

M. Khanal & Co., Chartered Accountants

Naya Bato, Dhobighat
P.O. Box : 13364
Kathmandu, Nepal.

Tel. : 5542160
E-mail: charteredmahesh.mk@gmail.com

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 2019, 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.



Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, the financial position of Total Transport Systems Pvt. Ltd, as at March 31, 2019 and of the results of its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standards so far as applicable in compliance with the prevailing Laws.

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 Statement of Financial Position, Statement of Profit or Loss and Statement of Cash Flows 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.

Date: April 28, 2019

Place: Kathmandu, Nepal



A handwritten signature in black ink, appearing to read "Mahesh Khanal".

CA. Mahesh Khanal
For: M. Khanal & Co.,
Chartered Accountant

Total Transport Systems Private Limited
Maitidevi, Kathmandu
Statement of Cash Flows
For the period from 1st April 2018 to 31st March 2019

S.N.	Particulars	Current Year (NPR.)	Previous Year (NPR.)
A)	Cash Flow From Operating Activities:		
	Net Profit	930,088.44	249,636.87
	Adjustments		
	Depreciation	114,561.87	150,186.56
	Preliminary Expenses	-	-
	Increase / (Decrease) in Current Assets and Liabilities:		
	(Increase) / Decrease in Current Assets	(996,296.01)	336,947.18
	Increase / (Decrease) in Current Liabilities	6,813.93	(995,169.29)
	Total (A)	55,168.24	(258,398.68)
B)	Cash Flow from Investing Activities:		
	Sales of Fixed Assets	-	-
	Purchase of Fixed Assets	-	-
	Total (B)		
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)	55,168.24	(258,398.68)
E)	Cash & Cash Equivalents at the beginning of the Year	358,606.05	617,004.73
F)	Cash & Cash equivalents at the end of the Year (D+E)	413,774.29	358,606.05

As per our Report of even date



Ishwor Timsina
Accountant





Haripati Lal Shrestha
Executive Director



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

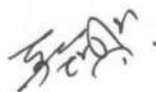


Date: April 28, 2019
Address: Kathmandu, Nepal

Total Transport Systems Private Limited
Maitidevi, Kathmandu
Statement of Profit or Loss
For the period from 1st April 2018 to 31st March 2019

Particulars	Schedule No.	Current Year (NPR.)	Previous Year (NPR.)
Revenue (Freight Income)		24,910,304.00	26,389,082.36
Miscellaneous Income			
Total Operating Income		24,910,304.00	26,389,082.36
Direct Expenses (Costs For Cargo)		20,588,861.95	23,509,307.69
Total Expenses		20,588,861.95	23,509,307.69
Gross Profit/(Loss) from Operation		4,321,442.05	2,879,774.67
Depreciation Expenses	2	114,561.87	150,186.56
General & Administrative Expenses	10	3,076,646.12	2,396,738.95
Profit/Loss Before Tax		1,130,234.06	332,849.16
Less: Provision for Tax		200,145.61	83,212.29
Net Profit/(Loss) for the year		930,088.44	249,636.87

As per our Report of even date



Ishwor Timsina
Accountant




Haripati Lal Shrestha
Executive Director



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



Date: April 28, 2019
Address: Kathmandu, Nepal

Total Transport Systems Private Limited
Maitidevi, Kathmandu
Statement of Financial Position
As at 31st March, 2019

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
	Profit/(Loss) Account:			
	Profit/(Loss) Account: Profit upto last year		520,715.43	271,078.56
	Profit / (Loss) for this year		930,088.44	249,636.87
	Grand Total		3,950,803.87	3,020,715.43
2	Applications of Fund:			
	Fixed Assets	2		
	Gross:		488,998.21	639,184.77
	Less: Depreciation		(114,561.87)	(150,186.56)
	Net Fixed Assets		374,436.34	488,998.21
	Current Assets, Loans and Advances (A)			
	Advances and Prepaids	3	900,000.00	1,200,000.00
	Sundry Debtors	4	5,230,573.48	3,934,277.47
	Deposits	5	7,000.00	7,000.00
	Cash and Bank Balance	6	413,774.29	358,606.05
	Total (A)		6,551,347.77	5,499,883.52
3	Less: Current Liabilities and Provisions (B)			
	Sundry Creditors	7	2,773,810.59	2,884,954.01
	Tax Payables	8	-	-
	Provisions	9	201,169.65	83,212.29
	Total (B)		2,974,980.23	2,968,166.30
	Net Working Capital (A - B)		3,576,367.54	2,531,717.22
	Grand Total		3,950,803.87	3,020,715.43

