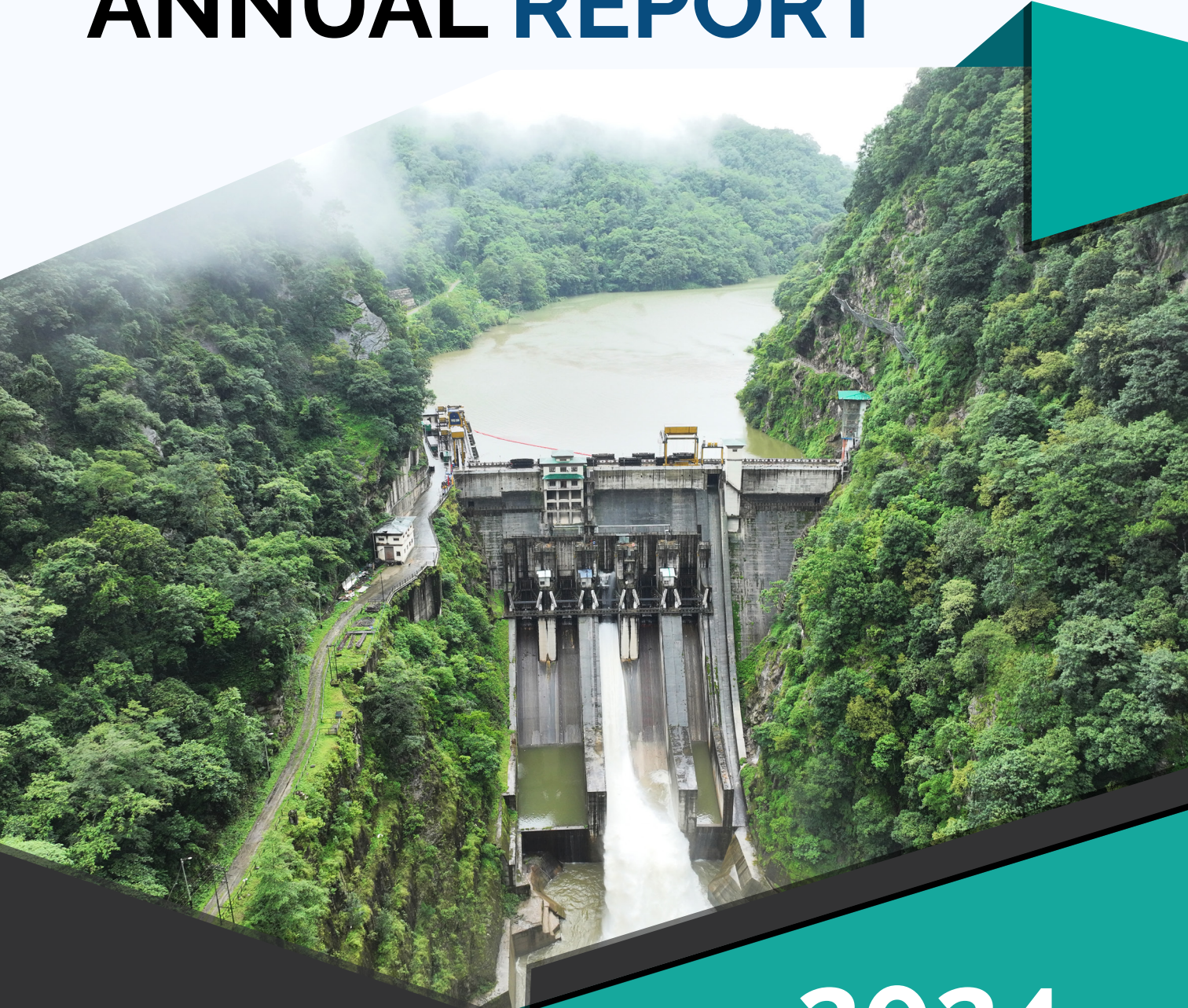


DRUK GREEN POWER CORPORATION LIMITED



ANNUAL REPORT



2024



Annual Report 2024

Table of Contents

01	Forward
02	About our company
03	Mission, Vision & Values
04	Board of Directors
06	Executive Management
08	General Managers
10	DGPC Timeline
11	Power Plants
14	Subsidiary/Joint Venture Companies
16	Directors' Report
40	Corporate Governance Report



AUDIT REPORT ON THE FINANCIAL STATEMENTS

46

Independent auditor's report on the standalone financial statements for the year ended December 31, 2024

50

Report on minimum audit examination requirements

55

Financial statements

59

Accounting policies & notes to accounts

109

Key management personnel

Forward

Bhutan stands at a defining moment in its energy journey. With vast untapped hydropower potential and a bold vision to diversify and accelerate renewable energy development, the country is uniquely positioned to transform its energy security landscape while reinforcing its commitment to economic resilience, regional cooperation, and sustainability. Druk Green Power Corporation Limited (DGPC) plays a leading role in the management of the hydropower assets and in taking forward the transformative acceleration in the development of Bhutan's renewable energy resources.

The year 2024 marked a period of significant achievement and transformation for DGPC. DGPC witnessed a significant growth in electricity revenues of over 100% with the successful commissioning of the Nikachhu hydropower project and the seamless integration of the Mangdechhu hydropower project into DGPC's portfolio. These milestones were complemented by the forging of strategic partnerships with globally recognized energy leaders such as Tata Power, Adani Green Energy, and GMR, signaling a new era of public-private collaboration in Bhutan's energy sector.

As Bhutan embraced the target to develop 25,000 MW of clean energy capacity by 2040, DGPC is reminded that this national aspiration must be underpinned by innovation, foresight, and adaptability. The challenges are clear: winter power deficits exacerbated by seasonal variations that have to be compensated through imports that impact energy affordability and balance of payments, financing needs projected at Nu. 2,200 billion (USD 26 billion) that raises issues of market competitiveness of its renewable energy resources and debt sustainability, access to energy markets for the summer generation surplus, and a steep demand for skilled human resources and modern infrastructure. DGPC remains committed to addressing these challenges through energy diversification - exploring solar, wind, pumped storage, and green hydrogen beyond the traditional hydropower - along with pursuing innovative financing instruments, building on the strategic partnerships, exploring evolving energy markets, and investing in workforce development and technological modernization.

Looking ahead, DGPC's strategies will rest on three key pillars: diversification, regional integration, and sustainability. These pillars will guide DGPC in building a resilient energy future by broadening its renewable energy portfolio, leveraging cross-border opportunities, and ensuring development that safeguards both its people and the environment. Bhutan's grid connectivity with India offers a strategic gateway to the fast growing Indian energy market and beyond, in future, to the regional markets, while the ongoing and future investments in climate-resilient and reservoir-based and pumped storage hydropower projects will ensure long-term energy security amid changing hydrological conditions. The diversification into investments in solar energy and future plans for expansion into thermal and green hydrogen will help stabilize and ensure reliability of power supply. Importantly, DGPC's role extends beyond power generation - it is about enabling industrial growth, uplifting communities, and safeguarding the nation's energy security for generations to come.

DGPC is inspired by the visionary leadership of His Majesty The King, whose guidance continues to shape Bhutan's pursuit of a greener and more self-reliant future. The National Energy Policy 2025 and the Renewable Energy Development Roadmap 2024 are not merely policy documents - they are a national commitment and a call to action. As custodians, shareholders, partners, and citizens, DGPC stands committed to realize this vision with purpose and perseverance.

Tashi Delek !

About Our Company

Druk Green Power Corporation Limited (DGPC), a subsidiary of Druk Holding and Investments Limited, is a power generation utility in Bhutan. It was formed in December 2007 to develop and manage Bhutan's hydropower resources and assets.

DGPC was established for the effective and optimal utilization of the abundant water resources to develop water-to-wire expertise amongst the Bhutanese, and to lead in accelerating hydropower development in keeping with the 2021 Sustainable Hydropower Development Policy. Thus, DGPC has ventured into the construction of more hydropower projects, and other renewables such as wind and solar.



2,453
MEGAWATTS



OUR MISSION

- Effectively and efficiently manage hydropower plants, and maximise returns to the shareholder
- Take a lead role in accelerating hydropower development in the Kingdom by developing new hydropower projects independently, through joint ventures or through any other arrangements with domestic and international partners
- Provide energy security for domestic consumption, fuel economic growth, and also explore other forms of renewable energy other than hydropower
- Build capacity in hydropower development and management through recruitment and training of professionals to meet the current human resources requirements of the company while at the same time ensuring a robust expansion and succession plan
- Be a responsible, proactive and progressive company with a highly motivated and dedicated team of professionals

OUR VISION



Promote, develop and manage renewable energy projects, particularly hydropower, in an efficient, responsible and sustainable manner, and to maximise wealth and revenues to the nation



OUR VALUES



- Organisational Ownership and Pride

- Accountability



- Mutual Respect and Trust

- Work-Life Balance



- Initiative and Timely Action

- Social and Environmental Responsibility



- Integrity



Board of Directors



Karma Tshering
Secretary
Ministry of Energy & Natural Resources

Mr. Karma Tshering is the Secretary of the Ministry of Energy and Natural Resources and also serves as the Cluster Secretary for the Economic Sector. He has over 29 years of distinguished service in the Royal Government of Bhutan, having held several key leadership roles including Secretary of the Ministry of Economic Affairs and Eminent Member of the National Council. Mr. Tshering holds advanced degrees in electrical and power engineering and has undertaken various international professional courses. He is currently the Chairperson of the DGPC Board and the Kuensel Management Board.



Dasho Chhewang Rinzin
Managing Director
Druk Green Power Corporation Limited

Dasho Chhewang Rinzin is the Managing Director of DGPC, Bhutan's public sector generation utility, since its establishment in 2008. He holds Bachelor's and Master's degrees in Electrical Engineering from the University of Wisconsin, USA. With over 38 years of dedicated service in Bhutan's power sector, he has held several key positions. In recognition of his contributions, His Majesty the King awarded him the Red Scarf with the title of Dasho in 2009 and the Druk Khorlo in 2014. He also served in all three Interim Governments and chaired the Second Pay Commission.



Dr. Josef M. Ullmer
International Experts

Dr. Josef M. Ullmer has over 40 years of international experience in the hydropower sector, he has held key leadership roles in Austria, Indonesia, India, Nepal, and Bhutan. He led strategic initiatives like the Multi Domestic concept and Asia Vision 2022. He holds multiple honors, including Austria's Decoration of Honour in Gold and an honorary Ph.D. from Chitkara University, India.



Ujjwal Deep Dahal
Chief Executive Officer
Druk Holding & Investments Limited

Ujjwal Deep Dahal is the CEO of Druk Holding and Investments Limited, with over two decades of experience in Bhutan's power and innovation sectors. A Fulbright Hubert Humphrey Fellow at MIT, he specializes in technology policy and management. He previously led DHI's InnoTech Division, driving digital transformation and innovation projects. Ujjwal holds advanced degrees in electrical engineering and an Executive MBA, and serves on the boards of Thimphu Tech Park and the Bhutan Trust Fund for Environmental Conservation.



Dawa Chhoedron
Chief Engineer
PSMD, Ministry of Energy & Natural Resources

Dawa Chhoedron is Chief Engineer at the Ministry of Energy and Natural Resources, with over 19 years of experience in energy systems and engineering. She holds a Master's in Electrical Engineering from RMIT University, Australia, and a Bachelor's from MNIT, India. Dawa has contributed to national energy policy, system coordination, and regional power cooperation. She serves on technical boards, international task forces, and as an expert reviewer with the UNFCCC, supporting sustainable energy and climate initiatives.



Basant Raj Chhetri
Chief Executive Officer
Bhutan Professional Services

Basant Raj Chhetri is a seasoned project management professional with over 30 years' experience in infrastructure development across Bhutan and internationally. He holds an MSc in Concrete Technology from the University of Dundee and a BE in Civil Engineering. Basant has led major educational, hospitality, and national infrastructure projects and consulted for the World Bank, SDC, and Gyalsung Infra. A recognized leader in Bhutan's construction sector, he also serves as Chairperson of the Civil Engineering Technical Committee, Bhutan Standards Bureau.



Tshering Dorji
Director
Ministry of Finance

Tshering Dorji is the Director of the Department of Macro-Fiscal and Development Finance, Ministry of Finance, Royal Government of Bhutan. With 26 years of experience in financial services and public finance, he previously served as Advisor to the Executive Director at the World Bank and Director of the Department of Public Accounts. He holds an MBA from the Asian Institute of Technology, a postgraduate certificate in Financial Management from the Royal Institute of Management, and is a CPA Australia member.



Tshering Lhamo
General Manager
Company Secretary/General Counsel

Tshering Lhamo is the Company Secretary and General Counsel of DGPC. She brings over 16 years of experience in corporate governance, legal and regulatory compliance, and contract and business law in the energy and allied services sector. She holds a Master of Laws from the University of Canberra, Australia, and BA LLB (Hons) from GGSIP University, Delhi, India.

Executive Management



Dasho Chhewang Rinzin
Managing Director
Druk Green Power Corporation Limited

Dasho Chhewang Rinzin is the Managing Director of DGPC, Bhutan's public sector generation utility, since its establishment in 2008. He holds Bachelor's and Master's degrees in Electrical Engineering from the University of Wisconsin, USA.

With over 38 years of dedicated service in Bhutan's power sector, he has held several key positions. In recognition of his contributions, His Majesty the King awarded him the Red Scarf with the title of Dasbo in 2009 and the Druk Khorlo in 2014. He also served in all three Interim Governments and chaired the Second Pay Commission.



Dechen Wangmo
Director
Corporate Strategy & Performance Department

Dechen Wangmo is the Director of the Corporate Strategy and Performance Department at DGPC. She has been serving in the company since 2008 in various key roles, including in corporate strategy, business development, and as the Company Secretary. In 2021, she also headed the Human Resource and Administration Department as an additional responsibility.

She holds a Bachelor's degree in Electrical Engineering from the University of Wollongong, Australia, and a Master of Business Administration from the Melbourne Business School, University of Melbourne, Australia.



Sonam Wangdi
Director
Projects and Contract Department

Sonam Wangdi is the Director of the Projects and Contract Department at DGPC. Prior to this, he served as the Chief Engineer at Kholongchhu Hydro Energy Limited, a joint venture company established for the implementation of the 600 MW Kholongchhu Hydropower Project.

He holds a Bachelor's degree in Civil Engineering from Visvesvaraya Regional College of Engineering, Nagpur, India, and a Master's degree in Hydropower Development from the Norwegian Institute of Science and Technology, Norway.



Ugyen Namgyal
Director
Corporate Service Division

Ugyen Namgyal is the Director of the Corporate Services Department at DGPC. He also serves as the Project Director of the 1125 MW Dorjilung Hydropower Project. He previously served as CEO of Druk Hydro Energy Limited and Managing Director of Tangsibji Hydro Energy Limited, and was Director (Finance) at DGPC from 2008 to 2018. Prior to joining DGPC, he worked with Bhutan Development Finance Corporation Limited (Now known as BDBL).

He holds a Bachelor of Commerce (Honours) from Sherubtse College, a Bachelor of Business from the University of South Australia, and is a Certified Practising Accountant from CPA Australia. He serves on various boards, including Dungsam Cement Corporation, Druk PNB Bank, and the Accounting and Auditing Standards Board of Bhutan.



Yeshe Tenzin
Director
Operation & Maintenance Department

Yeshe Tenzin is the Director of the Operations and Maintenance Department at DGPC. He has served in DGPC since its inception in 2008, holding several key positions including as Head of Plant at the Tala, Chhukha, and Kurichhu Hydropower Plants. From April 2018 to June 2020, he was deputed to the Mangdechhu Hydroelectric Project Authority as Chief Engineer to support the erection, testing, and commissioning of the project, and to establish the project's operations and maintenance team.

He holds a Bachelor's degree in Mechanical Engineering from the Delhi College of Engineering, Delhi University, New Delhi, India, and a Master of Science in Mechanical Engineering from the University of Texas at El Paso, USA.



General Managers



Chador Tenzin
General Manager
Druk Green Consultancy

Chador Tenzin has more than 20 years of experience in the field of hydropower planning and engineering, operation & maintenance of hydropower plant, contract & project management and supervision of hydropower construction.

Oversees: Providing consultancy services related to hydropower development spanning from investigation, preparation of pre-feasibility studies, feasibility/detailed project report and engineering services for the construction of hydropower projects.



Dr. Lhendup Namgyal
General Manager
Hydropower Research and Development Centre

Dr. Lhendup Namgyal has over 20 years of experience in hydropower plant maintenance and operation, research and development activities of power plants such as condition assessment and monitoring, vibration and thermography analysis, gates and instrumentation of civil structures, automation, control and projection, and geophysical and geotechnical services.

Oversees: Condition Based Monitoring, Automation, Control and Protection, Civil and Geotechnical Engineering, Root-cause Failure Analysis, other Engineering and Research activities in related fields.



Karma Phuntsho
General Manager
Operation and Maintenance Services Centre

Karma Phuntsho has more than 20 years of experience in the implementation and operation and maintenance of hydropower plants, energy trading and clean development mechanism activities.

Ovesees: Operation and Maintenance of Basochhu Hydropower Plant and Embedded Generation Assets, Management Contracts of DHPC and NHP.





Sonam Choden
General Manager
Finance and Accounts Division

Sonam Choeden has more than 20 years of experience in financial accounting, budgeting and tax compliance

Oversees: Accounting and Taxes, Commercial Regulatory, Investments.



Kuenga Tshering
General Manager
Chhukha Hydropower Plant

Kuenga Tshering has worked in various capacities as a maintenance engineer and project manager and headed the dam division and the operation and maintenance division of power plants across DGPC since .

Oversees: Operation and Maintenance of Chhukha Hydropower Plant.



Sherab Dorji
General Manager
Kurichhu Hydropower Plant

Sherab Dorji has worked in various capacities of operation and maintenance of DGPC power plants. He has over 15 years of experience in mechanical engineering.

Oversees: Operation and Maintenance of Kurichhu Hydropower Plant.



Sonam Wangdi
General Manager
Mangdechhu Hydropower Plant

Sonam Wangdi has worked for 20 years in various capacities in the maintenance and operation of hydropower plants.

Oversees: Operation and Maintenance of Mangdechhu Hydropower Plant.



Younten Jamtsho
General Manager
Tala Hydropower Plant

Younten Jamtsho has over 23 years of working in various positions in the construction, operation and maintenance of the Tala project.

Oversees: Operation and Maintenance of Tala Hydropower Plant.

DGPC Timeline



1988

Chhukha
Hydropower Plant



2002

Kurichhu
Hydropower Plant



2004

Basochhu
Hydropower Plant



2007

Tala
Hydropower Plant



2014

Tangsibji Hydro
Energy Limited



2012

Bhutan Hydropower
Services Limited



2008

Dagachhu Hydro Power
Corporation Limited



2007

Druk Green Power
Corporation Limited



2015

Khorlochhu Hydro
Power Limited



2017

Bhutan Automation &
Engineering Limited



2019

Mangdechhu
Hydropower Plant



2021

Druk Hydro
Energy Limited

Power Plants

336 MW Chukha Hydropower Plant



Installed capacity: 4 x 84 MW
Design energy: 1,800 GWh
Project commissioning: 1986 - 1988

60 MW Kurichhu Hydropower Plant



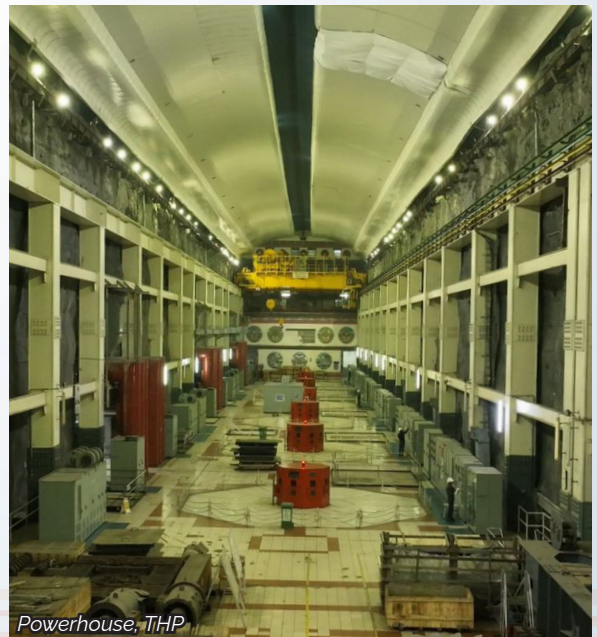
Installed capacity: 4 x 15 MW
Design energy: 400 GWh
Project commissioning: 2002

64 MW Basochhu Hydropower Plant



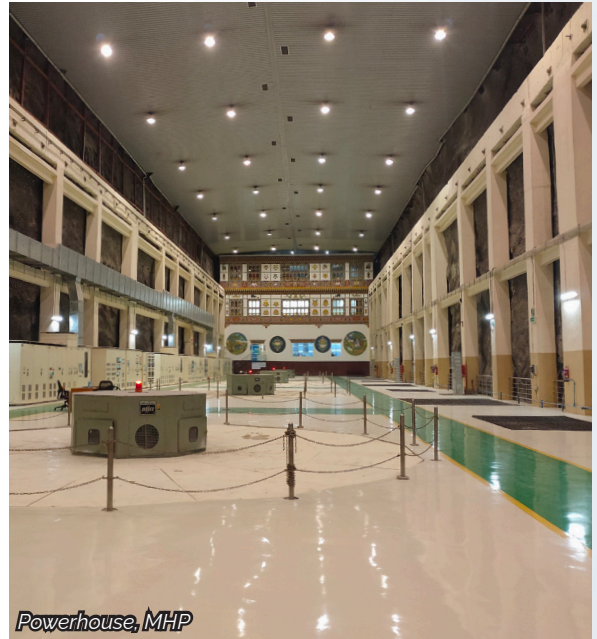
	U. STAGE	L. STAGE
Installed capacity:	2 x 12 MW	2 x 20 MW
Design energy:	105 GWh	186 GWh
Project commissioning:	2001	2004

1,020 MW Tala Hydropower Plant



Installed capacity:	6 x 170 MW
Design energy:	3,962 GWh
Project commissioning:	2006 - 2007

720 MW Mangdechhu Hydropower Plant



Installed capacity: 4 x 180 MW
Design energy: 2,925 GWh
Project commissioning: 2019

9 MW Embedded Generation



Installed capacity: 9 MW mini/micro hydropower plants, wind and solar plants

Subsidiary/Joint Venture companies

Bhutan Hydropower Services Limited (BHSL)



Business scope: State-of-the art, repair and manufacturing of hydro turbine runners and associated components

Project cost: Nu. 1,137 million

Incorporation: October 23, 2012

COD: September 30, 2014

Shareholding: DGPC (100%)



Tangsibji Hydro Energy Limited (THyE)



Installed capacity: 2 x 59 MW

Design energy: 420 GWh

Project estimated cost: Nu. 14 billion

Incorporation: April 25, 2014

COD: January 2024

Shareholding: DGPC (100%)



Khorlochhu Hydro Power Limited (KHPL)



Installed capacity: 4x 150 MW

Design energy: 2,569 GWh

Project estimated cost: Nu. 67.59 billion

Incorporation: June 12, 2015

Shareholdings: DGPC (60%),
Tata Power (40%)



Druk Hydro Energy Limited (DHyE)



Business Scope: To construct and commission small hydro projects less than or equal to 150 MW

Incorporation: December 16, 2021

Shareholding: DGPC (100%)



Desilting Chamber, Suchhu HPP

Dagachhu Hydro Power Corporation Limited (DHPC)



Installed capacity: 2 x 63 MW

Design energy: 515 GWh

Project cost: Nu. 13 billion

Incorporation: May 13, 2008

COD: February 2015

Shareholdings: DGPC (59%), Tata Power (26%), NPPF (15%)



Powerhouse, DHPC

Bhutan Automation & Engineering Limited (BHUTAN AUTOMATION)



Business scope: Manufacturing of automation systems for hydropower plants

Project cost: Nu. 60 million

Incorporation: November 8, 2017

Shareholdings: DGPC (51%), Andritz Hydro (49%)



Manufacturing of automation systems, BHUTAN AUTOMATION

Directors' Report

To the Shareholder,

The Board of DGPC is pleased to present the Directors' Report for the financial year ended December 31, 2024. This report provides a comprehensive review of the company's performance, strategic developments, financial results, governance practices, and future outlook.

1. Financial Performance

1.1 Income

DGPC saw a significant increase of 101.91% in Electricity Revenues from Nu. 11,160.139 million in 2023 to Nu. 22,532,957 million in 2024. This increase was primarily attributable to the handing over of the Mangdechhu Hydropower Project (MHP) by the RGoB to DGPC and the consolidation of the corresponding financial statements, effective from January 1, 2024.

The sale of additional energy generated due to discharge from the tailwater of the Nikachhu Hydropower Plant (NHP) into the Mangdechhu reservoir, which was approved for a 50:50 sharing basis between MHP and NHP for both domestic consumption and energy exported, further contributed to the revenue increase. With the commissioning of the Nikachhu project in February 2024, there was an additional generation of 377.04 MU at Mangdechhu that resulted in an additional revenue of Nu. 1,575.32 million for the year. Based on the approved 50:50 benefit sharing mechanism, MHP shared 50% of the net revenue with NHP under Tangsibji Hydro Energy Ltd (THyE).

The recent trends of increasing domestic demand with a corresponding decline in exports also continued to negatively impact electricity revenues as domestic tariffs remain lower when compared to export tariffs. However, there was no impact on account of the import of power from India during the lean season months as the imported energy is treated as a direct pass through to Bhutan Power Corporation (BPC) and hence to the end-consumers.

There was a modest increase in Interest Income from Nu. 113.60 million in 2023 to Nu. 130.28 million in 2024, reflecting a higher return on long-term fixed deposits. Other Incomes also grew significantly to Nu. 726.88 million in 2024 from Nu. 394.87 million in 2023; which was driven by higher dividend incomes from its subsidiary companies, grant receipts, and increased contributions from the profit centers.

