

INDEPENDENT AUDITOR'S REPORT

To the Members of Dugar Hydro Power Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Dugar Hydro Power Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to note 2(b)(ii) relating to decision taken by the management to abandon the project considering the current economic environment. Accordingly, these financial statements have been prepared on the basis that the Company does not continue to be a going concern and therefore, all assets have been valued at their realizable value, where lower than carrying value and all known liabilities have been fully provided for and recorded in the financial statements on the basis of best estimates of the management.

We further draw attention to Note 3(a) which explains the matter relating to claim of upfront premium fee from Government of Himachal Pradesh (GoHP) and the status of Company's arbitration and High court proceedings with GoHP.

Our opinion is not modified in respect of the above matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind As financial statements and our auditor's report thereon.



Our opinion on the Ind As 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 Ind As financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and 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, so far as it appears from our examination of those books except that we were unable to verify whether back up of books of accounts maintained in electronic mode are taken on a daily basis on servers physically located in India, as necessary evidence is not available with the company as stated in note 27 to the financial statements and for the matters stated in the paragraph i(vi) below on reporting under Rule 11(g) ;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



- (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g).
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 3(a) to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No Dividend has been declared or paid during the year by the company.



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- vi. The Company has migrated to a upgraded version of the accounting software from lower version of accounting software during the year. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except in respect of earlier lower version of accounting software where audit trail feature was not enabled, as described in note 26 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of upgraded version of the accounting software.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Ajay Bansal**

Partner

Membership Number: 502243

UDIN: 24502243BKCEWU5730

Place of Signature: Gurugram

Date: April 26, 2024



ANNEXURE I REFERRED TO IN PARAGRAPH I UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT ON EVEN DATE

Re: Dugar Hydro Power Limited ('the Company')

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) According to information and explanation given by the management, there are no Property, Plant and Equipment in the company and accordingly the requirements under Paragraph 3(i)(a)(A) of the Order is not applicable to the company.

(B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) According to information and explanation given by the management, there are no Property, Plant and Equipment in the company and accordingly the requirements under Paragraph 3(i)(b) of the Order is not applicable to the company.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to information and explanation given by the management, there are no Property, Plant and Equipment in the company and accordingly the requirements under Paragraph 3(i)(d) of the Order is not applicable to the company..

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.



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(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. Undisputed statutory dues including duty of custom, duty of excise, value added tax, sales-tax, service tax, are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (INR in lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	8.18 (net of amount deposited under protest INR 2.04 lacs #)	AY 2014-15	Commissioner of Income Tax (Appeals)

- The Company has deposited amount under protest in connection with a dispute with the concerned authorities.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.



(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

(c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.



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(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us by the management, the Group has five CICs which are registered with the Reserve Bank of India and two CICs which are not required to be registered with the Reserve Bank of India.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 23 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) Section 135 of Company's Act, 2013 is not applicable on the company, hence, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(b) Section 135 of Company's Act, 2013 is not applicable on the company, hence, the requirement to report on clause 3(xx)(b) and 3(xx)(c) of the Order is not applicable to the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Ajay Bansal**
Partner

Membership Number: 502243



UDIN: 24502243BKCEWU5730

Place of Signature: Gurugram

Date: April 26, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DUGAR HYDRO POWER LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Dugar Hydro Power Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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Inherent Limitations of Internal Financial Controls With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these financial statements to future periods are subject to the risk that the internal financial control with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Ajay Bansal**
Partner

Membership Number: 502243



UDIN: 24502243BKCEWU5730

Place of Signature: Gurugram

Date: April 26, 2024

Dugar Hydro Power Limited
Balance Sheet as at March 31, 2024

1

		(Rs in lakhs)	
ASSETS	Notes	As at March 31, 2024	As at March 31, 2023
Non-current assets			
(a) Other non-current assets	6	4,720.00	4,720.00
(b) Non current tax assets	7	2.05	2.59
Total non-current assets		4,722.05	4,722.59
Current assets			
(a) Financial Assets			
(i) Investments	4	325.66	1,746.50
(ii) Cash and cash equivalents	5	0.14	4.89
Total current assets		325.80	1,751.39
Total assets		5,047.85	6,473.98
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	8	6,698.70	8,685.00
(b) Other Equity	9	(1,668.27)	(2,225.65)
Total Equity		5,030.43	6,459.35
Liabilities			
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables	11		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises			0.00
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		2.54	4.19
(b) Provisions	10	10.22	10.22
(c) Current tax liabilities (Net)		4.40	0.00
(d) Other current liabilities	12	0.26	0.22
Total current liabilities		17.42	14.63
Total Liabilities		17.42	14.63
Total Equity and liabilities		5,047.85	6,473.98
Summary of material accounting policies	2		

