

M. Khanal & Co., Chartered Accountants

Kathmandu, Nepal
PAN/VAT No.500094178

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

We have audited the accompanying Financial Statements of Total Transport Systems Pvt. Ltd., which comprise the statement of Financial Position as at 31st March, 2021, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 are 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 Responsibility

Our responsibility is to express an opinion on these 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our professional judgment, including the assessments of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider the internal control relevant to the Company'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 Company'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.



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Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, except debtors and creditors shown in financial statement which are without confirmation, the financial position of Total Transport Systems Pvt. Ltd, as at 31st March, 2021 and of the results of its financial performance and its cash flows for the annual period then ended in accordance with Nepal Accounting Standards so far as applicable in compliance with the prevailing Laws and comply with Company Act 2063.

On the basis of our audit, we further report that:

- a) We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- b) The company has maintained books of account properly to reflect the real affairs of its business as required by the Company Act, 2063.
- c) The Balance Sheet, Income Statement, Cash Flows Statement are in agreement with the books of account.
- d) During our examination of the books of account of the Company, we have not come across any cases where the Board of Directors or any member thereof or any representative or any office bearer or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company, nor have we been informed of such cases by the management.



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Date: June 27, 2021

Place: Kathmandu, Nepal For: M. Khanal & Co.,

Mahesh Khanal, FCA

Chartered Accountants

UDIN: 210627CA00102jKEHY

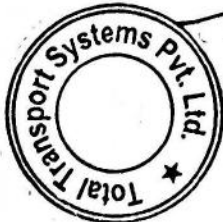
Total Transport Systems Private Limited
Kathmandu, Nepal
Statement of Financial Position
As at 31st March, 2021

S.N.	Particulars	Schedule No.	Current Year (NPR.)	Previous Year (NPR.)
1	Sources of Fund :			
	Share Capital	1	25,00,000.00	25,00,000.00
	Reserve and Surplus	2	34,96,216.55	23,85,189.96
	Grand Total		59,96,216.55	48,85,189.96
2	Applications of Fund:			
	Fixed Assets	3		
	Gross:		4,13,497.13	3,74,436.34
	Less: Depreciation		97,719.80	87,458.94
	Net Fixed Assets		3,15,777.33	2,86,977.40
	Current Assets, Loans and Advances (A)			
	Advances and Prepays	4	9,60,238.08	9,91,108.87
	Sundry Debtors	5	55,37,996.27	53,64,257.33
	Deposits	6	7,000.00	7,000.00
	Cash and Bank Balance	7	52,03,934.10	6,08,971.51
	Total (A)		117,09,168.45	69,71,337.71
3	Less: Current Liabilities and Provisions (B)			
	Sundry Creditors	8	56,63,162.91	21,72,054.74
	Provisions	9	3,65,566.33	2,01,070.42
	Total (B)		60,28,729.24	23,73,125.16
	Net Working Capital (A - B)		56,80,439.21	45,98,212.55
	Grand Total		59,96,216.55	48,85,189.96

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
For: M. Khanal & Co.
Chartered Accountants

Date: 2021/06/27
Place: Kathmandu, Nepal

Total Transport Systems Private Limited
Kathmandu, Nepal
Statement of Profit or Loss
For the period from 1st April 2020 to 31st March 2021

Particulars	Schedule No.	Current Year (NPR.)	Previous Year (NPR.)
Revenue (Freight Income)		211,21,314.64	200,10,565.35
Total Operating Income		211,21,314.64	200,10,565.35
Direct Expenses (Costs For Cargo)		166,25,682.70	156,00,502.97
Total Expenses		166,25,682.70	156,00,502.97
Gross Profit/(Loss) from Operation		44,95,631.94	44,10,062.38
Depreciation Expenses	3	97,719.80	87,458.94
General & Administrative Expenses	11	30,87,188.11	31,87,146.93
Profit/Loss Before Tax		13,10,724.03	11,35,456.51
Less: Provision for Tax		3,27,681.01	2,01,070.42
Net Profit/(Loss) for the year		9,83,043.03	9,34,386.09

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 Changes in Equity
As at 31st March, 2021

