial increase in income and profits during the 2011 financial year. The performance of the company in the past year is presented in this report as are the audited financial statements for the year ended 31st December 2011. On behalf of the Board of Directors, I, as the Chairman of the company, am happy to make the following report.

Operational Performance & Achievement

During the 2011 fiscal year, BT's operations expanded significantly, bringing in a significant growth in customers and revenues. The company undertook several important capital expansion works and implemented them successfully. Among the many infrastructure works, the most notable were: installation and commissioning of NGN (Next Generation Network) at 11 sites; increasing the link capacities; completing the 2nd international gateway via Gelephu; addition of 8 new PoPs (Points of Presence); launching of Contact Centre for 5 DHI Companies; upgrading the SMSC; enhancing the radio access capacity; construction of 44 additional BTS across the country; and initiating the Mobile-Money project.

Financial Performance

During 2011, the financial performance of BT reached new heights, with very strong growth in revenues and profit. The operating income for 2011 was Nu 1,833.67 million against Nu 1,563 million in 2010, which is an increase of about Nu 270.18 million or 17%. Compared to Nu 534.65 million in 2010, the Profit Before Tax for 2011 is Nu 681.21 million, which is an increase of about 27%. BT's Profit After Tax amounts of Nu 432.21 million against Nu 336.54 in 2010 is an increase of 28% compared to the 2010 PAT.

As a result of the strong growth, as well as a company-wide salary revision in the year, the operating expenditure in 2011 increased by 26% to Nu 673.60 million from Nu 534.32 million in 2010.

While assets worth Nu 371.94 million have been fully depreciated and written off, the net fixed assets of the company stands at Nu 2,713.46 million. The current assets and advances have increased from Nu 847.77 million in 2010 to Nu 1,018.93 million in 2011 mainly due to increase in cash at banks and branches, and advance to suppliers. As against Nu 237.56 million in 2010, the current liabilities stand at Nu 268.94 million (both excluding the dividend amounts).



Reserves and Surplus

An amount of Nu 216.103 million is proposed to be transferred to the Reserve and Surplus.

Dividend

Dividend of 50% of Profit After Tax amounting to Nu 216.103 million is recommended for the year 2011 to be paid to the shareholder (DHI).

New Initiatives Undertaken

During the year, various new initiatives were undertaken to keep up with customer demand and BT's service obligations.

A Virtual Private Server (VPS) was introduced as a service to be offered to enterprises and organization that do not have or do not wish to make huge investments in buying their own servers and resources.

BT's web-hosting customers are now offered a complete suite for their own administration and management of their domain, emails and website through cPanel access.

A new email system with storage capacity of 1GB (which is ten-fold increase in capacity compared to the old email system), was installed for both free and hosted email users.

BT launched the web conference service through which meetings, educational sessions, health programs, etc. can be conducted online. However, because the service was launched only towards the end of 2011, it is yet to be popularized.

3 BTS (Base Transceiver Station) and a BSC (Base Station Controller) from Vihan Networks Limited (VNL), India, were installed as part of a pilot project to test the efficiency and durability of solar-powered BTS which could be very advantageously used in rural areas where there is no commercial power supply. The efficiency and durability of low-capacity of BSC from VNL was successfully tested.

The 2G and 3G networks were segregated to provide a better data service experience to 3G customers.

A low denomination Nu 25 "Kuenphen" voucher was introduced for the benefit of people with low purchasing power (e.g. farmers, students, etc.).

Human Resource Development and Management

BT's belief that its human resources are its most important assets in achieving its goals, and taking the company to new heights were manifested in the high priority it gave to HR and training needs. The year saw the approval of a company-wide salary increase for all regular employees by 20% with effect from January, 2011 as well as significant investment in training of BT employees.



In 2011, BT spent Nu 22.8 million to provide various trainings to its employees with the aim to enhance their knowledge and skills and improve their professional capabilities. 157 BT employees received training outside Bhutan – mostly in India, Bangkok and the Philippines. 82 employees were provided training within the country.

Also, on the HR front, a significant event in 2011 was the departure of the former Managing Director, Mr Thinley Dorji, and the appointment of Mr Nidup Dorji as the CEO of the company.

Corporate Social responsibility

As the premier telecom and ICT services company in the country BT accords high priority to reaching its services to as many citizens as possible so that the fruits of technology and development can be shared as equitably as possible. In this regard, BT continues to attempt to spread and improve its services to all corners of the nation with the resources available.

In 2011, BT successfully completed Phase II of the Rural GSM Project which was implemented with 70% subsidy (Nu 100.587 million) from the Universal Service Fund administered by BICMA, MOIC, Royal Government of Bhutan. 109 rural villages in 8 Dzongkhags were connected to the mobile network under this project.

A significant achievement was that the works were implemented in some of the remotest and most hostile locations in the country. In some instances (e.g. Lunana) the materials and equipment required for providing the services had to be transported using a hired helicopter for two weeks. While the major costs (70%) of capital works were subsidized, as per of BT's commitment to corporate social responsibility BT will be bearing a significant operating loss to provide the services to Lunana which arises mainly due to the heavy fixed operational costs (BT pays USD 3,585 per month on the satellite link alone for Lunana) vis-a-vis the very low revenue generation in the location.

In addition to the above, BT also spent about Nu 3.82 million to carry out various Corporate Social Responsibility activities in the year. These included, among others, the provision of free bulk SMS services for dissemination of social messages for various agencies and such similar services.

BT also visited some of the educational institutes like the Gaeddu College of Business Studies and College of Natural Resources and provided ICT equipments like broadband modem and data cards to the students and the faculty members at substantial discounts to encourage the use of ICT services.

Challenges

As was the case in 2010, the biggest challenge faced by BT in 2011 was the implementation of the rural GSM Project (Phase II) in very remote and hostile locations. Transportation of materials to the site was especially a challenge and it had to be done on horsebacks, by porters or through helicopter because of the absence of motor roads to the sites.



Retaining highly skilled, experienced and competent employees has continued to be a major challenge for BT. Qualified and capable employees continue to leave the company for better opportunities outside BT where salaries and perks are very attractive. With BT having difficulty matching/countering the offers made by competitors, it is likely that the company would continue to lose qualified and efficient employees to better opportunities outside BT.

As BT is a fast evolving and dynamic industry, one of the key challenges facing the company is in the choice of substantial investments required to be made in the latest platforms and technologies. While 3G was a technology introduced only a few years back to provide efficient data services, it is now getting gradually replaced in some countries by 4G/LTE (Long Term Evolution) technology which is capable of providing faster data services. To keep pace with other operators in the world, BT would need to continually invest heavily on up-grades and deployment of new technologies. The company faces a high risk to replace expensive ICT equipments and systems getting obsolete in a very short time.

Given the small population in Bhutan and with the competitor on the verge of covering the whole country, it would be a major challenge for BT to maintain the growth in customer base and revenue.

Outlook

For the coming year, BT plans to expand B-Mobile's Core network and 3G services. Call handling capacity of the Core network will be increased with the expansion and it is also hoped that service quality would see some improvements as subscribers would experience faster data download and Internet browsing. 3G services will be extended to Paro, Phuentsholing, Gelephu, Samdrup Jongkhar and few other locations.

Investment and expansion of Internet services to uncovered areas – especially focusing on project areas and special economic zones – will be continued with setting up of the same number of POPs as in 2011. More Wi-Fi hotspots will be installed in new places to boost the current coverage. There are also plans to introduce more flexible and better broadband packaging and billing solutions to provide better customer experience and personalization.

International link capacity will be upgraded by almost doubling the existing bandwidth to reach closer to 1 GBPS capacity to meet the growing Internet traffic into and out of Bhutan. It will be a milestone for Internet services in Bhutan as we move closer to GBPS connectivity.

FTTC (fibre to the cabinet) will be installed in a few new sites to take high-speed and reliable fibre networks closer to more users and homes. Further, the first trial of FTTH (fibre to the home) will be carried out, and, if successful, two more clusters of homes will be connected to this technology.

The company will also pilot a consolidated server capable of delivering virtual private server and cloud services as these appear to be the technology of choice in the near future.



Audit Reports

The company was audited by the statutory auditors, J. Gupta & Co., Chartered Accounts from Kolkata, India. We are pleased to report that there are no major audit qualifications in the Auditors' Report and that almost all past recommendations made by the auditors are being implemented and followed.

Acknowledgement

The company's Board would like to express its gratitude to its valued customers for their patronage and support to the company in the past year. The Board would also like to thank the shareholder, DHI, for their valuable support and guidance.

The credit for the commendable performance and achievements of the past year lie principally with the management and the dedicated, hard-working employees of BT. On behalf of the Board, I would like to take this opportunity to congratulate all employees of BT for an exemplary result and a commendable year.

Lastly, the Board of Directors would like to urge the management and the employees to continue working hard as a strong, united and dedicated team towards the goal of taking BT to even greater heights in fulfilling its commercial and social mandates.

I close this report by conveying, on behalf of the Board, our best wishes to every member of the BT family.

Tashi Delek!

On behalf of the Board of Directors,

Tenzing Yonten

CHAIRMAN



CHIEF EXECUTIVE OFFICER'S REPORT

It is my pleasure to report on the performance of the company for the year 2011. I consider myself fortunate to have got the opportunity to work in Bhutan Telecom, which is one of the leading corporations in the country. Since joining the company in August 2011, I have learnt a lot and gained confidence that given the strong foundation on which Bhutan Telecom is built and the positive energy that exists in the organization, we will be able to take the organization to greater heights.

Amidst growing customer expectations and stiff competition in the cellular and IT businesses, Bhutan Telecom has performed very well in the past year with an annual revenue growth of 17% from 2010. The total revenue for 2011 was Nu. 1,833.67 million as compared to Nu.1, 563 million in 2010. The profit after tax (PAT) for the year was Nu. 432.21 million which is the highest in the history of the company. This historic growth was possible because of the support of the Board, the shareholder, the customers and hard work of our employees at all levels.

In our effort to reach telecommunication services to the geog level, Lunana in the extreme north of the country was the last geog to be connected to the mobile network coinciding with the Royal Wedding of our beloved King in October 2011. While accessibility of our services to all Bhutanese community through expansion of our infrastructure and facilities is important, it is also equally important to make these services affordable to our people for which the company carried out several rounds of tariff revisions in 2011. Some of our service packages were redesigned to suit the demands of our customers residing in the rural areas.

As a socially responsible company, Bhutan Telecom had pursued its Corporate Social Responsibility (CSR) seriously to promote useful social activities. The company spent about Nu. 3.82 million to carry out various CSR activities like providing computers and Internet connectivity free of cost to community schools in very remote locations. The company also organized campaigns in some of the tertiary and vocational educational institutes around the country to promote mobile and fixed broadband services for the students. Along with sharing information on the service portfolio, the company offered substantial discounts on data cards and broadband modems to encourage staff and students to make optimal use of the ICT services in their teaching/learning processes.

A number of challenges confronted us in the execution of the projects especially in the rural areas, the biggest one being the implementation of the rural GSM project (Phase II) in very remote locations. The transportation of delicate equipments to the site from the nearest motorable road point was done on horsebacks, by porters and by helicopter, which required meticulous planning and a lot of patience and endurance.



As a technology driven company, skilled human resource form its backbone. However, being able to attract and retain qualified and experienced staff has been a constant challenge for Bhutan Telecom. Capable staff members are always being poached by other companies/organizations through higher salaries and incentives that we are not able to match. Unless long-term strategies are put in place to prevent this, the vision of the company to be a continual leader in the field will be severely thwarted.

To be able to keep pace with fast-evolving technology is yet another major issue confronting Bhutan Telecom. The fact that any proven technology becomes obsolete within short span of time has compelled operators worldwide to invest heavily on replacing the fast moving technology on a constant basis. In our case, while 3G is picking up, we are already hit to make a choice on the expansion of 3G or adopt Long Term Evolution (LTE) or 4G, which is quite capital intensive. We will have no option but to move along with the changes or else face the real danger of being left behind. Therefore, it will be our constant endeavour to study any new technology changes and adopt the appropriate ones for the good of our country and its citizens thereby enhancing the achievement of our GNH philosophy.

