



BHUTAN AIRLINES®

(Tashi Air Pvt. Ltd.)

Fly with us to the land of happiness



ABRIDGED PROSPECTUS FOR THE ISSUANCE OF TASHI AIR BOND (SERIES II)

In line with the rules and regulations prescribed under the Companies Act of Bhutan 2016, the following particulars comprise full, true and clear disclosure of all material facts relating to the securities offered by this prospectus:

1. General Information

Bhutan Airlines (Tashi Air Pvt. Ltd) is a private limited company offering airline service between Bhutan and the rest of the world with its Head Office located at TCC Complex Building, Near Taj Tashi, Samten Lam, Thimphu, Bhutan.

Name & Address of Auditors: M/s Chunder Khator & Associates Chartered Accountants, 10A, British India Street, Kolkata-19, India.

Registration/ License: Registered as Private Limited Company under the Companies Act of Kingdom of Bhutan 2000 vide registration no. U20110613THI0271 dated 13th June 2011.

2. Objectives of the Issue: To meet annual long term debts obligations and working capitals to meet the operational and other statutory expenditures of the company.

3. Particulars of the Offer

Particulars	No. of scripts	Face Value	Issue Price	Total value of Offer
Fully Secured Corporate Bond (Series II)	1,300,000	Nu. 1,000/-	Nu. 1,000/-	1,300,000,000.00

Term of the Bond, Coupon Rate and Interval of Payment

Term	Coupon Rate	Payment of Coupon	Minimum Subscription	Broker
10 Years	6.75% p.a. (From the date of Allotment)	Annually	10 scripts for individuals and 1000 scripts for institution	RICB Securities Ltd.

4. Eligibility: All companies/institutions registered within the Kingdom are eligible to apply/allotment. Private individuals holding Bhutanese Citizenship will be eligible, while minors are not eligible to either apply or get allotment of the scripts.

5. Time line of the Issue

Opening Date	Closing Date	Allotment Date
February 6, 2023	March 15, 2023	March 20, 2023

6. Application form and where to deposit application form and money Application form will be available at the following centers: RICBL Securities Limited, Thimphu Bhutan and all the branches of RICBL across the country.

7. Basis of Allotment: The allotment will be done based on 'Equal Allocation Method' as per RSEBL norms.

8. **Risk Factor:** Some of the possible risks and uncertainties are: Economic recessions or downturns or uncertainty in the regional or domestic including markets where Tashi Air operates may also financially affect with lower passenger load factor, low cargo revenue and other revenues. Bhutan Airlines has to compete with the other airlines for the sectors that are flying in and out of Bhutan and with other Airlines in the sectors that are out of Bhutan, e.g. to the destinations such as Kathmandu, Kolkata, Delhi, Gaya and Bangkok; Demand for Tashi Air can also be affected by global fluctuations in foreign currency and interest rates, which can reduce the discretionary spending of consumers in prices of airfares in different countries of destinations

9. **Guarantor/Securities:** Fully backed by landed properties of Tashi Real Estate and RICBL Shares; Corporate Guarantee from Tashi Metals Pvt Limited and Tashi InfoCom Limited.

10. Board of Directors comprises of: Ashi S. Dorji, Chairperson; Dasho Topgyal Dorji, Director, TCC; Dasho Wangchuk Dorji, Director, TCC and Mr. Pema N Nadik, CEO/Member Secretary.



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11. Management: Bhutan Airlines has a very competent management team with vast work experience and the new Chief Executive Officer would work under the supervision of its eminent Board of Directors.
12. Promoters: The promoters of the Company are: Ashi S. Dorji, TCC; Dasho Topgyal Dorji, TCC; and Dasho Wangchuk Dorji, TCC.
13. Financial Highlights:

Projected Profit and Loss Account: 2022-2026

Millions of Nu.

	2022	2023	2024	2025	2026
Revenue					
Traffic Revenue	1,374.00	1,786.20	2,089.85	2,433.31	2,634.41
Other revenue	227.32	295.45	345.7	338.17	380.4
Total Revenue	1,601.32	2,081.65	2,435.55	2,771.48	3,014.81
Expenses					
Flight Operation Cost	989.51	1,157.87	1,423.53	1,624.26	1,752.26
Aircraft maintenance costs	229.05	288.48	287.14	301.35	350.35
Commission charges	130.53	191.04	210.15	251.16	252.16
Employee & Administrative costs	167.86	236.43	259.64	285.6	311.8
Finance charges	121.44	134	138	142	145
Depreciation	8.6	8.6	8.6	5.6	7.1
Total Expenditure	1,646.99	2,016.42	2,327.06	2,609.97	2,818.67
Operating Profit/(Loss)	-45.67	65.23	108.49	161.51	196.14
Total Expenditure	1,646.99	2,016.42	2,327.06	2,609.97	2,818.67
Operating Profit/(Loss)	-45.67	65.23	108.49	161.51	196.14

14. Declaration:

That all relevant provisions of the Companies Act of Bhutan and the rules and regulations issued by the Royal Securities Exchange of Bhutan have been complied with and no statement made in the prospectus contrary to the provisions of Companies Act of Bhutan 2016.

Place : Thimphu

Date : January 31, 2023

Pema Wachi

Chief Executive Officer
Bhutan Airlines (Tashi Air Private Limited)
Tashi Mall, Opposite Taj Tashi
THIMPHU: BHUTAN

APPLICATION FORM FOR PURCHASE OF TASHI AIR PRIVATE LIMITED CORPORATE BOND

The Broker,
RICB Securities Limited
Thimphu

Sir,

Sub: Purchase of Tashi Air Private Limited Corporate Bond

On the basis of prospectus, I/We would like to apply for allotment to me/us of the Bonds stated below out of the above issues. The amount payable on application is remitted here with/deposited with RIBB Securities Limited. I/We here by agree to accept the Bonds applied for all such numbers as may be allotted to me/us subject to the terms of the prospectus.

I/We hereby undertake that I/We shall sign all such documents and do all such other acts as necessary on my/our part to enable me/us to be registered as the holders of the Bonds which may be allotted to me/us. I/We authorize you to place my/our name(s) on the register of the Bondholder of the Company as the holders of the Bonds that may be allotted to me/us and to register my/our address as given below.

I/We also confirm that I/We/ am/are Bhutanese Citizen holding CID No.(s).

1. Name of the Applicant
2. Gender (please tick) Male ☐ Female ☐
3. Status of the applicant (please tick)
Individual/Partnership/Company incorporated under Companies Act of the Kingdom of Bhutan/Financial Institution/others (please specify).....
4. Occupation of the applicant.....
5. License No/Identity Card No.....
BIT/CIT//TPN No.....
6. CD.(Central Depository) Code:
7. Contact No.....

8. Bank Account No.....

Bank Name.....

9. Full Address of the applicant

Present

Permanent

Village:

Village:

Gewog/Throm:

Gewog/Throm:

Dzongkhag:

Dzongkhag:

10. Number of Bonds applied for (in figures)

(In words)

11. Amount being remitted (in figures)

(In words)

12. Mode of Payment Cash/Cheque/Bank Transfer.....

Declaration

I/We the applicant(s) of the above-mentioned debt hereby declare that the information provided is correct and true to the best of my/our knowledge and belief. If any incorrect information is detected, the application will be treated as cancelled.

Yours Sincerely,

Signature of the applicant

Date.....

Signature of the Broker/Trader

Order received on