

M. Khanal & Co., Chartered Accountants

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

Tel. : 9851027899
E-mail: mahesh.khanal@ntc.net.np

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 Balance Sheet as at 31st March, 2018, Profit and Loss Account and Cash Flow Statement 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

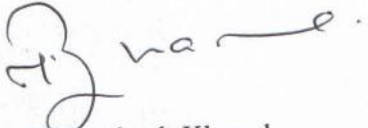
On the basis of our audit, we further report that:

- 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 and Cash Flow 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 the 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.

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, 2018 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.

Date: April 18, 2018
Place: Kathmandu, Nepal




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

Total Transport Systems Private Limited

Maitidevi, Kathmandu

Balance Sheet as at 31st March 2018

S.N.	Particulars	Schedule No.	Current Year (NRs.)	Previous Year (NRs.)
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		271,078.56	(533,769.54)
	Profit / (Loss) for this year		249,636.87	804,848.10
	Total		3,020,715.43	2,771,078.56
2	Applications of Fund:			
	Fixed Assets	10		
	Gross:		639,184.77	816,867.80
	Less: Depreciation		(150,186.56)	(177,683.03)
	Net Fixed Assets		488,998.21	639,184.77
	Current Assets, Loans and Advances (A)			
	Advances	7	1,200,000.00	900,000.00
	Sundry Debtors	8	3,934,277.47	4,571,224.65
	Deposits	5	7,000.00	7,000.00
	Cash and Bank Balance	6		
	Cash and Bank Balance		358,606.05	617,004.73
	Total (A)		5,499,883.52	6,095,229.38
3	Less: Current Liabilities and Provisions (B)			
	Sundry Creditors	9	2,884,954.01	3,577,213.91
	Tax Payable	3	-	-
	Provision For Income Tax		83,212.29	386,119.68
	Others Payables	4	-	2.00
	Total (B)		2,968,166.30	3,963,335.59
	Net Current Assets (A - B)		2,531,717.22	2,131,893.79
	Total		3,020,715.43	2,771,078.56

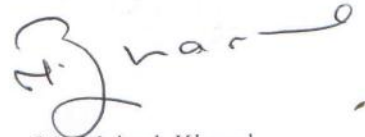
As per our Report of even date



Ishwor Timsina
Accountant




Haripati Lal Shrestha
Executive Director

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

Total Transport Systems Private Limited
Income Statement
For the year 1st April 2017 to 31st March 2018

Particulars	Schedule No.	Current Year (NRs.)	Previous Year (NRs.)
Revenue (Freight Income)		26,389,082.36	27,354,728.13
Miscellaneous Income			
Total Operating Income		26,389,082.36	27,354,728.13
Direct Expenses (Costs For Cargo)		23,509,307.69	23,720,838.99
Total Expenses		23,509,307.69	23,720,838.99
Gross Profit/Loss from Operation		2,879,774.67	3,633,889.14
Depreciation Expenses	10	150,186.56	177,683.03
General & Administrative Expenses	2	2,396,738.95	2,383,075.31
Profit/Loss Before Tax		332,849.16	1,073,130.80
Less: Provision for Tax		83,212.29	268,282.70
Net Profit/Loss for the year		249,636.87	804,848.10

As per our Report of even date

Ishwor Timsina

Ishwor Timsina
Accountant



Haripati Lal Shrestha

Haripati Lal Shrestha
Executive Director



CA. Mahesh Khanal

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

Total Transport Systems Private Limited
Maitidevi, Kathmandu
Cash Flow Statement for the period 1st April 2017 to 31st March 2018