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For S.R. Batliboi & Co. LLP
 Chartered Accountants
 Firm Registration No: 301003E / E300005

per Ajay Bansal
 Partner
 Membership no. 502243



For and on behalf of the Board of Directors

Ajay Kapoor
 Director
 DIN: 00466631

Sanjeev Mehra
 Director
 DIN: 02626778

Sachin Kaul
 Chief Financial Officer

Riya Gupta
 Company Secretary

Date - 26/04/2024

Place Gurugram
 Date 26/04/2024

Dugar Hydro Power Limited
Statement of Profit and Loss for the period ended March 31, 2024

(Rs in lakhs)

Particulars	Notes	For the period ended March 31, 2024	For the year ended March 31, 2023
I Other Income	13	54.15	100.88
II Total Income		54.15	100.88
III Expenses			
(a) Other expenses	14	15.48	13.95
Total expenses (III)		15.48	13.95
IV Profit / (loss) before tax (II-III)		38.67	86.93
V Tax Expense		17.59	-
VI Profit / (loss) for the year (IV-V)		21.08	86.93
VII Other Comprehensive Income		-	-
VIII Total Comprehensive Income/(loss) (VI+VII)		21.08	86.93
Basic and diluted Profit/(loss) per share	17	0.03	0.10

See accompanying notes forming part of the financial statements

Summary of material accounting policies 2

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For S.R. Batliboi & Co. LLP
 Chartered Accountants
 Firm Registration No: 301003E / E300005

For and on behalf of the Board of Directors

[Handwritten Signature]

per **Ajay Bansal**
 Partner
 Membership no. 502243



[Handwritten Signature]

Ajay Kapoor
 Director
 DIN: 00466631

[Handwritten Signature]

Sanjeev Mehra
 Director
 DIN:02626778

[Handwritten Signature]
Sachin Kaul
 Chief Financial Officer

[Handwritten Signature]
Riya Gupta
 Company Secretary

Place **Gurugram**
 Date **26/4/2024**

Date - 26/4/2024



3

Dugar Hydro Power Limited
Statement of cash flows for the period ended March 31, 2024

(Rs. In Lakhs)

Particulars	Period ended March 31, 2024	Year ended March 31, 2023
A. Cash flows from operating activities		
Profit/(loss) for the year	38.67	86.93
Adjustments for :		
Net gain on sale of mutual fund	(6.84)	(0.06)
Net (Gain) /loss on financial asset carried at FVTPL	(47.31)	(89.42)
	(15.48)	(2.55)
Movements in working capital		
Increase/(decrease) in trade payables	(1.67)	(0.40)
Increase/(decrease) in other current liabilities and financial liabilities	0.04	(0.23)
Cash used in operations	(17.11)	(3.18)
Income tax paid (Net)	(12.64)	120.00
Net cash used in operating activities (A)	(29.75)	116.82
B. Cash flows from investing activities		
Purchase of investment in Mutual Funds	-	(125.00)
Proceeds for sale of investments in mutual funds	1,475.00	13.00
Net Cash (used in) /generated by investing activities (B)	1,475.00	(112.00)
C. Cash flows from financing activities		
Payment for reduction of shares	(1,450.00)	-
Net Cash generated by financing activities (C)	(1,450.00)	-
Net increase in Cash and Cash equivalents (A + B + C)	(4.75)	4.82
Cash and cash equivalents at the beginning of the year	4.89	0.07
Cash and cash equivalents at the end of the year	0.14	4.89