The overall Total Income therefore more than doubled from Nu. **11,668.604** million in 2023 to Nu. **23,390.113** million in 2024.



Surge in Income

+101.91%

increase in electricity revenue

Consolidation of MHP and
commissioning of NHP
as key drivers

1.2 Expenditures

Correspondingly, there was also a sharp increase of 125% in Total Expenditures from Nu. 4,848.922 million in 2023 to Nu. 10,908.335 million in 2024. This was primarily attributable to the consolidation of MHP's assets and liabilities with DGPC's financial statements, effective January 1, 2024.

A key contributing factor was the significant increase in Finance Costs from Nu. 264.76 million in 2023 to Nu. 2,692.536 million in 2024, primarily due to the loans on account of the construction of the MHP. Depreciation and amortization expenses also doubled from Nu. 2,275.041 million in 2023 to Nu. 4,555.816 million in 2024, again primarily on account of the addition of MHP assets. Wheeling Charges also increased from Nu. 374.01 million in 2023 to Nu. 796.58 million in 2024 on account of the higher export volume on inclusion of export from MHP.

Insurance Costs further saw a notable increase from Nu. 210.81 million in 2023 to Nu. 360.80 million in 2024, driven by higher premiums and the inclusion of coverage for MHP assets. Similarly, running and maintenance expenses grew from Nu. 309.72 million in 2023 to Nu. 364.39 million in 2024. Employees' remuneration and benefits also increased from Nu. 1,086.479 million in 2023 to Nu. 1,489,788 million in 2024, reflecting the pay revision implemented in October 2023 and the inclusion of MHP employees.

Other expenses increased from Nu. 328.10 million in 2023 to Nu. 648.43 million in 2024, largely due to higher grant expenses and other associated costs.

1.3 Profitability of the Company

The key financial figures reflecting the company's performance for 2024 compared to 2023 are as below:

Particulars	FY 2024 (Nu.)	FY 2023 (Nu.)	Variance (%)
Revenue (Nu.)	23,390.11	11,668.60	100.45%
Expenditure	10,908.34	4,848.92	124.96%
Profit before Tax (Nu.)	12,481.78	6,819.68	83.03%
Corporate Income Tax (Nu.)	3,839.51	2,295.59	67.26%
Comprehensive Income (Nu.)	8,688.90	4,547.84	91.06%
Operating Efficiency (Expenditure/Revenue)	46.64%	41.56%	5.08%
Profit Margin (PBT/Revenue)	53.36%	58.44%	-5.08%

The increase in revenues from 2023 to 2024 was 100.45% when compared to the increase in expenditures of 124.96%. The percentage increases in revenues and expenditures are not comparable primarily due to the recognition of the arrears from CHP export sales (Nu. 1,542.95 million) in 2023. This also led to a decrease in Operating Efficiency and Profit Margin for 2024 when compared to 2023.

The Corporate Income Tax on assessed income increased in line with the increase in revenues and profitability. The increase in the Comprehensive Income (PAT + OCI) reflect growths in both PAT and OCI.

In addition to taxes and the dividend payments, there was a direct pass through of royalty payment to the RGoB of Nu. 4,468.79 million (including MHP) during 2024 as against Nu. 2,348.75 million (excluding MHP) million in 2023.

The financial position of the company remained robust and strong, even with the increase in total debt and liabilities to Nu. 54,351.200 million on consolidation of MHP with DGPC. The funds are predominantly invested in income-generating assets. The allocation to overall assets includes Nu. 97,410.751 million in non-current assets (comprising of fixed assets, investments in subsidiaries and joint ventures, and other long-term investments) and Nu. 19,141.829 million in current assets (comprising of short-term investments, trade and other receivables, and cash and cash equivalents).

With the strong financial base and the medium to long term strategy to add another 20,000 MW in greenfield hydropower and solar generation capacity by 2040, the company is well positioned for continued growth and stability in the renewable energy sector.

Total Expenditures rose by 125% – From Nu. 4,848 million in 2023 to Nu. 10,908 million in 2024, mainly due to MHP consolidation.

Finance Costs surged to Nu. 2,693 million – Nearly 10x increase driven by MHP-related loans.

Dividend declared at Nu. 5,617 million – Equivalent to Nu. 123.60 per share for 2024.

Royalty payment to RGoB doubled – From Nu. 2,349 million to Nu. 4,469 million with inclusion of MHP.

1.4 Dividend

The Shareholder conveyed a dividend expectation of Nu. 5,617 million (65% of PAT) for 2024 against the dividend of Nu. 4,074 million (excluding MHP) that was declared for 2023. This is equivalent to Nu. 123.60 per share in 2024 as against Nu. 125.50 per share in 2023.

Considering the projected cash flows for making payments of taxes and dividends, as in earlier years, DGPC will need to raise over Nu. 4,100 million in the form of short term Commercial Papers from the domestic financial institutions, which as usual will be coordinated with the Shareholder.

2. Operational Performance

For the financial year 2024, the total generation increased by 5.62% from 10,090.72 MU in 2023 to 10,691.03 MU. This increase was largely due to the slightly improved hydrological river inflows for the year. The actual generation exceeded the generation target of 10,313.22 MU by 3.56%. The generation target was based on historical hydrological flows, generation trends, and planned outages. With climate change, the hydrological flow patterns are becoming more difficult to project.

The domestic consumption from DGPC power plants rose to 5,568.69 MU in 2024 from 5,315.02 MU in 2023. In keeping with the increased domestic demand, energy export declined from 3,589.31 MU in 2023 to 3,458.63 MU in 2024 (excluding royalty energy).

A positive development was the commissioning of the Nikachhu project in January 2024. NHP generated 529.41 MU during the year, of which 431.83 MU was scheduled and exported to India while 99.98 MU consumed within the domestic market.

Maintenance of the pelton runner, Chhukha Hydropower Plant



Control-room at powerhouse, Mangedchhu Hydropower Plant

Domestic demand growth has continued to outpace firm generation capacity during the non-monsoon months, necessitating imports from India, which is managed by Druk Green Energy Trading (DGET), a unit of DGPC. In contrast to the 621 MU imported from the Indian Energy Exchange (IEX) during January-April and December 2023, Bhutan's electricity imports during January-May and November-December 2024 saw a substantial increase to 1,460.58 MU to meet this fast growing domestic demand. These imports from the IEX with time of the day tariffs for every 15 minutes time slots are highly dependent on availability of power for sale through the IEX. With increased import volumes, affordability is also becoming a critical issue. During the year, some of the HV industries actually chose to shut-down their operations when delivered tariffs were found to be unaffordable in some time slots.

Total Generation increased by 5.62%
– Reached 10,691 MU in 2024, exceeding the target by 3.56%.

Nikachhu Hydropower commissioned –
Generated 529 MU, contributing to both exports and domestic supply.

Electricity imports more than doubled –
Rose to 1,461 MU in 2024 from 621 MU in 2023 to meet growing demand.

Major R&M works completed across plants – Upgrades at BHP, CHP, KHP, MHP, and THP improved reliability and availability.

2.1 Overview of major Renovation, Modernization and Automation of Hydropower Plants

DGPC continued to carry out significant renovation, modernization, and automation activities across its hydropower plants which were aimed at improving reliability, minimizing outages, and extending the lifespan of its key assets. The major activities carried out at each of the power plants during the year were as below:

- **Basochhu Hydropower Plant (BHP)**
The replacement of the 11kV switchgears; and the commissioning of firefighting systems at Upper and Lower Stage switchyards.
- **Chhukha Hydropower Plant (CHP)**
The replacement of the deflector servomotors, governing systems, and excitation systems; the overhaul of Unit II generator; and the replacement of runners in Units II, III, and IV.
- **Kurichhu Hydropower Plant (KHP)**
The replacement of generator transformer; the overhaul of the Kaplan runner in Unit IV; and the damage assessment of underwater components.
- **Mangdechhu Hydropower Plant (MHP)**
The replacement of the MIV service seal in Unit I; and the installation of new pelton runners with efficiency tests. A major overhaul to control the bearing oil leakage in Unit II is in progress.

- **Tala Hydropower Plant (THP)**

The implementation of a modern SCADA system; the replacement of the sewage treatment plant; slope protection works; and repair of the dam spillway glacis.

The high levels of Power Plants Availability and Water Utilization Factors achieved are primarily due to the steadfast commitment to the proper operation & maintenance of the power plants and the investments in these renovation, modernization and automation activities.

2.2 Operation and Maintenance of Embedded Generation

As also the custodian of all other embedded generation (micro/mini hydro, wind and solar), the Rubesa Wind Turbine Unit II was put back into operation during the year. Plans are being made to refurbish and modernize these embedded generation assets apart from rehabilitating some of the assets which are currently out of operation.

3. Significant Initiatives Undertaken by the Centers of Excellences/Profit Centers

Apart from the operational power plants and projects under construction, DGPC has established a number of centers of excellences/profit centers to support its operations and take forward its mandates. The Hydropower Research and Development Centre (HRDC), Druk Green Consultancy (DGC), and Druk Green Energy Trading (DGET) are currently maintained as profit centres within the company as they pursue to excel as centers of excellences. These centers are essential to taking forward DGPC's mission of staying abreast with new technologies, driving innovation, improving efficiency, enhancing technical expertise and building human resources, seizing on new evolving opportunities, and expanding Bhutan's role as a key player in the current bilateral and future regional energy markets.

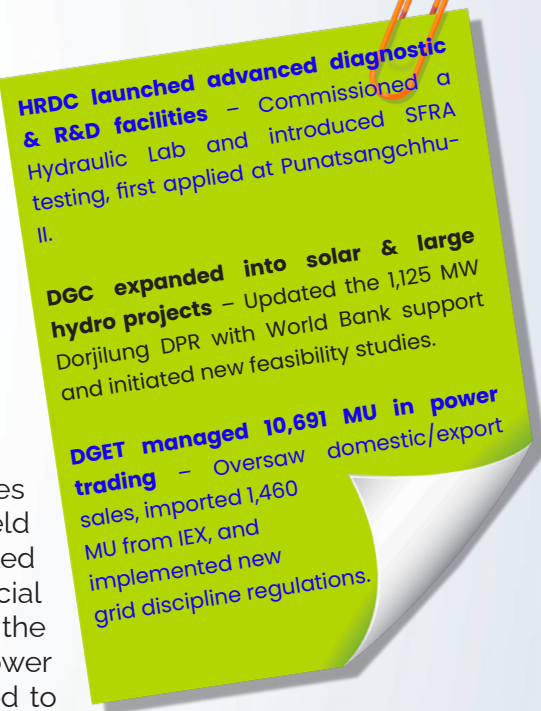
The recent high levels of attrition of key personnel at the level of managers and executives has impacted the delivery and growth of these centers of excellences/profit centers. With continuing exit of such key personnel, it puts at risks the carrying capacity of the company to deliver on its growing mandates. All efforts are being made to urgently recruit young officers and train them while also prioritizing retention programs.

3.1 Hydropower Research and Development Centre (HRDC)

HRDC is focused on advancing the technological capabilities and operational efficiency of DGPC through research, development, and the application of cutting-edge technology in hydropower systems. Its key role is to improve the overall performance of hydropower plants through diagnostic services, and to introduce innovative solutions for greenfield projects.

To build on its specialized competencies, during 2024, HRDC introduced the Transformer Sweep Frequency Response Analysis (SFRA) testing, which is a critical tool for assessing the mechanical and electrical integrity of transformers for ensuring their efficiency and longevity. As a significant first milestone, this advanced diagnostic service was first availed by the Punatsangchhu II project in the pre-commissioning of its 70 MVA generator transformers.

In May 2024, HRDC entered into a Memorandum of Understanding (MoU) with Hydro Lab, Nepal in May 2024 to collaborate in hydraulic model studies. HRDC completed the construction of its own Hydraulic Lab in July 2024. It is therefore set to advance research and innovation in the management of hydraulic flows and sedimentation that will support not only the upcoming hydropower projects but also the existing power plants.



3.2 Druk Green Consultancy (DGC)

As the design and engineering unit of DGPC, DGC provides specialized services related to hydropower projects such as field investigations, the preparation of feasibility studies and Detailed Project Reports (DPR), and undertaking Environmental and Social Impact Assessments (ESIA). DGC already plays a pivotal role in the investigations, planning and the implementation of hydropower projects for DGPC. In 2024, this mandate was further expanded to include solar projects.

The key initiatives of DGC during 2024 are as below:

a. Update of DPR for Dorjilung Hydropower Project (1,125 MW):

With support from the World Bank, DGC facilitated the updates of the DPR of the Dorjilung project through Studio Pietrangeli (Italy) and the Environmental and Social Impact Assessment (ESIA) through Artelia of France. The updated DPR and ESIA received technical clearance in February 2025, with pre-construction activities set to start during 2025 and construction of major civil works packages in 2026.

b. Phase II Small Hydropower Projects (195 MW):

DGC completed feasibility studies of the Phase II small hydropower projects in 2023. In December 2024, the civil works contracts for the Jomori (94 MW), Gamri I (54 MW), and Druk Bindu I & II (26 MW) were awarded to Bhutanese contractors. Considering the expanding scope of the consultancy services and the high attrition at the key personnel level, DGPC had to opt to retain Tata Consulting Engineers as the lead design consultant for the Phase II projects.

c. Feasibility Studies for Medium to Large Hydropower Projects:

DGC initiated the feasibility study for Khomachhu project and the DPR for Dangchhu project. While the design consultancy for the Gongri-Jeri pumped storage project was awarded to Studio Pietrangeli (Italy), DGC provides the complete support for collection of raw data and field investigations. The DPR for Gongri is due in December 2025 and for Jeri by April 2026. DGC is also engaged in continuously updating the environment and social related data for the Sankosh project.

Aerial view of Tsephu Solar PV Project site, Merak, Trashigang



Sakteng village, upstream of the Gamri I Hydropower Project

d. Feasibility Studies for Solar Projects:

DGC is engaged in the preparation of the feasibility reports for the Phase III small hydropower projects. With the support of HRDC, DGC is also responsible for the site investigations and undertaking the feasibility studies for the solar projects allocated to DGPC by the RGoB. The engagement in solar projects is also expanding fast with more solar projects being allocated to DGPC.

3.3 Druk Green Energy Trading (DGET)

DGET is responsible for managing the commercialization and trading of power from DGPC's plants including export and import of electricity to and from India and maintaining electricity grid discipline. DGET aims to maximize revenue, ensure regulatory compliance, enhance energy security for Bhutan, and explore the regional energy market.

During 2024, DGET managed the sale of 10,691.03 MU of electricity generated from DGPC power plants to the domestic market as well as the export of the surplus generation to India. DGET further managed the export of power from the Dagachhu and Nikachhu power plants to India through the bilateral PPAs and the export of unallocated power from the Nikachhu and Basochhu power plants into the Indian Energy Exchange (IEX). DGET also managed the import of 1,460.58 MU of power from the IEX to meet the lean season deficits. As of December 2024, DGET also had to managed the energy generated by the first two commissioned generating units of Punatsangchhu II,

With the introduction of the Grid Discipline Mechanism Regulation by the Electricity Regulatory Authority of Bhutan and entering into a new Deviation Settlement Mechanism agreement with India, the domestic supply of power and import/export of electricity became highly regulated and disciplined. DGET managed these changes in regulations and grid discipline without any disruptions. The prospects of creating DGET as a separate commercial subsidiary entity continued to be looked into. DGPC further started to study the options of setting up a subsidiary JV trading company in India that could benefit Bhutan with better access to the market and competitive pricing.

4. Key Highlights on Advancing Hydropower and Renewable Energy Development

DGPC made significant progress in hydropower development, renewable energy expansion, and strengthening strategic partnerships. Despite challenges, especially with the high attrition rates, and encountering delays with the implementation of a number of the under-construction projects, DGPC remained committed to energy security, diversification, and sustainable economic growth.

4.1 Renewable Energy Development Roadmap 2024

DGPC collaborated with key stakeholders such as the Department of Energy (DoE) and the Ministry of Energy & Natural Resources (MoENR) to develop the Renewable Energy Development Roadmap (REDR) 2024. While the initial target was to quadruple the existing generation capacity to 10,000 MW by 2034, the Roadmap eventually considered a much more ambitious target to

add 15,000 MW in hydropower and 5,000 MW in solar energy to take the overall generation capacity to 25,000 MW by 2040. The Roadmap outlines the strategies for project development, financing, and policy support to accelerate Bhutan's transition to a more resilient and sustainable energy future in which DGPC is expected to play a key role. DGPC also collaborated with DoE and MoENR in the review of the Renewable Energy Policy to enable the implementation of the Roadmap.p.

4.2 Commissioning of the 118 MW Nikachhu Hydropower Project

A key achievement at the beginning of 2024 was the commissioning of the 118 MW Nikachhu project that had faced delays due to the Covid-19 pandemic and adverse geological conditions encountered in a stretch of the headrace tunnel. The committed engagement of the Bhutanese management team supported by a large number of Bhutanese workers during the Covid period made it possible to take the project to completion.

4.3 Phase I Small Hydropower Projects (104 MW)

Another key achievement during the year was with the progress achieved in the implementation of three Phase I Small Hydropower Projects with a combined aggregate generation capacity of 104 MW. The construction of these three Phase I projects are on course for commissioning during 2025. DGPC, through its subsidiary DHyE and engaging DGC as the project consultant, ensured the smooth implementation of these projects through. Other than for the electro-mechanical works packages, DHyE engaged only Bhutanese contractors for the civil works and the hydro-mechanical works packages within the overall mandate to build Bhutanese capacity in hydropower. On commissioning, these projects will also greatly strengthen and ensure the reliability of the local grids in the remote areas of Bhutan where the projects are located.

4.4 Phase II Small Hydro Projects (195 MW)

The implementation of the four Phase II small hydropower projects, comprising of the 90 MW Jomori; 54 MW Gamri; 26 MW Druk Bindu I & II; and the 25 MW Begana hydropower projects aggregating to 195 MW in installed capacity, was started in October 2024 with the award of the contracts for the road infrastructure works. The Letters of Award of the main civil works were issued in December 2024. The Phase II SHP are being taken forward at a cost of approximately Nu. 20 billion

4.5 Khorlochhu Hydropower Project (600 MW)

A major milestone has been the establishment of the strategic partnership between DGPC and Tata Power for the implementation of the 600 MW Khorlochhu project. The Shareholders' Agreement with DGPC retaining a 60% stake and Tata Power holding 40% was concluded in October 2024. This strategic partnership marked Bhutan's decision to diversify investments in the hydropower sector through FDI and engagement of the private sector. The construction of the project commenced with the first blast at the Power House on November 19, 2024.

4.6 Solar Power Projects

During the year, DGPC was entrusted by the RGoB to take forward the implementation of Bhutan's solar program. DGPC immediately got engaged in the already under-construction 23 MWp Sephu solar project in preparation for taking over the project on commissioning for operation and maintenance.

Significant progress was achieved in a short period of time to initiate the implementation of other solar projects. The bid documents for the 120 MWp Jamjee solar project was issued with support of the European Investment Bank. The bid documents for the Phase I of the ADB funded 35 MWp distributed solar rooftop project covering Government and public institutional buildings was also issued. The DPR for the 120 MWp Wobthang solar project was completed and the financing sought through the ADB sector lending window. The DPR for the 150 MWp Apai Amai Paang solar project was initiated and discussions initiated with Tata Power for developing the project through a partnership under the overall framework of the November 2024 MoU between DGPC and Tata Power for collaborating in 4,500 MW of hydropower and 500 MW of solar projects. The feasibility studies for the 100 MWp Sheyteymi and 150 MWp Gogona solar projects were also initiated. DGPC further started the investigations of ten other solar sites as assigned by MoENR for implementation.



Renewable Energy Roadmap 2024 launched – Targets 25,000 MW by 2040 with 15,000 MW hydropower and 5,000 MW solar capacity.

Small Hydro Phase I & II (299 MW) advanced – Phase I (104 MW) set for 2025 commissioning; Phase II (195 MW) awarded and mobilized.

Solar program accelerated under DGPC
– Projects totaling 678 MWp initiated, including rooftop, utility-scale, and FDI-based developments.

5. Strategic Collaborations

In a significant change from existing investment policy in renewables, the REDR 2024 provides for diversifying investments through strategic partnerships in the renewable energy sector with FDI/private sector holding of upto 49% equity in hydropower projects and with no restrictions on private shareholding in solar projects. This opened up a whole new avenue for mobilizing funds and getting access to energy markets. DGPC pursued the establishment of strategic partnerships with a number of the established private sector groups engaged in the energy sector with some success. Some approached DGPC without being solicited. The strategic partnerships forged during the year are as below:

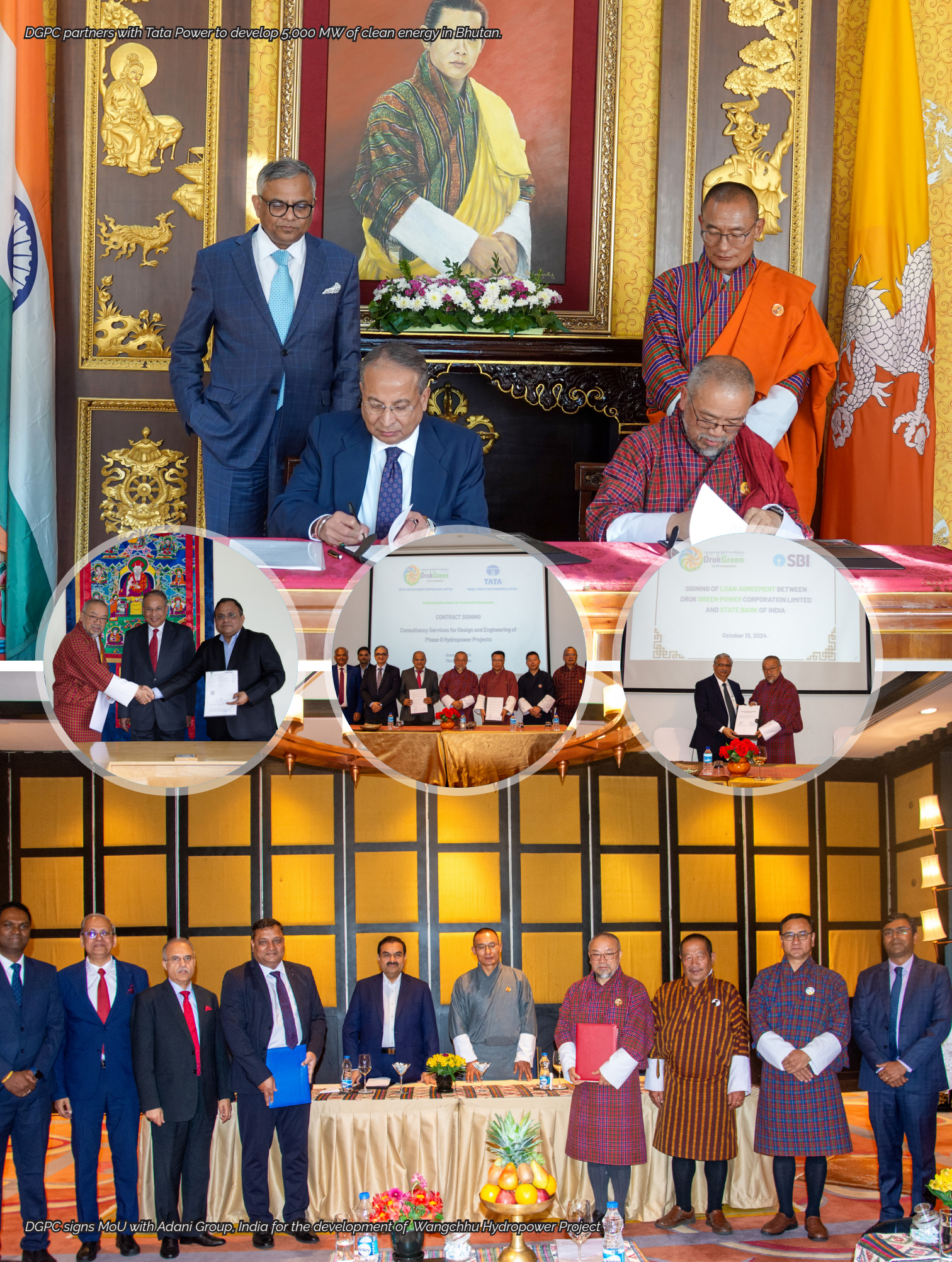
5.1 Tata Power Company Limited

A Memorandum of Understanding (MoU) was signed on November 19, 2024 with Tata Power for the development of 5,000 MW of renewable projects in Bhutan (4,500 MW of hydropower and 500 MW of solar). The 600 MW Khorlochhu project is the first project to be taken up under this framework. Discussions on taking forward the 1,125 MW Dorjilung project and a number of solar projects were also initiated.

5.2 Adani Green Energy Limited

An MoU was signed on June 16, 2024 with Adani Green for the development of the Wangchhu project (as either the 900 MW reservoir or the 570 MW run-of-river project based on financial

DGPC partners with Tata Power to develop 5,000 MW of clean energy in Bhutan.



DGPC signs MoU with Adani Group, India for the development of Wangchhu Hydropower Project

viability and marketability of the energy). Detailed reviews on project layouts and discussions on the implementation strategies were initiated.

5.3 GMR Energy Limited

On October 24, 2024, DGPC signed an MoU signed with GMR Energy to explore development of a hydropower project in Bhutan. DGPC and GMR narrowed down on jointly taking forward the 590 MW Chamkharchhu II project and initiated discussions for taking up project investigations and studies to the DPR level.

There has been a keen interest to partner with DGPC and the RGoB to take forward the hydropower and solar projects. In October 2024, Reliance Infra entered into an MoU with DHI for developing the 770 MW Chamkharchhu I project. A number of other partnerships are in the process of being entered into. Strategic partnerships for hydropower projects below 100 MW are specifically reserved for Bhutanese individuals and entities.

