

M. Khanal & Co., Chartered Accountants

Kathmandu, Nepal
PAN/VAT No.500094178

Tel:- 5542160
Email:- charteredmahesh.mk@gmail.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TOTAL TRANSPORT SYSTEMS PVT. LTD.

Opinion

We have audited the accompanying Financial Statements of Total Transport Systems Pvt. Ltd. for the period from 1st April 2021 to 31st March 2022 which comprise the Statement of Financial Position as at 31st March, 2022, Statement of Profit or Loss and Statement of Cash Flows for the year then ended, and a Summary of Significant Accounting Policies and Other Explanatory Notes.

In our opinion, the accompanying financial statements for the year ended 31st March, 2022 presents fairly, in all material respects, in accordance with the financial reporting provisions of the contract dated 2078/04/01 between Total Transport Systems Pvt. Ltd. and M. Khanal & Co., Chartered Accountants and Nepal Accounting Standards so far as applicable in compliance with the prevailing Laws and comply with Company Act 2063.

Basis for Opinion

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Financial Statements. The procedures selected depend on our professional judgment, including the assessments of the risks of material misstatement in the Financial Statements, whether due to fraud or error. In making those risk assessments, we consider the internal control relevant to the management's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of management's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Management's Responsibility for the FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of Financial Statements in accordance with Nepal Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of Financial Statements that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibilities

Our responsibility is to express an opinion on Financial Statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

Report on Other Legal and Regulatory Requirements

Based on our examination, we would like to further report that:

- i. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- ii. The management has kept proper books of accounts, in so far as it appears from our examination of those books of account.
- iii. The Financial Statements as dealt with by this report is in agreement with the books of account maintained by the management.
- iv. During our examination of the books of account, we have not come across the cases where the Senior Management Team or any member thereof or any representative or any office holder or any employee of the the organization has acted contrary to the provisions of law or caused loss or damage to the organization's assets.
- v. We have not come across any fraudulence in the accounts, based on our sample examination of the books.

Date: June 09, 2022
Place: Kathmandu, Nepal
UDIN:220609CA00102nwxlt



CA Mahesh Khanal
M. Khanal & Co.,
Chartered Accountants

Total Transport Systems Private Limited
Kathmandu, Nepal
Statement of Financial Position
As at 31st March, 2022

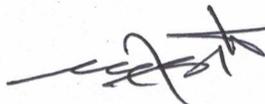
S.N.	Particulars	Schedule No.	Current Year (NPR.)	Previous Year (NPR.)
1	Sources of Fund :			
	Share Capital	1	2,500,000.00	2,500,000.00
	Reserve and Surplus	2	4,301,463.31	3,496,216.55
	Grand Total		6,801,463.31	5,996,216.55
2	Applications of Fund:			
	Fixed Assets	3		
	Gross:		429,311.83	413,497.13
	Less: Depreciation		102,804.37	97,719.80
	Net Fixed Assets		326,507.46	315,777.33
	Current Assets, Loans and Advances (A)			
	Advances and Prepaids	4	1,010,008.00	960,238.08
	Sundry Debtors	5	9,543,184.70	5,537,996.27
	Deposits	6	7,000.00	7,000.00
	Cash and Bank Balance	7	4,232,046.92	5,203,934.10
	Total (A)		14,792,239.62	11,709,168.45
3	Less: Current Liabilities and Provisions (B)			
	Sundry Creditors	8	7,857,834.68	5,663,162.91
	Other Provisions & Payables	9	459,449.10	365,566.33
	Total (B)		8,317,283.78	6,028,729.24
	Net Working Capital (A - B)		6,474,955.84	5,680,439.21
	Grand Total		6,801,463.31	5,996,216.55

Notes to Account and Significant Accounting Policies 10



Ishwor Timsina
Accountant

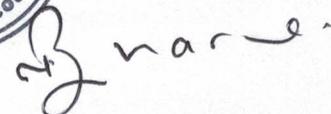




Haripati Lal Shrestha
Executive Director



As per our Report of even date



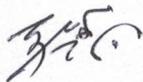
Mahesh Khanal, FCA
For: M. Khanal & Co.,
Chartered Accountants