PARTICULARS	SHARE CAPITAL	REVALUATION RESERVE	ACCUMULATED PROFIT	TOTAL
Balance as at 1st April 2020	25,00,000.00	-	23,85,189.96	48,85,189.96
Adjustment			1,27,983.56	1,27,983.56
Restated Balance as at 1st April 2020	25,00,000.00	-	25,13,173.52	50,13,173.52
Net profit for the period			9,83,043.03	9,83,043.03
Balance as at 31st March 2021	25,00,000.00	-	34,96,216.55	59,96,216.55



Ishwor Timsina
Accountant



Haripati Lal Shrestha
Executive Director



Date: 2021/06/27
Place: Kathmandu, Nepal

Total Transport Systems Private Limited
Kathmandu, Nepal
Statement of Cash Flows
For the period from 1st April 2020 to 31st March 2021

S.N.	Particulars	Current Year (NPR.)	Previous Year (NPR.)
A)	Cash Flow From Operating Activities:		
	Net Profit	9,83,043.03	9,34,386.00
	Adjustments		
	Depreciation	97,719.80	87,458.94
	Non- Cash flow item Adjusted	1,27,983.56	-
	Increase / (Decrease) in Current Assets and Liabilities:		
	(Increase) / Decrease in Current Assets	(1,42,868.15)	(2,24,792.72)
	Increase / (Decrease) in Current Liabilities	36,55,604.08	(6,01,855.09)
	Total (A)	47,21,482.31	1,95,197.13
B)	Cash Flow from Investing Activities:		
	Sales of Fixed Assets	-	-
	Purchase of Fixed Assets	(1,26,519.73)	
	Total (B)	(1,26,519.73)	
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)	45,94,962.58	1,95,197.13
E)	Cash & Cash Equivalents at the beginning of the Year	6,08,971.5	4,13,774.29
F)	Cash & Cash equivalents at the end of the Year (D+E)	52,03,934.10	6,08,971.5

As per our Report of even date

Ishwor Timsina
Accountant

Hariapati Lal Shrestha
Executive Director

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 2020 to 31st March 2021

Schedule 3

S.N.	Particulars	Opening Dep. Basis	Addition during the Year	Allowable Portion	Allowable Amount	Disposal	Dep. Basis For The Year	Dep. Rate	Dep. for the Year	Dep. Basis at end	Unabsorbed Addition	Unabsorbed Repair	Total Dep. Basis for next Year
		a	b	c	d=bxc	e	f=a+d-e	g	h=fxg	i=f-h	j=b-d	k	l=i+j+k
1)	Block B												
	1. Furniture and fixture	1,06,965.92	47,995.21	1	47,995.21	-	1,54,961.13	25%	38,740.28	1,16,220.85	-	-	1,16,220.85
	2. Office Equipments	81,609.17	63,837.10	1	63,837.10	-	1,45,446.27	25%	36,361.57	1,09,084.70	-	-	1,09,084.70
	Total	1,88,575.09	1,11,832.31		1,11,832.31	-	3,00,407.40	25%	75,101.85	2,25,305.55	-	-	2,25,305.55
2)	Block C												
	Vehicle	98,402.30	14,687.43	1	14,687.43	-	1,13,089.73	20%	22,617.95	90,471.78	-	-	90,471.78
	Total	98,402.30	14,687.43		14,687.43	-	1,13,089.73	20%	22,617.95	90,471.78	-	-	90,471.78
	Grand Total	2,86,977.40	1,26,519.74		1,26,519.74	-	4,13,497.13		97,719.80	3,15,777.33	-	-	3,15,777.33

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Total Transport Systems Private Limited
Kathmandu, Nepal
Schedules to Financial Statements
For the period from 1st April 2020 to 31st March 2021

Share Capital

Schedule 1

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Authorized Share Capital 25,000 Equity Shares @ Rs. 100 per share	25,00,000.00	25,00,000.00
Issued and Subscribed Share Capital 25,000 Equity Shares @ Rs. 100 per share	25,00,000.00	25,00,000.00
Total	25,00,000.00	25,00,000.00

Reserve

Schedule-2

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Profit and loss upto last year	23,85,189.96	14,50,803.87
Profit/(Loss) for this year	9,83,043.03	9,34,386.09
Add: Adjustment	1,27,983.56	-
Total	34,96,216.55	23,85,189.96