6. Financing Strategies

The REDR 2024 aims to meet the fast growing domestic electricity demand, which is projected to touch 4,500 MW by 2040, and enhance Bhutan's energy security while contributing to regional energy requirements. Considering the lean river discharges during the winter months, to meet the projected 4,500 MW of firm power demand, the REDR 2024 projects the need to add another 15,000 MW in hydro generation and a further 5,000 MW in solar generation to take the total installed generation capacity to 25,000 MW by 2040.

To achieve this, an investment of over Nu. 2,200 billion (US\$ 26 billion) is required for generation alone and another Nu. 650 billion (US\$ 750 million) to expand and strengthen the transmission grid. Considering a debt equity ratio of 70:30, the equity investments requirement for generation alone will exceed Nu. 660 billion (US\$ 7.75 billion). The REDR provides for raising debt financing through multilateral financing/concessional loans, EXIM financing, commercial debt, and corporate/green bonds from local/international capital markets. The strategies for raising equity financing recommends reinvestment from the operating cash flows, corporate loans, green bonds, strategic partnerships, public offerings and share dilution in local/international capital markets.

There has been a number of commitments from multilaterals financial institutions and Funds to support the development of Bhutan's huge renewable resources. During the year, DGPC also approached a number of commercial banks and explored bonds and public offerings to raise funds. Consultations are also ongoing to the Shareholder and the Government for investments from the cashflows. Some of these are highlighted below:

6.1 State Bank of India (SBI)

DGPC signed an INR 14 billion loan agreement with the State Bank of India (SBI) in October 2024 through the securitization of cash flows and assets of THP. This marks a significant step in DGPC's ongoing efforts to diversify its hydropower financing options. The first tranche of the loan was disbursed for developing the under-construction small hydropower projects.

6.2 World Bank Group

The World Bank provided a grant of US\$ 4.3 million for updating of the DPR for 1,125 MW Dorjilung projects to international standards so as to make the project bankable for international financing institutions. The World Bank is the lead in putting together a consortium to mobilize the funds to implement the project with commitment to substantial IDA and IBRD funds with additional funds likely to be mobilized by IFC. In November 2024, DGPC and Tata Power reached an understanding for a strategic partnership in this project. The RGoB is considering the World Bank's strong interests to support Bhutan through a portfolio of hydropower projects.

6.3 Asian Development Bank (ADB)

The Asian Development Bank (ADB) is committed to support a number of Bhutan's renewable energy projects. Under the Project Readiness Financing (PRF), ADB provided a US\$ 5 million loan to update the DPRs for the 180 MW Bunakha and the 404 MW Nyera Amari hydropower projects. Both of these hydropower projects are included in the country partnership strategy and ADB is committed to finance the implementation of these two green energy power projects in a phased manner. In addition to the commitment to provide US\$ 30 million for the development of at least 35 MWp of distributed rooftop solar, ADB is further committed to support Bhutan's investments in utility scale solar through a sector lending approach starting with the 100% DGPC owned 120 MWp Wobthang project to other projects through public-private partnerships.

6.4 European Investment Bank (EIB)

In April 2024, the RGoB entered into the framework loan agreement with EIB through which the EIB will provide Euro 150 million to fund hydropower and solar projects in Bhutan. The 120 MWp Jamjee solar project is the first project being considered through this framework agreement. DGPC is in discussions with the EIB for identifying and allocation of other hydropower and solar projects.

6.5 OPEC Fund for International Development (OPEC Fund)

The RGoB entered into a loan agreement with the OPEC Fund for International Development (OPEC Fund) in October 2024 through which a US\$ 50 million loan is being provided to partially finance the construction of two small hydropower plants.

6.6 Kuwait Fund for Arab Economic Development (KFAED)

The Kuwait Fund for Arab Economic Development (KFAED) has committed KWD 7 million (~US\$ 23 million) for development of small hydropower projects.

These financial institutions and Funds are showing keen interest to expand on their current engagement with Bhutan's renewable energy, and the RGoB and the energy sector are continuing to pursue these opportunities.

7. Performance of DGPC Subsidiary/Joint Venture Companies

For taking forward some of its key mandates of building expertise and carrying capacity, and providing more of the services from within, DGPC established centers of excellences/profit centers. However to grow further, there was a need to establish subsidiary companies for efficiency, effectiveness and growth. Where a partnership was necessary to bring in funds, expertise and technology, subsidiary companies had to be set up for managing these partnerships. Currently, DGPC has six subsidiary companies under it. The mandates, priorities, risks and the performance of these subsidiary companies are as below:

7.1 Bhutan Automation & Engineering Limited (BHUTAN AUTOMATION)

Since its inception, BHUTAN AUTOMATION, a JV of DGPC and Andritz Hydro, has continued to provide SCADA systems to the satisfaction of its clients and remain profitable. During 2024, BHUTAN AUTOMATION earned a revenue of Nu. 421.79 million as compared to Nu. 460.32 million during 2023. With total expenditures incurred of Nu. 371.74 million during 2024, the comprehensive income for the year stood at Nu. 43.71 million, slightly lower than the comprehensive income of Nu. 53.31 million in 2023.

The company has expanded its operations beyond the traditional hydropower plants and projects by providing automation systems for substations under Bhutan Power Corporation and supporting a number of the domestic industries. A vital test of its SCADA system came with the successful commissioning of the first two generating units of the 1,020 MW Punatsangchhu I project during 2024. Another key mandate for BHUTAN AUTOMATION is to move its services outside of Bhutan. In this, the company delivered site services to Andritz Hydro (India) in addressing some punch points and conducting training for the O&M staff at a number of hydropower projects in Nepal.

BHUTAN AUTOMATION continues to stay relevant in the highly technological driven yet competitive automation industry. For Bhutan's energy sector, it is important to standardize for effective management of its automation systems while ensuring competitive capital and recurrent costs, especially with the huge growth projected over the next couple of decades.

7.2 Bhutan Hydropower Services Limited (BHSL)

In 2024, BHSL reported its highest income of Nu. 720.67 million, marking a substantial 131.82% increase from Nu. 310.88 million in 2023. This growth was primarily driven by the expansion of BHSL's services to take advantage of the opportunities for the design, engineering, manufacture and erection/commissioning of hydro-mechanical penstocks and gates starting with the small hydropower projects. The company also saw a profit before tax of Nu. 61.19 million during the year.

Bhutan Automation & Engineering Limited maintained profitability with Nu. 44 million income in 2024 while expanding SCADA and automation services domestically and in Nepal.

Bhutan Hydro Services Limited achieved record revenue of Nu. 721 million with a turnaround to profitability, positioning for growth despite accumulated losses.

Dagachhu Hydropower Corporation delivered 449 MU of generation with Nu. 1,448 million in revenue and Nu. 254 million PAT, maintaining over 99% plant availability.

Reclamation of Pelton Runner for MHP carried out by BHSL



Fabrication of steel saddle blocks for mini-hydropower projects by BHSL

While the company has turned around in 2024, with accumulated losses of Nu. 623.44 million and debts that need to be serviced, it will be critical for BHSL to seize the opportunities and further expand on its operations and customer base, optimally utilize its very modern reclamation facility and hydro-mechanical workshop, reskill and upskill its human resources, and enhance production efficiency at par with international standards.

There is immense opportunity for expansion with so many planned hydropower and solar projects over the next couple of decades. There is also opportunity emerging with other industries. BHSL is considering strategic collaborations with partners to build on its present strengths and for accessing new technologies encompassing design, engineering, manufacture and erection.

7.3 Dagachhu Hydropower Corporation (DHPC)

Since its commissioning, the Dagachhu hydropower plant has continued to perform exceedingly well with a power plant availability of 99.59% and a water utilization factor of 99.81% for 2024. The power plant generated 449.24 MU during 2024 with total revenue earnings of Nu. 1,447.80 million with a Profit After Tax of Nu. 253.51 million. 2024. The export of electricity from the power plant to India through Tata Power Trading continues to take place seamlessly. During 2024, against a guaranteed tariff of Nu. 3.46/kWh, the average realized tariff from the market was Nu. 4.00/kWh.

The Dagachhu power plant is Bhutan's first CDM project and the CERs earned have helped boost the company's financial performance as well as contributed to some of its corporate social responsibility initiatives. Other than the routine O&M activities of the power plant, DHPC took up the installation of rockfall barrier at the entrance of the power house, and the upgradation/retrofitting of SCADA and control system.

7.4 Druk Hydro Energy Limited (DHyE)

DHyE was incorporated to take forward the construction of the small hydropower projects. The overall physical progress for the Phase I projects as of December 31, 2024 was 97.83% for the 18 MW Suchhu, 70.33% for the 54 MW Burgangchhu and 76.16% for the 32 MW Yungichhu. While there had been some delays with the projects due to adverse geology and flash floods, these three Phase I projects are scheduled for commissioning during 2025.

As of November 2024, DHyE further completed the construction of the access roads and started the implementation of three of the Phase II small hydropower projects (90 MW Jomori under Samdrup Jongkhar, 54 MW Gamri-I & Bamukparongchhu under Trashigang, and the (18+8) MW Druk Bindu I & II under Samtse). The public consultations and the additional investigations for the 25 MW Begana project under Thimphu were also completed with plans to take up for construction in 2025.

During the year, DGPC injected equity of Nu. 2,857.50 million and secured Nu. 6,524.18 million in loans from a consortium of financial institutions for the company.

7.5 Khorlochhu Hydro Power Limited (KHPL)

A key milestone achieved during the year was the formalization of the strategic partnership with Tata Power through an MOU in June 2024 and a Shareholders Agreement in October 2024. This marked the first major foreign private investment in Bhutan's hydropower sector DGPC divesting 40% of its stake in the Khorlochhu project to TATA Power. In keeping with the Shareholders Agreement, the company further entered into a 30 year Concession Agreement with the RGoB. The company also entered into two Power Purchase Agreements; one for the Bhutanese domestic market with Bhutan Power Corporation and another with Tata Power Trading Company for export of summer surplus to India.

Soon after concluding the important Shareholders Agreement, a management team was mobilized at site and the construction of the main works packages of the dam, power house and the head race tunnel reinitiated. The stalled infrastructure works of improving the roads and construction of the colonies were also moved forward.

As of the end of 2024, DGPC had injected over Nu. 6.08 billion in the project. The company, with the support of its Shareholders, continued to negotiate the debt financing for the project with the Power Finance Corporation of India (PFC). This culminated in PFC issuing a loan sanction letter in November 2024, which was one of the last hurdles in ensuring the success implementation of the project. The debt instruments are expected to be finalized and signed in 2025.

7.6 Tangsibji Hydro Energy Limited (THyE)

The Nikachhu project under THyE achieved commercial operation as of January 2024 and smoothly transitioned to the operation and maintenance phase. The project was completed at cost of Nu. 16,007.997 million against the initial approved estimated of Nu. 11,673.600 million. The increase in cost was mainly on account of the mitigations measures to address adverse geology, a foreign exchange loss of Nu. 803.159 million, and other costs associated with the COVID-19 pandemic and additional time required to complete the project. The additional financing requirement was met through equity injection by DGPC taking the debt equity ratio to 50:50 on completion against the provision for a debt equity ratio of 65:35 when the project was approved.

Even in its first year of operation, the Nikachhu project was able to maintained high levels of power plant availability and water utilization factor to generate 529.42 MU of electricity; of which the 80% of the saleable energy (minus royalty) that was committed to PTC India was exported at INR 3.30/kWh, another 102 MU was supplied to BPC for the domestic market at the approved domestic tariff of Nu. 3.89/kWh, and the balance 80.43 MU was sold into the Indian Energy Exchanges during the summer surplus months from May to October at an average realized tariff of around INR 5.00/kWh. With the project discharging the Nikachhu water into the Mangdechhu reservoir, there was an additional generation of 374 MU at the Mangdechhu power plant for which the regulator has approved for a 50:50 sharing of the net revenue.

Druk Hydro Energy Limited neared completion of Phase I small hydro projects and launched Phase II, supported by Nu. 2,857 million equity and Nu. 6,524 million in loans.

Kholongchhu Hydro Energy Limited partnered with Tata Power, divested 40% equity, and secured PFC financing to resume construction.

Tangsibji Hydro Energy Limited began commercial operation of the Nikachhu project, generating 529 MU and earning Nu. 766 million PAT from strong sales.

The aggregate income from electricity sales for the year was Nu. 2,303.11 million. With total expenditures of Nu. 1,478.13 million, there was a Profit After Tax (PAT) of Nu. 766.07 million. The Shareholder approved for a buy-back of shares worth Nu. 490 million to ensure the debt equity ratio of 65:35 for the project.

8. Human Resources Development

As of December 2024, DGPC had a total workforce of 1,869 employees including those on EOL and LTTP, of which, 1,336 (71.3%) were male employees and 519 (27.12%) were female employees. DGPC is faced with a high attrition of its key personnel at the managerial and executive levels taking with them the many years of experience and expertise that are crucially required in the energy sector. While the overall attrition saw a drop to 6.4% in 2024 with 120 employees exiting the company, 92 of them who resigned voluntarily were at the managerial to executive levels. In 2023, the attrition reached a high of 10.6% in 2023.

In addition to its already huge and complex mandates, DGPC is to play the critical and lead role in delivering on the addition of another 20,000 MW of hydropower and solar generation capacity by 2040. The success of the company to deliver on these tasks will rest squarely on how fast DGPC is able to react and fill the gaps in the carrying capacity of its current human resources through skilling, reskilling and upskilling and how resilient the company is in attracting new talent in large numbers and integrating them within the existing organization structures as well as to evolve and create new structures for the effective and optimal management of its limited resources.

During the year, DGPC continued to recruit aggressively from the limited labor market to replace those exiting from the company as well as meet growing demands from the new ventures and projects. DGPC recruited over 270 new employees in 2024. This helped expand on its workforce. However, while the requirements in numbers were largely managed, the mismatch in the skills and expertise grew further despite efforts to provide the requisite mentoring and training programs to the new recruits. This will continue to be a major issue in the foreseeable future with demand outstripping availability in the market.

A lot of time and energy was targeted at developing the human resources through targeted training programs; both in-country and ex-country, some of which were also online. For exposure and networking, DGPC enabled many officers to participate in workshops, seminars and conferences. DGPC also continued to support study leaves for long-term studies with institutions within and outside of the country including scholarships for four employees to pursue diploma and undergraduate engineering courses in Bhutan.

DGPC will continue to judiciously strategize, prioritize and invest in building the carrying capacity of its human resources.

9. Corporate Social Responsibility

Corporate social responsibility is integral to realizing the vision and mission of DGPC and its initiatives are aimed at making meaningful contributions to the social, spiritual, and environmental



welfare of individuals and communities residing near the power plants and projects, as well as those with whom DGPC interacts.

While the CSR endeavors may not always align directly with DGPC's core business activities, they are nonetheless instrumental in yielding returns on investments, whether tangible or intangible, over the long term. It is important to recognize the inherent value of these initiatives in fostering goodwill, strengthening community relationships, and promoting sustainable development, thereby enriching the fabric of DGPC's corporate ethos and responsibilities.

10. Corporate Governance and Board Oversight

Strong corporate governance is fundamental to the effective management of any organization, ensuring operational efficiency, managerial integrity, responsible leadership, and transparency. At DGPC, the Board of Directors and the management remains steadfast in its commitment to upholding these principles.

During the year, the Board convened seven times, consistently meeting quorum requirements and providing strategic oversight. Key issues were deliberated and timely directives were issued to ensure seamless business operations.

To enhance governance and decision-making, specialized Board Committees played a crucial role. The Board Audit Committee (BAC) convened once, the Board-Level Tender Committee (BLTC) held two meetings, and the Board HR Committee met four times. These committees provided dedicated oversight and strategic guidance on critical matters affecting the company.

Through these collective efforts of the Board and management, DGPC has effectively navigated its operational landscape, reinforced governance structures, and ensured business continuity.

11. Risk Management

Effective risk management remains a critical pillar of DGPC's operations, enabling the company to identify, assess, and mitigate potential risks while safeguarding Shareholder interests and fostering sustainable growth. It also ensures compliance with environmental and safety regulations, serving as a proactive mechanism to navigate evolving risks and capitalize on emerging opportunities.

DGPC's Risk Management Manual establishes a comprehensive framework aligned with global best practices in corporate governance. This structured approach enhances the company's resilience, ensuring operational efficiency even in the face of unforeseen challenges. Through continuous risk assessment and mitigation strategies throughout the year, DGPC remains well-positioned to adapt to an ever-changing business landscape.

As DGPC takes on the larger challenges of contributing to economic growth, nation building and energy security, management of its human resources will remain a key risk and concern.

12. Challenges and Strategic Responses

DGPC has made significant progress in hydropower expansion, renewable energy development, and international collaborations, reinforcing its commitment to ensuring Bhutan's long-term energy security. However, as the energy sector evolves, the company faces challenges that require strategic interventions and proactive management.

One of the key challenges is securing adequate financing for large-scale hydropower projects, given their high capital requirements. Despite Bhutan's vast hydropower potential, financial constraints could impact project implementation and, in turn, the country's energy security. To address this, DGPC is actively exploring diversified financing mechanisms, including public-private partnerships and innovative investment models, to attract sustainable investments and ensure the steady development of energy infrastructure.

Timely decision-making and stakeholder coordination remain critical to the smooth execution of projects. Extended deliberations with government agencies, financial institutions, and strategic partners have occasionally led to delays in feasibility studies, project approvals, and implementation schedules, resulting in cost escalations and delayed benefits. DGPC recognizes the need for enhanced stakeholder engagement and is working towards streamlining approval processes, fostering collaborative partnerships, and ensuring efficient decision-making to accelerate project execution.

Retaining and developing a skilled workforce is another priority. The departure of experienced personnel has created a shortage of specialized expertise essential for the operation and maintenance of power plants as well as the execution of new projects. DGPC is addressing this challenge through targeted capacity-building programs, competitive talent retention strategies, and structured succession planning to ensure a strong and competent workforce capable of meeting the company's long-term operational and developmental needs.

Aging infrastructure presents another area of focus. Many of DGPC's existing power plants require increased maintenance, leading to operational inefficiencies and higher maintenance costs. To mitigate these risks, the company is prioritizing plant modernization, adopting new technologies, and implementing long-term maintenance strategies to enhance operational reliability and efficiency. In addition, climate change continues to impact hydropower generation, affecting water availability and plant efficiency. To safeguard Bhutan's energy security, DGPC is adopting proactive adaptation strategies, including improved water resource management and the integration of climate-resilient infrastructure.

Managing multiple subsidiaries and aligning them with DGPC's overall strategic vision also requires a focused approach. Strengthening governance structures, improving coordination, and optimizing synergies across subsidiaries will be key to enhancing overall efficiency and performance.

Despite these challenges, DGPC remains steadfast in its commitment to strengthening Bhutan's energy security and ensuring the sustainable growth of the power sector. By embracing innovation, fostering strategic partnerships, and investing in human capital and infrastructure, the company is well-positioned to provide reliable, affordable, and competitive energy solutions to support Bhutan's long-term development.

13. Statutory Audit Report

M/s Dilli Yok & Associates, Thimphu, was appointed by the Royal Audit Authority as the Statutory Auditors for DGPC for the year 2024, in accordance with the requirements of the Companies Act of Bhutan, 2016. The firm conducted the Statutory Audit of DGPC's accounts from January 13 to February 20, 2025, covering all power plants, the Corporate Office including the Material Management Division, and the Mangdechhu Hydropower Plant (MHP) for the first time after getting incorporated under DGPC from January 2024.

The audit was conducted in accordance with the Auditing Standards prescribed by the Accounting and Auditing Standard Board of Bhutan (AASBB), the general terms of reference for auditors, and the minimum audit reporting requirements prescribed by the Royal Audit Authority under Section 266 of the Companies Act of Bhutan, 2016.

DGPC's financial statements, on standalone basis, were prepared in full compliance with the Bhutanese Accounting Standards (BAS) 2020 and relevant interpretations issued by AASBB, to the extent applicable to companies reporting under BAS, along with the provisions of the Companies Act of Bhutan, 2016. The financial statements were prepared on a historical cost convention on an accrual basis, except where otherwise stated.

The Audit Exit Meeting between the Statutory Auditors, Royal Audit Authority, and DGPC was held on February 25, 2025 in Thimphu.

The 2024 Audited Accounts and Financial statements was also presented to the Board Audit Committee (BAC) held on March 11, 2025. The BAC, after detailed deliberations, endorsed the 2024 Audited Accounts and recommended for submission to the Board for approval.

The DGPC Board considered the Auditors' Report and the Audited Accounts at its 123rd Board meeting held on March 21, 2025.

14. Auditors' Report

The Statutory Auditors, M/s Dilli Yok & Associates, have issued an unqualified audit opinion for the financial year 2024. There are no observations or recommendations in the Annexure to the Auditors' Report for 2024.

15. Disclosure of Compensations to the Board of Directors & Management (Managing Director)

As required under the Companies Act, the disclosure of compensations to the Board of Directors and the Managing Director for the year 2024 vis-à-vis the year 2023 (in Million Nu.) are as below:

Compensation	2024	2023
Board Directors (Sitting Fees other than for Managing Director)	0.470	0.472
Managing Director (Pay, Allowances, Sitting Fees and Other Benefits)	6.325	5.730

Acknowledgements

The Board of DGPC extends its sincere appreciation to the Royal Government of Bhutan, Druk Holding & Investments, the Ministry of Energy and Natural Resources, the Ministry of Finance, the Electricity Regulatory Authority, the National Environment Commission, and other key stakeholders for their steadfast support, which has been instrumental in the company's continued success.

The Board also expresses its gratitude to the Managing Director, the DGPC management team, employees, and subsidiary companies for their dedication and invaluable contributions to the company's achievements. As DGPC navigates future challenges, the Board encourages the management to continuously enhance corporate governance and management practices, reinforcing DGPC's position as an industry leader. The Board remains fully committed to supporting the company in fulfilling its mandate and realizing its strategic objectives.

Tashi Delek!

For and on behalf of the Board,

A handwritten signature in blue ink, appearing to read 'Dasho Karma Tshering', with a long horizontal flourish extending to the right.

Dasho Karma Tshering
(Chairperson)

Corporate Governance Report

Introduction

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices. The corporate governance principles of the company emphasize accountability, transparency and are adopted in the best interests of the company and its shareholders.

Druk Green Power Corporation Limited (DGPC) has been closely following all the policies and Guidelines provided under the Companies Act of Bhutan 2016, CG code 2019 and other statutory requirements in fulfilling the mandates.



Corporate purpose, strategy & culture

The mission, vision and core values of the company is established for the development of hydropower projects for energy security and to ensure that these are aligned with high degree of consistency and convergence the company's corporate culture.

Board size & composition

The Board is charged with providing effective and responsible leadership for the company. The Board takes responsibility to oversee all major matters of the company, including the approval of strategies, investments, internal control, risk management, monitoring operational and financial performance.

As of December 31, 2024 the Board of DGPC consisted of seven Directors. All Directors are consulted on all major decisions of the company and are continuously updated on the most-up to date business activities and development of the company to facilitate the discharge of their responsibilities through regular Board meetings and by acting in good faith and with due diligence and care.

In keeping with the companies Act of Bhutan 2016, not less than one-third of the total number of Directors must retire by rotation at each AGM with the remaining Directors appointed by the

Shareholder. The composition of the Board following the 17th AGM held on March 29, 2024 along with the attendance of each member at the Board meetings and the Board committee meetings convened during the year are as follows:

Name	Position	Address	Date of Appointment
Dasho Karma Tshering	Non-Independent and Non-Executive	Secretary, MoENR	March 23, 2021 at the 14th AGM
Mr. Ujjawal Deep Dahal	Non- Independent and Non-Executive	CEO, DHI	March 29, 2024 at the 17th AGM
Mr. Josef M. Ullmer	Independent and Non-Executive	International Expert	March 29, 2024 at the 17th AGM
Mr. Basant Raj Chhetri	Independent Non-Executive	CEO, Bhutan Professional Services	April 14, 2022 at 15th AGM
Mr. Tshering Gyaltshen Penjor	Independent and Non-Executive	Secretary, National Land Commission	March 29, 2024 at the 17th AGM
Ms. Dawa Chhoedron	Non-Independent and Non-Executive	Chief Engineer, DoE, MoENR	March 29, 2024 at the 17th AGM
Dasho Chhewang Rinzin	Non-Independent and Executive	Managing Director, DGPC	December 6, 2007 at 1st AGM

Mr. Tshering Dorji, Director, Department of Macro-Fiscal and Development Finance, MoF was appointed as a Director on the Board of DGPC, in place of Mr. Tshering Gyaltshen Penjor who resigned from the DGPC Board on October 11, 2024.

Attendance at board & committee meetings

Name of Director	BM	BAC	BHRC	BLTC	AGM
Dasho Karma Tshering	8/8				1/1
Mr. Ujjwal Deep Dahal	6/6			1/2	
Mr. Basant Raj Chhetri	7/8	1/1	4/4	2/2	0/1
Ms. Josef M. Ullmer	5/6				
Ms. Dawa Chhoedron	6/6	1/1		1/2	
Mr. Tshering Gyaltshen Penjor	2/5				
Mr. Tshering Dorji	1/1	1/1			
Dasho Chhewang Rinzin	8/8		4/4	2/2	1/1

Board meeting & minutes of the meeting

The Board of DGPC met eight times during the year 2024 and the quorum at each of these meetings was duly met. The Board dealt with numerous issues and provided timely directives for the smooth functioning of the company.

Similarly, the Board Audit Committee (BAC) met one time, the Board Level Tender Committee (BLTC) met two times whereas the Board HR Committee met four times during the year. The Sub Committees provide guidance and to deliberate on various issues confronting the company.

The minutes of the Board meetings are kept with the company secretary and are available as and when required by the Directors, the management and for inspection by the auditors of the company.

Directors' training & continuous professional development

All the Directors who are newly appointed on the Board of the company receive comprehensive formal induction to ensure their understanding of the business and operations of the company including the Directors responsibilities, obligations and other relevant regulatory requirements. The Directors are also updated on the latest business and market changes to facilitate the discharge of their responsibilities and to ensure they remain informed of the latest trends and best practices in corporate governance.

