

## RAA finds malpractices and abuses of more than Nu 121 M in STCBL

November 23, 2021



**The Royal Audit Authority (RAA) reported malpractices and abuse of authorities in the State Trading Corporation of Bhutan Limited (STCBL). According to the Annual Audit Report 2020-21, this has cost the STCBL more than Nu 121 M.**

In violation of the Credit Management Manual, the STCBL has sold vehicles on credit worth more than Nu 100 M without the approval of the Chief Executive Officer. The RAA questioned the legality of the sales executed and credit extended without due process of assessing the creditworthiness of the clients as there were instances of defaults in repayment.

There was also a case where the STCBL granted credit for the purchase of vehicles worth more than Nu 20 M without the CEO's consent. According to the RAA, there was no down payment and full credit was provided without collateral. Even after a 26-month period, the bank guarantee was not renewed, and no legal action was taken against the client for non-payment of an instalment.

Similarly, salary increment amounting to Nu 165,000 was paid to two employees in contravention to the company's service rules and eligibility criteria of the vacancy announcement. The RAA suspects favouritism extended to the employees.

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