Advances and Prepaids

Schedule 4

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Advance to Haripati Lal Shrestha	9,00,000.00	9,00,000.00
Advance Tax	60,238.08	84,433.50
VAT Receivable		6,675.37
Total	9,60,238.08	9,91,108.87

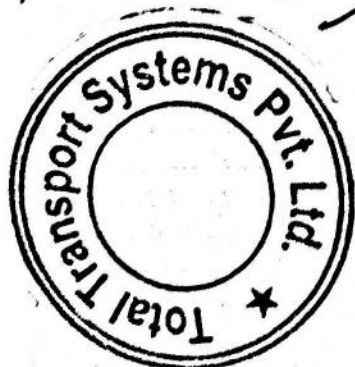
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Sundry Debtors

Schedule 5

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Himalayan Freight Pvt. Ltd	-	44,330.00
Tripureswor Conductor-Java Durge Engineering J/V	-	2,67,244.00
ZIM Integrated Shipping Services Ltd.	73,655.00	87,107.37
Siris Express Pvt. Ltd	3,16,750.39	69,335.00
Nepalaya Logistics Pvt. Ltd.	2,11,610.57	78,408.00
Hercules Aviation Pvt. Ltd	5,63,245.91	8,47,971.00
Gold Star Line Ltd.	2,74,226.09	2,30,922.34
Bridge Logistics Pvt. Ltd	31,401.00	70,546.00
Smooth Cargo Movers Pvt. Ltd	-	1,75,886.00
Nepal Shipping & Air Logistics Pvt. Ltd. NPSAL	1,231.18	4,54,890.99
Continental Trading Enterprises Pvt.Ltd	2,034.23	2,034.23
President Cargo Pvt. Ltd	-	25,845.00
World Freight International Pvt. Ltd	-	51,177.00
Laurel Navigation (Mauritius) Ltd.	1,747.00	-
Cargo World Pvt.Ltd	-	20,978.00
Evergreen Air Couriers Pvt. Ltd.	-	5,46,701.27
Legend Cargo Pvt.Ltd	11,35,757.58	7,95,183.52
Public Freight Pvt Ltd	-	3,05,016.61
Atlas De Cargo Pvt.Ltd	0.25	61,455.00
Global Packers & Movers P. Ltd.	1,66,217.45	-
Himalayan Travel & Tours P. Ltd. HTT	1,49,253.00	5,51,899.00
Kapilewsor Cargo Pvt. Ltd	2,10,901.43	1,82,713.00
Globe Shipping & Logistics Pvt Ltd.	7,18,236.00	2,81,767.00
Highland Air & Ocean Logistics Pvt Ltd.	0.62	-
Global International Freight Logistics	1,59,955.00	-
Nepal Communitare	2,260.00	-
Nepal Freight Solution Pvt. Ltd.	1,27,467.00	-
Moon Light Cargo Pvt.Ltd	10,89,712.00	1,83,823.00
Mass Global Freight Pvt. Ltd.	2,09,319.37	-
Pan Pacific Shipping & Logistics Services Pvt Ltd.	93,015.20	29,044.00
Total	55,37,996.27	53,64,257.33



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		Schedule 7	
Particulars	Current Year (NPR.)	Previous Year (NPR.)	
Laxmi Bank Limited	51,41,533.91	5,33,838.51	
Cash In Hand	62,400.19	75,133.00	
Total	52,03,934.10	6,08,971.51	

Sundry Creditors		Schedule 8	
Particulars	Current Year (NPR.)	Previous Year (NPR.)	
Sri Durga Impex & Logistics	5,16,300.71	-	
Total Transport Systems Kolkata	35,93,832.48	1,20,667.08	
Goodluck Transport Service India A/C	2,15,801.37	5,03,396.55	
Expo Express Service Nepal Pvt. Ltd.	2,541.09	169.54	
Evergreen Air Courier Pvt. Ltd.	1,280.57	-	
Megha Creation, India	2,99,932.09	7,57,682.12	
Laxmi Transport Company, India	6,09,558.09	6,02,695.75	
A P. Logistics Pvt. Ltd.	2,04,150.00	-	
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 Udhog Pvt. Ltd.	10,008.67	-	
Total Transport System Limited Mumbai	-	1,67,520.70	
Public Freight Pvt. Ltd.	95,355.39	-	
Total	56,63,162.91	21,72,054.74	