The Shareholder, DHI conducts Directorship training annually to enhance professional competency of Board Director and improve corporate governance in DHI group.

The role of the chairperson of the board

Dasho Karma Tshering, Secretary, Ministry of Energy & Natural Resources (MoENR) is the chairperson of the DGPC Board. The Chairperson of the Board plays a pivotal role in providing leadership and direction to the Board of Directors and ensures that the Board functions effectively, making sound decisions.

Mechanism to ensure independent views

In order to ensure an independent view on matters relating to the company, at least one third of the Directors shall be independent to protect the interest and investment of all the shareholder. This is in keeping with the Companies Act of Bhutan and aligns with good corporate governance practices. These independent Directors have an equal status to other members of the Board.

All major decisions are made in consultation with the members of the Board and the relevant Board committees offering independent perspectives ensuring sufficient balance of power within the Board.

Communication & engagement with the shareholder

The company is committed to strictly complying with the principles of DHI's Corporate Governance Code to ensure that the governance is carried out in a transparent and accountable manner, while not intervening in the day-to-day management of the Company. The Board keeps the Shareholders informed on all matters affecting the company and ensure that the Shareholder have equal access to all information in keeping with the good faith principle.

DGPC has been and continues to be responsive to the Shareholder feedback and strives to address shareholder concerns, implement suggested improvements and communicate the outcomes of shareholder engagement efforts. DGPC seeks feedback and actively responds to stakeholder inquiries and concerns. Through the Annual General Meeting (AGM), the Shareholders exercises its rights over the Company.

DGPC executive team

The CEO and Management are responsible for ensuring the administration of activities in line with the directives of the Board and is also responsible for establishing and maintaining internal controls that are essential for the Board's supervision. As part of this responsibility, the Management regularly reports to the Board on critical issues relevant to the organization.

Business code of conduct

DGPC upholds the highest standards of ethical behavior in all its business activities. The DGPC Business Code of Conduct serves as a guiding framework for its employees for setting out DGPC's values, responsibilities and ethical obligations. The code articulates the values that DGPC wishes to foster in its leaders and employees. The code is intended to be the central guide and reference for employees to support day-to-day decision making, to encourage discussions of ethics and compliance, and to empower employees to handle ethical dilemmas they encounter in their everyday work place. The code also serves as a valuable reference for helping employees locate relevant documents, services and other resources related to ethics within DGPC.

Governance compliance mechanism

DGPC maintains a compliance checklist to evaluate the organizations adherence to the corporate governance requirements. The compliance with the relevant laws and regulations for a corporate governance is an on-going commitment and requires the organization to continuously assess the checklist to improve the compliance. In order to ensure awareness and understanding, these laws and regulations are communicated to all the employees throughout the organization and are regularly reviewed to align with the evolving legal requirements. Furthermore, the subsidiary companies are also



Burgangchhu Waterfall, Buli, Zhemgang



required to comply with the same corporate governance standards as the parent company.

The key areas include Board oversight, the governance standards, transparency, disclosure and risk management ensuring ethical operations and long-term sustainability.

Internal control & risk management systems

DGPC recognize that identifying, assessing and mitigating risks are essential for safeguarding the interest of the Shareholder and ensuring a sustainable growth of the organization. As part of good corporate governance, the DGPC Risk Management Manual provides for a framework for the management of the Company's business risks. The key risks, which may hinder the achievement of the Company's objectives are identified, assessed, evaluated and compiled in a Risk Register.

The Risk Register is reviewed on a yearly basis and mitigation action plans are proposed and implemented. The Risk Register is reviewed by the Board and submitted to the Shareholder.

Evaluation of board of directors and CEO

As per the DHI CG Code, the Board evaluates the performance of the CEO annually as per the CEO Performance Evaluation Guideline. The leadership assessment of the CEO is conducted confidentially through an online survey annually based on criteria such as decision making and inter personal skills, employee engagement and development, relationship with Board, integrity and ethical code, and visioning and strategic planning.

The performance of the Board is also evaluated annually through an online survey. The survey is in accordance with various criteria such as professional and ethical attributes, dedication and preparedness, team work, and contribution.

Audit Report on the Financial Statements



Independent Auditor’s Report



Report on Minimum Audit Examination Requirements



Financial Statements



Accounting Policies & Notes to Accounts



Key Management Personnel

Independent auditor's report on the standalone financial statements for the year ended December 31, 2024

To the Members of Druk Green Power Corporation Limited ("DGPCL"):

Opinion

We have audited the standalone financial statements of **Druk Green Power Corporation Limited ("the Company")**, which comprise the Statement of Financial Position as at 31 December 2024, 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 standalone financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying standalone financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with Bhutanese Accounting Standards (BAS).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of this report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bhutan and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the audit of the financial statements, we have not found any significant issues to be reported under this Para.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with BAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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 audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we have exercised professional judgment and maintained professional skepticism throughout the audit. Our responsibilities are to:

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control;



- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the Company's internal control;
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- iv. 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 going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a Going concern; and
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 266 of the Companies Act of Bhutan 2016, we enclose the Minimum Audit Examination and Reporting Requirements as a separate section "*report on minimum audit examination requirements*"


Further, as required under Section 265 of the Companies Act of Bhutan 2016, 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 purposes 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 Changes in Equity and the Statement of Cash Flows dealt with by this report have been prepared in accordance with BAS; and
- d. Based on the information, explanations and management representations received during the course of our audit, the Company has complied with other legal and regulatory requirements to the extent applicable to the Company.

For Dilli Yok & Associates
Chartered Accountants
Firm Regn No. CRC2625



Partner
CA Dilli Ram Bista
Membership No: 542831
Date: 05/05/2025

Report on minimum audit examination requirements

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

1. The Company has maintained proper records of the property, plant & equipment in the assets register maintained in SAP to show full particulars including quantitative details and situation of the PPE. The assets have been physically verified by the respective committee members during the year in a periodical manner.
2. The company continues to follow the cost model for the valuating its fixed assets, as such there was no requirement for the revaluation of any fixed assets.
3. The company has a reasonable system of recording receipts, issues and consumption of materials and stores and allocating materials consumed to the respective jobs and heads of accounts, commensurate with the size and nature of its business.
4. Procedures of physical verification of inventories (stores and spares) followed by the management are generally adequate and reasonable in relation to the size of the company and the nature of its business;
5. The company has a procedure to determine unserviceable or damaged stores. Provisions have been made in accounts for loss arising out of obsolescence of such stores and spare parts;
6. The Company has reasonable system of recording receipts, issues and consumption of materials and stores and allocating materials consumed to the respective jobs.
7. In our opinion and according to the information and explanations given to us, the company is engaged in generation of electricity, quantitative reconciliation is carried out in respect of inventories.
8. In our opinion and according to the information and explanations given to us, obsolete, damaged, slow moving, and surplus goods/inventories has been determined and adequate provisions are made.
9. As of December 31, 2024, the company has disposed of the majority of its obsolete inventory items, with only a few balances items is remaining. The management remains committed to exploring alternative strategies and will continue its efforts to dispose of the remaining obsolete inventory in the coming year.
10. In our opinion and according to the information and explanations given to us, the Company has a system of obtaining approval of Board/appropriate authority for writing off amounts due to material loss/discrepancies in physical/ book balances of inventories including stores and spares.
11. In our opinion, the valuation is fair and proper in accordance with the normally accepted accounting principles. The basis of valuation of inventory is the same as in the preceding year.



However, there were some errors during previous year on Net Realisable Value (NRV) and same is not corrected during the current year, for more details see management appraisal report.

12. In our opinion and on the basis of information and explanations given to us, the rate of interest and the other terms and conditions of above loans are not prejudicial to the interest of the Company. The Company has secured loans of Nu. 38,339,943,438.22 highlighted under note 6c for long-term borrowing and other financial liabilities highlighted in note 10e amounting to Nu. 10,323,537,691.70.
13. In our opinion and according to the information and explanations given to us, the Company has granted unsecured loan to intercorporate companies under the same management/group amounting to Nu. 1,823,857,901.92 as of current accounting period.
14. In our opinion and according to the information and explanations given to us, the loans/ advances granted to officers/staff are in keeping with the provisions of service rules and no excessive / frequent advances are granted and accumulation of large advances against particular individual is avoided.
15. In our opinion and according to the information and explanations given to us, 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.
16. In our opinion and according to the information and explanations given to us, there is a reasonable system of authorization at proper levels, and an adequate system of internal control commensurate with the size of Company and the nature of its business on issue of stores.
17. In our opinion and according to the information and explanations given to us, having regard to certain exceptions that some of item purchased are of special nature where suitable alternative sources of supply does not exist for obtaining comparable quotations thereof, there is an adequate system of competitive biddings, 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.
18. (a) On the basis of reviewing the books of account and relevant records of the Company and according to the information and explanations given to us, we are of the opinion that the Company has not entered into any transaction for purchases and sale of goods and service made in pursuance of contracts or arrangements entered into with the director(s) or any other party(ies) related to the director(s) or with the Company or firms in which the director(s) are directly or indirectly interested except DHI & its subsidiaries, the details of which is duly disclosed in the Related party transactions in notes to accounts to the financial statements..
18. (b) The examination of records does not reveal any transaction entered into by the Company which is prejudicial to the interest of the Company wherein directors are directly or indirectly interested.



19. To the best of our knowledge, no personal expenses of employees or directors have been charged to the account other than those payable under contractual obligation/in accordance with generally accepted practice;
20. In our opinion and according to the information and explanations given to us, there are unserviceable or damaged stores, which have been provided for in the books of account.
21. This clause is not applicable to the company.
22. This clause is not applicable to the company.
23. This clause is not applicable to the company.
24. In our opinion and according to the information and explanations given to us, the Company is regular in depositing rates and taxes, duties, royalties, and provident funds with the appropriate authorities.
25. In our opinion and according to the information and explanations given to us, there was no undisputed amount payable in respect of taxes, rates, duties, royalties, provident funds and other statutory deductions outstanding as on the last day of financial year.
26. This clause is not applicable to the company.
27. This clause is not applicable to the company.
28. In our opinion and according to the information and explanations given to us, the Company has a reasonable system of periodical review of tariffs and based on such review and considering the market and economic conditions, the tariff rates are determined and approved by the Electricity Regulatory Authority (ERA). Also, the Company has proper costing system for the purpose of fixation of tariff rates.
29. In our opinion and according to the information and explanations given to us, the credit sales policy of the Company is reasonable, and no credit rating of customers is carried out as the same is not applicable for the Company.
30. This clause is not applicable to the company.
31. In our opinion and according to the information and explanations given to us, the Company has reasonable system of continuous follow-up with debtors and other parties for recovery of outstanding amounts. Also age wise analysis is carried out for management information and follow up action.
32. In our opinion and according to the information and explanations given to us, the management of liquid resources particularly cash/bank and short-term deposits etc. are adequate and that excessive amount are not lying idle in non-interest-bearing accounts and withdrawals of loan amounts are made after assessing the requirement of fund from time to time and no excess amounts is withdrawn leading to avoidable interest burden on the Company.



33. In our opinion and according to the information and explanations given to us, the activities carried out by the Company are lawful and intra-vires the Articles of the Company.
34. In our opinion and according to the information and explanations given to us, the activities / investment decisions are made subject to prior approval of the Board and investments in new projects.
35. In our opinion and according to the information and explanations given to us, the Company has established effective budgetary control system.
36. This clause is not applicable to the company.
37. The details of remuneration, commission and other payments made in cash or in kind to the Board of Directors including the Chief Executive Officer or any of their relatives (including spouse(s) and child/children) if any, by the Company directly or indirectly are disclosed in the notes.
38. In our opinion and according to the information and explanations given to us, the management of the Company complies with the directives of the Board of Directors as we have not come across any such incidence where it is not complied.
39. In our opinion and according to the information and explanations given to us, 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. We have however relied on the management assertion on the same and cannot independently verify the same.
40. In our opinion and according to the information and explanations given to us, proper records are kept for inter unit transactions/services and arrangements for services made with other agencies engaged in similar activities.
41. In our opinion and according to the information and explanations given to us, the Company has executed agreements properly and the terms and conditions of leases are reasonable.

COMPUTERISED ACCOUNTING ENVIRONMENT

1. The Company adopted SAP from June 1, 2011 as their system for accounting, payroll, inventory management, and personnel information/management. In our opinion, organizational and system development controls and other internal controls appears to be adequate relative to the size and nature of computer installation of the Company;
2. The Company appears to have adequate safeguard measures and backup facilities commensurate with the size and nature of computer installation;
3. Operational controls in the company are generally found to be adequate to ensure correctness and validity of input data and output information;



- Measures taken by the Company to prevent unauthorized access over the computer installation and files are generally adequate;
- The Company has a Disaster Recovery Plan (DRP) in place commensurate with the size and nature of business of the Company.

GENERAL

1. Going Concern Problems:

On the basis of the attached Financial Statements as at 31 December 2024 and according to the information and explanations given to us, the financial position of the company is healthy and we have no reason to believe that the Company is likely to become sick in the near future.

2. Ratio Analysis.

Financial and Operational Ratio Analysis in respect of the Company are as given under ratio analysis section.

3. Compliance with the Companies Act of Bhutan 2016

The company has complied with the various provisions of the Companies Act of Bhutan 2016, details are under section "compliance calendar & checklist."

4. Adherence to Laws, Rules and Regulations:

The audit of the Druk Green Power Corporation Limited is governed by the Companies Act of Bhutan 2016, Internal Service manual, and Bhutanese Accounting Standards. The scope of audit is limited to examination and review of the financial statements prepared by the management. During our audit, we have considered the compliance of the provisions of the said Act, rules and regulations as well as the Bhutanese Accounting Standards.

For Dilli Yok & Associates
Chartered Accountants
Firm Regn No. CRC2625



Partner
CA Dilli Ram Bista
Membership No: 542831
Date: 05/05/2025

Financial Statements

Statement of Financial Position as at December 31, 2024


Particulars	Note No.	31-Dec-24	31-Dec-23
ASSETS:			
Non- current assets			
Property, plant & equipment	3	76,852,244,451.73	32,665,032,420.48
Intangible assets	3	39,648,902.74	21,643,265.90
Right of Use Assets/Leasehold Properties	3	25,257,163.98	19,269,595.16
Investments in subsidiaries and joint ventures	5	19,804,338,665.49	19,150,189,186.60
Long-Term Investments	6a	689,262,296.90	2,116,160,864.73
Other assets	6b	-	92,385,925.00
Total non - current assets		97,410,751,480.84	54,064,681,257.87
Current assets			
Cash and cash equivalents	11c	9,375,086,204.29	2,101,629,523.67
Inventories	7	553,970,858.70	491,736,847.91
Short Term Investments	10a	1,510,645,609.81	1,554,957,534.25
Trade and other receivables	10b	7,093,693,875.30	4,767,485,731.68
Prepayments and advances	8	462,753,936.19	274,571,248.71
		18,996,150,484.29	9,190,380,886.22
Assets classified as held for sale	9	145,679,463.67	140,666,182.69
Total current assets		19,141,829,947.96	9,331,047,068.91
Total assets		116,552,581,428.80	63,395,728,326.78
EQUITY AND LIABILITIES:			
Equity			
Share capital	11	45,444,626,000.00	32,465,093,407.26
General reserves		9,571,934,643.65	9,098,762,803.38
Retained earnings		7,184,819,869.90	4,675,159,098.42
Total shareholders' equity		62,201,380,513.55	46,239,015,309.06
Non- current liabilities			
Long- Term Borrowings	6c	38,339,943,438.22	5,808,974,896.51
Deferred tax liability	4	25,053,597.39	399,191.45
Employee benefit obligation	12	675,142,251.22	609,227,887.50
Other non-current liabilities	6d	204,546,713.33	187,784,147.30
Total non-current liabilities		39,244,686,000.16	6,606,386,122.76
Current liabilities			
Trade and other payables	10d	1,681,044,763.56	1,160,803,032.32
Other financial liabilities	10e	10,323,537,691.70	2,196,283,861.55
Other current liabilities	13	97,062,466.02	5,455,325,386.28
Current tax liabilities	14	2,944,049,193.86	1,674,365,934.89
Employee benefit obligation	15	60,820,800.02	63,548,680.05
Total current liabilities		15,106,514,915.17	10,550,326,895.09
Total liabilities		54,351,200,915.32	17,156,713,017.85
Total shareholders' equity & liabilities		116,552,581,428.80	63,395,728,326.78


For Dilli Yok & Associates

For Druk Green Power Corporation




CA Dilli Ram Bista
 Membership No: 542831
 Date: 05/05/2025
 Place: Thimphu Bhutan


 (Dasho Karma Tshering)
 Chairman, DGPC


 (Dasho Chhewang Rinzin)
 Managing Director


 (Ugyen Namgyal)
 Director, CSD

Statement of Comprehensive Income for the year ended on December 31, 2024

Particulars	Note No.	31-Dec-24	31-Dec-23
INCOME			
Electricity revenue	16	22,532,957,472.85	11,160,139,232.50
Interest earned	17	130,277,632.15	113,597,389.54
Other income	18	726,878,448.30	394,867,512.75
		23,390,113,553.30	11,668,604,134.79
EXPENDITURE			
Wheeling charges		796,579,123.65	374,009,807.92
Insurance		360,795,280.18	210,808,386.74
Running and maintenance expenses	19	364,390,488.65	309,721,250.82
Employees' remuneration and benefits	20	1,489,788,823.34	1,086,479,461.89
Finance cost	21	2,692,536,402.50	264,762,929.14
Depreciation/amortisation	3	4,555,816,494.95	2,275,041,752.55
Other expenses	22	648,428,956.46	328,098,772.05
		10,908,335,569.73	4,848,922,361.11
Operating profit		12,481,777,983.57	6,819,681,773.68
Profit before tax		12,481,777,983.57	6,819,681,773.68
Tax expense	23		
Current tax		3,813,753,436.58	2,077,468,024.09
Deferred tax		24,654,405.94	212,332,338.08
Income Tax for earlier years		1,102,651.09	5,787,866.26
		3,839,510,493.61	2,295,588,228.43
Profit for the year		8,642,267,489.96	4,524,093,545.25
Other comprehensive income:			
Remeasurements of post-employment benefit obligations		46,632,068.30	23,750,421.63
Total other comprehensive income for the year		46,632,068.30	23,750,421.63
Comprehensive income for the year		8,688,899,558.26	4,547,843,966.88


For Dilli Yok & Associates

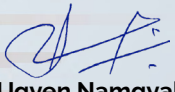
For Druk Green Power Corporation




CA Dilli Ram Bista
 Membership No: 542831
 Date: 05/05/2025
 Place: Thimphu Bhutan


 (Dasho Karma Tshering)
 Chairman, DGPC


 (Dasho Chhewang Rinzin)
 Managing Director


 (Ugyen Namgyal)
 Director, CSD

Statement of Cash flows for the year ended on December 31, 2024


Particulars	31-Dec-24	31-Dec-23
Cash flows from operating activities		
Profit before taxation	12,481,777,983.57	6,819,681,773.68
Adjustment for:		
Actuarial gains (losses)	46,632,068.30	23,750,421.63
Depreciation / amortisation	4,555,816,494.95	2,275,041,752.55
Foreign exchange loss	92,300,776.85	18,190,085.41
Loss/(gain) on sale of property plant & equipment	24,905,386.60	-4,520,948.44
Investment income	-130,277,632.15	-113,597,389.54
Dividend income	-132,570,799.13	-41,153,888.87
Interest expenses	2,692,536,402.50	264,762,929.14
(Increase)/decrease in trade receivables and other receivables	-2,326,208,143.62	-2,165,284,564.45
(Increase)/decrease in inventories	-62,234,010.79	37,006,637.13
(Increase)/decrease in prepayments and advances	-188,182,687.48	-66,860,720.60
(Increase)/decrease in assets classified as held for sale	-5,013,280.98	-188,085.89
Increase/(decrease) in trade and other payables	520,241,731.24	-142,730,843.35
Increase/(decrease) in other current liabilities	-5,358,535,433.39	5,403,278,449.36
Increase/(decrease) in other non-current liabilities	-187,784,147.30	-165,952,653.28
Increase/(decrease) in employee benefit obligation	63,186,483.69	-60,810,186.61
(Increase)/Decrease in Other asset	92,385,925.00	-92,385,925.00
Cash generated from Operation	12,178,977,117.86	11,988,226,842.87
Income tax paid	-2,545,172,828.70	-2,006,526,456.23
Net cash from operating activities	9,633,804,289.16	9,981,700,386.64
Cash flows from investing activities		
Purchase of PPE & intangibles assets	-48,779,056,229.89	-946,671,060.61
Acquisition of PPE-ROU Asset	191,948,337.89	186,123,790.56
Payment for investments in subsidiaries and joint ventures	-654,149,478.89	-6,945,352,196.84
Proceeds from held-to-maturity investments	1,242,040,971.40	450,000,000.00
Interest received	359,447,153.02	162,569,786.01
Dividend received	132,570,799.13	41,153,888.87
Net cash used in investing activities	-47,507,198,447.34	-7,052,175,792.01
Cash flows from financing activities		
Issue of share capital	12,979,532,592.74	-
Increase/(Decrease) in Reserve	-302,904.00	-
Proceeds/(Repayment) of loan	32,738,758,898.28	1,556,141,796.68
Adjustment of MHP to Retained earning	368,605,180.11	-
Cash payment for interest portion of Lease Liability	-4,056,343.31	-3,768,450.76
Interest Proceeds/ (Paid)	5,138,682,637.54	-243,639,309.70
Profit transfer to RGoB (MHP)	-2,000,000,000.00	-
Dividend paid	-4,074,369,222.61	-4,395,773,647.34
Net cash used in financing activities	45,146,850,838.75	-3,087,039,611.12
Net increase/(decrease) in cash and cash equivalents	7,273,456,680.57	-157,515,016.49
Cash and cash equivalents at the beginning of the period	2,101,629,523.67	2,259,144,540.19
Cash and cash equivalents at the end of the period	9,375,086,204.29	2,101,629,523.67
Component of cash and cash equivalents: -		
Cash in hand	420,023.42	119,092.85
Balances in current accounts with banks	9,374,666,180.87	2,101,510,430.82
Total	9,375,086,204.29	2,101,629,523.67


For Dilli Yok & Associates


For Druk Green Power Corporation




CA Dilli Ram Bista
 Membership No: 542831
 Date: 05/05/2025
 Place: Thimphu Bhutan


 (Dasho Karma Tshering)
 Chairman, DGPC


 (Dasho Chhewang Rinzin)
 Managing Director


 (Ugyen Namgyal)
 Director, CSD

Statement of Cash flows for the year ended on December 31, 2024

	Number of Shares	Equity Share Capital	General Reserve	Retained Earnings	Total Equity
Balance at December 31, 2022	32,465,093.41	32,465,093,407.26	8,868,573,935.56	4,753,277,646.70	46,086,944,989.52
Net profit for the year 2023					
Net Profit/(Loss) for the year			-	4,524,093,545.25	4,524,093,545.25
Transfer to reserves					
Transfer to/(from) General Reserve			230,188,867.82	-230,188,867.82	-
Other Comprehensive Income for the Period				23,750,421.63	23,750,421.63
Transaction with the owners					
Payment of Dividends			-	-4,395,773,647.34	-4,395,773,647.34
Balance at December 31, 2023	32,465,093.41	32,465,093,407.26	9,098,762,803.38	4,675,159,098.42	46,239,015,309.06
MHP Opening balance adjustment	15,037,890.00	15,037,890,000.00		368,605,180.11	15,406,495,180.11
Net profit for the year 2024					
Net Profit/(Loss) for the year				8,642,267,489.96	8,642,267,489.96
Transfer to reserves					
Transfer to/(from) General Reserve			473,171,840.27	-473,474,744.27	-302,904.00
Other Comprehensive Income for the Period				46,632,068.30	46,632,068.30
Transaction with the owners					
Issue/(transfer) of Additional Shares	-2,058,357.41	-2,058,357,407.26		-	-2,058,357,407.26
Profit Transfer to RGoB				-2,000,000,000.00	-2,000,000,000.00
Payment of Dividends				-4,074,369,222.61	-4,074,369,222.61
Balance at December 31, 2024	45,444,626.00	45,444,626,000.00	9,571,934,643.65	7,184,819,869.90	62,201,380,513.55


For Dilli Yok & Associates

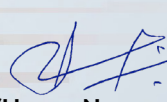
For Druk Green Power Corporation




CA Dilli Ram Bista
 Membership No: 542831
 Date: 05/05/2025
 Place: Thimphu Bhutan


 (Dasho Karma Tshering)
 Chairman, DGPC


 (Dasho Chhewang Rinzin)
 Managing Director


 (Ugyen Namgyal)
 Director, CSD

Accounting policies and notes to accounts

Note 1: General Corporate Information

A Nature of Operations

Druk Green Power Corporation Limited (“DGPC” or “the Company”) - the public sector generation utility with the vision of “harnessing and sustaining Bhutan's renewable energy resources”- was established in 2008 for the effective and optimal utilization of the abundant water resources, to develop the water – to – wire expertise amongst the Bhutanese, and to lead in accelerating hydropower development in keeping with the Sustainable Hydropower Development Policy.

The company is a wholly owned subsidiary of Druk Holding & Investments (DHI), the holding company for government owned companies and only generation utility in Bhutan. The company has been incorporated and registered under the Companies Act of the Kingdom of Bhutan, 2000 and has registered office located at Thimphu, Bhutan.

DGPC's current hydropower asset including its subsidiaries portfolio comprises of mainly of hydropower plants with a total installed generation capacity of 2,453 MW (1020 Tala; 336 MW Chhukha; 60 MW Kurichhu; 64 MW Basochhu; 720 MW Mangdechhu; 126 MW Dagachhu; 118 MW Nikachhu; and 9 MW in embedded generation [micro hydropower, wind and solar power plants]).

DGPC's key mandates are:

Vision

“Promote, develop, and manage renewable energy projects, particularly hydropower, in an efficient, responsible and sustainable manner and to maximize wealth and revenues of the nation”

Strategic Goal

“Develop additional generation capacity of 15GW of hydropower and 5GW of solar by 2040 to fulfill the energy security in terms of adequacy and reliability”.