In addition to the technical divisions, marketing and customer care are very important for us if we are to remain competitive in the market. As always, Bhutan Telecom will continue to work hard on the improvement of our services and make our customers happy. We thank our valuable customers for your belief and trust in us and we pledge to give our very best. As always, your feedback will be most valuable for us to focus on areas, which are important to you.

I take this opportunity to express my gratitude for the unwavering support of the Board, DHI and the hard work of our employees and the continued patronage of our customers.

With very best wishes.

Yours sincerely,



(Nidup Dorji)
Chief Executive Officer



BOARD OF DIRECTORS



Dasho Tenzing Yonten (Chairman)
Director
Royal Thimphu College



Mr. Sonam P Wangdi
Director
Department of Trade, Ministry of Economic Affairs



Mr. Passang Dorji
Associate Director
Druk Holding and Investments



Mr. Kezang
Bhutan Private Sector Development
Department of IT & Telecom, Ministry of Information and Communications



Mr. Namgyel Wangchuk
Chief Budget Officer
Departments of National Budget, Ministry of Finance



Aum Peldon Tshering
Head PPS
National Environment Commission



Mr. Nidup Dorji
Chief Executive Officer
Bhutan Telecom Ltd.

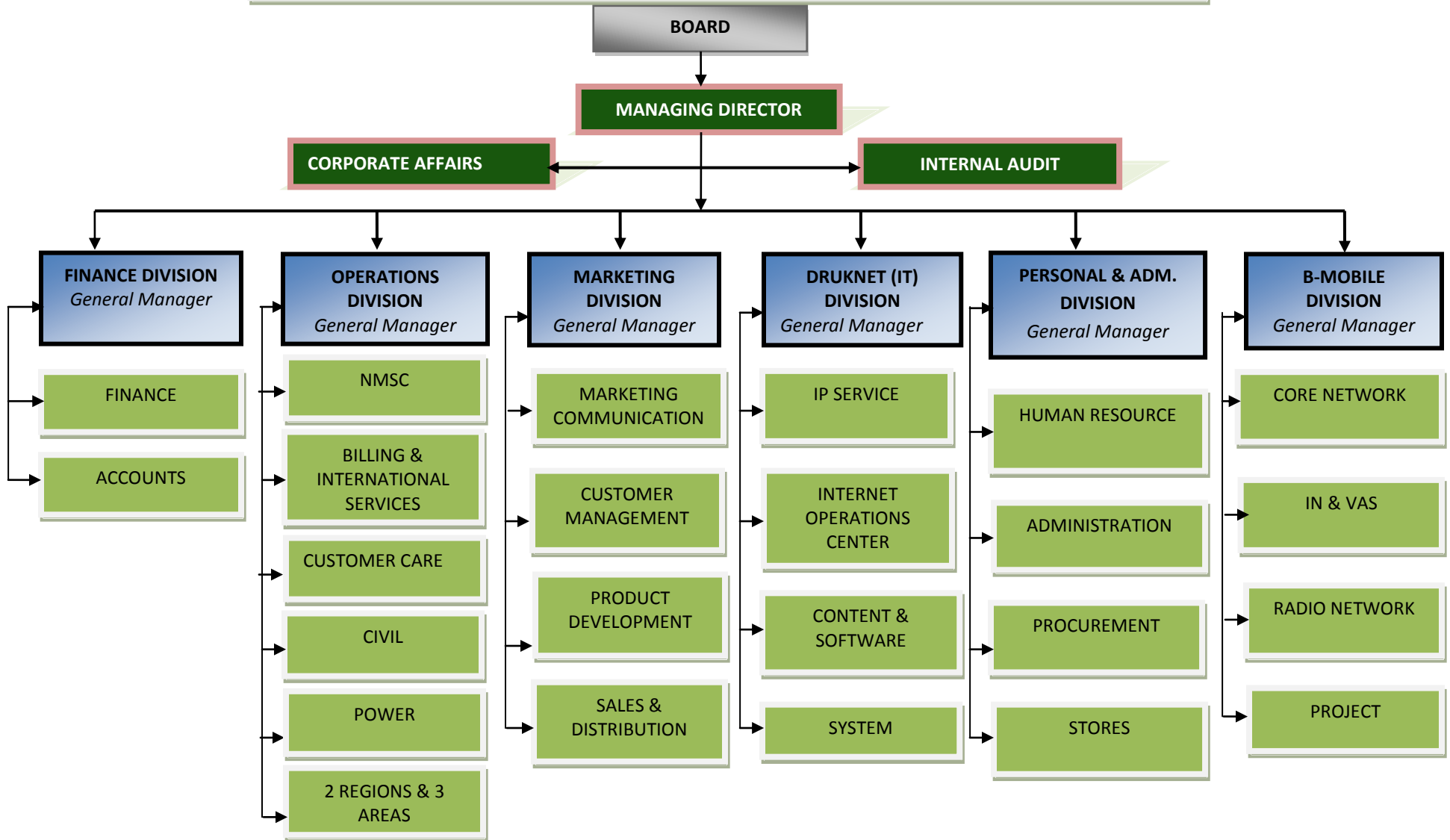


SNAPSHOT
OF THE
HON'BLE
BOARD
DIRECTORS
DURING
ANNUAL
GENERAL
MEETING
2011

From Left>> Aum Peldon Tshering, NEC, Mr. Namgyal Wangchuk, National Budget, Mr. Sonam P Wangdi, Department of Trade, DASHO TENZING YONTEN, RTC, Mr. Passang Dorji, DHI, Mr. Kezang, DITT, MOIC, Mr. Nidup Dorji, Bhutan Telecom Ltd.



ORGANIZATIONAL CHART FOR BHUTAN TELECOM LTD. 2011





PORTFOLIO OF PRODUCTS AND SERVICES

Bhutan Telecom currently offers the following services:

Fixed Line Telephone Services

1. Postpaid telephony services
2. E-billing
3. Abbreviated dialing (Short Code)
4. Call forwarding
5. Call waiting
6. Call holding
7. 3-Way call conference
8. Wake up call
9. Don't disturb
10. Absentee subscriber
11. Camp on busy
12. Call barring
13. Reversal facility
14. Multi hunting
15. 6 digits premium easy to remember number
16. 3 digits premium easy to remember number
17. Call details
18. GMPCS service (Thuraya)
19. GMPCS service (Iridium)
20. INMARSAT

DrukNet (Internet) Services

1. Broadband
2. Internet leased line
3. Enterprise Network (IPVPN)
4. Point to Point (P2P) leased line
5. Web hosting
6. Mail hosting
7. Web, Mail and Chat advertisement
8. Domain name registration
9. National Peering
10. IP Transit
11. VoIP telephony
12. WiFi
13. Dial-up Internet
14. Web designing service
15. International private lease line circuit (IPLC)



B-Mobile Services

1. Prepaid voice service
2. Postpaid voice service
3. Phonebook Backup Service
4. SMS service
5. International roaming
6. Call forwarding
7. Call waiting
8. Call hold
9. CLIR facility
10. Cell Broadcast Service
11. E-Billing with itemized details
12. Charo-Charo (for prepaid service)
13. Choose-Ur-Group (CUG)
14. E-Load
15. Paper recharge vouchers
16. 3G, GPRS & EDGE and Data Card
17. B-Tunes
18. Value Added Service like news, astrology, jokes, etc. (both IVR & SMS based)
19. Bulk SMS
20. Tele voting



AN OVERVIEW OF ACTIVITIES DURING 2011

Thimphu Operational Area I:

(Covers Thimphu, Wangdue, Punakha and Gasa Dzongkhags)

Fixed Lines Activities

Thimphu TLS Switch:

1. January - shifted all E1s from CP04 to other CPs to free CP04 to buildup new International STP switch.
2. Shifted all the subscribers of CP04 to other CPs.
3. March - shifted 1 LTF (LMs) of CP04 to CP03. (HW 3 installed in CP03).
4. April - decommissioned CP04 from Thimphu TLS Switch.

Thimphu STP:

5. Thimphu STP switch was build and commissioned in April 2011. Nepal, Singapore, Japan and Bangladesh signaling shifted from International Switch to the new STP switch
6. December – Contact Center numbers (PRI lines) for DHI companies commissioned
7. Installation of TN Minilink at Limbukha, Wangdue , Tshemila and Ada Top, FTTC at Bajo and Mini-link (8E1) from Gangtey directional Phobjikha
8. WLL at Lower Samtengang station decommissioned. PDH LUX 50, CorVAN BXD/XBS, Solar panel and Batteries removed from Lower Samtengang station to be reallocated by NMSC to other station
9. SDH replaced/upgraded by NGN equipments at Wangdue and Rurichu Exchange
10. DSLAM expansion carried out and increased by 4 slots (48 connections)
11. CorVAN switch- reinstalled operating system with replacement of ICC cards with new cards
12. Installed and gave connectivity to BOB ATMS at Lobesa & Rurichu and BOB/BNB ATM at Khuruthang

B-Mobile Activities

1. In 2011, a Base Transceiver Stations (BTS) and Frequency Shift Repeaters (FSR) have been installed and commissioned at various locations as mentioned below:
2. Lungtenphug (3G/2G), commissioned on 15/05/2011
3. UNDP (3G/2G), commissioned on 10/05/2011
4. Motithang (3G/2G), commissioned on 12/10/2011
5. Langjophakha (3G/2G), commissioned on 03/05/2011
6. Olakha (3G), commissioned in July 2011
7. Near Sunshine School (3G), commissioned in October 2011
8. New BPC office (3G), commissioned in July 2011
9. NPPF colony (3G), commissioned in April 2011
10. Given one E1 link to Drukcom from Kabesa BTS for leased line used by Uma Resort.
11. Lunana BTS installation
12. Commissioned the Gaselo BTS (RBS 2216 V2)



DrukNet (Internet) Activities

1. Contact Center for DOC companies launched
2. Web conferencing tested
3. 5 PRI lines set for Contact centre customers
4. 5 Wi-Fi hotspot launched- UNDP, BOD, Swimming Pool, Hongkong Market and Clock Tower.
5. Technical centre of excellence (training lap equipped with PCS and NES for IT training)
6. International link- 1STM-1 to HKK commissioned on 29th August 2011.
7. Leased Line installed at Bjishong School
8. Broadband capacity expanded (3 slot upgraded)
9. Leased line for RBP, BOB, BNB, BNB, BNB ATM, PHPA II Office at Bajo and BOB ATM were provided.
10. Broadband for Gasa installed
11. Provided the VPN internet connection at Basochu project office
12. P2P connection provided to JAYPEE group office at Bajo and Royal Bhutan Army (RBA) Wangdue

Paro Operational Area VII:

(Covers Paro and Haa Dzongkhags)

Fixed Line Activities

1. NGN cutover between Paro & Thimphu; Paro & Phuentsholing.
2. 2 km of 10 pair aerial cable expansion to Calf rearing centre, Wangkha (as deposit work)
3. Installed and commissioned Fiber connectivity to Haa
4. Submitted estimates for OSP network shifting due to road widening between Bonday & Drugyel

B-Mobile Activities

1. Installed & commissioned mobile service from VNL BTS sites at Jangzhina, Gurugang under Najagewog, Paro & Lobneykha under Chapcha gewog, Chukha.
2. Constructed new DG shelter at Paro and installed & replaced the existing DG (low capacity).
3. 1 GSM antenna added at Shaba BTS
4. GSM expansion at Bonday BTS
5. Restoration of Soe BTS
6. Promotion of Data cards, Broadband modems, Vouchers/SIMs at Paro College of Education, Paro
7. New DG, FG Wilson installed at JJ Peak
8. Installation and commissioning of VNL BTS at Tsephu and Repeater at Issukha
9. Installation and commissioning of VNL BTS at Rashigang under Naja gewog.
10. Improved the TX network link to Soe by changing the high gain antennas.