Summary of Material accounting policies

2

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No: 301003E / E300005

per Ajay Bansal
Partner
Membership no. 502243



For and on behalf of the Board of Directors

Ajay Kapoor
Director
DIN: 00466631

Sachin Kaul
Chief Financial Officer

Date - 26/04/2024

Sanjeev Mehra
Director
DIN: 02626778

Riya Gupta
Company Secretary

Place Gurugram
Date 26/04/2024



4

Dugar Hydro Power Limited
Statement of changes in equity for the period ended March 31, 2024

Equity Share Capital	(Rs. In Lakhs)
Particulars	Amount
Balance as at March 31, 2022	8,685.00
Changes in equity share capital during the year ended March 31, 2023	-
Balance as at March 31, 2023	8,685.00
Changes in equity share capital during the period ended Mar 31, 2024 (Refer Note 25)	(1,986.30)
Balance as at March 31, 2024	6,698.70

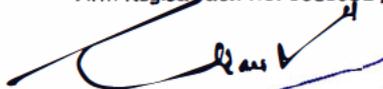
Other Equity	(Rs. In Lakhs)
Particulars	Amount
Retained earnings	
Balance as at March 31, 2022	(2,312.58)
Profit/(loss) for the year	86.93
Balance as at March 31, 2023	(2,225.65)
Profit/(loss) for the period	21.08
Additions to Capital Reserves during the year (Refer Note 25)	536.30
Balance as at Mar 31, 2024	(1,668.27)

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No: 301003E / E300005

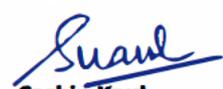

per **Ajay Bansal**
Partner
Membership no. 502243

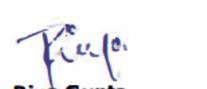


For and on behalf of the Board of Directors


Ajay Kapoor
Director
DIN: 00466631


Sanjeev Mehra
Director
DIN: 02626778


Sachin Kaul
Chief Financial Officer


Riya Gupta
Company Secretary

Date - 26/04/2024



Place *Gurugram*
Date *26/04/2024*

Dugar Hydro Power Limited
Notes forming part of the financial statements

1. General Information.

Dugar Hydro Power Limited ("the Company" or "DHPL"), joint venture of The Tata Power Company Limited (TPC) and Statkraft Holding Singapore Pte Limited (formerly known as SN Power Holding Singapore Pte Limited) with an equity shareholding of 50.000001% and 49.999999% respectively, incorporated in India on April 21, 2011 as public limited Company with an objective to develop 449 MW Hydro Electric project on the Chenab River, Near Killar Village, Lahual and Spiti District of Himachal Pradesh, India.

The addresses of its registered office is at Grover Cottage, 2nd Floor, above HDFC Home Loan Chota Shimla-Kasumpti Road Shimla, Shimla-171002, Himachal Pradesh, India and principal place of business is at C/o Statkraft 401, 4th Floor, Salcon Rasvilas building, Saket District Centre, Delhi - 110017.

The financial statements were authorised for issue in accordance with a resolution of the directors on 26th April 2024.

2. Material accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) read with section 133 of the Companies Act, 2013.

b) Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Investment in mutual funds are measure at fair value
- ii) In 2011, the Company had entered into an agreement with Government of Himachal Pradesh (GoHP) for setting up Hydro-Electric Power Project (236MW) in district Chamba, Himachal Pradesh on river Chenab, of which the installed capacity has been enhanced to 449MW. In July 2015, the Company had submitted Detailed Project Report (DPR) study to GoHP as per Pre-Implementation Agreement (PIA) milestone and then subsequently to Central Electricity Authority (CEA) in July 2016. On December 20, 2016 and March 23, 2017, CEA meeting was held to consider accord of concurrence to the Project in which the various aspects of the project were examined and given conditional clearance subject to certain other clearances keeping the estimated capital cost of Rs 541,460 lacs with the levelised tariff rate of Rs 7.93 Kwh and with the commencement of commercial operation taken as year 2027.