Notes to Account and Significant Accounting Policies 11



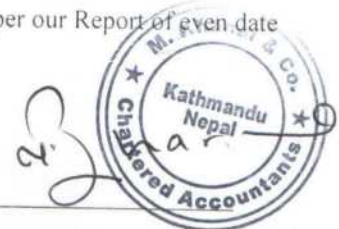
Ishwor Timsina
Accountant





Haripati Lal Shrestha
Executive Director

As per our Report of even date



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

Date: April 28, 2019
Address: Kathmandu, Nepal

Tax Payables

Schedule 8

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Tax Payable Salary Income	-	-
TDS Payable on Audit Fees	-	-
TDS Payable on House Rent	-	-
Total	-	-

Other Provisions

Schedule 9

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Provision for Income Taxes	200,145.61	83,212.29
Audit Fees Payables	-	-
House Rent Payables	-	-
EPF Payable	-	-
Exchange Rate Difference	1,024.04	-
Salary payable	-	-
Total	201,169.65	83,212.29

General and Administrative Expenses

Schedule 10

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Salary expenses	1,363,632.00	1,269,392.00
House Rent Expenses	186,660.00	186,660.00
Printing & Stationary Expenses	62,920.00	52,843.00
Conveyance & Travelling Expenses	367,003.00	255,339.80
Water & Electricity Expenses	40,424.00	35,990.00
Business Promotion Expenses	127,822.00	102,995.00
Insurance Expenses	3,436.00	-
Telephone & Fax Expenses	94,016.00	72,000.00
Consultancy	-	28,250.00
Repair and Maintenance	48,706.80	71,423.30
Bank Charge expenses	38,782.20	36,548.06
Miscellaneous	65,578.00	68,423.79
Mobile Bills	-	-
Internet	20,902.00	-
Courier Charges	20,800.00	16,600.00
Admin Expenses	-	-
Donation	-	-
Membership	45,500.00	42,025.00
Staff Welfare	77,967.00	68,249.00
Other Operating Expenses	109,267.00	90,000.00
Other Expenses	-	-
Non-Operating Expenses	224,800.00	-
Office Tools Expenses	-	-
Legal Charges	50,000.00	-
Fines and Penalties	13,240.12	-
Bad Debt	50,860.00	-
Audit Fee	56,500.00	-
Renewal Charges	7,830.00	-
Total	3,076,646.12	2,396,738.95

[Handwritten Signature]



[Handwritten Signature]



Deposits

Schedule 5

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 6

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Laxmi Bank Limited	382,077.24	334,136.38
Nepal SBI Bank	14,469.67	14,469.67
Cash In Hand	17,227.38	10,000.00
Total	413,774.29	358,606.05

Sundry Creditors

Schedule 7

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Moon Light Cargo Pvt.Ltd	6,275.00	-
Total Transport Systems Kolkata	551,402.27	359,605.82
SADA Associates Pvt. Ltd	12,750.00	-
Goodluck Transport Service India A/C	756,327.53	364,609.55
Expo Express Service Nepal Pvt. Ltd.	7,690.03	7,951.28
Asian Logitics Pvt. Ltd.	-	297,832.00
Megha Creation , India	743,378.38	742,444.86
Laxmi Transport Company	286,291.50	379,872.62
Ningbo Dashing International Logistics Co. Ltd	138,917.00	-
B.K.M.S International Services	104,640.88	664,003.00
Citizen Freight Pvt Ltd. (Npr Account)	-	15,924.00
Himalayan Freight International Pvt. Ltd. A/C	-	13,520.00
Quality Freight Service (P) Ltd.	166,138.00	18,184.00
Total Transport System Mumbai	-	21,006.88
Total	2,773,810.59	2,884,954.01

[Handwritten signature]



[Handwritten signature]



Total Transport Systems Private Limited
Maitidevi, Kathmandu
Schedules to Financial Statements
For the period from 1st April 2018 to 31st March 2019

Share Capital		Schedule 1	
Particulars	Current Year (NPR.)	Previous Year (NPR.)	
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	

Advances and Prepaids		Schedule 3	
Particulars	Current Year (NPR.)	Previous Year (NPR.)	
Advance to Haripati Lal Shrestha	900,000.00	1,200,000.00	
Total	900,000.00	1,200,000.00	