DrukNet (Internet) Activities

1. Broadband service at Damthang, Jenkana & Chapcha
2. Mini DSLAM (48portx3) of LS cables at Satsam replaced with B1205 DSLAM.
3. VPN leased services to RBP, Paro, RBP Tsimasham, Chukha Hydro Power Project & Tala dam site.



4. Installed the Mini link and Broadband with 24 slots.
5. installed the BOBL IPVPN (lease line)
6. Added 1 No of DSLAM with capacity of 48 slots for Broadband.

Phuentsholing Operational Area VI:

(Covers Phuentsholing, Samtse and Chukha Dzongkhag)

Fixed Line Services

- Expansion of Fiber cable of 4KM to CST from Phuentsholing exchange
- Replaced faulty OSP 50P Aerial Cable of 150m and expansion of OSP line with 30P Aerial Cable, 150m near RBA at Sibsoo exchange in May 2011
- Replaced old drop wires with Aerial Cables of 10P, 20P,30P approx length of 300m at Gomtu, Samtse, Sibsoo in April and May 2011
- Expansion of OSP 20P Aerial Cable of 80 M to DGPC from Rinchentse Exchange.
- Pulling of Aerial cable 15m (30p) from Rice flour Mill Closure to Pusha Tamang building i.e replacing of drop wire due to road crossing and messy looking too.
- Pulling of Aerial Cable 50m (30p) from Bazar DP towards new BNB office due to new connection and lease line.
- Replace of Aerial Cable 130m (20p) from school DP towards new Coparate office of Lhaki Cement/ Polytex co./ and colony due to new expansion and shifting. And all the line of Polytex was routed through their own cable giving lots of complaints.

B-Mobile Services

- Carried out marketing campaign at Pasakha mainly focusing on CUG and Friends & Family (Charo-Charo) at Pasakha
- Installation and commissioning of low power BTS 2111 (2+2+2) at Karmaling top, Deorali Gewog, Dagana Dzongkhag
- Installation and commissioning of BTS RBS 2111 (2+2+0) at Sengdeng, Dorokha Gewog, Samtse Dzongkhag.
- Up-gradation of BTS RBS 2116 from 4+4+0 to 4+4+2 at Malbase, Samtse Gewog, Samtse Dzongkhag.
- Installation and Commissioning of BTS RBS 2111V1 (2+2+2) at Khanigoan, Pugli gewog, Samtse Dzongkhag.
- Installation and Commissioning of BTS RBS 2111V1 (2+2+2) at Bara gewog, Samtse Dzongkhag.
- Installation & Commissioning of Pachu top BTS, Phuentsholing Gewog, Chukha Dzongkhag.
- Installation & Commissioning of BTS (VNL) at Dophulapcha, Dungna Gewog, Chukha Dzongkhag.
- Installation & commissioning of Kharbandi Goempa BTS, Phuentsholing Thromde.
- Installation and commissioning of BTS RBS 2216V2 (2+2+2) at Tashilakha (Manitar top), Darla Gewog, Chukha Dzongkhag
- Installation and commissioning of BTS RBS 2216V2 (2+2+2) at Kezari top, Darla Gewog, Chukha Dzongkhag.
- Installation of GSM Repeater station at Pakshikha, Bongo gewog. Chukha Dzongkhag.



DrukNet (Internet) Activities

- Installation & commissioning of WI-FI hot spot at CST, Central hotel and at YDF under Phuentsholing Thromde.
- Expansion of POP Bandwidth to 8 Mbps from 4 Mbps at Samtse Exchange
- Expansion of POP Bandwidth to 4 Mbps from 2 Mbps at Gomtu Exchange.
- Expansion of DSL IPDSLAM ports to 192 from 144 ports at Samtse exchange
- Expansion of DSL IP DSLAM ports to 96 from 48 ports at Rinchentse Exchange.
- Expansion of DSL IPDSLAM ports to 320 from 48 ports at Gomtu Exchange.
- Provided 256Kbps of IPVPN connectivity for BPCL at Samtse, RBP at Gomtu, THPA at Rinchenste.
- Provided 512Kbps IPVPN connectivity for BPC at Gedu.
- Provided 256Kbps Internet Lease Line for BNB at Gomtu.

Samdrupjongkhar Region I:

(Covers Samdrupjongkhar, Trashigang, Mongar, Lhuentse, Pemagatset and Tashiyangtse Dzongkhags)

Fixed Line Activities

- Expanded OSP 50p AC cable from Nganglam Exchange to Phatowoong area.
- Nganglam SAU and Tshenkari SAU have been connected through NGN.

B-Mobile Activities

- Integration of BTS in RBSC, BTS includes Zangkhar, Chokhorling, Martshala, Zangther, Phongmey, Drepong, Bumdeling, Chali, Sekhar, Pinphu and Martanga.
- Installation of ETSFB cards in ET4 magazine (optical to electrical converter).
- Migration of Mongar town, Lingmaythang, Gyelposhing, Tangmachu, Nylamdung, Dungkhar, Ganglapong, Jangchubling and Latongla BTS to RBSC Kanglung from BSC old Thimphu.
- Commissioned new BTS at Phongmey covering the villages like Monangkhar, Bargonpa, Kharsa, Khargonpa, Leem, Dazare, Lhablung, Bumtang, shokhang, Yabrang, Thimsong, Thongrong, Brang, Thabrang and Radhi.
- Installed New Rectifier at Merak BTS and AC supply given to Merak BTS (600 mts)
- Put New Air Conditioner at Dzongthung.
- 5 new BTS commissioned under Mongar (Drepong under Drepong gewog, Pinphu under Kengkhar gewog, Sekhar under Selambe gewog, Chali under Chali gewog and Muhung under Shermuhung gewog).
- Land for five new BTS sites acquired, approved from National Commission and Lease agreement executed with the RTIO office at Mongar.
- E1 upgraded for Mongar POP.
- NGN Project installation completed under Pemagatshel Exchange.
- Installation and commissioning of the low power BTS at Zangkhar Top and Khoma Top, BTS at Regelem (Bumdeling) and low power BTS at Gangkhar for Kholong chu Project Dam site.
- One monopole tower fully erected at Lauri top and one four legged tower erected at Tshothang
- Link set up between Meringchema and Lauri top and Lauri top to Tshothang (Air Mux)
- Installation and commissioning of low power BTS installed at Tshothang tower.
- The old DG at Jomotshangkha BTS was replaced with the New DG.



- Link set up between Monmola top and Menjiwoong School, between Lauri top and Jompa school and between Jomotshangkha BTS and Jomotshangkha Exchange for internet purpose.
- Choekhorling BTS and Nganglam top BTS under Rural GSM project were completed.
- Nganglam top BTS has upgraded from 2 + 2 to 2 + 4.
- Antenna optimization for better coverage is done at Nganglam BTS, Nganglam TOP BTS, Tshenkari BTS, Dungphu Low power BTS and Chekhorling BTS.

DrukNet (Internet) Activities

- Set up VPN of BPCL for all the Eastern Region except Gyelposhing.
- Bandwidth up gradation from 8Mbps to 14Mbps for Mongar POP and 2Mbps to 4Mbps for Gyelposhing POP.
- Broadband upgradation for Deothang, Pemagatshel, Trashignag, Ranjung, Nganglam and broadband expansion at Samdrupjongkhar.
- Chiphen Righpel lease line set up for Sherubtse College, Kanglung and JNP, Deothang.
- Installation of POP at Jomotshangkha, lease line Dungkhag and lease line Menjowang School jointly with the staff at site and S/jongkhar Exchange.
- Lease line for BNB set up at Mongar and Trashigang, and lease line at Lauri School.
- Samdrupjongkhar Exchange expanded POP E1 from 10mbps to 14 mbps.
- IPVPN set up and commissioned for NPPF Samdrupjongkhar and NPPF Mongar.
- Upgraded DSLM (48ports) in Trashigang Druknet POP and now all 48 ports are active and connected to the customers .
- Given New IP-VPN connection to BPCL, Trashigang.
- Expanded Broadband facility at T/Yangtse.
- Installed Broad Band at Tshenkharla Exchange.
- Setting up POPs at Tshenkari.
- A number of lease line provided to DCCL, office.
- Broadband capacity expanded at Nganglam by 24 ports.

Gelephu Region II:

(Covers Gelephu, Bumthang, Sarpang, Dagana, Tsirang, Trongsa and Zhemgang Dzongkhags)

Fixed Line Activities

- Replaced DRMASS by SAU at Dagana, Dagapela and Drujegang Exchanges.
- Erection of telephone post 7Nos (AB) towards the Chamkhar bazaar that was engulfed by the fire disaster.

B-Mobile Services

- Installed and commissioned 4+4+0 BTS at Barshong under Tsirang Dzongkhag
- Replaced Air Mux of Tinjurey in Sarpang and Jakar.
- Installed & commissioned a low power BTS at TC top, Jakar for better coverage and BTS expansion was carried out at Jampa lhakhang.



- Installed BTS at Namkhaling and Rabdeling in Gelephu town to relieve network congestion. Another BTS was installed at Tsachu-top to cover Tsachu area, Gelephu-Zhemgang highway and Sershong check-post.
- B-Mobile GSM Repeater was installed at Chiyandara under Shompangkha gewog, Sarpang.

DrukNet (Internet) Activities

- Broadband capacity expanded at Dagana by 24 ports in April, 2011.
- Upgraded the DSLAM in Damphu and Sarpang to 320 ports each from 168 ports and 144 ports respectively in the month of July, 2011.
- Broadband expanded to 520 ports from 320 ports in Gelephu during November, 2011. In Zhemgang also, it is being expanded to 86 ports from 62 ports in August, 2011.
- Installed new POP/ADSL in Drujegang (POP/48 port DSLAM, Dagana) and in Jigmecholing (POP/24 port DSLAM, Surey, Gelephu) between July and August 2011.
- POP backbone expansion was carried out in Sarpang, Zhemgang and Gelephu.
- 12 port switch is setup at Dhajey top.
- Extended Broadband service to Drujegang and Dagapela Exchange.
- Increased broadband capacity by B1205 in Sarpang and replace POP Switch.
- A number of lease lines and IP VPN circuits were provisioned/upgraded
- Installed RICI -4E1 & Switch (Catalyst 2960G) having 20 Ethernet ports at Jakar.