Date: : 24 May 2022
Place: Kathmandu, Nepal

Total Transport Systems Private Limited
Kathmandu, Nepal
Statement of Profit or Loss
For the period from 1st April 2021 to 31th March 2022

Particulars	Schedule No.	Current Year (NPR.)	Previous Year (NPR.)
Revenue (Freight Income)		35,413,360.80	21,121,314.64
Total Operating Income		35,413,360.80	21,121,314.64
Direct Expenses (Costs For Cargo)		29,982,530.10	16,625,682.70
Total Expenses		29,982,530.10	16,625,682.70
Gross Profit/(Loss) from Operation		5,430,830.70	4,495,631.94
Depreciation Expenses	3	102,804.37	97,719.80
General & Administrative Expenses	11	3,682,889.94	3,087,188.11
Profit/Loss Before Tax		1,645,136.39	1,310,724.03
Less: Provision for Tax		411,284.10	327,681.01
Net Profit/(Loss) for the year		1,233,852.28	983,043.03

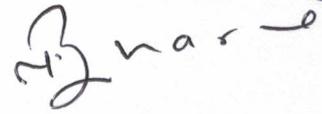
As per our Report of even date




Ishwor Timsina
Accountant



Haripati Lal Shrestha
Executive Director




Mahesh Khanal, FCA
For: M. Khanal & Co.,
Chartered Accountants

Total Transport Systems Private Limited
Kathmandu, Nepal
Statement of Cash Flows
For the period from 1st April 2021 to 31th March 2022

S.N.	Particulars	Current Year (NPR.)	Previous Year (NPR.)
A)	Cash Flow From Operating Activities:		
	Net Profit	1,233,852.28	983,043.03
	Adjustments		
	Depreciation	102,804.37	97,719.80
	Non- Cash flow item Adjusted	(428,605.53)	127,983.56
	Increase / (Decrease) in Current Assets and Liabilities:		
	(Increase) / Decrease in Current Assets	(4,054,958.35)	(142,868.15)
	Increase / (Decrease) in Current Liabilities	2,288,554.54	3,655,604.08
	Total (A)	(858,352.68)	4,721,482.31
B)	Cash Flow from Investing Activities:		
	Sales of Fixed Assets	-	-
	Purchase of Fixed Assets	(113,534.50)	(126,519.73)
	Total (B)	(113,534.50)	(126,519.73)
C)	Cash Flow from Financial Activities:		
	Paid up Capital Increase/(Decrease)	-	-
	Long term loan paid	-	-
	Total (C)		
D)	Net Cash Flow This year = (A+B+C)	(971,887.18)	4,594,962.58
E)	Cash & Cash Equivalents at the beginning of the Year	5,203,934.1	608,971.52
F)	Cash & Cash equivalents at the end of the Year (D+E)	4,232,046.92	5,203,934.1

As per our Report of even date

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Ishwor Timsina
Accountant



[Signature]

Hariapati Lal Shrestha
Executive Director

[Signature]

