R.H.K. & Associates
Chartered Accountants

Sarkaridhara, Samakhusi
Kathmandu, Nepal

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DYNAMIC POWER PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Dynamic Power Private Limted (the Company)**, which comprise the Statement of Financial Position (Balance Sheet) as at **Ashad 32, 2079 (July 16, 2022)** and the related Income Statement, Statement of Change in Equity and Statement of Cash Flows for the year then ended, and Notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at **Ashad 32, 2079 (July 16, 2022),** and its financial performance and its cash flows for the year ended in accordance Nepal Accounting Standards (NASs) and comply with Companies Act, 2063.

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to or audit of the financial statements under the provisions of the companies Act, 2063, and we have fulfilled our other ethical responsibilities in accordance with these requirement and the ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial Statements in accordance with Nepal Accounting Standards 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 intended to liquidate the Company or to 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 Financial Statements

The objectives of our audit 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 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 NSAs 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 financial statements.

R.H.K. & ASSOCIATES * Kathmandu * Chartered Accountants *

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

- 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 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, but for the purpose of expressing an opinion on 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Report on Other Legal and Regulatory Requirements

On the basis of our examination, we would like to report that:

i. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.

ii. The Company has kept proper books of accounts as required by law, in so far as it appears from our examination of those books of account.

iii. The Statement of Financial Position as at Ashad 32, 2079 (July 16, 2022) and the related Statement of Profit or Loss, Statement of Change in Equity, Statement of Cash Flows, Notes to Financial Statement dealt with by this report are in agreement with the books of account maintained by the Company.

iv. During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company, and

v. We have not come across any fraudulence in the accounts.

Place: Kathmandu

Date: 2079/10/15

UDIN: 230212CA012943KGTC

For: R.H.K. & Associates
Chartered Accountants

R.H.K. ASSOCIATES Kathmandu Chartered Accountants

CA. Ram Hari Kandel
Proprietor

Dynamic Power Private Limited

(Formely: Trishuli Solar Pvt. Ltd.)

Balance Sheet

As on 32, Ashad 2079 (16 July, 2022)

Particulars	Schedule	Current Year	Previous Year
Assets			
Non- Current Assets			
Property, Plant & Equipments	1	80,00,000.00	80,00,000.00
Capital Work In Progress	2	50,28,960.00	30,28,960.00
Total Non- Current Assets		**1,30,28,960.00**	**1,10,28,960.00**
Current Asstes			
Cash & Bank Balance	3	7,43,092.00	20,332.00
Loan, Advances & Other Deposits	4	9,99,900.00	9,99,900.00
Total Current Assets		**17,42,992.00**	**10,20,232.00**
Total Assets		**1,47,71,952.00**	**1,20,49,192.00**
Equity & Liabilities			
Equity			
Share Capital	5	10,00,000.00	10,00,000.00
Share Application Money		50,00,000.00	-
Reserve & Surplus	6	(6,11,298.00)	(4,35,183.00)
Total Equity		**53,88,702.00**	**5,64,817.00**
Current Liabilities & Provision			
Current Liabilities & Provision	7	93,83,250.00	1,14,84,375.00
Total Current Liabilities		**93,83,250.00**	**1,14,84,375.00**
Total Equity & Liabilities		**1,47,71,952.00**	**1,20,49,192.00**

Notes forming parts of the financial statements 9

As per our attached report of even date
For: R.H.K. & Associates
Chartered Accountant

CA Ram Hari Kandel
Proprietor

For and on behalf of the Company

Managing Director

Dynamic Power Pvt. Ltd. Kathmandu, Nepal

R.H.K. & ASSOCIATES Kathmandu Chartered Accountants

Place: Kathmandu
Date: 2079/09/28

Dynamic Power Private Limited

(Formely: Trishuli Solar Pvt. Ltd.)

Income Statment

For The Period Ended 32, Ashad 2079 (16 July, 2022)

Particulars	Schedule	Current Year	Previous Year
Revenue		-	-
Add: Other Income		-	-
Less: Direct Cost		-	-
Operating Income		-	-
Administration Expenses	8	1,76,115.00	3,03,650.00
Operating Profit/(Loss) Before Interest & Depreciation		(1,76,115.00)	(3,03,650.00)
Finance Expenses		-	-
Depreciation		-	-
Profit/(Loss) Before Tax		(1,76,115.00)	(3,03,650.00)
Less: Provision for Income Tax			-
Profit/(Loss) After Tax		(1,76,115.00)	(3,03,650.00)

Notes forming parts of the financial statements 9

As per our annexed report of even date

For: R.H.K. & Associates

Chartered Accountant

For and on behalf of the Company

Dynamic Power Pvt. Ltd. Kathmandu, Nepal

R.H.K. & ASSOCIATES Kathmandu Chartered Accountants

Managing Director

CA Ram Hari Kandel

Proprietor

Place: Kathmandu

Date: 2079/09/28

Dynamic Power Private Limited

(Formely: Trishuli Solar Pvt. Ltd.)