During the course of meeting and subsequent to the CEA meeting, the Company had made lots of deliberation with the CEA on the increase in tariff cost rate from Rs 7.93 per Kwh to Rs 11.27 per Kwh (market price prevailing at the time of awarding the project) and proposed to allow enter into power purchase agreement (PPA) with Himachal Government considering higher cost involved because of non-readiness of the roads and infrastructure by the State Government and much higher free power offered to the Himachal Government at the time of bidding and along with other technical reasons. However, in the CEA meeting on March 23, 2017, the CEA Chairperson was of the view that market prices were much higher than the present level when bidding was conducted for awarding the project and thus considering the fact that project is likely to be commissioned in 2027, levelised tariff of Rs 7.93 per Kwh based on capital cost is fair and not agreed with the Company's view to increase the tariff level and to enter into PPA.

Considering above decision of CEA and based upon the internal future projections, the Company had decided that the project is not economically viable in the present economic environment and thus decided to abandon the project and accordingly written-off Project and Pre-operative expenses of Rs 3679.55 lacs as on March 31, 2017. Considering above and the objective for which the Company was incorporated, the Company has prepared the accounts with the fundamental assumption of 'Going Concern' being no longer appropriate.



Dugar Hydro Power Limited
Notes forming part of the financial statements

Accordingly the assets have been stated at lower of their carrying values and net realizable values, and liabilities have been stated at the values at which they are expected to be discharged.

c) Use of Estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

d) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Leases

The company has applied exemption under IND As 116 , not to recognize right-of-use assets and liabilities for leases with less than 12 months of leases term or in case of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leasing arrangement

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. There are no finance leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred

f) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the



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Dugar Hydro Power Limited
Notes forming part of the financial statements

amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences other than unabsorbed depreciation and carry forward losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

h) Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions with charge to profit & loss statement. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.



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i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

(ia) Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments in fair value through Profit or loss category are measured at fair value with all changes recognised in Profit and loss

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for financial assets other than those financial assets classified as at fair value through profit or loss. Interest income is recognised in the Statement of profit and Loss and is included in the "Other income" line item.

Financial Assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.



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Dugar Hydro Power Limited
Notes forming part of the financial statements

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line items. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a Company of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ib) Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

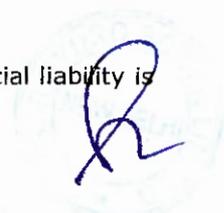
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial Liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading or it is designated as at fair value through profit or loss.



Dugar Hydro Power Limited
Notes forming part of the financial statements

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

j) Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares.

b) Diluted earnings per share

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

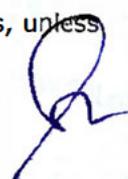
- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

k) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

l) Contingent Liabilities

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.



m) Operating cycle

The Company has not prepared its financial statement on going concern basis thus the rebuttable presumption is followed that all the assets and liabilities are current in nature to the extent it is recorded at net realizable value or the value at which it is expected to be discharged. However, if an asset is not expected to be realized within twelve months from the reporting date, it has been classified as non-current. Similarly, if a liability is not due to be settled within twelve months after the reporting date or if the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, it has been classified as non-current.

n) Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks, cash/cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash/cheques on hand and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company cash management.

3. Critical accounting judgment and key sources of estimation certainty

In the application of Companies accounting policies as mentioned in note 2, the management of the Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

a) Upfront premium fee:

The Company had submitted an application dated 24th April 2017 to Government of Himachal Pradesh (GoHP) sighting withdrawal of its participation in hydro project due to non-viability of the project and asked for refund of refundable upfront premium deposited as per clause 15 of the Pre Implementation Agreement (PIA). GoHP issued cancellation/termination order in response to DHPL request in September, 2017 showing the ground of failure of the Company to sign Implementation Agreement (IA) within time period allowed in the Pre - implementation agreement (PIA) and forfeited the amount deposited since Clause 15 is not applicable after submission of detailed project report (DPR).