S.N.	Particulars	Current Year (NRs.)	Previous Year (NRs.)
A)	Cash Flow From Operating Activities:		
	Net Profit	249,636.87	804,848.10
	Adjustments		
	Depreciation	150,186.56	177,683.03
	Preliminary Expenses	-	-
	Increase / (Decrease) in Current Assets and Liabilities:		
	(Increase) / Decrease in Current Assets	336,947.18	(2,925,510.04)
	Increase / (Decrease) in Current Liabilities	(995,169.29)	2,627,124.59
	Total (A)	(258,398.68)	684,145.68
B)	Cash Flow from Investing Activities:		
	Sales of Fixed Assets	-	-
	Purchase of Fixed Assets	-	(154,900.00)
	Total (B)		(154,900.00)
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)	(258,398.68)	529,245.68
E)	Opening Cash & Cash Equivalents for this Year	617,004.73	87,759.05
F)	Closing Cash & Cash equivalents for this Year (D+E)	358,606.05	617,004.73

As per our Report of even date

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Ishwor Timsina
Accountant



[Signature]
Haripati Lal Shrestha
Executive Director



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

Total Transport Systems Private Limited

Schedules Related to Financial Statements

For the year ended 31st March 2018

Share Capital

Schedule 1

Particulars	Current Year (NRs.)	Previous Year (NRs.)
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

General and Administrative Expenses

Schedule 2

Particulars	Current Year (NRs.)	Previous Year (NRs.)
Salary expenses	1,269,392.00	1,222,200.00
House Rent Expenses	186,660.00	124,440.00
Printing & Stationary Expenses	52,843.00	38,333.00
Conveyance & Travelling Expenses	255,339.80	335,021.00
Water & Electricity Expenses	35,990.00	33,092.00
Business Promotion Expenses	102,995.00	230,086.00
Insurance Expenses		-
Telephone & Fax Expenses	72,000.00	84,650.00
Consultancy	28,250.00	-
Repair and Maintenance	71,423.30	98,407.00
Bank Charge expenses	36,548.06	18,345.31
Miscellaneous	68,423.79	12,472.00
Mobile Bills		-
Internet		-
Courier Charges	16,600.00	20,400.00
Admin Expenses		88,500.00
Donation		3,000.00
Membership	42,025.00	5,000.00
Staff Welfare	68,249.00	49,979.00
Other Operating Expenses	90,000.00	-
Office Tools Expenses		19,150.00
Total	2,396,738.95	2,383,075.31

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*Tax Payables**Schedule 3*

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

*Other Payables**Schedule 4*

Particulars	Current Year (NRs.)	Previous Year (NRs.)
Audit Fees Payables	-	-
House Rent Payables	-	-
EPF Payable	-	-
Salary payable	-	2.00
Total	-	2.00

*Deposits**Schedule 5*

Particulars	Current Year (NRs.)	Previous Year (NRs.)
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 (NRs.)	Previous Year (NRs.)
Laxmi Bank Limited	334,136.38	602,535.06
Nepal SBI Bank	14,469.67	14,469.67
Cash In Hand	10,000.00	-
Total	358,606.05	617,004.73

*Advances and Prepaids**Schedule 7*

Particulars	Current Year (NRs.)	Previous Year (NRs.)
Advance to Haripati Lal Shrestha	1,200,000.00	900,000.00
Total	1,200,000.00	900,000.00