Sundry Debtors		Schedule 4	
Particulars	Current Year (NPR.)	Previous Year (NPR.)	
Himalayan Freight Pvt. Ltd	15,104.00	-	
Bridge Logistics Pvt. Ltd	45,365.00	-	
Smooth Cargo Movers Pvt. Ltd	215,558.00	-	
Nepal Shipping & Air Logistics Pvt. Ltd. NPSAL	171,660.06	-	
K.K.S Overseas Concern Pvt. Ltd	274,970.00	-	
I.I.I Nepal Cargo Pvt. Ltd	383,800.00	-	
Continental Trading Enterprises Pvt.Ltd	2,034.23	-	
President Cargo Pvt. Ltd	192,561.00	-	
Global International Freight Logistics	112,182.00	-	
Cargo World Pvt.Ltd	72,709.00	-	
Everest De Cargo Pvt. Ltd. A/C	-	164,459.00	
Evergreen Air Couriers Pvt. Ltd.	86,893.56	477,739.00	
Sea Horse Freight Solution Pvt. Ltd	-	50,860.00	
Moon Light Cargo Pvt.Ltd	-	170,011.00	
Legend Cargo Pvt.Ltd	681,939.13	447,111.47	
Public Freight Pvt Ltd	707,455.00	268,759.00	
Atlas De Cargo Pvt.Ltd	22,529.00	-	
Care Container Line Pvt. Ltd.	-	193,196.00	
Global Packers & Movers P. Ltd.	113,899.00	-	
Himalayan Travel & Tours P. Ltd.	454,473.00	95,224.00	
Kapilewswor Cargo Pvt. Ltd	348,802.00	166,397.00	
Globe Shipping & Logistics Pvt Ltd. (Npr Account)	288,167.00	338,772.00	
Highland Air & Ocean Logistics Pvt Ltd. (Npr Account)	23,983.00	-	
Sayapatry Nepal International Pvt. Ltd. (Npr Account)	186,937.00	-	
Swift Air Sea Logistics Pvt. Ltd. (Npr Account)	-	34,569.00	
United Shipping And Forwarding Service Pvt. Ltd. (Npr A/c)	365,151.00	356,443.00	
Inter Global Multi Model Logistics Pvt. Ltd.	-	109,325.00	
Mass Nepal Logistics Pvt. Ltd. A/C	-	535.00	
Transglobal Services Pvt. Ltd.	-	152,523.00	
Teamasia Cargo Group	337,308.50	143,902.00	
Shre Pipal Ganesh Trade Export	-	18,668.00	
Ps Cargo Pvt. Ltd.	-	522,671.00	
Pan Pacific Shipping & Logistics Services Pvt Ltd.	127,093.00	223,113.00	
Total	5,230,573.48	3,934,277.47	

[Handwritten Signature]



[Handwritten Signature]



Total Transport Systems Private Limited
Maitidevi, Kathmandu
Schedule of Fixed Assets

For the period from 1st April 2018 to 31st March 2019

Schedule 2

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=bx+c	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	190,161.64			-	-	190,161.64	25%	47,540.41	142,621.23	-	-	142,621.23
	2. Office Equipments	145,082.97			-	-	145,082.97	25%	36,270.74	108,812.23	-	-	108,812.23
	Total Block C	335,244.61					335,244.61	25%	83,811.15	251,433.46			251,433.46
2)	Block C												
	Vehicle	153,753.60			-	-	153,753.60	20%	30,750.72	123,002.88	-	-	123,002.88
	Total	153,753.60					153,753.60	20%	30,750.72	123,002.88			123,002.88
	Grand Total	488,998.21					488,998.21		114,561.87	374,436.34			374,436.34



[Handwritten signature]



[Handwritten signature]

Date:
 Address: Kathmandu, Nepal

Total Transport Systems Pvt. Ltd
Maitidevi, Kathmandu
Significant Accounting Policies and Notes relating to the Annual Account

1. **General**
Incorporation and Legal Form of the Company:
The Company is incorporated as a Private Limited company under the Company Act, 2063.
2. **Nature of Business**
The primary objective of the Company is operating as a multi model transport operator. As per the MOA, the operation of this Organization is only limited to international Cargo forwarding & movement, this organization is working as Non-Vessel Operating 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 Company Act, 2063 of Nepal.
 - 3.2 **Capitalization of Fixed Assets**
Fixed Assets are recorded at cost. The Company capitalizes all direct costs relating to the acquisition and installation of fixed assets.
 - 3.3 **Depreciation**
Depreciation on fixed assets has been charged as per Income Tax Act, 2058.
 - 3.4 **Share Capital**
The company has Issued and Paid up Share Capital of NRP. 25,00,000.00
4. **Accrual Basis**
The Financial Statements have been prepared in accordance with accrual basis of accounting.
5. **Regrouping of Figures**
Previous Year's Figures have been Regrouped/rearranged wherever necessary.
6. **Deferred Tax**
Deferred Tax Assets and Liabilities has not been arisen in accordance with NAS9, Income Taxes.
7. **Income Tax Provisions**
Income Tax Provision has been made from July 17, 2018 to March 31, 2019 since Tax provision From April 1, 2018 to July 16, 2018 has already been made and tax has been paid accordingly as per Financial Year in Nepal (i.e., July 16, 2017 to July 16, 2018)
8. **Financial Year**
Financial Year comprises from 1st April 2018 to 31st March 2019.

[Handwritten signature]