As per legal opinion, the decision of DOE-HP(Department of Electricity- Himachal Pradesh) in refusing to accept the reasonably and legally tenable stance of the Company and further forfeiting the upfront premium deposit of Rs. 4,720 Lacs deserve to be set aside. The



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Dugar Hydro Power Limited
Notes forming part of the financial statements

Company has reasonably high chances of succeeding in the Arbitral proceedings against DOE-HP, since:

1. Draft DPR was submitted to GoHP as per modified milestone date of PIA and CEA (Central Electricity Authority) for examination and concurrence. Duly signed final DPR is yet to be submitted to CEA.
2. DHPL represented at the time of submission of Draft DPR to GoHP that signing of IA will only be possible within two months from issue of TEC(Techno - economic clearance) by CEA and not within 2 months of submission of DPR.
3. DHPL represented regularly (through written correspondence) to GoHP/DOE since 2013 regarding various hurdles being faced by the company in development of the project i.e. increase in environmental flow, road & infrastructure, change in approval process of CEA, regulatory changes & tax structure etc.

During the year 2016-17, the Company filed its application under Section 11 of the Arbitration and Conciliation Act, 1996. The Hon'ble High Court of Himachal Pradesh vide its Order dated 25 July 2018, appointed Hon'ble Mr. Justice Surinder Singh Thakur (Retd.) as the Arbitrator to adjudicate the disputes arising out of termination of the PIA between the Company and GoHP.

During the year 2019-20, the Company has received a favorable award of arbitration vide arbitration order dated January 18, 2020. As per the arbitration award, cancellation of allotment of the project and forfeiture of upfront premium by termination order is wrong and illegal being in contravention with applicable contractual provisions. Accordingly, the Company was awarded with refund of upfront premium amounting Rs. 4,720 lacs along with Interest @ 10% with effect from April 24, 2017 and cost of arbitration.

During the year 2020-21, in an Application is filed by GoHP (claimant) under section 34 of the arbitration Act on 03 July 2020 with the Hon'ble High Court of Himachal Pradesh seeking to set aside the arbitration award. Further, DHPL filed a petition on September 19, 2020 under section 36 of the Arbitration Act read with order 21 Rule 11(2) and section 151 of the Code of civil procedure, 1908 for execution of the arbitral award. Against the GoHP petition the High court; when the matter was called, GoHP's counsel submitted that the pleadings are complete.

During the year 2021-22 and 2022-23, the High Court directed the matter to be listed for final hearing however, the matter could not get listed for a final hearing

In the current year, seeking urgent listing of the execution petition on the ground that Pleadings are complete before the High Court and GoHP has not paid the amounts awarded to DHPL despite there being no stay on the operation of the award, however, the matter is yet to be listed for a final hearing. The next date of hearing is yet to be notified.

In view of aforesaid facts & circumstances and pending order of High Court of HP, the Company has classified the upfront premium amount of Rs 4,720 lakhs as "Recoverable from GoHP" in "Other non-current assets" (Note - 6) in the Balance sheet."



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5

Dugar Hydro Power Limited
Notes forming part of Financial Statements

4. Investments

Particulars	(In Lakhs)	
	As at March 31, 2024	As at March 31, 2023
<u>Current investments carried at fair value through profit or loss (FVTPL)</u>		
Investment in mutual funds		
Axis liquid fund - Growth (March 31, 2024 : 4,653.86 units , March 31, 2023 - 22,259.994 units)	124.90	556.70
TATA Mutual fund - Growth Plan (March 31, 2024 : 302.66 units , March 31, 2023- 14,757.57 units)	11.53	524.10
ICICI Prudential Liquid Fund - Growth Plan (March 31, 2024 : 52,944.34 units , March 31, 2023- 199,799.858 units)	189.23	665.70
TOTAL CURRENT INVESTMENTS (at fair value)	325.66	1,746.50



6

Dugar Hydro Power Limited
Notes forming part of Financial Statements

5. Cash and cash equivalents

Particulars	(In Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Balances with banks	0.14	4.89
Cash and Cash Equivalents as per Cash Flow Statement	0.14	4.89

6. Other non-current assets

Particulars	As at	
	March 31, 2024	March 31, 2023
Recoverable from Government of Himachal Pradesh (GoHP) [refer note. 3(a)]	4,720.00	4,720.00
	4,720.00	4,720.00

7. Non current tax assets

Particulars	As at	
	March 31, 2024	March 31, 2023
Tax deducted at source	-	0.54
Deposit under protest	2.05	2.05
	2.05	2.59