Note 2: Significant Accounting Policies

The note provides a list of the significant accounting policies adopted in preparing these financial statements.

i. Basis of Preparation

a. **Compliance with BAS/BFRS**

The “financial statements” comprising of income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes have been prepared in accordance

with Bhutanese Accounting Standard (BAS) and in compliance with the section 244 of Companies Act of Bhutan, 2016 including the Regulation for Accounting and Auditing of Companies in Bhutan,2024.

b. Basis of Measurement

The financial statements have been prepared under the historical cost convention, except for the following:

- Assets held for sale which are measured at fair value less cost of disposal.
- Financial instruments measured at fair value.
- Liabilities for defined benefit plans recognized at the net of the total present value of defined benefit obligations less the fair value of the plan assets.

c. 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 2024 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 sale of energy, interest income from fixed deposits, from loans and expected cash out flows towards operational expenses, loan repayments, capital expenditures, dividend and CIT payment.

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.

ii. Offsetting

Financial assets and financial liabilities, or income and expenses, are offset, and the net amount is reported in the Statement of Financial Position and the Statement of Comprehensive Income when, and only when, the entity has a legal right to offset the amounts, is permitted by the standard, and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business, as well as in the event of default, insolvency, or bankruptcy of the entity or the counterparty.

iii. Functional and Presentation Currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates. The functional currency of DGPC is the Bhutanese Ngultrum (Nu), which is also its presentation currency.



iv. Use of Estimates

The preparation of financial statements in conformity with BAS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the financial statement date, and the recognition of income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, valuation of deferred tax assets, provisions and contingent liabilities, fair value measurements of financial instruments and retirement benefit obligations.

A key source of estimation uncertainty at the date of the financial statements, which may result in material adjustments to the carrying amounts of assets and liabilities within the next financial year, relates to:

- i. Impairment
- ii. The valuation of deferred tax assets
- iii. Provisions and contingent liabilities
- iv. The fair value measurement of financial instruments, and retirement benefit obligations.

v. Foreign Currency

Transactions in foreign currencies are initially recognized in the financial statements in functional currency using exchange rates prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the reporting date. Foreign exchange gains and losses are generally recognized in profit or loss. Foreign exchange gains and losses related to borrowings are presented within finance costs in the statement of profit or loss statement. All other foreign exchange gains and losses are presented on a net basis within other income or other expenses in the statement of profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency using the exchange rate prevailing on the date the fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated using the exchange rate prevailing on the transaction date.

vi. Investment in Subsidiaries, Associate and Joint Venture

Investments in subsidiaries, joint ventures, and associates are measured and carried at cost in accordance with BAS 27 – Separate Financial Statements.



vii. Property, Plant and Equipment

- a. PPE is initially recognized at cost. The company follows cost model for property, plant and equipment and are stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Only those costs are recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

The company follows the cost model for PPE, stating assets at cost less accumulated depreciation and, where applicable, accumulated impairment losses. Cost includes expenditures directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use, as well as the costs of dismantling, removing the items, and restoring the site on which they are located. Costs are recognized as an asset only if it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

The cost of software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

Freehold land is measured and carried at historical cost.

The Property, plant and equipment are derecognized when no future economic benefits are expected from its use or on disposal.

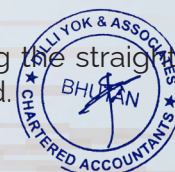
Gains and losses on the disposal of property, plant, and equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized net within "Other Income" or "Other Expenses" in the Statement of Profit or Loss

b. Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item 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 costs incurred for the running and maintenance of property, plant and equipment are expensed in the year in which they are incurred.

c. Depreciation

The company provides depreciation on property, plant, and equipment using the straight-line method, considering the useful lives of the assets. Land is not depreciated.



Asset	Rates
Civil Structures	3.33%
Electromechanical Equipment's	
	3.33%
	5% (Diesel Generators, Mini/Micro and Wind Power)
	20% (Runners & Spares)
	10% (SCADA)
Fire Fighting and Safety Equipment's	10%
General Assets	20%
Information and Technology Equipment's	20%
Machineries	15%
Office Equipment's	20%
Tools and Plants	10%
Vehicles	15%
Land	0%
Furniture and Fixtures	10%
Solar	4%

The depreciation for the property, plant and equipment purchased / constructed during the year is pro-rated on the basis of actual number of calendar days from the date asset are available for use.

Depreciation is calculated on the acquisition or construction cost, less the residual value.

Depreciation is provided from the date on which the asset is available for use. i.e when it is in the location and condition necessary for it to be capable of operating in the manner intended by management up to the date of management approval for write-off of the assets due to sale or retirement or classified as held for sale

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income or other expenses.

Assets costing Nu. 500 and below are considered consumables and are charged off as expenses.

- d. General assets include air conditioners, air coolers, fans, heaters, vacuum cleaners, blowers, and other similar items.

viii. Intangible Assets

- a. Intangible assets are initially measured at cost and carried at cost under the cost model.

- b. Intangible assets having finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures directly attributable to the acquisition of the intangible asset.

Asset	Rates/estimated amortization period
Intangible Asset (Software & Networking)	20%



c. Subsequent Expenditure

Subsequent expenditure is capitalized 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. All other expenditure, including expenditure on internally generated goodwill and brands, is expensed in the year in which it is incurred.

d. Research and development

Research expenditure are recognized as an expense when incurred. Development costs that are directly attributable to the design and testing of identifiable and unique intangible asset controlled by the entity are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use
- management intends to complete the intangible asset and use or sell it
- there is an ability to use or sell the intangible asset
- it can be demonstrated how the asset will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the asset are available, and
- the expenditure attributable to the asset during its development can be reliably measured.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

e. Amortization of Intangible Assets with finite useful lives

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the asset.

ix. Capital Work in Progress

Expenditure on materials, labor, contract expenses, and directly attributable costs such as employee costs, overheads, and project management expenses incurred during the construction period for executing a particular project are included in CWIP until they are capitalized.

Indirect expenditure and overheads incurred are expensed and not capitalized



x. Investment Property

Investment properties are land or building held for rental yields and are not occupied by the Company. An investment property is initially measured at its cost and the company has also chosen the cost model for measurement of investment properties after initial recognition at cost.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be measured reliably. All other repair and maintenance costs are expensed when incurred.

When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment properties are depreciated using the straight-line method over their estimated useful lives.

xi. Government Grants

Grants from the government and government agencies are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Grants related to income are recognized in the Statement of Profit or Loss on a systematic basis over the periods in which the entity recognizes expenses and the related costs for which the grants are intended. The unallocated portion of such grant is presented as part of deferred income in the Statement of Financial Position.

Grants related to assets, which are recognized in the Statement of Financial Position as deferred income, are recognized in the Statement of Profit or Loss on a systematic basis over the useful life of the related assets.

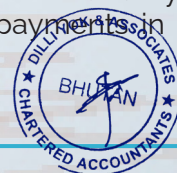
A government grant received or that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of providing immediate financial support to the entity with no future related costs, shall be recognized in the Statement of Profit or Loss in the year it is received or becomes receivable.

xii. Leases

The company assesses all lease contracts at inception to determine whether they contain a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, a right-of-use asset and a lease liability are recognized for all future lease payments. The standard provides exemptions for short- term leases i.e. less than 12 months and low- value leases.

Initial Recognition and Measurement.

The lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the Statement of Financial Position.



The lessee measures right-of-use assets similarly to other non-financial assets (such as Property, Plant and Equipment) and lease liabilities similarly to other financial liabilities. Consequently, the lessee recognizes amortization of the right-of-use asset and interest on the lease liability.

Assets and liabilities arising from a lease are initially measured on a present value basis. In most cases, the initial lease asset equals the lease liability.

At the lease commencement, the lessee accounts for two elements:

- I. Initially, a right-of-use asset is measured at the amount of the lease liability plus initial direct costs. It is then adjusted for lease payments made before or on the commencement date, lease incentives received, and any estimates of dismantling and restoration costs.
- II. Lease liability: The lease liability represents all payments not made at the commencement date, discounted to present value using the interest rate implicit in the lease or the incremental borrowing rate if the implicit rate cannot be determined. These payments may include both fixed and variable payments.

Subsequent Measurement

After the commencement date, the lessee needs to adjust both elements recognized initially. The lessee accretes the lease liability to reflect interest and reduces the liability to reflect lease payments made. For the subsequent measurement of the right-of-use asset, the standard provides the option to adopt the cost model, revaluation model, or fair value model. The company will use the cost model for subsequent measurement of recognized leases.

Right-of-Use Asset: The lessee shall measure the right-of-use asset using the cost model under BAS 16 – “Property, Plant and Equipment” and depreciate the asset over the lease term on a straight-line basis. The resulting depreciation amount is charged to Profit or Loss.

Lease Liability: The lessee shall recognize interest on the lease liability, and the lease payments are recognized as a reduction of the lease liability. Interest on the lease liability is charged to the Profit or Loss.

xiii. Impairment - Non-Current Assets

The carrying amount of non-current assets, other than long term investment and capital work in progress, is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of an asset’s fair value less costs of disposal and its value in use.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the profit or loss statement.



Based on review there were no indicators of impairment of non-current assets accordingly for financial year 2024 no impairment loss or reversal have been accounted.

xiv. Non-current Assets Held for Sale and Discontinued Operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying amount is expected to be recovered through a sale transaction rather than through continued use. This condition is met only when the sale is highly probable, the asset or disposal group is available for immediate sale in its present condition, and it is marketed at a price that is reasonable in relation to its current fair value. Additionally, the company must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets, including those within a disposal group, are not depreciated or amortized while classified as held for sale. However, interest and other expenses related to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets and disposal group assets classified as held for sale are presented separately from other assets on the balance sheet. Similarly, the liabilities of a disposal group classified as held for sale are presented separately from other liabilities on the balance sheet.

xv. Employee Benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the company as detailed below:

a. Defined Contribution Plan (Pension and Provident Fund)

As required by DGPC Service Manual, both the employee and employer make monthly contributions to the provident fund, a Defined Contribution Plan, equal to a specified percentage of employee's basic salary. The company has no further obligations under the plan beyond its monthly contributions and bears no legal or constructive obligation to make additional contributions if the Fund does not have sufficient assets to meet all of the employee's entitlements. Obligation for contributions to the plan are recognized as an employee benefit expense in profit or loss when they become due.

b. Defined Benefit Plans (Gratuity)

In accordance with the DGPC Service Manual, the company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan), covering all employees. The Gratuity Plan offers a lump sum payment to vested employees upon retirement or termination of employment, an amount based on their last drawn salary and years of service with the company. The company's net obligation under the Gratuity Plan is calculated by estimating the future benefits

employees have earned for their service in the current and prior periods. This benefit is then discounted to its present value. The calculation is performed annually by a qualified actuary using the projected unit credit method and the resulting obligation is recognized in profit or loss and invested in the form of deposits with financial institutions in Bhutan.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognized as an employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses resulting from experience adjustments and changes in actuarial assumptions are recognized in the period in which they arise, directly in other comprehensive income, and presented within equity.

Changes in the present value of the defined benefit obligation due to plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

c. Short Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and expensed as the related service is provided. Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee provides the related service. The company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense), after deducting any amounts already paid.

d. Other Long-term Benefits

As per company's service manual, employees who have rendered a minimum of five years of service are entitled to a repatriation allowance and a transfer grant each equivalent to one month's basic pay, upon leaving the service. For this purpose, one-month's basic pay is the pay at the time of leaving the service. The company's net obligation for this terminal benefit is determined by estimating the benefits employees have earned for their service in the current and prior periods, which are then discounted to their present value. This calculation is performed annually by a qualified actuary, and the obligation is recognized in profit or loss. The plan is unfunded.

xvi. Provisions

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

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate,

the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. A provision for onerous contracts is recognized when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting entity's obligations under the contract.

xvii. Revenue

Revenue shall be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

a. Electricity Revenue

Revenue from the export of energy is measured at the price at which Power Purchase Agreements (PPAs) has been entered into, while domestic energy sales is measured at the tariff rate determined by Bhutan Electricity Authority. These rates have been considered as fair value for the purpose of measuring the revenue recognized against royalty expense. Revenue is recognized when metered energy units are transmitted to customers.

The Company recognizes revenue when the entity satisfies a performance obligation identified in the contract by transferring a promised good or service (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 to the Company. An asset is assumed to be transferred to customer when (or as) the customer obtains control of that asset.

The Company transfers control of the electricity over time, and the customer simultaneously receives and consumes the benefits provided by the seller's performance as it performs; therefore, the Company satisfies its performance obligations and recognizes revenue over time. The Company recognizes revenue over time by measuring the progress toward complete satisfaction of its performance obligation to deliver electricity.

The Company uses the output method to measure its progress in satisfaction of its performance obligation. As a practical expedient under this method, if the Company has the right to consideration from a customer in an amount that directly corresponds with the value to the customer, the Company may recognize revenue in the amount to which it has a right to invoice.

Revenue is measured at the amount entity expects to be entitled in exchange for transferring promised goods or services to a customer, and represents amounts receivable for goods supplied, stated net of discounts, returns and taxes and royalty collected on behalf of government.

Incremental cost incurred by the Company for obtaining as 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 goods or services to which the asset relates.

Bilateral contracts between two utilities for exchange of power by purchase and sale or vice



versa) of quantities of energy as per contract are not accounted for as sales as per BFRS 15. Energy balances against SWAP contracts 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.

b. Revenue from Services

The company has experience, expertise and infrastructure about various aspects related to hydropower and hydroelectricity. The Company earns revenue from providing services in the nature of consultancy fee, fee for hydropower research and development testing etc.

Revenue is recorded when the control for the service is transferred to the customer viz. the service is completed and the report/ results are shared with the customer as that is the point when the Company has a right to payment for the service, transfers the significant risk and rewards of the service and the customer has accepted the output of the services.

Revenue is recognized at transaction price which is mentioned in the contract.

Revenue from deputation of manpower to other entities is recorded over time using the output method to measure its progress in satisfaction of its performance obligation.

c. Interest Income

Interest income comprises interest earned on funds invested. Interest income is recognized on a time proportion basis using effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

d. Dividend Income

Dividends are recognized as revenue when the right to receive payment is established.

e. Other Income

Other Incomes are recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity.

f. Significant financing component

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.



xviii. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position 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 any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

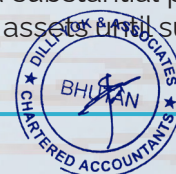
Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity classify the liability as current, even if the lender agreed, after the reporting period and before the authorization of the financial statements for issue, not to demand payment as a consequence of the breach.

xix. Borrowing Costs

Borrowing costs for the purpose of BAS 23 "Borrowing Cost" has been determined as under:

- a. Interest and commitment charges on bank borrowings and other short term and long-term borrowings;
- b. Amortization of discounts or premiums relating to borrowings;
- c. Amortization of ancillary costs incurred in connection with the arrangement of borrowings;
- d. Finance charges in respect of assets acquired under finance leases or under other similar arrangements; and
- e. Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (a qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are added to the cost of those assets in such time



when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

xx. Inventories

- a. Inventories consist of stores and spares held mainly for repair & maintenance and are valued at lower of cost or net realizable value.
- b. Cost is calculated on Weighted Average Price Method and comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition.
- c. Obsolete and defective items of inventory are identified at the time of physical verification of inventories and where necessary, adjustment is made for the same.
- d. Stock of salvaged and scrapped materials has been stated at nil value. The amount realized on disposal of such stock is accounted for under Other Income.
- e. As the corporation is engaged in the generation of electricity, there are no finished goods or raw materials.
- f. Inventories consists of material and other supplies for use in the production. inventories are valued at cost if the finished products in which they will be incorporated are expected to be sold at above cost.

xxi. Liquidated Damages

Claims for liquidated damages against the suppliers/contractors are taken as income or adjusted with property, plant and equipment when these are probable for recovery as per the contractual terms.

xxii. Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (Tax Base).



Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the tax authority on the taxable entity, further they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiary, associate and joint venture where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

xxiii. Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized but disclosed for all possible obligations that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are also not recognized but disclosed for all possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The tax assessment for the income year 2023 was conducted by a team from RRCO, Thimphu. The report has been issued, and DGPC is reviewing it and preparing an appeal regarding the disallowed expenses.

xxiv. Operating Segment

BFRS 8 'Operating Segments' requires a disclosure of operating results segment wise for the entity, whose debt or equity instruments are traded in public market or in the process of listing its securities in public market. Since the company's equity is not listed in public market, the standard is not applicable to the company. Further, the company is having the revenue mainly from only one segment i.e. sale of energy, hence, the BFRS 8 is not applicable to the company.

xxv. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short – term



highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

xxvi. Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

xxvii. Investments and Other Financial Assets

a. Initial measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

b. Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets of the Company are classified in the following categories:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI); and
- Financial assets measured at fair value through profit and loss (FVTPL).

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account

any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables, bank deposits, security deposits, investment in Government Securities, bonds, cash and cash equivalents and employee loans, etc.

Financial instruments measured at fair value through other comprehensive income:

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- the asset's contractual cash flow represents SPPI.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in other comprehensive income (OCI). Currently, the Company does not have any asset classified under this category.

Financial instruments measured at fair value through profit and loss:

Fair value through profit and loss is the residual category. Any financial instrument which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified at FVTPL. Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements are recorded in statement of profit and loss.

c. Impairment of financial assets

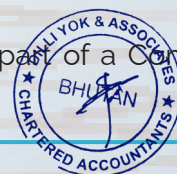
The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. Impairment losses are incurred, if and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset.

Loss events are events which have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of loss is recognized in statement of profit or loss.

d. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company 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.

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. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

When the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the entity has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the asset.

e. Income Recognition

Interest income: Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

Dividend income: Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

xxviii. Financial Liability

a. Initial recognition and measurement

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, borrowings including bank overdrafts.

b. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for



trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in BFRS 9 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

c. Derecognition

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 any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

d. Financial guarantee contracts

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with BAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognized less cumulative amortization, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognized as part of the cost of the investment.



xxix. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30-45 days of recognition. 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.

xxx. Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

xxxi. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

xxxii. Earnings Per Share

a. Basic earnings per share

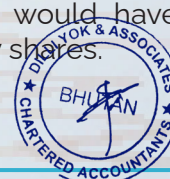
Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

b. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.



Notes 3: Property, Plant & Equipment, Intangible Asset and Capital Works in Progress

FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	Opening Balance as at 01.01.2024	Additions	Disposal	Book Adjustments	Gross Block as on 31.12.2024	During the year	Disposal	Transfer from CWIP	Closing balance as at 31.12.2024	Net Block As at 31.12.2024	NET BLOCK Net Block As at 31.12.2023
TANGIBLE ASSETS											
Land and Land Development	14,761,138.19	-	-	-	14,761,138.19	-	-	-	-	14,761,138.19	3,914,740.00
CIVIL STRUCTURES											
Buildings	4,173,582,408.63	10,835,839.05	-1,716,484.26	50,153,318.84	4,255,835,102.26	139,177,047.26	-1,221,539.21	-	1,883,753,420.60	2,442,081,681.66	14,303,979,952.72
Walls & Fencings	16,22,910,342.83	7,249,577.77	-48,869.20	-	16,301,106,614.40	54,143,321.09	-674.27	-	449,736,976.67	1,210,378,084.73	281,100,570,008
Road & Culverts	3,844,527,049.98	-	-	-	3,844,527,049.98	127,932,432.28	-	-	1,686,740,222.43	1,517,787,127.15	1,483,058,781.98
Water Supply & Sanitation	505,594,379.00	-	-	-	505,594,379.00	154,483,099.64	-	-	17,247,157,000.75	333,142,127,000.75	13,375,398,420
Dam Complex-Civil	23,937,423,654.19	-	-	-	23,937,423,654.19	797,116,204.70	-	-	8,620,589,335.25	15,416,834,288.94	5,075,203,881.20
Power House Complex- Civil	9,749,170,484.54	-	-	-	9,749,170,484.54	324,613,841.46	-	-	3,999,650,455.31	5,749,520,039.23	2,571,090,173.77
Transmission Line -Civil	42,464,537.88	-	-	-	42,464,537.88	1,414,069.12	-	-	11,066,593.92	31,397,943.96	75,357.23
Switch Yard - Civil	1,925,968,973.33	-	-	-	1,925,968,973.33	641,620,047.66	-	-	4,087,752,816.43	1,577,159,156.90	57,616,671.30
Water Conductor System- Power House	41,160,930,957.46	-	-	-	41,160,930,957.46	1,387,342,887.73	-	-	15,834,927,338.01	25,827,003,239.45	11,844,563,187.57
Other Civil Structures	165,443,118.07	3,824,082.33	-	2,130,242.89	171,397,443.29	5,637,854.85	-	-	63,127,493,936.82	108,274,933.62	57,955,749.88
PLANT AND MACHINERY											
Traffic Cleaning Equipments	313,306,576.45	-	-	-	313,306,576.45	10,433,108.89	-	-	122,300,453.67	190,916,122.78	76,184,031.27
Gates	2,307,057,898.10	-	-	-	2,307,057,898.10	85,283,401.17	-	-	949,380,791.36	1,377,676,107.75	386,674,843.48
Generators	6,649,739,919.51	147,019,841.96	-	-	6,796,759,761.47	279,332,891.90	-	-	3,261,865,033.76	3,534,894,718.71	1,242,484,620.01
Excitation Systems	497,867,539.68	13,442,740.46	-	-	511,310,280.14	2,306,372,355.52	-	-	36,826,205.60	153,044,074.54	141,187,399.24
Governing Systems	803,871,251.05	-	-	-	803,871,251.05	28,776,993.61	-	-	283,978,337.38	519,893,413.67	129,184,764.04
Turbines	5,110,968,822.74	1,760,138.75	-	-	5,112,668,961.49	167,863,367.96	-	-	2,600,738,780.69	2,541,930,178.90	1,109,485,964.91
Runners	2,357,715,925.56	161,081,956.40	-	-	2,518,797,881.96	23,332,666.42	-	-	2,276,578,674.68	233,074,334.59	75,034,307.30
Oil-Handling Systems	1,030,910,884.59	1,716,494.07	-	-	1,032,627,378.66	192,090,165.55	-	-	226,482,449.74	806,145,028.92	30,607,149.31
Control & Conditioning Monitoring System	608,077,820.25	215,040.00	-4,474,007.95	-	603,812,852.30	215,112,080.13	-2,651,469.09	-	25,191,468.00	35,627,184.30	19,237,730.97
Control & Protection Panels	1,955,399,864.42	559,584,046.15	-18,795,691.00	-	1,696,118,219.57	463,011,532.10	-13,925,011.46	-	553,465,645.83	10,306,627,734.74	361,054,368.70
Pumps & Motors	666,968,906.64	99,002.17	-29,040.00	-	669,939,868.81	27,780,639.44	-14,806.59	-	246,195,749.51	420,843,119.30	142,542,304.44
Transformers	2,073,379,280.68	4,080,155.40	-	-	2,077,459,436.08	68,696,721.76	-	-	1,794,642,898.84	1,299,497,815.48	400,701,000.83
Shunt Reactors	146,343,160.40	-	-	-	149,343,160.40	62,395,713.34	-	-	67,278,898.57	82,064,261.83	33,086,355.29
Gas Insulated Switch Gears	2,182,612,393.26	22,537,687.88	-	-	2,205,150,081.14	78,270,281.88	-	-	792,332,206.40	1,462,817,880.84	453,642,880.40
Valves	1,995,028,924.22	-	-	-	1,995,028,924.22	61,629,927.85	-	-	835,930,452.68	1,069,072,468.34	329,022,399.85
Switchyard	125,452,243.38	-	-	-	125,452,243.38	4,177,559.66	-	-	24,598,888.55	100,853,654.83	2,159,035.14
Capital Spares	402,883,119.35	17,859,617.25	-698,442.96	-	404,744,393.60	38,467,649.74	-	-	25,907,144.71	167,836,321.89	167,824,370.44
Critical Spares	29,739,953.76	32,950.00	-	-	29,772,903.76	2,381,117.04	-698,442.96	-	25,406,550.18	3,668,210.62	5,415,961.36
Embedded Generation	1,010,511,447.83	-	-	-	1,010,511,447.83	28,811,442.89	-	-	751,015,113.92	259,496,333.91	288,399,376.80
Solar Power	13,784,230.03	-	-	-	13,784,230.03	551,389.24	-	-	1,654,107.72	12,130,123.31	12,681,482.55
Electro-Mechanicals-Others	12,121,966,745.06	22,520,429.29	-8,810,818,903.96	1,082,507.50	3,334,176,778.29	105,679,508.34	-1,342,309,854.08	-	1,359,945,937.77	1,974,804,846.62	1,046,328,354.97
Machinery	473,956,495.04	7,723,301.00	-	-	481,679,796.04	363,790.77	-	-	402,809,831.09	78,869,964.95	35,373,926.10
TOOLS & SAFETY EQUIPMENTS											
Tools and Plants	74,577,071.27	27,927,304.55	-727,646.08	-	74,876,729.74	5,573,189.17	-5,452,245.49	-	478,790,433.46	269,941,296.28	141,409,146.11
Fire Fighting and Safety Equipments	312,170,005.98	12,401,655.74	-1,169,651.01	-	323,402,010.71	24,211,914.57	-929,430.86	0	204,041,016.62	119,360,519.09	35,639,581.61
OTHER ASSETS											
Office Equipment	128,978,000.21	2,482,784.00	-12,993,377.08	-	138,467,407.13	19,465,016.29	-1,299,270.08	-	122,758,372.49	740,044.64	5,862,826.18
Furniture & Fixtures	89,117,765.45	2,892,086.39	-842,925.31	0	91,166,896.53	6,624,860.37	-765,823.18	-	70,206,478.76	20,960,418.77	18,639,246.97
Vehicles	377,996,506.98	16,982,575.80	-9,145,468.90	-	385,773,613.88	291,810,134.17	-29,115,438.90	-	286,465,793.12	76,297,837.76	45,871,429.87
Information System	280,923,370.43	-	-	-	280,923,370.43	9,212,066.66	-	-	162,748,550.22	118,174,820.21	64,691,530.73
Information and Technology	347,856,244.55	35,708,679.81	-2,518,288.45	0	381,046,635.91	286,618,937.18	-2,325,388.08	-6,416.86	316,755,694.51	64,200,911.40	37,668,267.39
General Assets	93,227,465.04	5,551,809.19	-1,603,643.17	-	97,175,631.06	5,815,951.11	-1,483,934.06	-	80,415,633.16	16,759,988.90	12,473,799.99
Net Assets	131,837,750,945.71	1,174,454,744.41	-8,873,858,408.93	72,106,645.38	124,207,453,896.57	48,123,074,844.47	-1,397,276,303.31	-6,416.86	51,265,109,718.88	72,942,344,177.69	29,860,201,482.30
INTANGIBLE ASSETS											
Intangible Assets	253,091,057.62	28,768,955.41	-70,000.00	2,860,445.09	284,659,458.12	14,376,005.35	-69,999.00	0	245,001,955.38	39,646,902.74	21,643,265.90
Net Assets	253,091,057.62	28,768,955.41	-70,000.00	2,860,445.09	284,659,458.12	14,376,005.35	-69,999.00	0	245,001,955.38	39,646,902.74	21,643,265.90
Right of Use Assets	24,036,264.86	8,104,218.87	-	-	32,140,483.73	4,766,669.70	-	-	6,883,319.75	26,267,163.98	19,269,595.16
Net Assets	24,036,264.86	8,104,218.87	-	-	32,140,483.73	4,766,669.70	-	-	6,883,319.75	26,267,163.98	19,269,595.16
CAPITAL WORKS IN PROGRESS											
Capital Works in Progress	2,967,751,931.51	899,632,730.08	-25,646,788.76	-74,967,090.47	3,766,799,802.36	-	-	-	3,766,799,802.36	39,646,902.74	2,777,751,232.22
Advance-Capital	27,043,814.97	128,823,253.33	-42,757,628.66	-	143,109,441.34	-	-	-	-	143,109,441.34	27,043,814.97
Net Assets	2,994,795,746.48	1,028,456,983.41	-68,404,417.42	-74,967,090.47	3,909,909,243.70	-	-	-	3,909,909,243.70	39,646,902.74	2,804,839,381.19
Grand Total	135,109,674,014.67	2,236,803,874.10	-6,912,132,806.05	-128,434,146,082.12	128,318,530,813.51	4,555,816,494.95	-1,397,346,302.31	-6,416.86	51,516,994,594.01	76,937,150,538.45	32,705,945,281.55