Mahesh Khanal, FCA
For: M. Khanal & Co.,
Chartered Accountants



Total Transport Systems Private Limited
Kathmandu, Nepal

Schedule of Fixed Assets
For the period from 1st April 2021 to 31st March 2022

Schedule 3

S.N.	Particulars	Opening Dep. Basis a	Addition during the Year b	Allowable Portion c	Allowable Amount d=bx c	Disposal e	Dep. Basis For The Year f=a+d-e	Dep. Rate g	Dep. for the Year h=fxg	Dep. Basis at end i=f-h	Unabsorbed Addition j=b-d	Unabsorbed Repair k	Total Dep. Basis for next Year i+j+k
1)	Block B												
	1. Furniture and fixture	116,220.85	-	1	-	-	116,220.85	25%	29,055.21	87,165.64	-	-	87,165.64
	2. Office Equipments	109,084.70	113,534.50	1	113,534.50	-	222,619.20	25%	55,654.80	166,964.40	-	-	166,964.40
	Total	225,305.55	113,534.50		113,534.50		338,840.05	25%	84,710.01	254,130.04			254,130.04
2)	Block C												
	Vehicle	90,471.78	-	1	-	-	90,471.78	20%	18,094.36	72,377.43	-	-	72,377.43
	Total	90,471.78	-		-		90,471.78	20%	18,094.36	72,377.43			72,377.43
	Grand Total	315,777.33	113,534.50		113,534.50		429,311.83		102,804.37	326,507.46			326,507.46



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Total Transport Systems Private Limited
Kathmandu, Nepal
Schedules to Financial Statements
For the period from 1st April 2021 to 31th March 2022

Schedule 1

Share Capital	Current Year (NPR.)	Previous Year (NPR.)
Particulars		
Authorized Share Capital		
25,000 Equity Shares @ Rs. 100 per share	2,500,000.00	2,500,000.00
Issued and Subscribed Share Capital		
25,000 Equity Shares @ Rs. 100 per share	2,500,000.00	2,500,000.00
Total	2,500,000.00	2,500,000.00

Schedule-2

Reserve and Surplus	Current Year (NPR.)	Previous Year (NPR.)
Particulars		
Profit and loss upto last year	3,496,216.55	2,385,189.96
Profit/(Loss) for this year	1,233,852.28	983,043.03
Add: Adjustment	(428,605.53)	127,983.56
Total	4,301,463.31	3,496,216.55

Schedule 4

Advances and Prepaids	Current Year (NPR.)	Previous Year (NPR.)
Particulars		
Advance to Haripati Lal Shrestha	950,000.00	900,000.00
Advance Tax	60,000.00	60,238.08
Salary Receivable	8.00	-
Total	1,010,008.00	960,238.08

Schedule 5

Sundry Debtors	Current Year (NPR.)	Previous Year (NPR.)
Particulars		
ZIM Integrated Shipping Services Ltd.	265,895.00	73,655.00
Siris Express Pvt. Ltd	304,566.25	316,750.39
Nepalaya Logistics Pvt. Ltd.	-	211,610.57
Hercules Aviation Pvt. Ltd	152,768.96	563,245.91
Gold Star Line Ltd.	450,386.00	274,226.09
Bridge Logistics Pvt. Ltd	950,230.00	31,401.00
Smooth Cargo Movers Pvt. Ltd	2,024,364.10	-
Nepal Shipping & Air Logistics Pvt. Ltd. NPSAL	81,344.24	1,231.18
Continental Trading Enterprises Pvt.Ltd	2,034.23	2,034.23
Laurel Navigation (Mauritius) Ltd.	16,421.00	1,747.00
Legend Cargo Pvt.Ltd	2,200,471.15	1,135,757.58
Atlas De Cargo Pvt.Ltd	-	0.25
Global Packers & Movers P. Ltd.	-	166,217.45
Himalayan Travel & Tours P. Ltd. HTT	378,646.00	149,253.00
Kapileswor Cargo Pvt. Ltd	30,020.83	210,901.43
Globe Shipping & Logistics Pvt Ltd.	-	718,236.00
Highland Air & Ocean Logistics Pvt Ltd.	-	0.62
Global International Freight Logistics	-	159,955.00
Nepal Communitare	-	2,260.00
Nepal Freight Solution Pvt. Ltd.	-	127,467.00
Moon Light Cargo Pvt.Ltd	453,391.60	1,089,712.00
Air Sea Express Pvt. Ltd.	55,129.00	-
A.P. Logistics Pvt. Ltd.	215,414.40	-
Evergreen Air Courier Pvt. Ltd.	418,175.00	-
Mass Nepal Logistics Pvt.Ltd.	398,770.04	-
Shangrila International Freight Pvt. Ltd.	594,814.05	-
United Shipping and Forwarding Service Pvt. Ltd.	100,000.00	-
RISING STAR CARGO PVT. LTD.	342.85	-
Mass Global Freight Pvt. Ltd.	450,000.00	209,319.37
	-	93,015.20