CELLULAR NETWORK COVERAGE MAP



Legend

BTS



GSM REPEATER

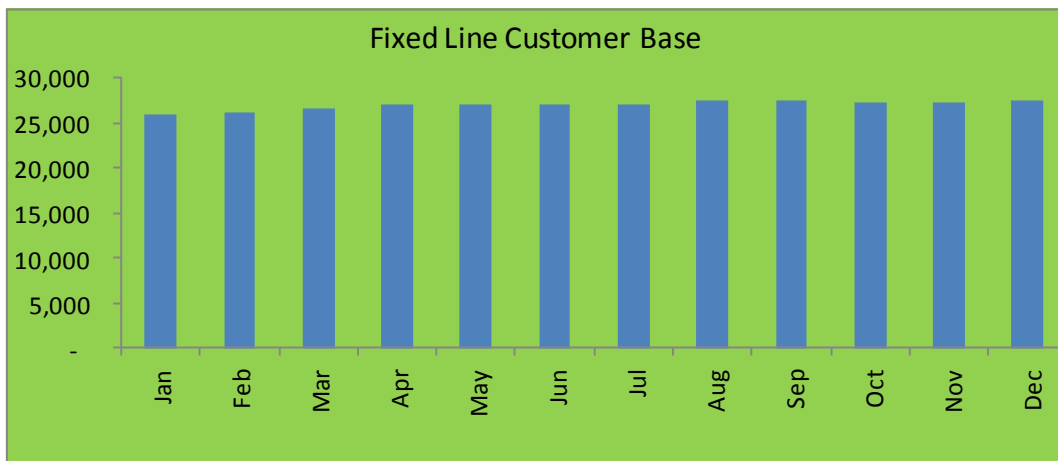
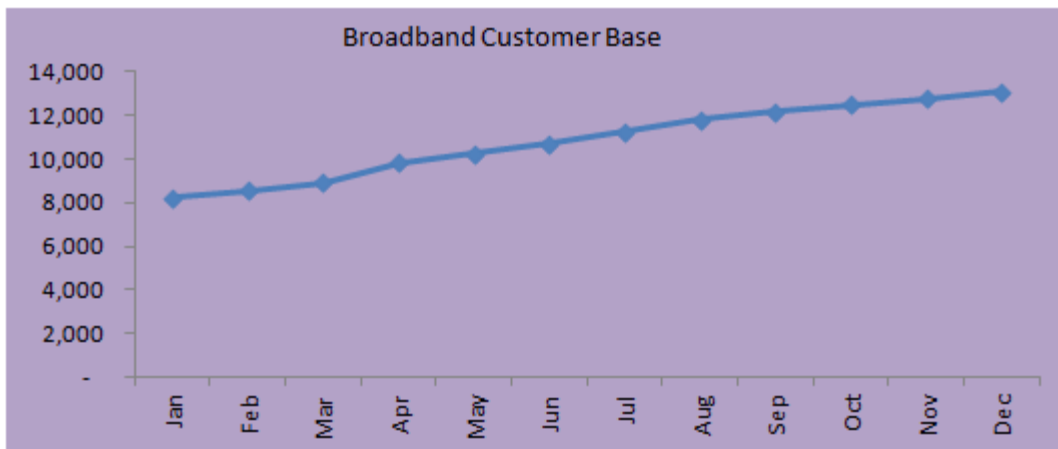
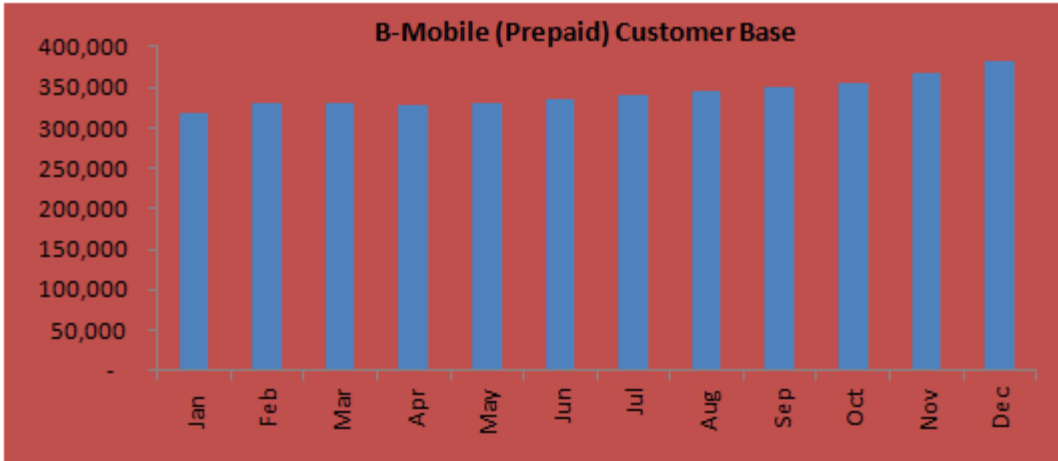


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SUBSCRIBER GROWTH CHARTS AS OF 2011





AUDITORS' REPORT & FINANCIAL STATEMENTS (1ST JANUARY – 31ST DECEMBER 2011)

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**AUDITOR'S REPORT TO THE MEMBERS OF
BHUTAN TELECOM LIMITED**

We have audited the attached Balance Sheet of **Bhutan Telecom Limited, Thimphu** as at 31st December 2011 and the Profit & Loss account and the Cash Flow Statement of the Company for the year ended on that date in which are incorporated General Ledger balances and transactions of Thimphu Area visited by us and returns of other Areas and Exchanges, not visited by us. The returns of unaudited Areas and Exchanges have been considered for the purpose of consolidation. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by section 75 of The Companies Act of the Kingdom of Bhutan, 2000 read with part II of Schedule XIV thereto (Minimum Audit Examination and Reporting requirements), we enclose in the annexure a statement on the matters specified therein to the extent applicable.

Further, to our comments in the annexure as referred above, we report that:

1. Our examination was made in accordance with the generally accepted auditing standards and accordingly included such tests of accounting records and such other auditing procedures, as we considered appropriate for the purpose of our audit.
2. 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.
3. In our opinion, proper books of account as required by the law have been kept by the Company, so far as it appears from our examination of those books.
4. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with in this report are in agreement with the books of account and have been compiled on the basis of generally accepted accounting principles.





5. We draw attention to the following:

- a. **The balances of Sundry Debtors, Depository Works and Foreign Receivables are subject to confirmation by the parties. Hence we are unable to express our opinion on the same.**
- b. **Classification of Sundry Debtors outstanding for a period exceeding six months and other debts has not been disclosed in the accounts which is required under Schedule - XIII A of The Companies Act of The Kingdom of Bhutan 2000.**

6 In our opinion and to the best of our information and according to the explanations given to us, subject to Para. 5 of above, the said accounts give the information required by The Companies Act of the Kingdom of Bhutan, 2000, in the manner so required and the said accounts give a true and fair view:

- I) In the case of Balance Sheet, of the state of affairs of the Company as at 31st December 2011,
- II) In the case of Profit & Loss account, of the profit of the Company for the year ended on that date;
And
- III) In the case of Cash Flow Statement, of the cash flows during the year ended on that date.

Place: Kolkata

Date: 22/03/2012

For J.Gupta & Co.

Chartered Accountants

Firm Reg. No. 314010E




Siba Prasad Datta
(Partner)

Membership No.13852



BHUTAN TELECOM LIMITED
(ANNEXURE AS REFERRED TO IN OUR REPORT OR EVENT DATE)

MINIMUM AUDIT EXAMINATION AND REPORTING REQUIREMENT (Part-II of schedule XIV to The Companies Act of the Kingdom of Bhutan, 2000)

1. The Company is maintaining records showing full particulars including quantitative details of fixed assets. Situation of fixed assets and descriptions thereof are maintained by Finance & Accounts department. As informed to us, no material discrepancies were noticed on the physical verification.
2. None of the fixed assets has been re-valued during the year.
3. It was explained to us that the physical verification of inventories has been conducted by the management at quarterly intervals during the year at the central store in Thimphu only. Each area/exchange conducts physical verification at the year-end only.
4. Discrepancies noticed on physical verification of inventories as compared to book records have been adjusted in the books and records of the Company.
5. On the basis of our examination of stock records, we are of the opinion that the valuation is fair and proper in accordance with the normally accepted accounting principles. The basis of valuation of inventories is same as in the preceding year.
6. The Company has availed an interest free loan from Danish Ministry of Foreign Affairs, Danish International Development Assistance (DANIDA) for Rural Telecommunication Network Project. The terms of the said loans are *prima facie* not prejudicial to the interest of the Company. As per the sanction terms of the said loan, Nu.576,778,690.34 (Euro 8,354,268.40) is outstanding as on 31.12.11.
7. The company has not granted any loans, secured or unsecured to other companies, firm or other parties, and/or to the companies under the same management except advance to staff.
8. Loans and advances are not given by the Company to any party.





9. The advances granted to officers/staffs are in keeping with the provision of service rule and no excessive and frequent advances are given.
10. The Company has generally established a system of internal control 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, systems and procedures.

However, in order to commensurate with the size and intricacies of the business, the internal control system should be strengthened and reviewed from time to time in respect of billing for International incoming and outgoing calls.

11. As informed to us, there is a reasonable system of obtaining competitive bids/quotations from the vendors in respect of purchase of stores, plant & machinery, equipments and other assets commensurate with the size of the Company and nature of its business.
12. (a) As informed to us, there is no transaction for purchase and sale of goods and services made in pursuance of contracts or agreements entered into with the directors or any other parties related to directors or with the Company or firms in which the directors are directly or indirectly interested.

(b) The examination of records of the Company does not reveal any transaction entered into by the Company wherein the directors are directly or indirectly interested.
13. As explained to us, the unserviceable or damaged stock of inventories is disposed off as and when ascertained and taken in accounts.
14. It has been explained that the Company has reasonable system of ascertaining and identifying point of occurrence of breakage/damages of stores, spares and capital goods while in transit, during loading/unloading in storage and during handling etc. so that responsibility could be fixed and compensation sought from those responsible.
15. The Company is a service oriented organization and not a manufacturing concern. Hence maintenance of records of production etc. is not applicable.





16. Reasonable records are maintained for disposal of realizable scraps.
17. According to the records, the Company is regular in depositing rates and taxes, duties etc. and other statutory dues with the appropriate authorities during the year 2011. Provision for Corporate Income Tax is adequate and necessary adjustments have been made to compute the amount of tax required to be paid under The Rules on the Income Tax Act of the Kingdom of Bhutan, 2001.
18. There are no undisputed amounts payable in respect of rates, taxes, duties, provident funds and other statutory deductions payable at the last day of the financial year 31.12.2011.
19. According to the information and explanations given to us, no personal expenses have been debited to the Profit and Loss Account excepting those payable under contractual obligations.
20. The Company is a service oriented organization and not a manufacturing concern. Hence recording consumption of materials and stores etc. is not applicable.
21. Quantitative reconciliation has been carried out during the year in respect of items of SIM cards, recharge vouchers etc at each Area.
22. Inventory has not been written off on account of material loss/discrepancies between physical and book balances during the year under review.
23. The Company is a service oriented organization and not a manufacturing concern and there is no system of allocating man hours utilized to the respective jobs etc.
24. System of authorization and internal control regarding issue of stores and allocation of materials and labour is not applicable for a service oriented Company.
25. System of price fixation taking into account the cost of production and market conditions is not applicable for a service oriented Company.
26. The credit sales policy is reasonable and credit rating of customers is not applicable for the Company.





27. The Company has engaged some agents in connection with mobile service through appropriate screening. The agency commission structure is in keeping with the industry norms / market conditions.
28. The system of follow-up with debtors and other parties for recovery of outstanding amounts should be strengthened. Vigorous follow-up is necessary to realize the old debts, which may become doubtful of recovery.
29. The management of liquid resources particularly cash / bank is reasonably adequate considering the nature and size of the business. Fund is not lying idle in non-interest bearing account. Loan has been availed on account of genuine fund requirement for carrying out operational activities.
30. According to the information and explanations given to us and on the basis of examination of books and records on test check basis, the activities carried out by the Company are in our opinion lawful and intravires the Articles of Incorporation of the Company.
31. According to the information and explanations given to us, the Company has a system of approval of the Board for all capital investment decision and investments in new projects.
32. The Company has established an effective budgetary control system.
33. System of standard costing, variance analysis etc. is not applicable for a service oriented Company.
34. The details of remuneration to the Managing Director have been indicated in the Notes to the Accounts (Note No. 14(a), Schedule No.17).
35. According to the information and explanation given to us the directives of the Board have been complied with.
36. According to the information and explanations given to us, the officials of the Company have not transmitted any price sensitive information, which is not made publicly available, unauthorized to their relatives/ friends/associates, or close persons, which would directly or indirectly benefit themselves.





In Case Of Other Service Sector Companies

1. The Company does not have a costing system to ascertain cost of its services.
2. Proper records are kept for inter unit transactions. Arrangements for services made with other agencies engaged in similar activities are not applicable for this Company.
3. The Company has not taken on lease or leased out to others any machinery / equipments during the year under review.