Note 4: Deferred tax asset

Particulars	31-Dec-24	31-Dec-23
Bonus payable	7,002,273.03	552,746.84
Employee benefit obligation	-6,206,861.91	-25,201,180.93
ADB Loan	432,992,111.07	245,923,939.93
Interest on fixed deposit	1,317,166.15	4,036,363.75
Property, plant & equipment	-460,158,285.73	-225,711,061.04
	-25,053,597.39	-399,191.45

Note 5: Investments in subsidiaries and joint ventures

Particulars	31-Dec-24	31-Dec-23
Investment in subsidiary companies		
Equity investment in Dagachhu Hydropower Corporation Limited. <i>2,437,880 (31 December 2023: 2,437,880) equity shares of Nu. 1000 each, fully paid</i>	2,437,880,000.00	2,437,880,000.00
Equity investment in Tangsibji Hydro Energy Limited <i>THyE is a wholly owned subsidiary company with a paid-up capital of Nu. 7,538,758 million as of 31.12.2024 (Nu. 7,042,498 million as of 31.12.2023).</i>	7,538,758,000.00	7,042,498,925.80
Equity investment in Bhutan Hydropower Services Limited <i>10,938,288 (31 December 2023: 10,938,288) equity shares of Nu. 100 each, 7,729,627 shares paid up at Nu. 100 per share and 3,208,661 shares bought at Nu. 27 per share.</i>	859,596,538.10	859,596,538.10
Equity Investment in Druk Hydro Energy Limited <i>DhyE is wholly owned subsidiary with subscribed share capital is Nu. 10,000 million @ Nu. 100/ per share. The paid-up share capital is Nu.2,857,50 million as of 31.12.2024.</i>	2,857,504,127.39	2,857,504,127.39
Equity investment in Khorlochhu Hydro Energy Limited	1,800,000,000.00	5,922,109,595.31
Preference investment in Khorlochhu Hydro Energy Limited <i>As of December 31, 2024, the capital structure of KHPL is as follows:</i> <i>- Paid-up equity share capital of Nu. 1,800.00 million from DGPC</i> <i>- Preference share capital of Nu. 4,280.00 million from DGPC</i>	4,280,000,000.00	-
Investment in joint venture companies		
Equity investment in Bhutan Automation & Engineering Limited <i>3,060,000 (31 December 2023: 3,060,000) equity shares of Nu. 100 each, fully paid up</i>	30,600,000.00	30,600,000.00
	19,804,338,665.49	19,150,189,186.60

Financial assets (non-current)

Note 6a: Long-Term Investments

Particulars	December 31, 2024	December 31, 2023
Investment in fixed deposits:		
-Fixed deposit with bank	650,430,999.00	1,842,471,970.40
-Accrued interest on fixed deposit	38,831,297.90	273,688,894.33
Total Held-to-maturity investments	689,262,296.90	2,116,160,864.73

Note 6b: Other assets

Particulars	December 31, 2024	December 31, 2023
Loan acquisition costs	-	92,385,925.00
	-	92,385,925.00

Financial liability - Non current

Note 6c: Long- Term Borrowings

Particulars	31-Dec-24	31-Dec-23
Government of India Loan (ROI - 10% & tenure of loan-17 year)	23,159,559,642.98	-
Interest accrued on loan	9,741,836,670.11	-
Government of Austria loan (ROI-6% & tenure of loan- BHP-US 18 years)	35,400,000.06	180,724,862.78
Loan from Asian Development Bank-2464 (ROI - 3.15%, loan tenure-32 year) *	1,783,345,799.15	1,830,540,264.33
Loan from Asian Development Bank-3226 (ROI- 1.5% loan tenure-32 year) *	1,036,398,837.51	1,032,626,629.55
Loan from Asian Development Bank-0421 (ROI- 1.5% loan tenure-32 year) *	1,120,771,079.75	1,186,542,880.10
Loan from State Bank of India	1,758,058,301.65	-
Loan from Bank of Bhutan	59,079,553.25	64,662,873.11
Loan from NPPF	380,851,212.48	392,526,348.88
FEIF NPPF	12,721,282.94	-
FEIF BOBL	2,340,741.73	-
Deferred Grant Income	1,270,406,670.16	1,355,889,975.26
Less: current maturities of long-term debt	-2,020,826,353.55	-234,538,937.50
	38,339,943,438.22	5,808,974,896.51

Note 6d: Other Non-Current Liabilities

Particulars	December 31, 2024	December 31, 2023
Deferred lease liability NC	31,135,389.68	23,391,418.91
Other Deferred Grant Income	173,411,323.65	164,392,728.39
	204,546,713.33	187,784,147.30

Note 7: Inventories

Particulars	December 31, 2024	December 31, 2023
Stores & spares	606,953,351.64	536,932,195.48
	606,953,351.64	536,932,195.48
Less:		
Provision for obsolescence/Losses	(52,982,492.94)	(45,195,347.57)
	553,970,858.70	491,736,847.91

Amounts recognised in profit or loss

Inventories recognized as an expense during the year ended 31 December 2024 amounted to Nu. 172,693,115.37 (2023 – Nu. 159,615,783.30). These were included in running and maintenance expenses.

Note 8: Prepayments and Advances

Particulars	December 31, 2024	December 31, 2023
Prepaid expenses	273,356,538.90	185,532,524.82
Staff advance	14,795,501.54	1,625,802.11
Advance to supplier/contractor	174,601,895.75	87,412,921.78
	462,753,936.19	274,571,248.71

Note 9: Assets classified as held for sale

Particulars	December 31, 2024	December 31, 2023
Asset held for disposal	145,679,463.67	140,666,182.69
	145,679,463.67	140,666,182.69

a. Description about assets classified as held for sale

When a property, plant and equipment is damaged, impaired, obsolete it is considered for disposal and hence disclosed as 'Assets classified as held for sale' at estimated realizable value as at the balance sheet date. Assets classified as held for sale basically consist of furniture, small equipment etc.

b. Fair value measurements

The sale of these assets are expected to be completed by next year of classifying it as 'assets classified as held for sale'. The estimated realizable value of the asset as at the balance sheet date are reassessed based on the market information. Sale of assets disclosed as 'assets classified as held for sale' are expected to be completed by the within one year of such categorization.

Financial Assets (Current)

Note 10a: Short Term Investments

Particulars	December 31, 2024	December 31, 2023
<i>Investment in fixed deposits/bonds:</i>		
Investment in fixed deposits	1,500,000,000.00	1,550,000,000.00
Accrued interest on fixed deposits	1,064,879.13	4,957,534.25
Accrued interest on ICL	9,580,730.68	-
	1,510,645,609.81	1,554,957,534.25

Note 10b: Trade and Other Receivables

Particulars	December 31, 2024	December 31, 2023
<i>Trade receivables (Unsecured, Considered good)</i>		
- Bhutan Power Corporation	1,962,486,970.62	893,626,263.03
- Power Trading Corporation Limited	1,277,716,610.22	1,993,032,924.52
	3,240,203,580.84	2,886,659,187.55
Intercompany Loan	1,823,857,901.92	940,000,000.00
Miscellaneous deposits	6,254,872.23	6,058,065.20
Other receivables	2,023,377,520.31	934,768,478.93
	7,093,693,875.30	4,767,485,731.68

Note 10c: Cash and Cash Equivalents

Particulars	December 31, 2024	December 31, 2023
Cash in Hand	420,023.42	119,092.85
Balances with Banks in Current Accounts:		
Bank of Bhutan	9,337,064,884.19	1,949,165,533.90
Bhutan National Bank	21,535,453.13	151,910,254.33
Druk PNB	14,712,148.85	80,247.66
Tashi Bank	463,309.93	354,394.93
Central Bank of India	890,384.77	-
	9,375,086,204.29	2,101,629,523.67

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

Financial Liability (current)

Note 10d: Trade and other payables

Particulars	December 31, 2024	December 31, 2023
Security deposit- suppliers & others	135,828,315.53	34,804,821.92
Sundry creditors	1,217,116,911.21	901,675,305.80
Outstanding liabilities to contractors	112,539,161.92	372,835.00
Outstanding liabilities for expenses	62,177,331.85	83,476,436.11
Provision for Performance Based Variable Allowance	151,785,093.71	137,999,655.86
Sundry liabilities	1,597,949.34	2,473,977.63
Total trade and other payables	1,681,044,763.56	1,160,803,032.32

Note 10e: Other Financial Liabilities

Particulars	December 31, 2024	December 31, 2023
Intercompany Loan	250,000,000.00	1,736,196,282.63
Government of India Loan	1,743,622,205.05	-
Government of Austria Loan	35,400,000.06	145,324,862.72
Loan from Asian Development Bank	241,804,148.44	89,214,074.78
Interest accrued but not due on loans	8,052,711,338.15	225,548,641.42
	10,323,537,691.70	2,196,283,861.55

Note 11: Share capital

Particulars	December 31, 2024	December 31, 2023
Authorised share capital 50,000,000 equity shares@ Nu. 1,000 per share	50,000,000,000.00	50,000,000,000.00
Subscribed and paid -up share capital after adjustment 45,444,626 equity share @ 1,000 per share	45,444,626,000.00	32,465,093,407.26
	45,444,626,000.00	32,465,093,407.26

Movements in ordinary shares:	Number of shares	Par value
Balance 31 December 2022	32,465,093.41	32,465,093,407.26
Book value of Land transferred is adjusted from Capital	-	-
Issue of Additional Shares	-	-
Balance 31 December 2023	32,465,093.41	32,465,093,407.26
Book value of Land transferred is adjusted from Capital	-	-
Issue of Additional Shares	12,979,532.59	12,979,532,592.74
Balance 31 December 2024	45,444,626.00	45,444,626,000.00

Note 12: Employee Benefit Obligation

Particulars	December 31, 2024	December 31, 2023
Gratuity	627,840,519.85	565,417,144.74
Other long-term benefit	47,301,731.37	43,810,742.76
	675,142,251.22	609,227,887.50

Note 13: Other Current Liabilities

Particulars	December 31, 2024	December 31, 2023
Sundry liabilities	93,962,861.95	87,436,007.17
Tax deducted at source - payable	2,827,090.94	266,376,444.19
Deferred lease liability	272,513.13	127,582.18
Payable to MHPA	-	5,101,385,352.74
	97,062,466.02	5,455,325,386.28

Note 14: Current Tax Liabilities

Particulars	December 31, 2024	December 31, 2023
Current Tax	3,813,753,436.58	2,077,468,024.09
Less: Advance CIT Paid	629,514,007.46	226,557,862.08
Less: Advance 2% TDS	240,190,235.26	176,544,227.12
	2,945,271,781.25	1,674,365,934.89

Note 15: Employee Benefit Obligation

Particulars	December 31, 2024	December 31, 2023
Gratuity	54,437,003.24	56,705,847.63
Other long-term benefit	6,383,796.78	6,714,919.42
Leave encashment payable	-	127,913.00
	60,820,800.02	63,548,680.05

Note 16: Electricity Revenue

Particulars	December 31, 2024	December 31, 2023
Export & Domestic revenue		
Power Trading Corporation Ltd	12,992,093,781.87	5,424,033,359.14
Bhutan Power Corporation Ltd	9,538,515,552.98	5,735,718,646.86
From staff & other private parties	2,348,138.00	387,226.50
	22,532,957,472.85	11,160,139,232.50

Note 17: Interest Earned

Particulars	December 31, 2024	December 31, 2023
Interest on deposits	130,277,632.15	113,597,389.54
	130,277,632.15	113,597,389.54

Note 18: Other Income

Particulars	December 31, 2024	December 31, 2023
Dividend income	132,570,799.13	41,153,888.87
Grant income	362,742,551.02	144,676,043.88
Miscellaneous receipts	199,829,828.44	167,690,797.89
Liquidity charges	9,888,985.10	16,227,222.99
House rent recovered- employee/others	21,846,284.61	17,530,294.68
Profit on sale/discard of assets (Net)	-	4,520,948.44
Income from Deviation Settlement Mechanism	-	3,068,316.00
	726,878,448.30	394,867,512.75

Note 19: Running and Maintenance Expenses

Particulars	December 31, 2024	December 31, 2023
R&M Electro-mechanical	213,807,504.95	187,933,453.22
R&M Civil structures	55,492,887.14	50,499,872.24
R&M Vehicles	53,259,978.92	40,132,921.49
R&M-Information Technology	35,298,676.28	26,161,832.09
R&M-Fire Fighting & Safety	6,087,558.62	4,437,612.15
R&M-Office Equipment's	443,882.74	555,559.63
	364,390,488.65	309,721,250.82

Note 20: Employees' remuneration and benefits

Particulars	December 31, 2024	December 31, 2023
Salaries and wages	958,766,448.38	621,418,740.87
Professional training	23,157,065.72	18,690,458.96
Bonus	-	75,483,610.40
Incentive/honorarium	49,255,362.09	67,108,368.61
Employer's contribution to provident fund	75,935,353.78	62,821,831.39
Leave encashment	50,116,501.26	49,617,033.24
Gratuity expenses	101,511,166.61	75,585,331.24
Performance Based Variable Allowance	161,912,113.84	66,887,729.99
Leave travel concession	23,671,285.56	21,042,756.80
Terminal benefits	11,174,177.10	7,223,259.92
GPA- insurance	3,725,376.25	3,514,509.54
Liveries	19,902,943.68	7,274,529.72
Staff welfare expenses	10,319,044.72	9,506,389.20
Medical expenses	341,984.35	304,912.01
	1,489,788,823.34	1,086,479,461.89

Note 21: Finance Cost

Particulars	December 31, 2024	December 31, 2023
Interest to Government of India	2,378,373,044.08	-
Interest to Government of Austria	8,693,900.58	17,688,204.51
Interest to Asian Development Bank	171,591,034.84	162,479,918.37
Interest to SBI Bank	597,066.00	-
Interest to Bank of Bhutan	32,449,396.22	-
Interest on current portion of long-term borrowing	67,043,940.37	80,584,420.37
Interest Unwinding	4,056,343.31	3,768,450.76
Financing Cost	29,731,677.10	241,935.13
	2,692,536,402.50	264,762,929.14

Note 22: Other Expenses

Particulars	December 31, 2024	December 31, 2023
Brand Management Fee	93,776,764.55	90,843,005.61
Travel	35,766,854.23	27,198,260.84
Foreign exchange gains/loss	92,300,776.85	18,190,085.41
Grant expense	216,531,472.15	77,475,074.51
Licence fee	111,378,309.92	68,440,983.46
Loss on sale/discard of assets (net)	24,905,386.60	-
Electricity	12,901,474.54	8,242,765.03
Entertainment	5,098,228.72	3,913,262.36
Corporate social responsibility	16,027,013.32	9,871,860.98
Consultancy charges	8,875,200.30	4,405,327.64
Rent	9,033,148.20	3,635,787.45
Telephone and fax	7,336,668.46	6,109,347.97
Printing and stationery	4,675,412.20	3,082,568.32
Rates and taxes	461,074.60	360,129.97
Advertisement and publicity	2,430,131.21	1,462,284.40
Audit fees & expenses	911,168.45	797,972.02
Directors' sitting fees	867,500.00	570,000.00
Bank charges	212,915.75	517,997.52
Board meeting expenses	286,409.00	264,670.50
Books & periodicals	257,728.33	307,189.82
Postage and telegram	59,807.96	60,715.03
Other expenses	4,335,511.12	2,349,483.21
	648,428,956.46	328,098,772.05

Note 23: Tax Expense

Particular	December 31, 2024	December 31, 2023
Components of income tax expense		
Income tax expenses		
Current tax		
Current tax on profit for the year	3,813,753,436.58	2,077,468,024.09
Total current tax expenses	3,813,753,436.58	2,077,468,024.09
Deferred tax		
(Decrease)/increase in deferred tax liabilities	24,654,405.94	212,332,338.08
Total deferred tax expenses	24,654,405.94	212,332,338.08
Income tax expenses	3,838,407,842.52	2,289,800,362.17

Numerical reconciliation of income tax expense to prima facie tax payable

Particulars	2024	2024	2023	2023
Tax expenses				
- Current tax		3,813,753,436.58		2,077,468,024.09
Total tax expense		3,813,753,436.58		2,077,468,024.09
Reconciliation of tax on accounting profit: -				
Profit before tax		12,481,777,983.57		6,819,681,773.68
Income tax expense calculated at 30% (A)		3,744,533,395.07		2,045,904,532.10
Non-deductible expense				
- Production incentive/ Bonus /PBVA	81,139,866.27	24,341,959.88	102,287,441.96	30,686,232.59
- Medical expenses	341,974.11	102,592.23	304,768.70	91,430.61
- Donation	16,027,013.32	4,808,104.00	9,871,860.98	2,961,558.29
Total non-deductible expense (B)		29,252,656.11		33,739,221.49

Adjustment to deferred tax pertaining to ADB Loan				
- Deferred tax effect on forex exchange difference on ADB principal/interest	-59,903,067.11	-17,970,920.13	-37,476,170.93	-11,242,851.28
- ADB Loan (ForEx Gain/Loss-unrealised)	188,954,834.40	56,686,450.32	-6,380,343.56	-1,914,103.07
Net Effect (C)		38,715,530.19		-13,156,954.35
Lease Rent				
Decrease in income	1,875,114.61	562,534.38	-	-
Net Effect (D)		562,534.38		-
Fixed Deposit Interest				
- Excess interest accrued and deferred tax assets booked as on 31.12.2023	(6,892,331.75)	-2,067,699.53	1,383,786.61	415,135.98
Net Effect (E)		-2,067,699.53		415,135.98
Impact Due to Depreciation				
Depreciation	3,572,047.92	1,071,614.38	26,544,120.56	7,963,236.17
Net Effect (F)		1,071,614.38		7,963,236.17
Impact due to Penalties				
Penalties	1,269.92	380.98	-	-
Net Effect (F)		380.98		-
Adjustment to Gratuity during the year				
Gratuity charged to profit or loss	5,616,749.97	1,685,024.99	8,676,175.64	2,602,852.69
Difference between adjustment to bonus and charged to profit or loss		1,685,024.99		2,602,852.69
Net effect (G)		1,685,024.99		2,602,852.69
Reconciled with tax expense as above (A*B+C*D+E+F*G)		3,813,753,436.57		2,077,468,024.09

Note 24a: Disclosure as per IAS 19, 'Employees Benefit' as regards defined benefit scheme (Gratuity)

(Amount in Nu.)

A	Assets/Liabilities	31-Dec-24	31-Dec-23
1	DBO at end of prior period	680,306,704.77	640,036,978.25
2	Current service cost	53,844,436.03	37,468,041.56
3	Interest cost on the DBO	52,034,123.68	48,099,363.99
4	Curtailment (credit)/ cost		
5	Settlement (credit)/ cost		
6	Past service cost - plan amendments		
7	Acquisitions (credit)/ cost		
8	Actuarial (gain)/loss - experience	-44,147,423.78	-25,891,534.58
9	Actuarial (gain)/loss - demographic assumptions		
10	Actuarial (gain)/loss - financial assumptions		
11	Benefits paid directly by the Company	-59,760,317.61	-77,589,856.87
12	Benefits paid from plan assets		
	DBO at end of current period	682,277,523.09	622,122,992.35

(Amount in Nu.)

B	Statement of Profit & Loss	31-Dec-24	31-Dec-23
1	Current service cost	53,844,436.03	37,468,041.56
2	Past service cost - plan amendments	-	-
3	Curtailment cost / (credit)	-	-
4	Settlement cost / (credit)	-	-
5	Service cost	53,844,436.03	37,468,041.56
6	Net interest on net defined benefit liability / (asset)	52,034,123.68	48,099,363.99
7	Immediate recognition of (gains)/losses – other long-term employee benefit plans	-	-
	Cost recognized in P&L	105,878,559.71	85,567,405.55

(Amount in Nu.)

C	Defined Benefit Cost	31-Dec-24	31-Dec-23
1	Service cost	53,844,436.03	37,468,041.56
2	Net interest on net defined benefit liability / (asset)	52,034,123.68	48,099,363.99
3	Actuarial (gains)/ losses recognized in OCI	-44,147,423.78	-25,891,534.58
4	Immediate recognition of (gains)/losses – other long-term employee benefit plans	-	-
	Defined Benefit Cost	61,731,135.93	59,675,870.97

(Amount in Nu.)

D	Development of Net Financial Position	31-Dec-24	31-Dec-23
1	Defined Benefit Obligation (DBO)**	682,277,523.09	622,122,992.35
2	Fair Value of Plan Assets (FVA)	-	-
3	Funded Status (Surplus)/(Deficit)	-682,277,523.09	-622,122,992.35
	Net Defined Benefit Asset	-682,277,523.09	-622,122,992.35

(Amount in Nu.)

E	Reconciliation of Net Balance Sheet Position	31-Dec-24	31-Dec-23
1	Net defined benefit asset/ (liability) at end of prior period	-680,306,704.77	-640,036,978.25
2	Service cost	-53,844,436.03	-37,468,041.56
3	Net interest on net defined benefit liability/ (asset)	-52,034,123.68	-48,099,363.99
4	Amount recognized in OCI	44,147,423.78	25,891,534.58
5	Amount recognized in Profit & Loss	-	-
6	Employer contributions	-	-
7	Benefit paid directly by the Company	59,760,317.61	77,589,856.87
8	Acquisitions credit/ (cost)	-	-
9	Divestitures	-	-
10	Withdrawals From the Plan Assets	-	-
11	Cost of termination benefits	-	-
	Net defined benefit asset/ (liability) at end of current period	-682,277,523.09	-622,122,992.35

(Amount in Nu.)

F	Other Comprehensive Income (OCI)	December 31,2024	December 31,2023
1	Actuarial (gain)/loss due to liability experience	-44,147,423.78	-25,891,534.58
2	Actuarial (gain)/loss due to liability assumption changes	-	-
3	Actuarial (gain)/loss arising during period	-44,147,423.78	-25,891,534.58
4	Return on plan assets (greater)/less than discount rate	-	-
5	Actuarial (gains)/ losses recognized in OCI	-44,147,423.78	-25,891,534.58
6	Adjustment for limit on net asset	-	-
	Actuarial (Gain) or Loss Recognized via OCI at Current Period End	-44,147,423.78	-25,891,534.58

(Amount in Nu.)

G	Expected benefit payments for the year ending	31-Dec-24
1	31-Dec-25	58,791,963.50
2	31-Dec-26	64,148,745.79
3	31-Dec-27	67,569,267.26
4	31-Dec-28	68,921,826.11
5	31-Dec-29	75,625,967.86
6	December 2030 to December 2034	524,273,931.44
(i)	Expected employer contributions for the period ending 31 December 2024	Not Applicable
(ii)	Weighted average duration of defined benefit obligation	14.25 years
(iii)	Significant estimates: actuarial assumptions and sensitivity	
a	Discount Rate	2024
	Discount Rate	8.00%
	Effect on DBO due to 0.5% increase in Discount Rate	-29,503,236.31
	Effect on DBO due to 0.5% decrease in Discount Rate	31,690,216.05
b	Salary escalation rate	2024
	Salary escalation rate	8.00%
	Effect on DBO due to 0.5% increase in Salary escalation rate	33,295,808.84
	Effect on DBO due to 0.5% decrease in Salary escalation rate	-31,254,362.16

Note 24b: Disclosure as per IAS 19, 'Employees Benefit' as regards defined benefit scheme (Carriage Allowance)

(Amount in Nu.)