Statement of Cash Flows

For The Period Ended 32, Ashad 2079 (16 July, 2022)

	Particulars	Current Year	Previous Year
A.	**Cash flows from operating activities**		
	Net Profit / (Loss) before Income tax	(1,76,115.00)	(3,03,650.00)
	Depreciation	-	-
	Cash flow before Working Capital Changes	**(1,76,115.00)**	**(3,03,650.00)**
	Cash Flow from Working Capital Changes		
	(Increase)/Decrease in Current Assets	-	-
	Increase/(Decrease) in Current liabilities	(21,01,125.00)	13,28,250.00
	Net cash Flow from Working Capital Changes	**(21,01,125.00)**	**13,28,250.00**
	Net Cash Flow from Operating Activities (A)	**(22,77,240.00)**	**10,24,600.00**
B.	**Cash Flow from Investing Activities**		
	Addition to Fixed Assets/Capital WIP	(20,00,000.00)	(10,25,000.00)
	Net Cash Flow from Investing Activities (B)	**(20,00,000.00)**	**(10,25,000.00)**
C.	**Cash Flow from Financing Activities**		
	Increase/Decrease in Share Capital/Application Money	50,00,000.00	
	Net Cash Flow from Financing Activities (C)	**50,00,000.00**	-
	Net Cash Flow for the year (A+B+C)	7,22,760.00	(400.00)
	Cash & Bank at the Beginning of the year	20,332.00	20,732.00
	Cash and Bank Balance at the year	**7,43,092.00**	**20,332.00**

Notes forming parts of the financial statements 9

As per our annexed report of even date

For: R.H.K. & Associates
Chartered Accountant

R.H.K. & ASSOCIATES Kathmandu Chartered Accountants

CA Ram Hari Kandel
Proprietor

For and on behalf of the Company

Dynamic Power Pvt. Ltd. Kathmandu, Nepal

Managing Director

Place: Kathmandu
Date: 2079/09/28

Dynamic Power Private Limited

(Formely: Trishuli Solar Pvt. Ltd.)

Statement of Changes in Equity

For The Period Ended 32, Ashad 2079 (16 July, 2022)

Particulars	Share Capital	Share Application Money	Share Premium	Revaluation Reserve	Accumulated Profit/(Loss)	Total
Balance as on 01.04.2077	10,00,000.00		-	-	(1,31,533.00)	8,68,467.00
Share Capital					-	-
Profit/(Loss) for the Year					(3,03,650.00)	(3,03,650.00)
Balance as on 31.03.2078	**10,00,000.00**		**-**	**-**	**(4,35,183.00)**	**5,64,817.00**
Balance as on 01.04.2078	**10,00,000.00**		-	-	**(4,35,183.00)**	**5,64,817.00**
Share Capital	-				-	-
Share Application Money		50,00,000.00				50,00,000.00
Profit/(Loss) for the Year					(1,76,115.00)	(1,76,115.00)
Balance as on 32.03.2079	**10,00,000.00**	**50,00,000.00**	**-**	**-**	**(6,11,298.00)**	**53,88,702.00**

Notes forming parts of the financial statements

As per our annexed report of even date

For: R.H.K. & Associates

Chartered Accountant

For and on behalf of the Company

Managing Director

Dynamic Power Pvt. Ltd. Kathmandu, Nepal

R.H.K. & ASSOCIATES Kathmandu Chartered Accountants

CA Ram Hari Kandel

Proprietor

Place: Kathmandu

Date: 2079/09/28

Dynamic Power Private Limited

(Formely: Trishuli Solar Pvt. Ltd.)

Schedule Forming Part of the Financial Statements

For The Period Ended 32, Ashad 2079 (16 July, 2022)

Property, Plant & Equipments ***Schedule 1***

Particulars	Dep Rate	Opening WDV	Addition Upto			Total Addition During the year	Total	Depreciation for the Year	Closing WDV
			Poush	Chaitra	Ashad				
Non-Depreciable Assets									
Land									-
Pool A	5%								
Building									-
Pool B	25%								
Computer & Accessories									-
Furniture & Fixture									-
Office Equipment									-
Pool C	20%								
Vehicles									-
Pool D	15%								
Plants & Equipments									-
Pool E									
Intangible Assets (Survey License for Electricity Generation)		80,00,000.00					80,00,000.00		80,00,000.00
		80,00,000.00	-	-	-	-	**80,00,000.00**	-	**80,00,000.00**
Total		**80,00,000.00**	-	-	-	-	**80,00,000.00**	-	**80,00,000.00**