8. Equity Share Capital

Particulars	(In Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Equity share Capital	6,699	8,685
	6,699	8,685
Authorised Share Capital		
9,00,00,000 fully paid equity shares of Rs. 10 each	9,000	9,000
Issued and Subscribed capital		
6,69,86,982 Equity shares of face value of Rs. 10 each fully paid up with voting rights (Previous year 8,68,50,002 shares)	6,699	8,685
	6,699	8,685

(i) Rights, preferences and restrictions attached to the equity shareholders:

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Details of shares held by each shareholder holding more than 5% and details of share held by the investor

	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares				
The Tata Power Company Limited	3,34,93,489	50.000001	4,34,25,002	50.000001
Statkraft Holding Singapore Pte Limited	3,34,93,488	49.999999	4,34,25,000	49.999999
Total	6,69,86,977	100	8,68,50,002	100

iii) Reconciliation of the shares outstanding at the beginning and at the end of the reporting financial year :

	As at March 31, 2024		As at March 31, 2023	
	No	Amount	No	Amount
At the beginning of the year	8,68,50,002	86,85,00,020	8,68,50,002	86,85,00,020
Add: Issued during the year	-	-	-	-
Less: Reduced and cancelled during the year (Refer Note 25)	(1,98,63,020)	(19,86,30,200)	-	-
Outstanding at the end of the year	6,69,86,982	66,98,69,820	8,68,50,002	86,85,00,020



8

Dugar Hvdro Power Limited
Notes forming part of Financial Statements

Particulars	(In Lakhs)	
	As at March 31, 2024	As at March 31, 2023
9. Other equity		
Retained Earnings		
Balance at the beginning of the year	(2,225.65)	(2,312.58)
Profit/(loss) for the year	21.08	86.93
Capital Reserve		
Balance at the beginning of the year	-	-
Additions during the year (Refer Note 25)	536.30	-
	(1,668.27)	(2,225.65)

Particulars	As at	
	March 31, 2024	March 31, 2023
10. Provisions		
Provision for contingencies - Current	10.22	10.22
	10.22	10.22

Particulars	As at	
	March 31, 2024	March 31, 2023
11. Trade Payables		
Trade payables (see note below)		
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2.54	4.19
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
	2.54	4.19

Note: Based on the information available with the company, the balance due to micro, small enterprises as defined under the micro, small and medium enterprises development (MSMED) act, 2006 is NIL (31st March 2023: NIL) and no interest has been paid or is payable during the year under the terms of the MSMED Act, 2006. The information provided by the company has been relied upon by the auditors

Trade Payables Ageing schedule as at 31st Mar, 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Payables					
a) MSME	-	-	-	-	-
b) Others	2.54	-	-	-	2.54

Trade Payables Ageing schedule as at 31st March , 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Payables					
a) MSME	-	-	-	-	-
b) Others	2.72	1.47	-	-	4.19

12. Other current liabilities

Particulars	As at	
	March 31, 2024	March 31, 2023
Statutory dues	0.26	0.22
	0.26	0.22



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Dugar Hydro Power Limited
Notes forming part of Financial Statements

13. Other Income

Particulars	(Rs.in Lakhs)	
	For the period ended March 31, 2024	For the year ended March 31, 2023
a) Other gains and losses		
Net gain on financial asset carried at FVTPL	47.31	89.42
Interest on Income tax refund	-	11.40
Gain on sale of mutual fund	6.84	0.06
Total	54.15	100.88

14. Other expenses

Particulars	For the period ended March 31, 2024	For the year ended March 31, 2023
	Legal & professional	10.23
Rates and taxes	0.90	0.95
Auditor's remuneration(refer note 22)	2.36	1.84
Rent expense	0.71	0.71
Travelling and conveyance	0.00	-
Bank charges	1.10	0.10
Miscellaneous expenses	0.18	0.09
Total	15.48	13.95



15. Financial Instruments

a) Capital Management

The Company's overall objective is to develop 449 MW Hydro Electric project on the Chenab River, Near Killar Village, Lahual and Spiti District of Himachal Pradesh, India. To manage the capital of the shareholders, the management reviews the status of the project on time to time basis and accordingly ensure the optimum utilization of the capital.