A	Assets/Liabilities	31-Dec-24	31-Dec-23
1	DBO at end of prior period	8,808,593.51	9,590,707.56
2	Current service cost	698,325.00	523,265.98
3	Interest cost on the DBO	648,005.21	661,633.88
4	Curtailment (credit)/ cost		
5	Settlement (credit)/ cost		
6	Past service cost - plan amendments		
7	Acquisitions (credit)/ cost		
8	Actuarial (gain)/loss - experience	-501,002.95	-188,859.94
9	Actuarial (gain)/loss - demographic assumptions		
10	Actuarial (gain)/loss - financial assumptions		
11	Benefits paid directly by the Company	-1,417,056.76	-2,640,568.23
12	Benefits paid from plan assets		
	DBO at end of current period	8,236,864.01	7,946,179.25

(Amount in Nu.)

B	Statement of Profit & Loss	31-Dec-24	31-Dec-23
1	Current service cost	698,325.00	523,265.98
2	Past service cost - plan amendments	-	-
3	Curtailment cost / (credit)	-	-
4	Settlement cost / (credit)	-	-
5	Service cost	698,325.00	523,265.98
6	Net interest on net defined benefit liability / (asset)	648,005.21	661,633.88
7	Immediate recognition of (gains)/losses - other long-term employee benefit plans	-	-
	Cost recognized in P&L	1,346,330.21	1,184,899.86

(Amount in Nu.)

C	Defined Benefit Cost	31-Dec-24	31-Dec-23
1	Service cost	698,325.00	523,265.98
2	Net interest on net defined benefit liability / (asset)	648,005.21	661,633.88
3	Actuarial (gains)/ losses recognized in OCI	-501,002.95	-188,859.94
4	Immediate recognition of (gains)/losses - other long-term employee benefit plans	-	-
	Defined Benefit Cost	845,327.26	996,039.92

(Amount in Nu.)

D	Development of Net Financial Position	31-Dec-24	31-Dec-23
1	Defined Benefit Obligation (DBO)**	-8,236,864.01	-7,946,179.25
2	Fair Value of Plan Assets (FVA)	-	-
3	Funded Status (Surplus)/(Deficit)	-8,236,864.01	-7,946,179.25
	Net Defined Benefit Asset	-8,236,864.01	-7,946,179.25

(Amount in Nu.)

E	Reconciliation of Net Balance Sheet Position	31-Dec-24	December 31,2023
1	Net defined benefit asset/ (liability) at end of prior period	-8,808,593.51	-9,590,707.56
2	Service cost	-698,325.00	-523,265.98
3	Net interest on net defined benefit liability/ (asset)	-648,005.21	-661,633.88
4	Amount recognized in OCI	-	-
5	Amount recognized in Profit & Loss	-	-
6	Employer contributions	-	-
7	Benefit paid directly by the Company	-	-
8	Acquisitions credit/ (cost)	501,002.95	188,859.94
9	Divestitures	-	-
10	Withdrawals From the Plan Assets	-	-
11	Cost of termination benefits	1,417,056.76	2,640,568.23
	Net defined benefit asset/ (liability) at end of current period	-8,236,864.01	-7,946,179.25

(Amount in Nu.)

F	Other Comprehensive Income (OCI)	31-Dec-24
1	Actuarial (gain)/loss due to liability experience	-501,002.95
2	Actuarial (gain)/loss due to liability assumption changes	-
3	Actuarial (gain)/loss arising during period	-501,002.95
4	Return on plan assets (greater)/less than discount rate	-
5	Actuarial (gains)/ losses recognized in OCI	-501,002.95
6	Adjustment for limit on net asset	-
	Actuarial (Gain) or Loss Recognized via OCI at Current Period End	-501,002.95

(Amount in Nu.)

G	Expected benefit payments for the year ending	December 31,2024
1	31-Dec-25	1,149,947.59
2	31-Dec-26	1,396,100.27
3	31-Dec-27	1,556,561.48
4	31-Dec-28	1,284,441.21
5	31-Dec-29	1,464,638.39
6	December 2030 to December 2034	7,966,959.85
(i)	Expected employer contributions for the period ending 31 December 2024	Not Applicable
(ii)	Weighted average duration of defined benefit obligation	11.12 years
(iii)	Significant estimates: actuarial assumptions and sensitivity	
a	Discount Rate	2024
	Discount Rate	8.00%
	Effect on DBO due to 0.5% increase in Discount Rate	-293,743.66
	Effect on DBO due to 0.5% decrease in Discount Rate	313,262.22
b	Transportation Cost	2024
	Transportation cost escalation rate	8.00%
	Effect on DBO due to 0.5% increase in Transportation cost escalation rate	343,106.21
	Effect on DBO due to 0.5% decrease in Transportation cost escalation rate	-323,988.94

Note 24c: Disclosure as per IAS 19, 'Employees Benefit' as regards defined benefit scheme (Repatriation Allowance Benefit Scheme)

(Amount in Nu.)

A	Assets/Liabilities	31-Dec-24	31-Dec-23
1	DBO at end of prior period	22,904,741.54	19,316,617.00
2	Current service cost	1,926,386.79	1,549,602.99
3	Interest cost on the DBO	1,721,085.52	1,486,289.83
4	Curtailment (credit)/ cost	-	-
5	Settlement (credit)/ cost	-	-
6	Past service cost - plan amendments	-	-
7	Acquisitions (credit)/ cost	-	-
8	Actuarial (gain)/loss - experience	-1,045,536.77	67,022.69
9	Actuarial (gain)/loss - demographic assumptions	-	-
10	Actuarial (gain)/loss - financial assumptions	-	-
11	Benefits paid directly by the Company	-2,782,345.00	-1,475,988.32
12	Benefits paid from plan assets	-	-
	DBO at end of current period	22,724,332.08	20,943,544.19

(Amount in Nu.)

B	Statement of Profit & Loss	31-Dec-24	31-Dec-23
1	Current service cost	1,926,386.79	1,549,602.99
2	Past service cost - plan amendments	-	-
3	Curtailment cost / (credit)	-	-
4	Settlement cost / (credit)	-	-
5	Service cost	1,926,386.79	1,549,602.99
6	Net interest on net defined benefit liability / (asset)	1,721,085.52	1,486,289.83
7	Immediate recognition of (gains)/losses – other long term employee benefit plans	-	-
	Cost recognized in P&L	3,647,472.31	3,035,892.82

(Amount in Nu.)

C	Defined Benefit Cost	31-Dec-24	31-Dec-23
1	Service cost	1,926,386.79	1,549,602.99
2	Net interest on net defined benefit liability / (asset)	1,721,085.52	1,486,289.83
3	Actuarial (gains)/ losses recognized in OCI	-1,045,536.77	67,022.69
4	Immediate recognition of (gains)/losses – other long-term employee benefit plans	-	-
	Defined Benefit Cost	2,601,935.54	3,102,915.51

(Amount in Nu.)

D	Development of Net Financial Position	31-Dec-24	31-Dec-23
1	Defined Benefit Obligation (DBO)**	-22,724,332.08	-20,943,544.19
2	Fair Value of Plan Assets (FVA)	-	-
3	Funded Status (Surplus/(Deficit))	-22,724,332.08	-20,943,544.19
	Net Defined Benefit Asset	-22,724,332.08	-20,943,544.19

(Amount in Nu.)

E	Reconciliation of Net Balance Sheet Position	31-Dec-24	31-Dec-23
1	Net defined benefit asset/ (liability) at end of prior period	-22,904,741.54	-19,316,617.00
2	Service cost	-1,926,386.79	-1,549,602.99
3	Net interest on net defined benefit liability/ (asset)	-1,721,085.52	-1,486,289.83
4	Amount recognized in OCI	-	-
5	Amount recognized in Profit & Loss	-	-
6	Employer contributions	-	-
7	Benefit paid directly by the Company	-	-
8	Acquisitions credit/ (cost)	1,045,536.77	-67,022.69
9	Divestitures	-	-
10	Withdrawals From the Plan Assets	-	-
11	Cost of termination benefits	2,782,345.00	1,475,988.32
12	Benefits paid from plan assets	-	-
	Net defined benefit asset/ (liability) at end of current period	-22,724,332.08	-20,943,544.19

(Amount in Nu.)

F	Other Comprehensive Income (OCI)	31-Dec-24	December 31,2023
1	Actuarial (gain)/loss due to liability experience	-1,045,536.77	67,022.69
2	Actuarial (gain)/loss due to liability assumption changes	-	-
3	Actuarial (gain)/loss arising during period	-1,045,536.77	67,022.69
4	Return on plan assets (greater)/less than discount rate	-	-
5	Actuarial (gains)/ losses recognized in OCI	-1,045,536.77	67,022.69
	Actuarial (Gain) or Loss Recognized via OCI at Current Period End	-1,045,536.77	67,022.69

(Amount in Nu.)

G	Expected benefit payments for the year ending	31-Dec-24
1	31-Dec-25	2,872,276.47
2	31-Dec-26	3,143,040.27
3	31-Dec-27	3,475,425.22
4	31-Dec-28	3,108,949.92
5	31-Dec-29	3,308,211.73
6	December 2029 to December 2033	20,271,742.62
(i)	Expected employer contributions for the period ending 31 December 2024	Not Applicable
(ii)	Weighted average duration of defined benefit obligation	12.37 years
(iii)	Significant estimates: actuarial assumptions and sensitivity	
a	Discount Rate	2024
	Discount Rate	8.00%
	Effect on DBO due to 0.5% increase in Discount Rate	-900,189.36
	Effect on DBO due to 0.5% decrease in Discount Rate	964,808.61
b	Salary escalation rate	2024
	Salary escalation rate	8.00%
	Effect on DBO due to 0.5% increase in Salary escalation rate	1,019,615.88
	Effect on DBO due to 0.5% decrease in Salary escalation rate	-959,438.33

Note 24d: Disclosure as per IAS 19, 'Employees Benefit' as regards defined benefit scheme (Transfer Grant Benefit Scheme)

(Amount in Nu.)

A	Assets/Liabilities	31-Dec-24	December 31,2023
1	DBO at end of prior period	22,904,741.54	22,499,354.19
2	Current service cost	1,926,386.79	1,434,983.73
3	Interest cost on the DBO	1,716,953.52	1,583,207.43
4	Curtailment (credit)/ cost		
5	Settlement (credit)/ cost		
6	Past service cost - plan amendments		
7	Acquisitions (credit)/ cost		
8	Actuarial (gain)/loss - experience	-938,104.77	1,190,718.66
9	Actuarial (gain)/loss - demographic assumptions		
10	Actuarial (gain)/loss - financial assumptions		
11	Benefits paid directly by the Company	-2,885,645.00	-5,418,522.54
12	Benefits paid from plan assets		
	DBO at end of current period	22,724,332.08	21,289,741.47

(Amount in Nu.)

B	Statement of Profit & Loss	31-Dec-24	December 31,2023
1	Current service cost	1,926,386.79	1,434,983.73
2	Past service cost - plan amendments	-	-
3	Curtailment cost / (credit)	-	-
4	Settlement cost / (credit)	-	-
5	Service cost	1,926,386.79	1,434,983.73
6	Net interest on net defined benefit liability / (asset)	1,716,953.52	1,583,207.43
7	Immediate recognition of (gains)/losses - other long-term employee benefit plans	-	-
	Cost recognized in P&L	3,643,340.31	3,018,191.16

(Amount in Nu.)

C	Defined Benefit Cost	31-Dec-24	December 31,2023
1	Service cost	1,926,386.79	1,434,983.73
2	Net interest on net defined benefit liability / (asset)	1,716,953.52	1,583,207.43
3	Actuarial (gains)/ losses recognized in OCI	-938,104.77	1,190,718.66
4	Immediate recognition of (gains)/losses – other long-term employee benefit plans	-	-
	Defined Benefit Cost	2,705,235.54	4,208,909.82

(Amount in Nu.)

D	Development of Net Financial Position	31-Dec-24	31-Dec-23
1	Defined Benefit Obligation (DBO)**	-22,724,332.08	-21,289,741.47
2	Fair Value of Plan Assets (FVA)	-	-
3	Funded Status (Surplus/(Deficit))	-22,724,332.08	-21,289,741.47
	Net Defined Benefit Asset	-22,724,332.08	-21,289,741.47

(Amount in Nu.)

E	Reconciliation of Net Balance Sheet Position	31-Dec-24	31-Dec-23
1	Net defined benefit asset/ (liability) at end of prior period	-22,904,741.54	-22,499,354.19
2	Service cost	-1,926,386.79	-1,434,983.73
3	Net interest on net defined benefit liability/ (asset)	-1,716,953.52	-1,583,207.43
4	Amount recognized in OCI	-	-
5	Amount recognized in Profit & Loss	-	-
6	Employer contributions	-	-
7	Benefit paid directly by the Company	-	-
8	Acquisitions credit/ (cost)	938,104.77	-1,190,718.66
9	Divestitures	-	-
10	Withdrawals From the Plan Assets	-	-
11	Cost of termination benefits	2,885,645.00	5,418,522.54
12	Benefits paid from plan assets	-	-
	Net defined benefit asset/ (liability) at end of current period	-22,724,332.08	-21,289,741.47

(Amount in Nu.)

F	Other Comprehensive Income (OCI)	31-Dec-24	31-Dec-23
1	Actuarial (gain)/loss due to liability experience	-938,104.77	1,190,718.66
2	Actuarial (gain)/loss due to liability assumption changes	-	-
3	Actuarial (gain)/loss arising during period	-938,104.77	1,190,718.66
4	Return on plan assets (greater)/less than discount rate	-	-
5	Actuarial (gains)/ losses recognized in OCI	-938,104.77	1,190,718.66
6	Adjustment for limit on net asset	-	-
	Actuarial (Gain) or Loss Recognized via OCI at Current Period End	-938,104.77	1,190,718.66

(Amount in Nu.)

G	Expected benefit payments for the year ending	31-Dec-24
1	31-Dec-24	2,872,276.47
2	31-Dec-25	3,143,040.27
3	31-Dec-26	3,475,425.22
4	31-Dec-27	3,108,949.92
5	31-Dec-28	3,308,211.73
6	December 2029 to December 2033	20,271,742.62
(i)	Expected employer contributions for the period ending 31 December 2024	Not Applicable
(ii)	Weighted average duration of defined benefit obligation	12.37 years
(iii)	Significant estimates: actuarial assumptions and sensitivity	
a	Discount Rate	2024
	Discount Rate	8.00%
	Effect on DBO due to 0.5% increase in Discount Rate	-900,189.36
	Effect on DBO due to 0.5% decrease in Discount Rate	964,808.61
b	Salary escalation rate	2024
	Salary escalation rate	8.00%
	Effect on DBO due to 0.5% increase in Salary escalation rate	1,019,615.88
	Effect on DBO due to 0.5% decrease in Salary escalation rate	-959,438.33

Note 25: Earnings Per Share

(Amount in Nu.)

Particulars	31-Dec-24	December 31,2023
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (b/c)	191.2	140.08
(b) Reconciliations of earnings used in calculating earnings per share		
Profit attributable to equity holders of the company used in calculating basis earnings per share	8,688,899,558	4,547,843,967
(c) Weighted average number of equity shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	45,444,626.00	32,465,093.41

Note: Diluted earnings per share is same as basic earnings per share.

Note 26: Fair Value Measurements

(Amount in Nu.)

Particulars	31-Dec-24			31-Dec-23		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investment in non-government bonds	-	-	-	-	-	-
Fixed deposit with bank	-	-	2,150,430,999.00	-	-	3,392,471,970.40
Accrued interest on fixed deposit	-	-	39,896,177.03	-	-	278,646,428.58
Deferred lease income	-	-	-	-	-	92,385,925.00
Trade receivables	-	-	3,240,203,580.84	-	-	2,886,659,187.55
Intercorporate loan	-	-	1,823,857,901.92	-	-	940,000,000.00
Accrued interest on investment	-	-	8,052,711,338.15	-	-	225,548,641.42
Miscellaneous deposits	-	-	6,254,872.23	-	-	6,058,065.20
Other receivables	-	-	2,023,377,520.31	-	-	934,768,478.93
Cash and cash equivalents	-	-	9,375,086,204.29	-	-	2,101,629,523.67
Total financial assets	-	-	26,711,818,593.77	-	-	10,858,168,220.75
Financial liabilities						
Borrowings	-	-	48,663,481,129.92	-	-	8,005,258,758.06
Security deposit- suppliers & others	-	-	135,828,315.53	-	-	34,804,821.92
Sundry creditors	-	-	1,217,116,911.21	-	-	901,675,305.80
Outstanding liabilities to contractors	-	-	112,539,161.92	-	-	372,835.00
Outstanding liabilities for expenses	-	-	62,177,331.85	-	-	83,476,436.11
Provision for bonus	-	-	151,785,093.71	-	-	72,671,827.69
Sundry liabilities	-	-	1,597,949.34	-	-	2,473,977.63
Total financial liabilities	-	-	50,344,525,893.48	-	-	9,100,733,962.21

b. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of financial instruments that are (a) recognized and measured at fair value, and (b) measured at amortized cost, for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed by the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is classified within level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is classified within level 3.

c. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

d. Fair value of financial assets and liabilities measured at amortised cost

(Amount in Nu.)

Particulars	31-Dec-24		31-Dec-23	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investment in non-government bonds			-	
Fixed deposit and accrued interest	689,262,296.90	467,327,433.89	2,116,160,864.73	1,456,943,474.35
Deferred lease income	-		92,385,925.00	
Total financial assets	689,262,296.90		2,208,546,789.73	
Financial liabilities				
Borrowings and accrued interest	38,694,449,884.46	31,846,267,774.43	4,295,097,509.87	1,590,331,067.58
Total financial liabilities	38,694,449,884.46		4,295,097,509.87	

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature. The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

SIGNIFICANT ESTIMATES

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (b) above.

Note 27: Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk, and market risk (i.e., foreign currency risk, interest rate risk, and price risk). This note explains the sources of risk to which the entity is exposed, how the entity manages these risks, and their impact on the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Collateral and Guarantees Diversification of customer base Monitoring and Reporting Payment Terms and Conditions
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed facilities Maintain Reserves Diversification of funding sources
Market risk – foreign exchange	Future commercial transactions and recognised financial liabilities not denominated in Bhutanese Ngultrum (Nu.)	Cash flow forecasting Sensitivity analysis	Diversification of liability Hedging
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from various financial institutions

The Board provides oversight of the governance structure, control and management system and risk mitigation measures. Druk Green identifies risks that the Company might be exposed to and to implement the mitigating plans in keeping with the Risk Management Manual that came into effect from January 01, 2012. The first Risk Register was developed in 2013. The Risk Register is an evolving document that is being reviewed and updated on an annual basis. It helps the Company in identifying and managing all risks and opportunities that can affect the achievement of the business objectives of Druk Green.

a. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

- **Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30-90 days credit term. The Company's major debtors are government owned/ government-controlled companies. Further the Company regularly monitors its outstanding customer receivables. The Company has less credit risk as the customer base is distributed both economically and geographically. The aging of trade receivables of the Company are less than 3 months.

The requirement for impairment is analyzed at each reporting date. For impairment, customers are individually accessed. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable as disclosed above. The Company evaluates the risk as low since majority of the customer are two government owned companies (i.e. Bhutan Power Corporation and PTC India Ltd). No allowance for impairment has been considered based on its past experience and forwarding-looking information.

The Company also makes inter-corporate loans to its group companies as per the Company's policy and reviews the outstanding receivable on a periodic basis.

- **Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's Finance & Investment Department. Investments of surplus funds are made only with approved counterparties in accordance with the Company's policy. The counterparties are accordingly governed by the regulatory authorities to mitigate financial loss during failure to make payment. For banks and financial institutions, only high rated banks/institutions are accepted. Financial Assets are considered to be of good quality and there is no significant credit risk.

b. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. For the current ongoing projects, DGPC's portions of funds are mostly met through either equity, grant or loan

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows through preparation of "fund gap analysis" monthly. In addition, the Company's liquidity management policy involves projecting cash flows on monthly basis and considering the level of liquid assets necessary to monitor debt service coverage ratio against debt financing requirements and maintaining debt financing plans.

- **Maturities of financial liabilities**

The tables below depict the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities 31-Dec-24	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	2,085,039,569.89	2,051,330,268.04	6,153,990,804.13	17,202,305,222.82	27,492,665,864.88
Interest	1,851,058,352.06	1,844,335,518.12	10,729,696,197.86	14,492,904,051.91	28,917,994,119.95
Security Deposit- Suppliers & Others	135,828,315.53	-	-	-	135,828,315.53
Sundry Creditors	1,217,116,911.21	-	-	-	1,217,116,911.21
Outstanding Liabilities to contractors	112,539,161.92	-	-	-	112,539,161.92
Outstanding Liabilities for expenses	62,177,331.85	-	-	-	62,177,331.85
Provision for Bonus	-	-	-	-	-
Sundry Liabilities	151,785,093.71	-	-	-	151,785,093.71
Total financial liabilities	5,615,544,736.17	3,895,665,786.16	16,883,687,001.99	31,695,209,274.73	58,090,106,799.05

Contractual maturities of financial liabilities 31-Dec-23	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	244,583,114.01	134,658,251.29	297,774,753.87	1,191,099,015.48	1,868,115,134.66
Interest	62,571,237.70	52,373,983.97	131,990,142.40	246,563,427.21	493,498,791.28
Security Deposit- Suppliers & Others	34,804,821.92	-	-	-	34,804,821.92
Sundry Creditors	901,675,305.80	-	-	-	901,675,305.80
Outstanding Liabilities to contractors	372,835.00	-	-	-	372,835.00
Outstanding Liabilities for expenses	83,476,436.11	-	-	-	83,476,436.11
Provision for Bonus	72,671,827.69	-	-	-	72,671,827.69
Sundry Liabilities	65,327,828.17	-	-	-	65,327,828.17
Total financial liabilities	1,465,483,406.41	187,032,235.26	429,764,896.28	1,437,662,442.69	3,519,942,980.63

c. Market risk

- Foreign currency risk**

The Company deals with foreign currency loan, trade payables etc and is therefore exposed to foreign exchange risk associated with exchange rate movement. The revenue earned from the export of energy to India is in foreign currency (Indian Rupee) which does not have foreign exchange fluctuation risk since Bhutanese Ngultrum (BTN) is pegged with Indian Rupee (INR). However, company has started sourcing fund from international financial institute for the development of hydro power projects for which the company is exposed to foreign currency risk.

The risk is measured through a forecast of highly probable foreign currency cash flows. Further the Company manages its foreign currency risk other than in Indian Rupee by maintaining its foreign currency exposure, as approved by Board as per established risk management policy.

Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Nu. are as follows: -

Particulars	31-Dec-24		31-Dec-23	
	USD	INR	USD	INR
Financial assets		1,277,716,610.22		1,993,032,924.52
Financial liabilities	3,940,515,716.41	24,917,617,944.63	4,049,709,773.98	
Net exposure to foreign currency risk	-3,940,515,716.41	-23,639,901,334.41	-4,049,709,773.98	1,993,032,924.52

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit before tax	
	31-Dec-24	31-Dec-23
USD sensitivity		
Nu. depreciate by 5% (2023: 5%)	-197,025,785.82	-202,485,488.70
Nu. appreciate by 5% (2023: 5%)	197,025,785.82	202,485,488.70
EURO sensitivity		
Nu. depreciate by 5% (2023: 5%)	-	-
Nu. appreciate by 5% (2023: 5%)	-	-

As value of Nu. is constantly equal to the INR, company is not exposed to any foreign currency risk relating to amount receivables/payable in INR.

• Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company has only fixed rate borrowings and are carried at amortized cost. Further inter corporate loans given and investment made by the Company also bears fixed rate of interest. Interest income and interest expenses are therefore not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Note 28: 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 benefits for other stakeholders, 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 a mixture of equity, grants, long term borrowings and short-term borrowings.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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.

a. Loan Covenants

Under the terms of the major borrowing facilities, the company is required to comply with a financial covenant during the year ending 31 December 2024, specifically the debt service coverage ratio. There were no loan covenants applicable to the Company prior to 31 December, 2023.

The company has complied with these covenants throughout the reporting period. As of 31 December 2024, the debt service coverage ratio was.

The debt service coverage ratio was as follows:

(Amounts in Nu.)

Particulars	December 31, 2024
EBITDA	19,730,130,881.02
Debt Service	4,683,912,267.80
Debt service coverage ratio	4.21

Note 29: Additional Disclosures

- The authorized share capital of the Company is Nu. 50 billion (50,000,000 equity share @ Nu. 1,000 per share) and as of the report date, the total paid up capital is Nu. million (equity share @ Nu. 1,000 per share).
- The Company presents separate financial statements for all the Hydropower Plants and share capital of the company is subdivided amongst the Hydropower Plants for maintenance of information on the performance and financing structure of each Hydropower Plant. The Hydropower Plants operate as profit center of DGPC and does not have a legal existence of their own.
- The Licensed and the Installed Capacity of Hydropower Plants under DGPC are as below:

Plants	Licensed Capacity (MW)	Installed Capacity (MW)
Basochhu Hydropower Plant	64	64
Chhukha Hydropower Plant	336	336
Kurichhu Hydropower Plant	60	60
Tala Hydropower Plant	1020	1020
Mangdechhu Hydropower Plant	720	720

- Dagachhu Hydro Power Corporation Limited is a subsidiary company, in which DGPC holds 2,437,880 equity shares of Nu. 1,000 each, fully paid up, with 59% stake along with 26% held by Tata Power Company Limited and 15% by National Pension & Provident Fund (NPPF).
- Tangsibji Hydro Energy Limited (THyE) is a wholly owned subsidiary company with a paid-up capital of Nu. 7,538.76 million as of 2024.