Computerized Accounting environment

1. The Company has a Computerized accounting system and the internal control system seems to be adequate taking into account the size and nature of its computer installations.
2. There seems to be more room for improving the safeguard measures and back up facilities because we suggest that back up –data of each exchange be kept in another exchange and that of one Area in another Area.
3. The Company keeps a back-up data for the entire Company in a different location other than Head Office.
4. Operational controls are adequate to ensure correctness and validity of input data and output information.
5. There are adequate preventive measures to prevent unauthorized access over the computer installation and files.

General

1. Going Concern Problem

Based on the Company's financial statements for the year ended 31st December, 2011 audited by us, the Company has earned sufficient profit during the audit and we have no reason to believe that the Company is not a going concern.





2. **Ratio Analysis**

Financial and operational ratio in respect of the Company is given in the statement of Ratio Analysis.

3. **Compliance of Companies Act of Kingdom of Bhutan:**

The Company has complied with the Requirement of The Companies Act of the Kingdom of Bhutan, 2000 **except non classification of Sundry Debtors.**

Our observations in detail on the above matter along with certain other important issues have been furnished vide our Letters dated 24th Feb 2012.

4. **Adherence of Laws Rules & Regulations:**

Audit of the Corporation is governed by The Companies Act of the Kingdom of Bhutan, 2000 and the scope of audit is limited to examination and reviews of the financial statement as produced to us by the management. In the course of audit, we have considered the compliance of provision of the said Companies Act and its Article of Incorporation. **The Company does not have a comprehensive Compliance Reporting and Recording System as regards adherence to all laws, rules and regulations, systems, procedures and practices. Under the circumstances we are unable to comment on the compliance of the same by the Company during the year under 2011.**

Place: Kolkata

Date: 22/03/2012

For J.Gupta & Co.

Chartered Accountants

Firm Reg. No. 314010E







Siba Prasad Datta
(Partner)

Membership No.13852



BHUTAN TELECOM LIMITED
BALANCE SHEET AS AT 31st DECEMBER 2011

PARTICULARS		2011	2010
SOURCES OF FUNDS			
Capital Fund	1	854,082,000.00	854,082,000.00
Reserves & Surplus	2	1,816,488,922.47	1,632,684,080.66
Secured Loan	3	576,778,690.33	574,672,373.36
TOTAL		3,247,349,612.80	3,061,438,454.03
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	4,734,084,423.18	4,471,059,415.97
Less Depreciation		2,020,619,576.86	1,859,895,134.69
Net Block		2,713,464,846.32	2,611,164,281.28
Capital Work In Progress	5	0.00	8,328,607.82
Current Assets, Loans & Advances	6	1,018,934,003.54	847,772,725.52
Less Current Liabilities & Provisions	7	485,049,237.06	405,827,160.59
NET CURRENT ASSETS		533,884,766.48	450,274,172.75
TOTAL		3,247,349,612.80	3,061,438,454.03
Significant Accounting Policies	16		
Notes On Accounts	17		
The Schedules referred to above form an integral part of the Balance Sheet.			
Chairman			
This is the Balance Sheet referred to in our report of even date.			
			Chief Executive Officer
			For J.Gupta & Co.
			Chartered Accountants
			Firm Regn.No.314010E
Place : Thimphu			
Date: 22/03/2012			(Partner)
			Membership No.13852



BHUTAN TELECOM LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2011

PARTICULARS	Schedule	2011	2010
Revenue	8	1,764,562,035.55	1,437,627,084.50
International Receipt	9	43,190,740.90	25,687,031.05
Other Income	10	21,753,074.63	17,263,182.75
Gain On Forex Flux		4,162,375.38	82,915,826.72
Gross Operating Income		1,833,668,226.46	1,563,493,125.02
Stores And Spares Parts	11	74,639,888.90	28,531,468.20
Employee Cost	12	177,812,698.05	156,408,096.60
Repairs & Maintenance	13	93,963,840.01	122,949,978.02
Admin & Gen. Expenses	14	148,624,199.44	119,914,939.18
International Payment	15	88,462,104.05	106,194,821.94
Loss On Forex Flux		90,102,243.65	321,134.70
Operating Expenses		673,604,974.10	534,320,438.64
Profit Before Depreciation, Interest And Tax		1,160,063,252.36	1,029,172,686.38
Depreciation	4	473,402,684.67	486,005,418.34
Less: Transfer to Capital Reserve		57,441,760.91	
Profit Before Interest And Tax		686,660,567.69	543,167,268.04
Interest			
Profit Before Tax, Prior Period Adjustments And Provisions		686,660,567.69	543,167,268.04
Prior Period Adjustments		3,365,597.79	6,990,173.01
Provision for Bad Debt		2,088,123.78	1,528,887.58
Profit Before Tax		681,206,846.12	534,648,207.45
Provision for Taxation		248,998,950.72	198,112,633.78
Profit after Tax		432,207,895.40	336,535,573.67
Dividend paid		216,103,947.70	168,267,786.84
Transfer To Reserves & Surplus		216,103,947.70	168,267,786.83
Significant Accounting Policies	16		
Notes On Accounts	17		
The Schedules referred to above form an integral part of the Profit & Loss Account.			
Chairman			
This is the Profit & Loss Account referred to in our report of even date.			
Place : Thimphu			
Date: 22/03/2012			


Chief Executive Officer

For J.Gupta & Co.
Chartered Accountants
Firm Regn.No.314010E




Siba Prasad Datta
(Partner)

Membership No.13852



BHUTAN TELECOM LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2011

	Notes	2011
Net Cash Flow from Operating Activities	1	559,557,356.02
Cash Flows from Investing Activities	2	(252,116,732.42)
Cash Flow from Financing Activities	3	(217,797,980.60)
Increase/(Decrease) in Cash		89,642,642.87
Cash & Bank Balance(Opening)		508,520,819.78
Cash & Bank Balance(Closing)		598,163,462.65
Increase/(Decrease) in Cash		89,642,642.87

Notes 1 to 3 forms part of the Cash Flow Statement

Chairman

Chief Executive Officer

This is the Cash Flow Statement referred to in our report of

For J.Gupta & Co.
Chartered Accountants
Firm Regn.No.314010E

Place : Thimphu

Date: 22/03/2012



Siba Prasad Datta
(Partner)

Membership No.13852



BHUTAN TELECOM LIMITED
NOTE FORMING PART OF CASH FLOW STATEMENT FOR THE YEAR ENDED
31st DECEMBER 2011

Note.1	Cash Flow from Operating Activities		2011
	Net profit before tax, prior period adjustment and provision	686,660,567.69	
	Less: Provision for Bad Debt	2,088,123.78	
	Less: Prior Period adjustments	3,365,597.79	
	Net profit before tax and prior period adjustment		681,206,846.12
	Add back:		
	Depreciation during the year	473,402,684.81	
	Less: Adjustment made	370,120,003.41	103,282,681.40
	Less:		
	Profit on sale of Fixed Assets	473,350.00	
	Interest Received	4,908,625.40	5,381,975.40
	Net Profit from Operating Activities		779,107,552.12
	Increase in Current Assets (other than Cash & Bank)		81,518,635.15
	Decrease in Current Liabilities		-
	Net cash from Operating Activities		697,588,916.97
Note. 2	Cash Flow from Investing Activities		
	Addition to Fixed Assets	(634,960,487.03)	
	Less: Adjustment including profit on sale made during the year	(372,408,829.82)	(262,551,657.21)
	Increase in Capital WIP		8,328,607.82
	Increase/Decrease in Secured Loan		2,106,316.97
	Net cash from Investing Activities		(252,116,732.42)
Note. 3	Cash Flow from Financing Activities		
	Interest Received	4,908,625.40	
	Receipt of Capital Grant from BICMA	25,142,655.00	
	Taxation	(248,998,950.72)	
	Payment of Dividend	(216,103,947.70)	
	Net cash from Financing Activities		(435,051,618.02)
	Increase/(Decrease) in Cash		
	Cash & Bank Balance (Opening)	508,520,819.78	
	Cash & Bank Balance (Closing)	598,163,462.65	
	Increase/(Decrease) in Cash		89,642,642.87





BHUTAN TELECOM LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	2011	2010
SCHEDULE 1		
Capital Fund		
AUTHORISED:		
1,500,000 Equity Shares of Nu.1000 each	1,500,000,000.00	1,500,000,000.00
ISSUED, SUBSCRIBED AND PAID UP		
854082 Equity Shares of Nu.1,000 each	854,082,000.00	854,082,000.00
	854,082,000.00	854,082,000.00
SCHEDULE:2		
Reserves and Surplus		
Capital Reserve :-		
Grant from Royal Government Of Bhutan		
As per last account	3,044,665.26	3,209,665.26
Less: Transferred to Profit and Loss account	(165,000.00)	(165,000.00)
	2,879,665.26	3,044,665.26
Grant from Government of India for B Mobile		
As per last account	10,201,870.15	12,466,613.10
Less: Transferred to Profit and Loss account	(799,931.82)	(2,264,742.95)
	9,401,938.33	10,201,870.15
Grant from Danida		
As per last account	40,752,850.80	65,204,561.28
Less: Transferred to Profit and Loss account	(24,451,710.48)	(24,451,710.48)
	16,301,140.32	40,752,850.80
Grant from Government of India for VSAT		
As per last account	4,014,412.60	5,109,252.40
Less: Transferred to Profit and Loss account	(1,094,839.80)	(1,094,839.80)
	2,919,572.80	4,014,412.60
Grant from BICMA for GSM		
As per last account	175,644,685.00	105,937,500.00
Add: Received during the year	25,142,655.00	85,597,810.00
Less: Transferred to Profit and Loss account	(30,930,278.81)	(15,890,625.00)
	169,857,061.19	175,644,685.00
Profit & Loss A/c		
As per last account	1,399,025,596.85	1,230,757,810.02
Add: Addition During the Year	216,103,947.70	168,267,786.83
	1,615,129,544.55	1,399,025,596.85
	1,816,488,922.45	1,632,684,080.66
SCHEDULE: 3		
Secured Loan		
For Rural Telecom		
(From Danida at interest free rate, Guaranteed by Royal Government of Bhutan)	576,778,690.33	574,672,373.36
Total	576,778,690.33	574,672,373.36





BHUTAN TELECOM LIMITED: SCHEDULE 4 FIXED ASSET

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	01.01.2011	ADDITION	ADJUSTMENT	31.12.2011	01.01.2011	ADDITION	ADJUSTMENT	31.12.2011	31.12.2011	01.01.2011
Land	36,781,546.96	4,418,071.68	-	41,199,618.64	-	-	-	-	41,199,618.64	36,781,546.96
Building	270,572,915.56	44,108,702.78	2,019,733.79	312,661,884.55	54,089,795.18	10,650,821.23	2,019,733.79	62,720,882.62	249,941,001.93	216,483,120.38
Plant & Machinery	3,324,009,747.86	441,032,205.32	359,734,285.97	3,405,307,667.21	1,572,641,799.93	465,446,228.52	358,517,201.12	1,679,570,827.33	1,725,736,839.88	1,751,367,947.93
Office Equipment	52,751,751.02	6,487,088.72	5,986,038.00	53,252,801.74	27,814,630.04	7,511,538.76	5,986,038.00	29,340,130.80	23,912,670.94	24,937,120.98
Cables and Power System	736,290,203.81	131,470,432.33	597,828.56	867,162,807.58	185,563,689.07	39,985,250.82	-	225,548,939.89	641,613,867.69	550,726,514.74
Furniture & Fixture	7,783,370.88	780,890.70	749,489.50	7,814,772.08	3,777,237.41	1,183,165.44	749,489.50	4,210,913.35	3,603,858.73	4,006,133.47
Vehicles	42,869,879.88	6,663,095.50	2,848,104.00	46,684,871.38	16,007,983.06	6,067,440.81	2,847,541.00	19,227,882.87	27,456,988.51	26,861,896.82
Total	4,471,059,415.97	634,960,487.03	371,935,479.82	4,734,084,423.18	1,859,895,134.69	530,844,445.58	370,120,003.41	2,020,619,576.86	2,713,464,846.32	2,611,164,281.28
Previous Year	4,264,643,677.59	564,278,676.02	357,862,937.64	4,471,059,415.97	1,643,447,227.16	529,872,336.57	313,424,429.04	1,859,895,134.69	2,611,164,281.28	