Dynamic Power Pvt. Ltd. Kath... Nepal

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Dynamic Power Private Limited
(Formely: Trishuli Solar Pvt. Ltd.)
Schedule Forming Part of the Financial Statements
For The Period Ended 32, Ashad 2079 (16 July, 2022)

Capital Work in Progress **Schedule-2**

Particulars	Current Year	Previous Year
Pre Operating/Feasibility/Licenses and Support Cost		
Licenses Renewal Fee	50,00,000.00	30,00,000.00
Contract Amendment Charges	25,000.00	25,000.00
Office Operation and Management	3,960.00	3,960.00
Total	**50,28,960.00**	**30,28,960.00**

Cash & Bank Balances **Schedule-3**

Particulars	Current Year	Previous Year
Cash Balance		
Cash in Hand (as certified)	8,828.00	9,957.00
Bank Balance		
Nabil Bank Ltd.	7,34,264.00	10,375.00
Total	**7,43,092.00**	**20,332.00**

Loan, Advances & Other Deposites **Schedule-4**

Particulars	Current Year	Previous Year
Arjun Babu Dhakal	9,99,900.00	9,99,900.00
Total	**9,99,900.00**	**9,99,900.00**

Share Capital **Schedule-5**

Particulars	Current Year	Previous Year
Authorized Capital		
500000 Equity Shares of Rs. 100 Each	5,00,00,000.00	5,00,00,000.00
Issued Capital		
500000 Equity Shares of Rs. 100 Each	5,00,00,000.00	5,00,00,000.00
Paid up share capital		
250000 Equity Shares Partly Paid of Rs. 4 Each	10,00,000.00	10,00,000.00
Total	**10,00,000.00**	**10,00,000.00**

Reserve & Surplus **Schedule-6**

Particulars	Current Year	Previous Year
Upto Previous Year	(4,35,183.00)	(1,31,533.00)
Add: Income Statement Balance	(1,76,115.00)	(3,03,650.00)
Total	**(6,11,298.00)**	**(4,35,183.00)**

Current Liabilities & Provisions **Schedule-7**

Particulars	Current Year	Previous Year
Audit Fee Payables	27,875.00	27,875.00
TDS on Audit Fee	375.00	375.00
SST Payable	-	275.00
Advance & Payables	80,00,000.00	80,00,000.00
Advance From Director	13,55,000.00	34,55,850.00
Total	**93,83,250.00**	**1,14,84,375.00**

Administration Expenses **Schedule-8**

Particulars	Current Year	Previous Year
Audit Fee	28,250.00	28,250.00
Printing & Stationery Expenses	-	400.00
Salary Expenses	-	2,75,000.00
Donation Expenses	30,000.00	-
Membership Fee	12,000.00	-
Sponsership Expenses	1,05,750.00	-
Bank Charges	115.00	-
Total	**1,76,115.00**	**3,03,650.00**

Dynamic Power Pvt. Ltd. ★ Kathmandu, Nepal

R.H.K. & ASSOCIATES ★ Kathmandu ★ Chartered Accountants

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Dynamic Power Private Limited

(Formely: Trishuli Solar Pvt. Ltd.)

Schedules Forming Part of the Financial Statement

For The Period Ended 32, Ashad 2079 (16 July, 2022)

Schedule-9

Significant Accounting Policies & Notes to the Accounts

A Significant Accounting Policies

1 Accounting Conventions

The Financial Statements are prepared under the Histrocial Cost Convention on an Accural Concept and are in accordance with Nepal Accounting Standards (NASs) and others applicable laws prevalent in Nepal. The accounting policies are consistently applied by the company.

2 Revenue Recognition

Revenue has been recognized as and when the services are delivered to customers unless there is uncertainty as to the realization of amount.

3 Use of estimates:

The preparation of Financial Statements in confirmity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of revenue & expenses during the reporting period.

4 Property, Plant & Equipment and Depreciation

i) Property, Plant & Equipment are stated at cost inclusive of all expenses incurred in commissioning/ putting them into use, less depreciation.

ii) Depreciation on Property, Plant & Equipment has been charged on Written Down Value (WDV) Method as per the rates prescribed in the Income Tax Act 2058.

B Notes to the Accounts

1 Intengible Assets shown under Propert, Plant & Equipments comprises the Survey License for Electricity Generation on Manahari River which was purchased from its Shareholder Director Mrs. Sabita Godar Thapa on 2076/03/16.

2 As the company is in first year of operation, there is no previous year figures.

3 Schedule 1 to 9 form the integral parts of the Balance Sheet and Income Statement.

Dynamic Power Pvt. Ltd. Kathmandu, Nepal

R.H.K. & ASSOCIATES Kathmandu Chartered Accountants