Deposits**Schedule 6**

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Deposit for Telephone	3,000.00	3,000.00
Deposit for Foreign Investment	4,000.00	4,000.00
Total	7,000.00	7,000.00

Cash and Bank Balance**Schedule 7**

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Laxmi Bank Limited	4,155,464.22	5,141,533.91
Cash In Hand	76,582.70	62,400.19
Total	4,232,046.92	5,203,934.10

Sundry Creditors**Schedule 8**

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Sri Durga Impex & Logistics	17,429.58	516,300.71
Total Transport Systems Kolkata	7,361,719.52	3,593,832.48
Goodluck Transport Service India A/C	46,374.00	215,801.37
Expo Express Service Nepal Pvt. Ltd.	2,541.09	2,541.09
Evergreen Air Courier Pvt. Ltd.	-	1,280.57
Megha Creation , India	-	299,932.09
Laxmi Transport Company, India	278,513.73	609,558.09
A.P. Logisttics Pvt. Ltd.	-	204,150.00
Quality Freight Service (P) Ltd.	19,923.00	19,923.00
PFL Logistics Pvt. Ltd.	-	94,478.55
SMOOTH CARGO MOVERS PVT. LTD.	-	0.90
Tripureswor Conductor Udhyog Pvt. Ltd.	10,008.67	10,008.67
Total Transport System Limited Mumbai	-	-
Investigators Legal Advisers & Surveyors	10,170.00	-
JAY MAA AMBEY TRANSPORT	69,675.00	-
SRI LAXMI ROADWAYS	18,692.71	-
WIPS Law Associate Pvt. Ltd.	16,725.00	-
K.K.S. OVERSEAS CONCERN PVT. LTD.	6,062.38	-
Public Freight Pvt. Ltd.	-	95,355.39
Total	7,857,834.68	5,663,162.91

Other Provisions and payable**Schedule 9**

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Provision for Income Taxes	411,284.10	327,681.01
TDS Payble	48,165.00	9,291.00
VAT Payable	-	28,594.32
Total	459,449.10	365,566.33








General and Administrative Expenses

Schedule 11

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Salary expenses	2,009,952.00	1,720,637.00
Exchange Loss	2,457.46	27,206.03
House Rent Expenses	212,400.00	199,020.00
Printing & Stationary Expenses	52,605.00	53,797.06
Conveyance & Travelling Expenses	164,266.00	19,732.00
Water & Electricity Expenses	58,331.00	58,543.00
Business Promotion Expenses	239,082.00	207,752.14
Insurance Expenses	3,637.00	4,332.00
Telephone & Fax Expenses	52,050.00	52,066.00
Repair and Maintenance	25,015.00	23,660.00
Bank and fund transfer expenses	58,601.72	32,779.38
Fund Transfer Expenses	21,166.39	207.00
Govt Expenses	-	6,525.00
Miscellaneous	15,050.00	6,049.00
Internet	14,798.23	17,400.00
Courier Charges	34,351.00	27,905.00
Membership	150,892.14	39,550.00
Staff Welfare	119,225.00	113,000.00
Warehouse Expenses	52,000.00	102,266.00
Other Operating Expenses	-	14,486.00
Vehicle on Rent	-	66,000.00
Legal Charges	31,950.00	40,000.00
Consultancy Fee	41,250.00	-
Income Tax expense	-	-
Fines and Penalties	-	5,000.00
office Tools	7,863.00	31,188.50
Audit Fee	100,000.00	66,372.00
Cleaning	42,846.00	28,785.00
Fuel Expenses	145,601.00	114,865.00
Renewal Charges	27,500.00	8,065.00
Total	3,682,889.94	3,087,188.11