b) Categories of Financial Instruments

Particulars	(Rs in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Financial Assets		
Measured at FVTPL		
Mandatorily measured – Investment in Mutual Funds	325.66	1,746.50
Measured at amortized cost		
Cash and cash equivalents	0.14	4.89
Financial Liabilities		
Measured at amortized cost (including trade payable and other financial liabilities)	2.54	4.19

c) Fair Value Measurements

Fair value of the Company's financial assets that are measured at fair value on a recurring basis

The Company's investments are the only financial asset measured at fair value at the end of each reporting period. The below table gives information about the fair value how the fair values of financial assets are measured as at March 31, 2024 (in particular, the valuation technique and inputs used)

Nature of Financial Asset	Fair value as at March 31, 2024	Fair value as at March 31, 2023	Fair value Hierarchy	(Rs. in lakhs)
				Valuation technique and key inputs
Investment in Mutual Fund	325.66	1,746.50	Level 2	Significant Observable Inputs: Inputs other than quoted prices

d) Financial risk management

The company's activities expose it to a variety of financial risks which includes market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarized below.

i) Market Risk

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. Market risk comprises of three type of risks: currency risk, interest rate risk and equity price risk. The Company's activities expose it primarily to price risk [see note (ia) below]
 Company do not have any currency risk as there is no currency other than reporting currency involved.

Since the Company does not have borrowing hence there is no risk to the company on account of fluctuation of interest rate. Financial instruments affected by market risk are FVTPL investments.

ia) Price risk



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DUGAR HYDRO POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in net assets value (NAV) of the financial instruments held.

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such investments.

The carrying amount of the Company's investments designated as at fair value through profit and loss at the end of the reporting period are as follows:

Particulars	As at 31 st March 2024	As at 31 st March 2023
Investment in mutual funds	325.66	1,746.50

ii) Liquidity risk management

The Company maintains focus on liquidity and to manage liquidity risk in the project the Company reviews the availability of sufficient funding to meet business needs and financial obligations. The Company's liquidity plans are established within the context of the funds necessary to fund the operating commitments, which primarily includes obligation related to vendors/suppliers for the services obtained.

Liquidity Risk Tables

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amount disclosed in the table are the contractual undiscounted cash flow. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Rs. In lakhs)

Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 year to 2 year	Total
March 31, 2024					
Non-Interest Bearing					
Trade Payables	2.54	-	-	-	2.54
Total Non-Interest Bearing financial liabilities	2.54	-	-	-	2.54

(Rs. In lakhs)

Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 year to 2 year	Total
March 31, 2023					
Non-Interest Bearing					
Trade Payables	2.72	-	-	1.46	4.19
Total Non-Interest Bearing financial liabilities	2.72	-	-	1.46	4.19

iii) Credit risk management



(12)

DUGAR HYDRO POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as means of mitigating the risk of financial loss from defaults.

16. Related party transactions

Balance and transactions between the Company and its related parties are disclosed below:

a) Name of related parties and their relationships

Name of related party	Nature of relationship
The Tata Power Company Limited (Investor)	Company is a joint venture
Statkraft Holding Singapore Pvt Limited (Investor)	
Statkraft India Private Limited	Company having significant influence

b) Transaction entered with the related parties during the year ended March 31, 2024 and year ended March 31, 2023 (Rs. In Lakhs)

Particulars	Statkraft India Private Limited
Legal & Professional Expenses	2.96 (2.45)*
Rent	0.71 (0.71)*

c)

Balance outstanding as at period ended: (Rs. In lakhs)	
Particulars	Statkraft India Private Limited
Legal and Professional exp	0.21 (0.19)*
Rent	0.06 (0.05)*

* Amount in bracket represents PY numbers.

17. Earnings/ (Loss) per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/(Loss) for the period (Rs. in lakhs)	21.08	86.93
Weighted average number of equity shares (Nos. in lakhs)	733.00	868.50
Nominal value per equity share (Rs./share)	10	10
Basic and diluted earnings/(loss) per share (Rs./share)	0.03	0.10

18. Contingent liabilities (to the extent not provided for)



(13)

DUGAR HYDRO POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

There are no Contingent Liabilities as on March 31, 2024

19. Taxes

The Company has not recognized deferred tax assets in absence of reasonable certainty that sufficient taxable income will be available in future years, against which such deferred tax asset could be realized.