Other Provisions and payable		Schedule 9	
Particulars	Current Year (NPR.)	Previous Year (NPR.)	
Provision for Income Taxes	3,27,681.01	2,01,070.42	
TDS Payable	9,291.00	-	
VAT Payable	28,594.32	-	
Total	3,65,566.33	2,01,070.42	

General and Administrative Expenses		Schedule 11	
Particulars	Current Year (NPR.)	Previous Year (NPR.)	
Salary expenses	17,20,637.00	16,47,597.00	
Exchange Loss	27,206.03	1,398.17	
House Rent Expenses	1,99,020.00	1,86,660.00	
Printing & Stationary Expenses	53,797.06	1,13,072.00	
Conveyance & Travelling Expenses	19,732.00	4,62,970.00	
Water & Electricity Expenses	58,543.00	51,298.00	
Business Promotion Expenses	2,07,752.14	1,35,788.00	
Insurance Expenses	4,332.00	3,413.00	
Telephone & Fax Expenses	52,066.00	77,986.00	
Repair and Maintenance	23,660.00	-	
Bank and fund transfer expenses	32,779.38	38,239.93	
Fund Transfer Expenses	207.00	-	
Govt Expenses	6,525.00	-	
Miscellaneous	6,049.00	1,54,766.83	
Internet	17,400.00	22,589.00	
Courier Charges	27,905.00	23,468.00	
Membership	39,550.00	58,400.00	
Staff Welfare	1,13,000.00	94,039.00	
Warehouse Expenses	1,02,266.00	-	
Other Operating Expenses	14,486.00	-	
Vehicle on Rent	66,000.00	-	
Legal Charges	40,000.00	-	
Fines and Penalties	5,000.00	15,000.00	
Bad Debts	-	14,417.00	
office Tools	31,188.50	-	
Audit Fee	66,372.00	75,000.00	
Cleaning	28,785.00	-	
Fuel Expenses	1,14,865.00	-	
Renewal Charges	8,065.00	11,045.00	
Total	30,87,188.11	31,87,146.93	

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Total Transport Systems Private Limited
Kathmandu, Nepal
Significant Accounting Policies and Notes relating to the Financial
Statements
Fiscal Year 2020/21

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. Additions on Fixed assets totaling NPR. 1,26,519.74 have been absorbed as per Income Tax Act. Adjustments have been on the individual groups of fixed assets in the closing value.

3.3 Depreciation

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

3.4 Share Capital

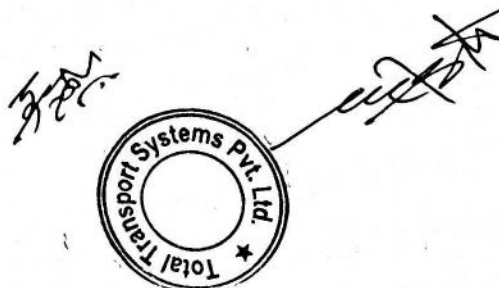
The company has the issued & paid-up Share Capital of NPR. 25,00,000.00.

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.



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. **Provision for income tax adjustment**
Adjustment of NPR. 127,983.56 has been made for income tax provision and fixed assets adjustment. The opening differences arises due to income tax and depreciation has been adjusted.

Particulars	Amount
Provision for tax previous year	(2,01,070.46)
Tax Paid	1,12,966.37
Fixed Assets	39,879.47
Total	1,27,983.56

9. **Advance taken by Executive Director**
The executive director of the organization has obtained advance from the organization which at March end is Rs. 9,00,000.00.

10. **Cash and Bank.**

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Laxmi Bank Limited	51,41,533.91	5,33,838.51
Cash In Hand	62,400.19	75,133.00
Total	52,03,934.10	6,08,971.51

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 year end of Nepal fiscal year.

12. **Financial Year**
Current Financial Year comprises from 1st April 2020 to 31st March 2021.