Total Transport Systems Private Limited
Kathmandu, Nepal
Statement of Changes in Equity
As at 31st March, 2022

PARTICULARS	SHARE CAPITAL	REVALUATION RESERVE	ACCUMULATED PROFIT	TOTAL
Balance as at 1st April 2021	2,500,000.00	-	3,496,216.55	5,996,216.55
Adjustment				
Restated Balance as at 1st April 2021	2,500,000.00	-	3,496,216.55	5,996,216.55
Net profit for the period			1,233,852.28	1,233,852.28
Adjustment			(428,605.53)	(428,605.53)
Balance as at 31st March 2022	2,500,000.00	-	4,301,463.31	6,801,463.31

Ishwor Timsina
Accountant



[Handwritten Signature]

Haripati Lal Shrestha
Executive Director



[Handwritten Signature]
 Manish Khanal, FCA
 For M. Khanal & Co.,
 Chartered Accountants

Date: 24 May 2022
Place: Kathmandu, Nepal

Total Transport Systems Private Limited
Kathmandu, Nepal
Significant Accounting Policies and Notes relating to the Financial
Statements
Fiscal Year 2021/22

Schedule 10

1. Incorporation and Legal Status of the Company:

The Company is incorporated, as a Private Limited company under Companies Act 2063. The registered office of the company is at Kathmandu, Nepal with PAN no: 303691273.

2. Nature of business

The primary objective of the company is operating as a multi model transport operator. As per MOA, the operation of the organization is only limited to International Cargo forwarding & Movement. The organization is working as Non-Vessel Operating Common Carrier (NVOCC).

3. Significant Accounting Policies

3.1 Basis of Presentation

The Financial Statements are prepared in accordance with the historical cost convention, on an accrual basis of accounting (except disclosed otherwise) and in accordance with Nepal Accounting Standards and other generally accepted Accounting Principles to the extent compatible with the Companies Act 2063 of Nepal.

3.2 Fixed Assets

Fixed assets are stated at cost. The company capitalizes all direct costs relating to acquisition and installation of fixed assets.
Addition of fixed assets of NPR. 1,13,534.50 has been made during the year.

3.3 Depreciation

Depreciation rates on fixed assets have been taken as per the Income Tax Act, 2058.

3.4 Share Capital

The company has the issued & paid-up Share Capital of NPR. 25,00,000.00.

4. Accrual Basis of Accounting

The financial statements have been prepared in accordance with the accrual basis of accounting. Major Income of the organization is freight income and major expense is freight expense paid to Kolkata Cargo forwarding Organizations.

5. Regrouping of Figures

Previous year's figures have been regrouped/ rearranged wherever necessary.



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6. Income Tax

Income tax has been calculated as per Income Tax Act 2058 (i.e. 25% on Net Profit before tax) as presented in Income Tax Calculation Sheet.

7. Deferred Tax

Deferred Tax Assets and Liabilities have not arisen in accordance with NAS.12 and Income Tax Act 2058.

8. Adjustment

Adjustment of NPR. (428,605.53) has been made for depreciation and Income Tax adjustment.

Particulars	Amount
Income Tax Provision (Previous Year)	327,681.01
Income Tax Paid	(756,376.54)
Fixed Assets adjustment	90.00
Total	(428,605.53)

9. Advance taken by Executive Director

The executive director of the organization has obtained advance from the organization which at March end is Rs. 9,50,000.00.

10. Cash and Bank.

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Laxmi Bank Limited	41,55,464.22	51,41,533.91
Cash In Hand	76,582.70	62,400.19
Total	42,32,046.92	52,03,934.10

11. Debtors and Creditors:

Trade Debtors and Trade Creditors shown in the Financial Statement are without confirmations. Confirmation of parties has been obtained only at the year-end of Nepalese fiscal year.

12. Financial Year

Current Financial Year comprises from 1st April 2021 to 31st March 2022.