Depreciation Rates:

The Depreciation Rate applied are as follows:

1	Land	0%
2	Building	
	a. Permanent Structure	3%
	b. Semi-Permanent Structure	20%
3	Plant & Machinery	15%
	a. Cables and Power Equipment	5%
4	Furniture	15%
5	Vehicle	15%





BHUTAN TELECOM LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE: 5**Capital Work in Progress**

Civil Works	-	8,328,607.82
	-	8,328,607.82

SCHEDULE: 6**Current Assets, Loans and Advances****Inventories at Cost**

	26,755,719.88	17,365,565.55
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Sundry Debtors

Domestic	64,712,143.52	50,722,387.89
International Receivables	9,434,849.20	1,204,994.45

Cash & Bank Balances at Head Office

Disbursement A/C, Bhutan National Bank	64,186,983.95	29,805,813.79
Main Revenue A/C, Bank of Bhutan	7,218,666.51	7,979,741.45
Foreign Currency A/C, Bhutan National Bank	33,180,950.63	8,879,986.67
Disbursement A/C, B-Mobile, Bhutan National Bank	23,142,159.71	28,297,265.07
Depository Works A/C, Bhutan National Bank	19,436,471.08	14,775,606.85
Telecom Insurance Fund A/C, Bhutan National Bank	5,130,595.63	120,842.16
Current A/C, Bhutan Development Bank	2,633,877.56	-
Investment in the form of Fixed Deposit	399,000,000.00	383,800,000.00

Cash & Bank Balances at Branches

	44,233,757.58	34,861,563.79
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Other Loans & Advances

Advance to Staff, Personal Advance	1,458,917.12	860,489.32
Advance to staff Impress	2,905,911.58	2,328,403.68
Advance to Suppliers, Interest Free	191,275,050.15	136,907,899.82
Advance to Suppliers, POL	1,007,245.16	965,245.16
Advance to Others	1,358,137.00	316,882.00
Advance to Staff, Office Advance	5,700,458.22	3,277,590.70
Advance to Contractors	7,540,517.52	7,824,900.00
Prepaid Expenses	105,904,991.62	117,305,676.34
Income Accrued but not Due	2,635,762.17	121,353.43
Other Deposits	80,837.75	50,517.40

	1,018,934,003.54	847,772,725.52
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SCHEDULE: 7**Current Liabilities & Provisions****A. Current Liabilities**

Liability for Adjustments	35,216,108.58	32,901,006.15
International Payables	10,300,213.20	13,683,796.48
Liability for Depository Works	19,436,471.08	14,775,606.85
Stale Cheques	289,351.93	75,840.00
TDS - Suppliers	-	394,720.65





BHUTAN TELECOM LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

Deposits

Security Deposit from Suppliers	605,178.28	303,071.30
Security Deposit from consumers/subscribers	1,710,000.00	1,370,000.00
Security Deposit from Contractors	3,036,031.65	2,234,889.15
Security Deposit from Dealers	120,000.00	120,000.00
Other Deductions	5,287,408.52	38,846,022.00
Other Deposits	15,145.00	1,600.00

B. Provisions

Against bad & Doubtful Debts	27,685,838.24	25,597,714.46
Against Stores & Spares	1,000,000.00	1,000,000.00
For Audit Fees	70,000.00	70,000.00
For Taxation	161,405,438.88	100,029,331.71
For Leave Encashment	2,768,104.00	6,155,775.00
Provision for Dividend	216,103,947.70	168,267,786.84
	485,049,237.06	405,827,160.59

SCHEDULE: 8**Revenue**

Telephone Service	135,607,085.14	157,511,264.48
DrukNet	159,298,446.05	111,506,305.77
Misc. Income	24,674,832.40	27,679,087.95
Sale of Sim Cards	7,798,013.30	9,957,570.00
Sale of Recharge Vouchers	1,289,443,530.91	1,030,603,005.75
Post Paid Mobile Service	114,347,957.33	81,736,965.23
E-Load	33,392,170.42	18,632,885.32
	1,764,562,035.55	1,437,627,084.50

SCHEDULE: 9**International Receipts**

International (ISD)	24,073,981.71	14,429,196.28
Income from International Roaming	19,116,759.19	11,257,834.77
	43,190,740.90	25,687,031.05

SCHEDULE: 10**Other Income**

Income from IN & VAS	944,255.65	399,627.87
Income from Domain Name Registration	40,731.04	18,180.00
Thuraya	643,463.41	240,249.33
Gain on Sale of Fixed Asset	473,350.00	3,572,371.71





BHUTAN TELECOM LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

Misc. Income	1,040,798.13	2,420,061.20
Sale of Tender Document	600.00	174,300.00
Income from Sale of Equipment	4,855,737.40	-
Fines	3,757,432.44	930,740.20
Income for Hire Charges	3,537,742.16	2,003,837.35
Interest from Fixed Deposit	4,908,625.40	5,165,386.15
Income from House Rent, Staff	1,542,283.00	1,281,625.00
Income from Deposit Work	-	876,278.00
Audit Recoveries	8,056.00	180,525.94
	21,753,074.63	17,263,182.75

SCHEDULE: 11**Store and Spare Parts.**

Thuraya Handset	-	6,377.28
Telephone Instrument	231,003.00	59,767.00
O & M Consumable Stores	47,659,644.48	1,669,200.43
Drop Wire	2,499,289.00	1,286,192.86
Sim Card	2,728,100.00	2,798,275.39
Recharge Voucher	20,412,878.92	14,194,242.41
Mobile Handset	127,987.00	142,135.53
Modems	980,986.50	8,375,277.30
	74,639,888.90	28,531,468.20

SCHEDULE: 12**Employee Costs**

Salaries and Wages, Permanent Employee	127,017,905.88	100,896,808.00
Salaries and Wages, Temporary Employee	12,801,839.00	11,404,749.00
Bonus/ Special Pay	11,700,300.00	12,018,926.00
Medical Expense Reimbursement	1,137,071.60	122,479.22
Leave Travel Concession	6,510,570.00	6,441,105.00
Leave Encashment	3,101,957.98	13,622,485.90
Uniform and Livery Expenses	835,384.00	807,480.58
Staff Welfare Expenses	237,653.00	41,060.00
Employer Contribution to Provident Fund	9,213,853.00	8,713,632.00
Employee Cost - Gratuity	4,746,163.59	2,339,370.90





BHUTAN TELECOM LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

Special Payment	510,000.00	-
	177,812,698.05	156,408,096.60

SCHEDULE: 13**Repair and Maintenance**

Switching and Routing	-	1,138,222.31
Building	2,194,778.16	1,437,472.56
Transmission	371,567.26	26,272,814.57
Power Supply Equipment	773,147.28	4,626,704.45
Civil Works	39,100.00	19,914.00
OSP Network	216,853.00	138,240.18
Vehicle	3,280,767.04	2,653,797.40
Furniture/Fixture	5,550.00	7,660.00
Office Equipment	1,887,087.55	2,659,382.50
Annual Maintenance Charge	83,949,903.73	83,511,500.18
Generator Set	16,071.80	142,885.84
LAN/WAN	8,320.00	-
WLL	-	7,000.00
Broadband Equipment	567,837.50	15,311.00
Optical Fiber	652,856.69	319,073.03
	93,963,840.01	122,949,978.02

SCHEDULE: 14**Administration & General Expenses**

Rent	4,076,577.74	3,769,867.36
Rates and Taxes	4,286,488.20	1,442,212.13
Insurance	4,224,317.30	105,940.10
Communication (Fax, Mail, Post, Tele)	908,713.88	866,939.88
Professional Charges	1,201,784.00	2,503,322.91
Travel	9,748,226.75	9,155,532.06
Foreign Travelling Allowance	5,911,904.47	3,061,877.95
Car Hire Charges	1,000.00	700.00
Electricity	8,502,049.08	7,712,070.55
Vehicle Running Expenses, POL	5,703,070.47	4,752,633.48
Vehicle License, Registration & Hire Charges	139,677.95	161,200.25
Printing and Stationary	1,315,417.75	4,848,934.75
Advertisement Expenses	1,036,318.49	840,168.43
Fees and Subscription	53,248,291.31	52,463,365.04
Carriage Inward/Outward	683,333.85	803,189.59
Office Maintenance	916,867.60	538,575.98
Books, Magazine, Newspaper	51,639.00	43,211.00





BHUTAN TELECOM LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

Entertainment	2,880,261.93	1,706,713.09
Staff Training	22,820,901.58	9,308,298.89
Misc. Expense	1,070,340.00	187,965.85
Audit Fees	70,000.00	72,000.00
Registration & Filing Fees/Survey	11,479.00	7,141.00
Directors Fees	536,000.00	366,000.00
Audit Expenses	419,881.20	252,145.50
Education Allowances	15,000.00	25,000.00
Business Promotion	1,475,894.99	892,138.72
Meeting and Seminar	135,863.84	1,050,136.06
Revenue Sharing, National	8,038,124.00	6,727,013.95
Insurance for Cash-in-Transit	8,737.00	17,827.34
	148,624,199.44	119,914,939.18

SCHEDULE: 15

International Payment

Satellite Transmission/Utilization Charges	4,539,770.28	712,960.00
Service Fees for IBS	5,143,183.47	6,098,487.08
GTS Settlement	2,489,006.74	8,199,563.82
Internet Traffic Settlement/Voice/VOIP	30,773,232.38	27,999,793.66
Internet Transit Service Charges	13,885,511.99	18,666,323.98
International Roaming	30,637,161.90	43,536,730.38
GMPCS Service Charges	327,533.89	8,020.80
Fees and Subscription, International	666,703.40	972,942.22
	88,462,104.05	106,194,821.94

Depreciation

Depreciation	530,844,445.58	529,872,336.57
Transfer from Capital Reserve	57,441,760.91	43,866,918.23
	473,402,684.67	486,005,418.34





SCHEDULE 16: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are as follows:

1. BASIS OF ACCOUNTING:

The accounts have been prepared on historical cost convention as a going concern based on the generally accepted accounting principles and mercantile system has been generally followed except as otherwise stated.

2. REVENUE RECOGNITION:

- 2.1. Telephone calls are recognized on the basis of metered calls in monthly cycles as generated through central billing system except for 635 BT office connection all over the country, 188 VVIP connections in Thimphu and Phuentsholing, 335 employees' residential connections with certain ceiling as per Service Rule w.e.f. 1st March 2006.
- 2.2. DrukNet bills are booked monthly on the basis of usage times and include revenue on account of start-up kits.
- 2.3. All fixed network leased lines (international, local and domestic) are billed.
- 2.4. Income from sale of recharge voucher is recognized on the basis of usage by subscribers.
- 2.5. Sale of instruments including satellite phones are billed on delivery basis.
- 2.6. All other miscellaneous incomes are booked in the accounts only when collection is made.

3. FIXED ASSETS

- 3.1. Fixed Assets are stated at cost plus other charges for bringing the assets to the location and includes installation charges, less accumulated depreciation.
- 3.2. Depreciation is provided at the rates specified in the Annexure II of Rules on the Income Tax Act of the Kingdom of Bhutan 2001, and is computed under straight line method (on Pro-rata basis, from the date of purchase).
- 3.3. Work, which is still in progress relating to civil construction, is accounted for under capital work-in-progress after considering 1st running bill from the contractor.
- 3.4. Capitalization of work-in-progress has been done on the basis of completion certificate issued by the concerned authority.