20. Lease

The Company has operating lease arrangements for office premises. The lease arrangements are cancellable in nature by giving notice in writing for 2 months. The rent charged to Statement of Profit and Loss relating to operating lease during the year is Rs. 0.71 lacs (Previous year Rs. 0.71 lacs).

21. Segment reporting

As the Company's business activity falls within a single primary segment viz. Development of Hydro Electric Power Plant, and is a single geographical segment, the disclosure requirements of Indian Accounting Standard (Ind AS 108) "Operating Segments" are not applicable.

22. Auditors remuneration (including taxes)*

(Rs. In lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
For statutory audit	1.77	1.77
Other services	0.41	-
Out of pocket expenses	0.18	0.07
Total	2.36	1.84

23. Financial Ratios

S.no.	Ratios	Numerator	Denominator	As at 31st March, 2024	As at 31st March, 2023	Variance	Reason for Variance (where reason for variance is above 25%)
1	Current Ratio	Current Assets	Current Liabilities	18.73	119.71	-84.37%	In the current year, Investments in mutual fund have been sold for carrying approved reduction in share capital, leading to decrease in ratio as compared to previous year.
2	Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.37%	1.35%	-72.92%	In current year, there is decrease in net profit due to sale of investments in mutual funds in the beginning of year and Shareholder equity has also been reduced due to Capital Reduction, leading to decrease in ratio.
3	Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.67%	1.35%	-50.32%	
4	Return on investment	Interest (Finance Income)	Investment	5.23%	5.43%	-15.95%	

*Investments has been taken as average of closing and opening investment for purpose of computation of this ratio.

24. Other statutory information :-

- (i) The company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges of satisfaction which is yet to be registered with ROC beyond the statutory period,



DUGAR HYDRO POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The company does not not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

25. The Board of Directors in its meeting held on 21st May 2021 had decided to reduce the issued, subscribed and paid-up share capital of the Company by returning capital to The TATA Power Company Limited & Statkraft Holding Singapore Pte Limited in equal proportion not exceeding INR 14,50,00,046. Thereafter, the application of reduction of share capital under section 66 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 was submitted to the Hon'ble NCLT, Chandigarh Bench. During the previous year, the Hon'ble NCLT has issued the order on 2nd March, 2023, approving the Scheme of "Reduction of Share Capital". In the current year, the Company has filed all the relevant e-forms to the Registrar of Companies (ROC) for compliance of order and accordingly company recorded for the reduction in share capital in the books by refunding the money @ INR 7.3 (based on share valuation by Independent valuer) on 19,863,020 Equity shares and the balance amount being transferred to capital reserve (INR 2.7 on 19,863,020 Equity shares).

26. The Company has migrated to upgraded version of accounting software from lower version of accounting software during the year. The audit trail feature in respect of the lower version of accounting software is not enabled. The upgraded accounting software used for maintaining its books of account has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with in respect of upgraded accounting software.

27. As per the amendment in proviso to Rule 3(5) of Companies (Accounts) Rules, 2014 which require back up of books of accounts and other relevant books and papers maintained in electronic mode to be kept in servers physically located in India on a daily basis. The Company has a policy of taking daily back of books of accounts manually on a hard drive physically located in India considering the size of the company is small and non-complex and the Company has limited number of transactions. The management is taking adequate steps to have above compliance of daily back up of books of accounts.



28. Approval of financial Statements

The Financial Statements for the year ended March 31, 2024 were approved for issue by Board of Directors on April 26, 2024.

For S.R.Batliloi & Co. LLP
Chartered Accountants
Firm Registration No. 3010032/E300005



Per Ajay Bansal
Partner

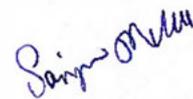
Membership No.- 502243



For and on behalf of the Board of Directors



Ajay Kapoor
Director
DIN: 00466631



Sanjeev Mehra
Director
DIN: 02626778

Date: 26/04/2024
Place: Gurugram



Sachin Kaul
Chief Financial Officer

Date - 26/04/2024



Riya Gupta
Company Secretary