Sundry Debtors

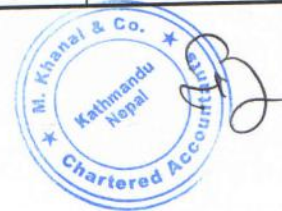
Schedule 8

Particulars	Current Year (NRs.)	Previous Year (NRs.)
ADRA Nepal	-	3,335.00
Everest De Cargo Pvt. Ltd. A/C	164,459.00	433,832.00
Evergreen Air Couriers Pvt. Ltd.	477,739.00	460,380.00
Sea Horse Freight Solution Pvt. Ltd	50,860.00	50,860.00
Moon Light Cargo Pvt.Ltd	170,011.00	99,957.00
Legend Cargo Pvt.Ltd	447,111.47	221,739.25
Public Freight Pvt Ltd	268,759.00	564,697.00
Atlas De Cargo Pvt.Ltd	-	16,528.00
Care Container Line Pvt. Ltd.	193,196.00	-
Global Packers & Movers P. Ltd.	-	244,511.00
Secure Freight International Pvt. Ltd. (Npr Account)	-	17,443.00
Himalayan Travel & Tours P. Ltd.	95,224.00	92,492.00
Nine Star Cargo P. Ltd.	-	133,507.00
Kapilewswor Cargo Pvt. Ltd	166,397.00	198,659.00
Ojashwi International Pvt Ltd.	-	344,492.00
Complete Logistics P. Ltd.	-	184,045.00
Citizen Freight Pvt Ltd. (Npr Account)	-	2,883.00
Globe Shipping & Logistics Pvt Ltd. (Npr Account)	338,772.00	165,438.00
H.R. Logistics Pvt Ltd. (Npr Account)	-	225,727.00
Highland Air & Ocean Logistics Pvt Ltd. (Npr Account)	-	19,899.00
Lakh Bahadur Kharel (Npr Account)	-	36.00
Sayapatry Nepal International Pvt. Ltd. (Npr Account)	-	533,253.00
Swift Air Sea Logistics Pvt. Ltd. (Npr Account)	34,569.00	52,363.00
United Shipping And Forwarding Service Pvt. Ltd. (Npr A/c)	356,443.00	418,017.00
Gac Shipping India	-	-
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	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.	223,113.00	87,131.00
Uti Nepal	-	0.40
Total	3,934,277.47	4,571,224.25

Sundry Creditors

Schedule 9

Particulars	Current Year (NRs.)	Previous Year (NRs.)
Arun Manandhar	-	40,278.00
Nepal Shipping & Air Logistics P. Ltd.	-	360.00
Cargo World P. Ltd.	-	57,075.00
Apollo Fiege Integrated Logistics P Ltd.(Npr A/C)	-	0.03
Expo Express Services Nepal P Ltd (Npr Account)	-	35,519.58
Jb Shipping Agency India. (Npr Account)	-	195,063.69
Total Transport Systems Kolkata	359,605.82	2,450,412.75
Goodluck Transport Service India A/C	364,609.55	-
Expo Express Service Nepal Pvt. Ltd.	7,951.28	-
Asian Logitics Pvt. Ltd.	297,832.00	-
Megha Creation , India	742,444.86	-
Laxmi Transport Company	379,872.62	734,288.00
B.K.M.S International Services	664,003.00	64,216.86
Citizen Freight Pvt Ltd. (Npr Account)	15,924.00	-
Himalayan Freight International Pvt. Ltd. A/C	13,520.00	-
Quality Freight Service (P) Ltd.	18,184.00	-
Total Transport System Mumbai	21,006.88	-
Total	2,884,954.01	3,577,213.91

Total Transport Systems Pvt. Ltd
Maitidevi, Kathmandu

Significant Accounting Policies and Notes relating to the Annual Account

1. General

Incorporation and Legal Status of the Company:

The Company is incorporated as a Private Limited company under the Company Act 2063. The registered office of the company is at Kathmandu, Nepal.

2. Nature of business

The primary objective of the company is operating as a multi model transport operator. As the MOA, the operation of this organization is only limited to international Cargo forwarding & Movement, this 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 Company 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.

3.3 Depreciation

Depreciation rates on fixed assets has been taken as per the Income Tax Act, 2058 as follows:

Block A- 5%

Block B- 25 %

Block C- 20%

Block D- 15%

Additions on Fixed assets have been absorbed on actual basis.

3.4 Share Capital

The Company has the Issued & Paid up Share Capital of NRs 25, 00,000.00.

4. Accrual Basis

The financial statements have been prepared in accordance with the 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 arises in accordance with NAS.9, Income Taxes.

7. Financial Year

Financial Year comprises from 1st April 2017 to 31st March 2018.