4. OTHER CURRENT ASSETS:

- 4.1 Debtors booked in accounts are based on the returns of billing and collection from Areas/Exchanges as recorded in the TIIMS database pertaining to the bill claim and the collection of revenue.
- 4.2 The inventories include value of stocks lying at Central stores at Thimphu and at various stores at Areas and Exchanges. Stocks issued to operational persons eg. Lineman and other workers have been treated as consumption as per past practice.





5. GRANTS:

- 5.1. Grants relating to the period prior to 30th June 2000 are not identifiable and as such merged with the Capital Fund.
- 5.2. In accordance with the guidelines (issued by the Ministry of Finance, Royal Government of Bhutan), grants received after 30th June, 2000 for purchase of fixed assets have been treated as Capital Reserve, and those received for other purposes have been treated as income.
- 5.3. Amount of Depreciation on fixed Assets acquired through grant has been credited to Profit and Loss Account by way of transfer from Capital Reserve.

6. CURRENT LIABILITIES AND PROVISION:

- 6.1. All known liabilities upto 25th Jan. 2012 have been booked in the accounts.
- 6.2. Provision for corporate taxes has been based on the reported profit.

7. FOREIGN EXCHANGE:

- 7.1. Foreign exchange transactions are converted into local currency by using daily exchange rates prevailing on the date of transaction as published by Royal Monetary Authority of Bhutan.
- 7.2. Monetary assets and liabilities (denominated in foreign currencies) are converted at rates prevailing at the year-end, and gain or loss of fluctuation (on such conversion) is transferred to Profit and Loss Account.

8. EMPLOYEES' BENEFITS:

- 8.1. Actuarial valuation of gratuity liability has been made and equivalent amount has been transferred to the gratuity trust.
- 8.2. Bonus is accounted for on cash basis and is dependent on the reported profit subject to approval of the Board of Directors.
- 8.3. Leave encashment liability is accounted for on the basis of actuarial valuation.

9. NET PROFIT OR LOSS:

The result declared (in the Profit and Loss Account) is after considering:

- a) Provision for depreciation on company's property, and
- b) Other usual or necessary provisions.





SCHEDULE 16: NOTES ON ACCOUNTS

1. Bhutan Telecom was formed as a Public Corporation by virtue of Bhutan Telecommunications Act, 1999 as approved by the 77th session of the National Assembly with effect from close of business as on 30th June, 2000 as a body corporate with perpetual succession under a Chairman and other members to operate under the direction of the Minister of Communications. On 25th April 2002 the said Corporation was incorporated as Bhutan Telecom Limited under the Companies Act of the Kingdom of Bhutan, 2000.
2. The properties, rights and liabilities of the erstwhile Telecom Department vesting with Bhutan Telecom Limited at the close of business of 30th June 2000 have been assessed with the help of an outside consultant, Internal Valuation Committee and other departmental staffs and the difference between the assets and liabilities had been taken as Capital Fund for which 854,082 equity shares of Nu 1,000/= each has been issued to the Ministry of Finance, Royal Govt. of Bhutan.
3. Land vested in the company is subject to verification and confirmation by National Land Commission. In respect of land purchased during the year and some land purchased in earlier years, the registration is under progress.
4. Confirmations of balances being not available from Receivables and Depository Works are stated as per their respective book balances.
5. Provision for bad and doubtful debt is made @ 0.5% of domestic land line, druknet and post-paid mobile revenue.
6. Assets fully depreciated amounting to Nu.368, 463,587.41 have been adjusted from the gross block and the provision for depreciation held as on 31.12.11.
7. GSM License fee payable to BICMA for 15 years is Nu. 777.00 million of which Nu. 310.80 million has been paid upto 31.12.2011.
8. Depreciation on fixed assets acquired through grants amounting to Nu.57, 441,760.91 has been adjusted by way of transfer of equal amount from Capital Reserve.
9. Income Tax assessment of the company has been computed by the Revenue Authority up to the year 2008.



10. The company had paid out 3% TDS amounting to Nu.1,650,894.47 and a penal interest of Nu.533,064.75 to RRCO as pointed out by RAA in the year 2011.
11. During the year the company has net loss of Nu.85,939,868.27 on account of favorable fluctuation of foreign exchange rates on its foreign exchange transactions, monetary assets and liabilities.
12. During the year under review the company has received additional Nu.25,142,655 (Nu.85,597,810.00 received in 2010) from Bhutan Information and Communication & Media Authority (BICMA) as grant towards Rural GSM Project.
13. Consumption of service connection given to various offices and employees of the company in Bhutan amounting to Nu. 3,249,086.25 have not been considered as income or expenditure.
14. Profit and Loss account includes the following remunerations & other expenses:-

a) Chief Executive Officer's remunerations:	Current Year	Previous Year
	Amount (Nu.)	<u>Amount (Nu.)</u>
Salary	987,129.00	1,020,000.00
Leave Travel Concession :	15,000.00	15,000.00
Contribution to superannuation fund :	70,987.00	70,128.00
Foreign travel expenses :	721,968.55	646,608.75
Total	1,795,084.55	1,751,736.75
b) Directors Fees	536,000.00	366,000.00

15. The company has carried out certain jobs on 'no profit – no loss basis' for various parties from whom fund is received from time to time. Separate bank account is maintained for defraying the cost of these jobs. The yearend balance of this bank account Nu. 19,436,471.08 are shown under Current Assets and Current Liabilities respectively (Previous year Nu. 14,775,606.85).
16. Actuarial valuation of gratuity liability has been made during the year and the liability of Nu. 4,746,163.59 have been transferred to the gratuity trust fund (Previous year Nu. 2,339,370.90).
17. Leave Encashment liability has been provided during the year on the basis of actuarial valuation amounting to Nu.2,768,104 in line with Section 67 of the Companies Act of the Kingdom of Bhutan 2000(Previous year Nu. 6,155,775.00).



18. The company has Capital commitment to the tune of Nu. 95,301,992.25 against which an advance of Nu.191,275,050.15 has been given(Previous year Nu.136,907,899.82).

19. Provision for Taxation:-

	2011	2010
Tax on current year's profit :	248,998,950.72	152,366,506.40
Less: Tax paid :	87,090,787.00	52,119,180.00
Less: TDS :	502,724.84	217,994.69
Payable :	161,405,438.88	100,029,331.71

20. Previous year's figures have been rearranged and regrouped, wherever necessary.

Chairman

Chief Executive Officer

These are the Notes on Accounts referred to in our report of even date.

For J.Gupta & Co.
Chartered Accountants
Film Regn No. 314010E

Place: Thimphu

Date:22/03/2012



Siba Prasad Datta
(Partner)

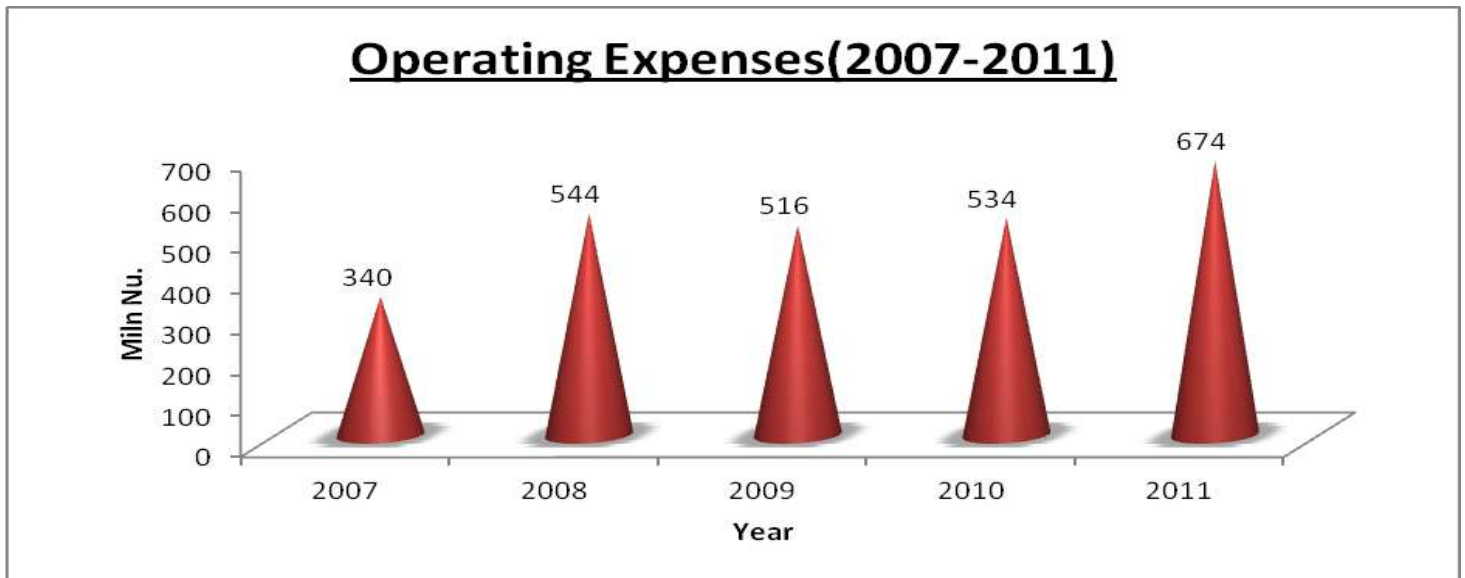
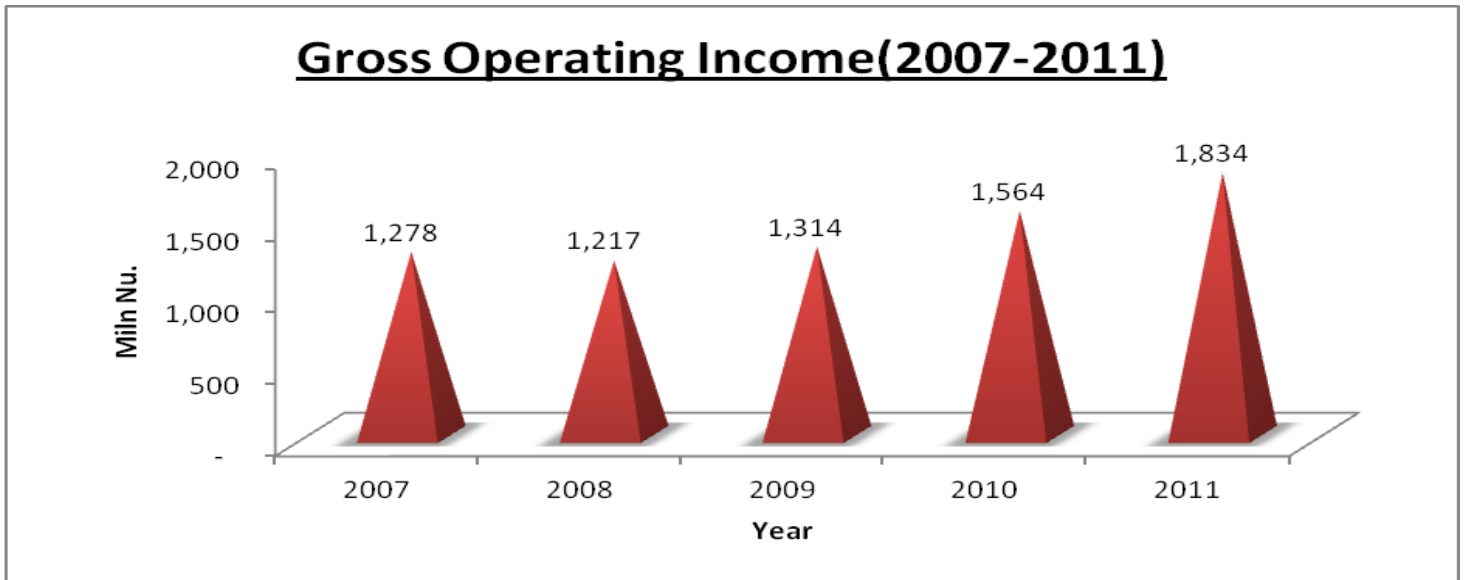
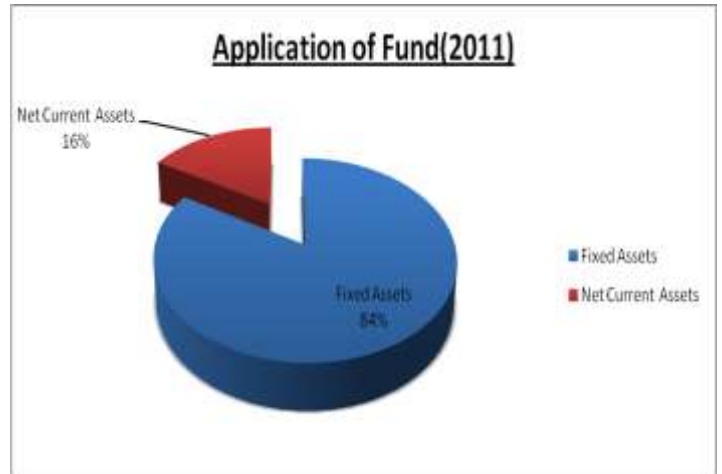
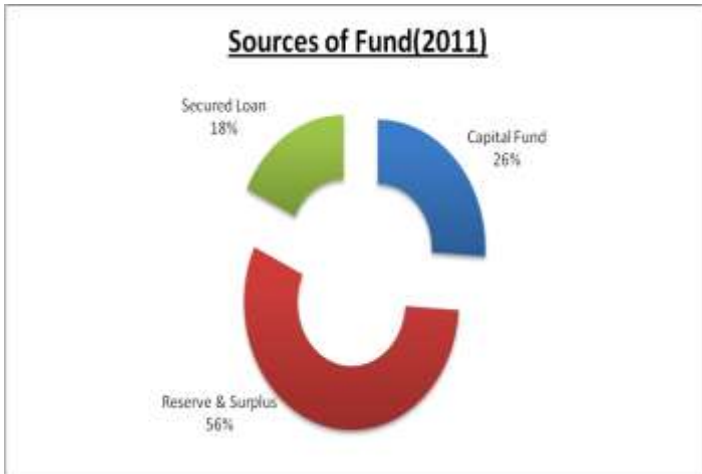
Membership No. 13852