- f. Bhutan Hydropower Services Limited (BHSL) is a wholly owned subsidiary company, in which DGPC holds 10,938,288 fully paid-up equity shares of Nu. 100 each, with a paid-up capital of Nu. 859.59 million as of 31.12.2024, comprising of 7,729,627 shares paid up at Nu. 100 per share and 3,208,661 shares bought at Nu. 27 per share.
- g. Druk Hydro Energy Limited (DHyE) was formed on 16th November 2021 as a wholly owned subsidiary company with authorized capital of Nu. 100,000 million. The subscribed share capital is Nu. 10,000 million @ Nu. 100/ per share. The paid-up share capital is Nu.2,857.50 million as of 31.12.2024.
- h. Khorlochhu Hydropower Limited (formerly known as Kholongchhu Hydro Energy Limited (KHEL)) was established as a joint venture between Druk Green Power Corporation (DGPC) and SJVN Limited, a Government of India undertaking, on September 30, 2014, with DGPC and SJVNL each holding an equal 50% equity stake in the company.

Out of the 50,000,000 equity shares valued at Nu. 100 each, DGPC and SJVNL were allotted 25,000,000 shares each. KHPL bought back 25,000,000.00 equity shares from SJVNL at 3,547.11 million which had paid up value of Nu. 2,404.37 million at the time of buy back. The fund of Nu. 3,547.11 million was infused by DGPC upon issuance of corresponding equity shares to DGPC based on the resolution passed during the 25th KHEL Board and Shareholder meeting, along with the 5th Extraordinary General Meeting (EGM) held on December 30, 2022.

By 2023, the company's paid-up capital stood at Nu. 5,922.11 million, following an additional capital injection of Nu. 152.78 million. As of December 31, 2023, DGPC held 100% ownership of KHEL.

However, with the recent signing of the Subscription and Shareholders Agreement between Druk Green Power Corporation Limited, Tata Power Company Limited, and Khorlochhu Hydropower Limited, the shareholding pattern with share subscription has been revised as detailed below,

Sl. No	Shareholder Name	Type	No of Securities	Face Value	Contribution by Shareholders	Percentage
1	DGPC	Equity Share	124,200,000.00	100	12,420,000,000	60%
2	TATA Power	Equity Share	82,800,000.00	100	8,280,000,000	40%
	Total		210,000,000.00		20,700,000,000	

Furthermore, to facilitate the entry of a new shareholder, Tata Power Company Limited, and to maintain KHPL's intended 60:40 shareholding structure, approval was granted by the Registrar of Companies through their letter no. MoICE/CRA-201/2024/764 dated 12th November, 2024 for conversion of equity shares amounting to Nu. 4,280.00 million into preference shares as an interim measure and will reduce annually and convert back into equity, reaching zero by 2026 as the equity injection from Tata Power matches to the fund already infused by DGPC.

As of December 31, 2024, the capital structure of KHPL is as follows:

1. Paid-up equity shares capital of Nu. 1,800.00 million from DGPC
2. Preference shares capital of Nu. 4,280.00 million from DGPC

- i. Bhutan Automation and Engineering Limited (BAEL) was formed as a joint venture between DGPC and Andritz Hydro Private Limited, India, vide agreement dated October 16, 2017, with 51% and 49% equity shareholding respectively. DGPC has been allotted fully paid up 3,060,000 equity shares of Nu. 10 each.
- j. The domestic tariff for BHP, CHP, KHP and THP has been revised from Nu. 1.42/kWh to Nu. 1.34/kWh and for MHP from Nu. 3.77/kWh to Nu. 3.64/kWh and wheeling charges from Nu. 0.270/kWh to Nu.0.23/kWh with effect from September 1, 2022, to June 30, 2025, vide letter no. BEA/CEO/DGPC/2022-2023/186 dated August 31, 2022, BEA/CEO/MHP/2022-2023/185 dated August 31, 2022 and BEA/CEO/BPC/2022-2023/184 dated August 31, 2022, respectively.
- k. In line with the office memorandum No. 5-11/3/2016-BBMB dated 16th November 2023 issued by Ministry of Power, Government of India. The export tariff of CHP has been revised from Nu. /Rs. 2.55 per unit to Nu. /Rs. 3.00 per unit. Accordingly, DGPC vide letter no. DGPC/DEGT/CHP/PTC/2023/2406 dated 25th December 2023 has raised a supplementary bill on sale of power from Chhukha HEP from January 2021 to November 2023 amounting to Nu. 1,992,521,275.95 (Ngultrum One billion Nine hundred ninety-two million five hundred twenty-one thousand two hundred seventy-five and Cheltrum ninety-five) including the sale of royalty power has been recognized in the book of the accounts as on 31st December 2023 as an income from sale of electricity to PTC. The export tariff for Tala and Kurichhu was revised from Nu. /Rs. 2.12/kWh to Nu./Rs. 2.23/ kWh applicable from December 1, 2021, for a five-year period, valid until November 30, 2026. The export tariff for MHP was revised from Nu./Rs. 4.12/kWh to Nu./Rs. 4.54 /kWh applicable from 22nd July, 2024 to 21st July, 2029.
- l. With the commissioning of the Nikachhu Project, the Mangdechhu Hydropower Plant was expected to benefit from an additional generation of 324 MU (as per design) due to the inflow of Nikachhu tailwater into the Mangdechhu reservoir. The revenue earned from the sale of energy from this additional generation has been approved for a 50:50 sharing between MHP and NHP, both for domestic and export. And with the commissioning of Nikachhu project with effect from February 2024, MHP could generate additional generation Ex-bus of 377.042 MU resulting into additional revenue of Nu. 1,575.315 million for the year 2024. As agreed, 50% of the total revenue earned from additional generation, after deducting royalty and wheeling charges, amounting to Nu. 640.021 million, was shared with THyE.
- m. Government of Austria committed grant of Euro 600,000.00 (Euro Six Hundred Thousand) only towards "Capacity Development for monitoring of hydropower plant-Final Phase" via Grant Contract No. 2296-00/2019 for the period of three years (2020-2022) and is further extension till June 30, 2023, granted vide letter no. 2296-00/2019/Umw/1-KOBU Thimphu/2022 dated June 24, 2022. DGPC have received Euro 400,000.00 (Euro Four Hundred Thousand) only against the grant as on 31.12.2022. Since the grant is in the nature of income, the grant has been presented as Grant income and Grant expense correspondingly. The grant has closed on June 30, 2023, as per the agreement.
- n. Income approach, prescribed by BAS 20, has been used to recognize grant. It is fundamental to the income approach that government grants should be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses, the related costs for which the grant is intended to compensate. DGPC considers the related costs for which the below market rate loan is intended compensate the prevailing market rate interest and accounted accordingly over the loan term.

DGPCL has received a grant of USD 4.3 Million from the World Bank for the implementation of Sustainable Hydropower Development Project (SHDP) which includes the DPR update of Dorjilung Hydropower Project and other capacity building activities. The grant is funded by two trust funds (SARIC and ESMAP), and accordingly, two bank accounts have been opened with the Bank of Bhutan (SARIC Grant No. TFOB8007 and ESMAP Grant No. TFOB8049). SHDP comprises following two components:

- Component 1: Preparation Studies/Technical Assistance for DHPP Hydropower Plant and Transmission Lines (funded by SARIC Trust Fund). The grant stands closed as of 31 December, 2024.
- Component 2: Capacity Building for the Sustainable Development of Hydropower (funded by ESMAP Trust Fund). The grant is currently in the grace period for closure and will be closed as of April 30, 2025.

Nature of Grants	Amount (Nu.)
Opening Balance of Deferred Income	255,321,684.86
Adjustments from Deferred Income to Government Grants	203,790,453.37
Net Balance of Deferred Income	51,531,231.49

- A loan of Nu. 708,000,000.00 (Ngultrum Seven Hundred Eight Million) and Nu. 1,648,872,940.86 (Ngultrum One Billion Six Hundred Forty-Eight Million Eight Hundred Seventy-Two Thousand Nine Hundred Forty and Chetrum Eighty-Six) was availed through a subsidiary agreement between the Royal Government of Bhutan and the then Basochhu Hydropower Corporation Ltd. (for the Lower Stage and Upper Stage) on October 14, 2004, and August 1, 2006, respectively. The loan tenure was 20 years and 19 years at a fixed interest rate of 6% per annum for each. Of this, the loan of Nu. 1,648,872,940.86 for the Lower Stage stands liquidated, with the last installment due on December 15, 2024.
- Asian Development Bank (ADB) has sanctioned a loan of USD 29,000,000.00 (US Dollar Twenty-Nine Million) equivalent to Special Drawing Rights (SDR) of 18,832,000.00 (SDR Eighteen Million Eight Hundred and Thirty-Two Thousand) only, on the date of the signing of agreement via subsidiary agreement between Royal Government of Bhutan and Druk Green Power Corporation dated March 3, 2009 for a period of 32 years including a grace period of 8 years at the interest rate of 3.15% per annum for equity injection in Dagachhu Hydropower Corporation Limited. The repayment of principal has started from April 15, 2017.
- Asian Development Bank (ADB) has sanctioned Special Funds resources loan of Special Drawing Rights (SDR), SDR 16,987,000.00 (SDR Sixteen Million Nine Hundred Eighty Seven Thousand) only and grant of US\$ 25,250,000.00 (US Dollar Twenty Five Million Two Hundred Fifty Thousand) only for the purposes of implementation of the Second Green Power Development Project, on the date of the signing of agreement via subsidiary agreement between Royal Government of Bhutan and Druk Green Power Corporation dated June 12, 2015 for a period of 32 years including a grace period of 8 years at the interest rate of 1% per annum during the grace period and 1.5% per annum thereafter. The fund was sanctioned for equity injection in Tangsibji Hydro Energy Limited (THyE). The repayment of principal has started from Feb 15, 2023.
- The DGPC Board had approved for sourcing of debt from local financial institutions to finance

the Nikachhu component of the Associated Transmission System (ATS). The loan portion of the ATS transferred to BPC has been handed over, while the loan portion of the ATS located within the powerhouse of MHP is retained and recorded in DGPC's books. Below are the loan details of ATS from BOB and NPPF.

SN.	Banks	Payment Date	Interest rate	Interest Type	Loan Principal	Balance Loan as on 31.12.2024
1	BOB	27-Dec-17	7.94%	Floating	62,956,782.77	59,079,553.25
2	BOB FEIF	27-Dec-17	NA	NA	3,168,719.31	2,340,741.73
3	NPPF	29-Sep-22	8.30%	Fixed	326,536,579.45	313,380,525.48
4	NPPF	20-May-22	8.00%	Fixed	67,470,687.00	67,470,687.00
5	NPPF FEIF	28-Sep-22	NA	NA	21,374,835.63	12,721,282.94
	TOTAL				481,507,604.16	454,992,790.4

- s. The company has incurred a loss of Nu. 92.30 million (previous year Nu. 18.19 million loss) in 2024 on account of exchange difference arising on the settlement of monetary items and on translating monetary items at rates different from those at which they were translated on initial recognition or in previous financial statements and charged to statement of comprehensive income.
- t. Following the sanction of a term loan amounting to Nu/INR 1,400 million by the State Bank of India (SBI), through letter no PFSBU/T-09/2023-2023/753 dated September 26, 2023, and after a yearlong , detailed negotiation of the loan agreement between DGPC and SBI, a facility agreement was signed between DGPC and the State Bank of India on October 13, 2024 by securitizing the receivables from the sale proceeds of energy generated by the Tala Hydropower Plant. DGPC availed the first tranche of the loan, amounting to INR 2,000 million, from SBI on December 31, 2024. As per the agreed terms, a fee of 1.25% of the loan amount, plus applicable taxes (if any), is payable—50% upon sanction and 50% before the commencement of documentation. As of December 31, 2024, DGPC has incurred transaction costs, including upfront fees and other expenses related to securing the loan from SBI, totaling Nu. 241,941,698.35.
- u. Approval for handing over of Mangdechhu Hydroelectric Project (MHEP) to Druk Green Power Corporation (DGPC), Druk Holding and Investments (DHI) was conveyed by the Cabinet Secretary vide letter no. C-4/2022/1492 dated 22nd December 2022 to the Secretary, Ministry of Economic Affairs with a condition to maintain the profit transfer from the project to Ministry of Finance till 30th June 2023.

However, the modality of profit transfer was changed from 30th June to 31st December 2023 conveyed by the Cabinet Secretary to the Acting Finance Secretary vide cabinet letter no. C-3/147/2023/1704 dated 12th July 2023. Based on these changes, a tripartite meeting was held between DHI, DGPC and MoF on 14th August 2023 on the consolidation of MHP accounts with DGPC for the year 2023. It was decided that due to complexities in the accounting (book entry), the parties agreed to maintain MHEP books on a stand-alone basis for 2023. Since 2019, from the date of the project's commissioning until 2022, the revenue earned from the sale of Mangdechhu power was first received by DGPC and then transferred to MHP. Based on the handing taking over note DGPC had integrated MHP in the ERP SAP as a profit centre from January 2023 onwards and revenue receipts from the sale of Mangdechhu power centrally managed at corporate office, but the decision not to consolidate the accounts of MHP with DGPC came at the later stage.

Accordingly, although the handing over and taking over of Mangdechhu Hydroelectric Project between Mangdechhu Hydroelectric Project Authority and Druk Green Power Corporation Limited took place on December 27, 2022, the integration of MHPA accounts into DGPC accounts is only affected from January 01, 2024.

- v. In accordance with the draft repayment schedule for the loan from the Government of India (GoI) for the construction of the 720 MW Mangdechhu Hydroelectric Project, eight installments have been paid as of December 31, 2024, totaling Nu. 14,395,650,097.20 (Nu. 2,399,275,016.20 per installment, including principal, IDC, and interest). Since the subsidiary loan agreement between DGPC and BPC has not yet been signed, DGPC is currently making repayments on BPC's portion of the loan, which is recorded as a receivable in DGPC's books. The repayment schedule consists of 34 equal half-yearly installments over 17 years, with the first installment due on January 22, 2021, and the final installment on April 22, 2037.
- w. All the balances against debtor, creditors and advances are based on the invoices raised to/ raised from and advances paid respectively, which are not settled as of December 31, 2023. The reconciliation is carried out and confirmation of the balances is obtained for majority of the balances of more than Nu. 1.00 million.
- x. Pay and Allowances of DGPC employees have been revised with effect October 2023 based on the Remuneration Revision order 2023, conveyed vide DHI letter No. DHI/HRA/15/2023/1037 dated November 2, 2023. The directive conveyed in the above order is to settle the accrued earned leave balance up to the current date, without any provision for carrying forward or accumulating the earned leave in the leave account. Employees are given the option to either utilize the leave or encash the earned leave within the same financial year. DGPC has paid off the leave balance accumulated up to 31st December 2023 along with the unused Casual Leave amounting to Nu. 106,563,996.60 to all the employees of DGPC.
- y. Based on the National Land Commission notification no. NLCS/DoLAM(01)/2023-34/000478 dated 1st Feb 2024, it is stated that for all existing leased land, the old lease rates of 2009 may be applied until 31st Dec 2024. In accordance with this notification, DGPC has calculated the payable amount for leased land using the old rates.
- z. The company has identified the obsolete inventory and made required provisions during the year.
- aa. Quantitative Information of purchase and sale of power:

(Amt: Millions) (Units: Millions)

Particulars	2024	2023		
	Units (kWh)	Amount (Nu)	Units (kWh)	Amount (Nu)
Purchase				
Self-Generation	10,691.03		6,945.61	
Sale:				
Within Bhutan	5,623.11	9,395.18	4,280.39	5,735.72
Export to India	3,403.64	13,125.51	1,579.33	3,879.96
Internal Consumption & Losses	103.71	0.38	28.89	0.39
Total	9,130.46	22,521.06	5,888.60	9,616.07

- ab. All existing generation plants (Basochhu, Chhukha, Kurichhu, Mangdechhu and Tala) have to provide 15% of the annual generation as royalty energy to RGoB free of charge. All other generation plants shall provide royalty energy as per the SHDP. RGoB shall have the option

to avail the royalty energy either in energy or cash in lieu at the highest off-take rate or pro-rated thereof after adjusting for admissible losses and wheeling charges. Till 2016 Royalty obligation portion were paid on the domestic tariff rate and from January 1, 2017 it has been paid as per the Electricity Subsidy and Royalty Payment Framework 2017. From September 2022, royalty obligation has been paid as per the Electricity Subsidy and Royalty Payment Framework 2022. Royalty Energy of 1,585.53MU (previous year 1,027.51 MU) amounting to Nu. 4,207.54 million (Net of Wheeling charges) (Previous year Nu. 1,909.65 million) paid in 2024.

ac. The following statutory dues were outstanding and pending to be deposited at respective year ends:

		Amount in Million (Nu.)	
	Particulars	2024	2023
a)	TDS Payable	0.50	3.14
b)	Corporate Income Tax	2,943.40	1,664.95
	Total	2,943.90	1,668.09

ad. Auditors' remuneration:

		Amount in Million (Nu.)	
	Particulars	2024	2023
a)	Audit Fess	0.55	0.52
b)	Out of pocket expenses	0.36	0.27
	Total	0.91	0.79

ae. A dividend of Nu. 5,617,000,000.00 only have been proposed for the year ended December 31, 2024, amounting to a dividend of Nu. 123.60 per share. These financial statements do not reflect this dividend proposed.

af. DGPC reliance on PTC (i.e single external customer) for export revenue amount to Nu. 12,992,093,781.87 (i.e 57.66% of total revenue) in 2024.

Note 30: Related Party Disclosures

The company is a wholly owned subsidiary of DHI (a Royal Government of Bhutan undertaking). The company for the purpose of disclosure requirement has considered DHI controlled companies/corporations and company's own subsidiaries as related parties for the purpose of disclosures required by BAS 24 as summarized:

Companies	2024	2023
	% of Holding	% of Holding
Parent -		
Druk Holding & Investment	100%	100%
Subsidiaries -		
Dagachhu Hydro Power Corporation Ltd.	59%	59%
Tangsibji Hydro Energy Limited	100%	100%
Bhutan Hydropower Services Ltd.	100%	100%
Druk Hydro Energy Limited	100%	100%
Khorlochhu Hydro Energy Ltd.	60%	100%
Joint Venture -		
Bhutan Automation Engineering Ltd.	51%	51%

Fellow Subsidiaries under DHI ownership –

1. Bhutan Power Corporation Limited
2. Bank of Bhutan Limited
3. Bhutan Telecom Limited
4. Druk Air Corporation Limited
5. State Trading Corporation of Bhutan Limited
6. Dungsam Cement Corporation Limited
7. Wood Craft Center Limited
8. Construction Development Corporation Limited
9. Bhutan Board Product Limited
10. Dungsam Polymers Limited
11. Penden Cement Authority Limited
12. Natural Resources Development Corporation Ltd.
13. State Mining Corporation Limited
14. Thimphu Tech Private Limited
15. Menjong Sorig Pharmaceutical Corporation Limited
16. Druk Hydro Energy Limited

Name of Related Party	Relationship	Nature of transaction with related party	2024	2023
Druk Holding & Investments	Holding Company	a. Payment of Dividend	4,074,369,222.61	2,659,577,364.71
		b. Equity	45,444,626,000.00	32,465,093,407.26
		c. Management & Brand Fee	94,076,027.88	90,843,005.61
		d. Inter Corporate Loan	-	1,736,196,282.63
		e. Interest expenses on Inter corporate Loan	-	38,485,353.07
		f. Service availed	3,915,724.90	-
		g. Non trade receivable	6,000,000.00	-
		h. Lease Rent	6,400,438.12	1,918,504.61
Bhutan Power Corporation Limited	Fellow Subsidiary	a. Sale of Electricity	10,214,291,397.57	5,735,718,646.86
		b. Wheeling Charges	1,044,081,906.50	374,009,807.92
		c. Consumption of electricity by DGPC estd.	12,398,710.99	8,242,765.03
		d. Receivable on energy sold	-	893,626,263.03
		e. Payable towards wheeling charges	-	30,735,603.86
		f. non-trade receivable	1,487,803,436.20	775,723.00
Bank of Bhutan Limited	Fellow Subsidiary	a. Bank charges	272,359.10	517,997.52
		b. Interest expenses on loan	4,896,763.93	-
		c. Long Term Borrowing	63,611,286.40	66,304,109.67
		d. Services availed	500,500.00	500,500.00
		e. Balances with BOBL	5,872,089,040.07	-
		f. Interest Income from Deposit	-	19,656,423.23
Bhutan Telecom Limited	Fellow Subsidiary	a. Payable towards Telephone, Internet services & Others	104,400.08	4,312,227.83
		b. Data Center services charges	-	11,083,817.47
		c. Telephone, Fax, Internet Services & Others	23,162,552.26	6,109,347.97
Druk Air Corporation Limited	Fellow Subsidiary	a. Purchase of Air Tickets and Others	3,278,301.00	2,122,274.00
		b. Receivable commission on Air Ticket	-	70,522.85
		c. Interest Income on Inter corporate Loan	5,429,644.81	-2,260,273.97
		d. Non-trade receivable	4,814,890.71	-
		e. Trade Payable	326,667.00	-
		f. Inter Corporate Loan	950,000,000.00	600,000,000.00

State Trading Corporation of Bhutan Limited	Fellow Subsidiary	b. Advance Payment	-	1,694,147.29
		c. Repair and Maintenance of Vehicles	24,229,868.92	16,381,679.25
		d. Trade Payable	3,002,572.60	-
		e. Services availed related to IT	-	911,822.00
		f. Deposit Received	1,579,580.46	524,080.63
		Bhutan Hydropower Services Limited	Subsidiary	a. Equity Investment
b. Services availed related to R&M of EM	118,839,514.61			49,158,713.05
c. Trade Payable	23,354,258.20			18,597,192.51
d. Corporate Guarantee Fee income	2,693,454.79			3,367,305.33
e. Advance payment	242,202.28			-
f. Receivable for service provided	-			1,282,942.39
Dagachhu Hydropower Corporation Limited	Subsidiary	a. Equity Investment	2,437,880,000.00	2,437,880,000.00
		b. Income on services provided	13,640,914.19	-
		d. Trade Receivable	125,075.00	4,166,582.79
		e. Non-Trade Payable	653,581.63	2,926,415.92
		f. Dividend Income	132,570,799.13	37,522,166.48
		Tangsibji Hydro Energy Limited	Subsidiary	a. Equity Investment
b. Income on services provided	-2,126,949.63			162,048.00
c. Trade Receivable (+Corporate Guarantee Fee)	166,416,409.20			74,970,071.67
d. Non Trade payable	-247,478,812.10			-
e. Corporate Guarantee Fee Income	2,727,271.23			16,358,176.71
Dungsam Cement Corporation Limited	Fellow Subsidiary	a. Inter-corporate Loan	703,346,994.53	340,000,000.00
		b. Interest income on Loan	-3,695,355.19	1,210,958.90
		c. Non-trade receivable	-	2,000.00
		d. Income from CoE Services	194,014.00	-
Khorlochhu Hydro Energy Limited	Subsidiary	a. Equity Investment	1,800,000,000.00	5,922,109,595.31
		b. Loan to Group (ICL)	175,276,747.36	-
		c. Investment in Preference Share	4,280,000,000.00	-
		d. Income from Lending and Deposits	1,418,845.44	-
		e. Non-trade receivable	1,024,112.98	-
Natural Resources Development Corporation Ltd	Fellow Subsidiary	a. Procurement of Furniture & Fixture	801,870.00	25,970.00
		b. Payable towards purchase	-	66,538.00
		c. Rent payment	68,000.00	48,000.00
		d. Purchase of construction materials	-	608,042.62
Bhutan Board Products Limited	Fellow Subsidiary	a. Procurement of Furniture & Fixture	-	373,371.44
Bhutan Automation & Engineering Limited	Joint Venture	a. Equity Investment	30,600,000.00	30,600,000.00
		b. Dividend Income	25,500,000.00	3,631,722.39
		c. Interest expenses on Inter corporate Loan	-	832,191.78
		d. Trade Payable	188,159.00	82,686.56
		e. Capital Work-in-progress	-	194,283,711.95
		f. Advance	4,626,587.60	-
Thimphu Tech Park Limited	Fellow Subsidiary	a. R&M Services availed	9,547,570.79	4,696,596.56
		b. Trade Payable	601,635.34	368,420.79
		c. Security Deposit	445,031.69	64,310.00
		d. Capital Work-in-progress	-	4,690,515.28
Menjong Sorig Pharmaceutical Corporation Limited	Fellow Subsidiary	a. Purchase of product & services	-	137,220.00
Druk Hydro Energy Limited	Subsidiary	a. Investment with DHyE	2,857,504,127.39	2,857,504,127.39
		b. CoE and other services	3,057,784.69	-
		c. Revenue from sale of goods	11,651,379.83	-
		d. Trade Receivable	93,032,101.18	53,027,902.99

Key management personnel

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. As such Key management personnel of the company for the purpose of disclosure of compensation include Board of Directors and Managing Director.

Amount in million (Nu.)

Sl. No.	Particulars	2024	2023
a)	Short- term employee benefits	6.33	5.73
b)	Post- employment benefits (PEB)*	-	-
c)	Other long- term benefits (OLTB)*	-	-
	Total	6.33	5.73

Sitting fees paid to the Board of Directors (excluding MD, DGPC)

Amount in million (Nu.)

Sl. No.	Particulars	2024	2023
a)	Directors' Sitting Fee	0.47	0.47
	Total	0.47	0.47

*No separate valuation is done for key managerial personnel (Managing Director and Head of Department) in respect of PEB and OLTB. The same is included in the Note 20: Employee remuneration and benefits.

Recent Accounting Pronouncements

In February 2021, the International Accounting Standards Board (IASB) amended IAS 1, requiring companies to disclose material accounting policies. These amendments are effective for annual reporting periods beginning on or after January 1, 2023. Since the Auditing and Accounting Standards Board (AASB) has not introduced any new amendments to the existing standards applicable to the company, Significant Accounting Policies are disclosed instead of Material Accounting Policies.





འབྲུག་སྐད་འབྲུང་གྲོག་མེ་ལས་འཛིན་ཚད།

DrukGreen

(a dhi company)

GET IN TOUCH

Druk Green Power Corporation Limited



+975 2 336414/ 336415



www.drukgreen.bt



dgpc.info@drukgreen.bt



Thori Lam,
Thimphu 11001, Bhutan