BHUTAN TELECOM LIMITED
RATIO ANALYSIS FOR THE PERIOD ENDED 31ST DECEMBER 2011

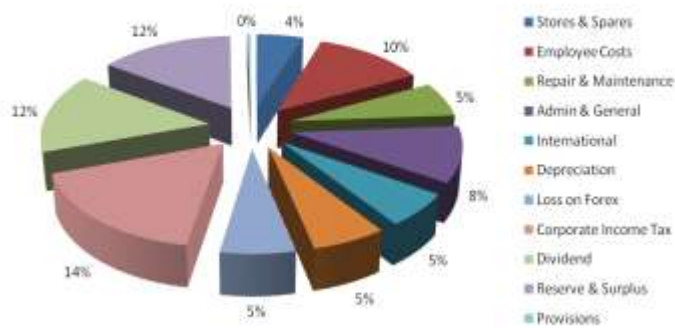
	2009	2010	2011
1. LIQUIDITY			
A. Current Ratio:	2.31 : 1	2.09 : 1	2.1 : 1
Current assets, Loans and advances/Current Liabilities & provisions			
B. Quick Ratio:	2.27 : 1	2.05 : 1	2.0 : 1
Quick Assets/Quick Liabilities			
Quick Assets=Current Assets-Stock			
Quick Liabilities= Current Liabilities-Bank Loan			
C. Accounts Receivable Period:	14.07 days	12.12 days	14.76 days
365*Accounts receivable/operating Income			
D. Working Capital to Sales:	37.68%	28.27%	29.12%
Current Assets-Current Liabilities/Operating Income			
2. SOLVENCY			
A. Term Debt to Total Fixed Assets:	28.03%	22.01%	21.30%
Long term Debt/Total Fixed Asset-Net			
B. Debt Equity Ratio:	32.27%	23.11%	21.60%
Debt/(Capital Fund + Reserve & Surplus)			
3. PROFITABILITY			
A. Return on Capital Employed:			
a) PBT/Capital Employed	10.73%	16.55%	20.98%
b) PAT/Capital Employed	7.31%	10.42%	13.31%
Capital Employed=Equity Capital + Loan Fund			
B. Return on Equity:	9.31%	13.53%	16.18%
Profit After Tax/Total Equity			
Total Equity= Capital + Reserve & Surplus			
C. Return on Sales:	24.58%	34.17%	37.15%
PBT/Operating Income			
D. Employee Cost to Gross Income:	14.34%	10.00%	9.70%
Total Employee Expenses/Operating Income			
E. Profit per Employee:	.319 mil	.502 mil	.614 mil
PAT/Total no. of Employees			



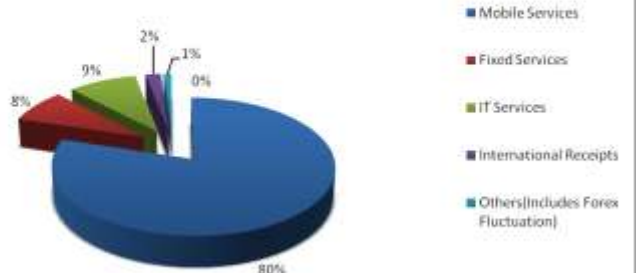




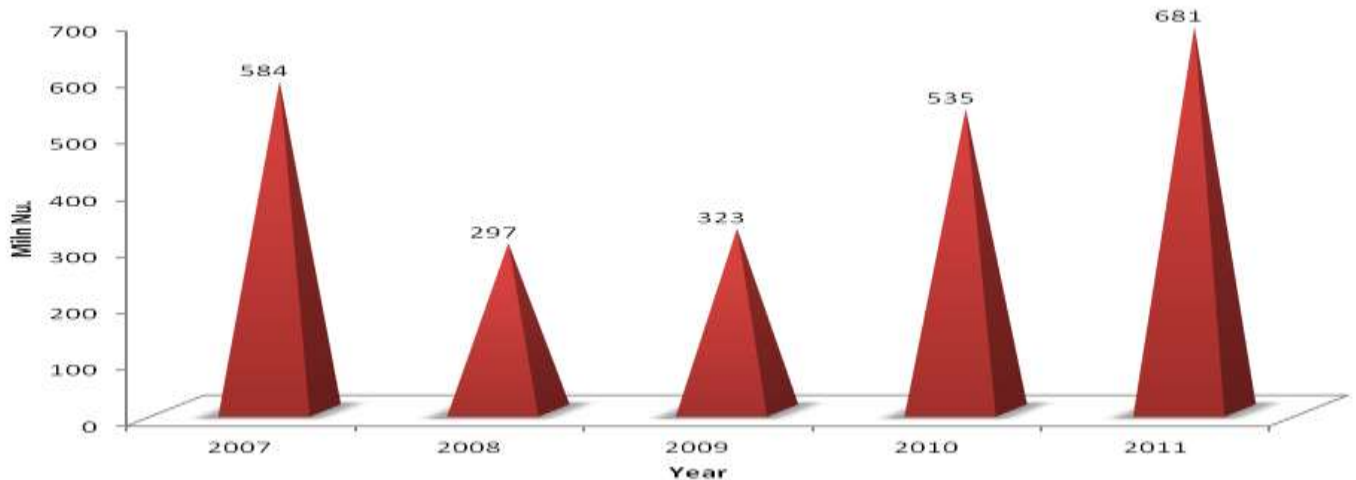
Expenditure as % of Revenue(2011)



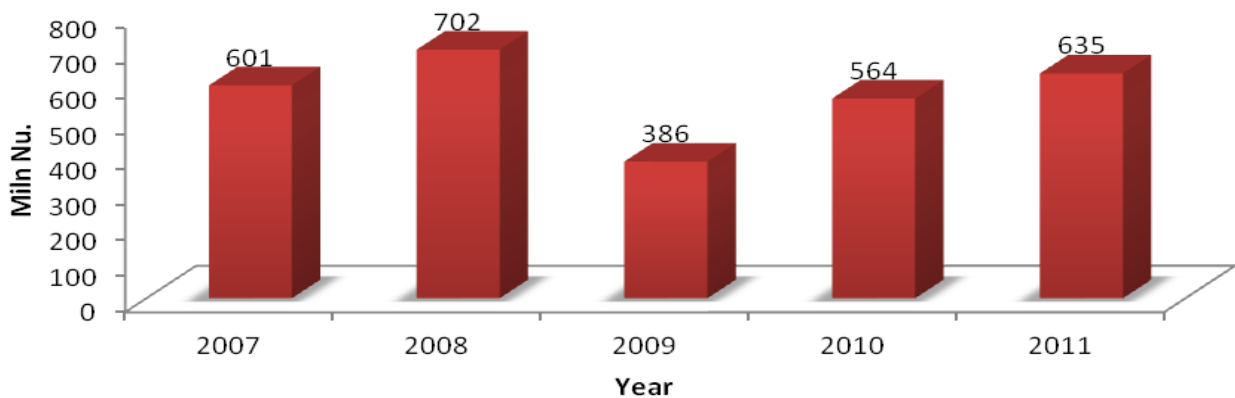
Revenue break up(2011)



Profit Before Tax(2007-2011)



Capital Expenditure(2007-2011)





LATEST CONTACT DETAILS

CORPORATE HEAD OFFICE, 2/28 DROPHEN LAM, POST BOX NO. 134, THIMPHU

PABX – 322678/322850/320149/320151/320152/320153/320154, FAX – 324312

CUSTOMER CARE – 1600 (toll free)

WEBSITE: www.bt.bt

<p>CHIEF EXECUTIVE OFFICER.....322026</p> <p>CORPORATE AFFAIRS Company Secretariat.....336787 Legal Officer.....336787 Manager, Corporate Affairs.....336778</p> <p>PERSONAL & ADMINISTRATION DIVISION General Manager.....323068/Fax-324312 Manager, HRD.....326646/Fax-336803 Manager, Adm. Section.....335466 Manager, Procurement Section.....335509</p> <p>FINANCE & ACCOUNTS DIVISION General Manager.....320139 Manager, Finance.....336058 Manager, Accounts.....336058</p> <p>OPERATIONS DISVISION General Manager.....324385/Fax-324312 Sr. Manager, NMSC.....320123 Manager, Billing.....322963/Fax-323041 Manager, Customer Care.....324984 Manager, Civil.....321911</p> <p>B-MOBILE DIVISION General Manager.....320194/Fax-320193 Manager, Core Network.....337029 Manager, Radio Network.....337031 Manager, IN & VAS.....332731 Project Manager.....337030</p> <p>MARKETING DIVISION General Manager.....335736/Fax-337988 Manager, Marketing Communication..... 322414 Manager, Product Dev. & Customer Mgmt...324027 Manager, Sales & Distribution.....335927</p>	<p>DRUKNET (IT) DIVISION General Manager.....320118 Manager, IP Service.....320145 Manager, Internet Operations.....320145 Manager, Content & Software.....326919 Manager, System.....320145</p> <p>REGIONAL OFFICES:</p> <p>THIMPHU, WESTERN REGION (Code No. 02) Regional Manager.....322999/Fax-320102</p> <p>PHUENTSHOLING, SOUTH WESTERN REGION (Code No. 05) Regional Manager.....252923/Fax-252125</p> <p>SAMDRUPJONGKHAR, EASTERN REGION (Code No.07) Regional Manager.....250335</p> <p>GELEPHU, CENTRAL REGION Regional Manager.....250101</p>
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