

INDEPENDENT AUDITOR'S REPORT

To
The Shareholders,
Total Transport Systems Pvt. Ltd.

Opinion

We have audited the financial statements of **Total Transport Systems Pvt. Ltd.** that comprise of the Statement of Financial Position as at 31st March 2024, Statement of Profit or Loss, Statement of Cash Flow, Statement of Changes in Equity from 1st April 2023 to 31st March 2024 the year then ended, and Notes to Financial Statements.

In our opinion, the accompanying financial statements give, in all material respect, true and fair view of the financial position of Total Transport Systems Pvt. Ltd. as at 31st March 2024, and its financial performance for the year then ended (1st April 2023 to 31st March 2024) in accordance with the provisions of the contract dated 2nd April 2024 between Total Transport Systems Pvt. Ltd. and R. Pokharel & Associates, 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

We conducted our audit in accordance with Nepal Standard 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 entity in accordance with the ICAN's *Handbook of Code of Ethics for Professional Accountants* together with the ethical requirements that are relevant to our audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's *Handbook of Code of Ethics for Professional Accountants*.

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

Management is responsible for the preparation and fair presentation of the 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 entity'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 intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.



Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 financial controls relevant to the audit 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 the entity's internal control.
- 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

Report on other Legal and Regulatory Requirements

- Information and explanations, to the best of our knowledge and belief which were necessary for the purpose of audit completion were obtained.
- The books of accounts of the company have been maintained in compliance with the provisions of the Act, and are in agreement with the books of account maintained by the Organization. The financial statements are in agreement with books of accounts of the Entity.
- We have not come across the cases where Board of Directors or any employees of the Entity have acted contrary to the provision of law relating to the accounts, or committed any misappropriation or caused loss or damage to the entity relating to the accounts in the entity.
- Books of accounts of the Entity has been maintained and presented fairly.
- The debtors and creditors as shown in the financial statements are not confirmed with party confirmations.

CA. Ravi Pokharel

Principal

Place: Kathmandu

Date: 2024/04/29

UDIN: 240502CA01615JMdhW



Total Transport Systems Private Limited
Kathmandu, Nepal
Statement of Financial Position
As at 31st March, 2024

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	4,958,143.80	4,731,008.60
	Grand Total		7,458,143.80	7,231,008.60
2	Applications of Fund:			
	Fixed Assets	3		
	Gross:		555,101.35	385,757.47
	Less: Depreciation		125,918.02	92,820.51
	Net Fixed Assets		429,183.33	292,936.96
	Current Assets, Loans and Advances (A)			
	Advances and Prepays	4	930,000.00	940,012.29
	Duties and Taxes	12	9,456.44	-
	Sundry Debtors	5	4,863,247.02	6,994,615.45
	Deposits	6	7,000.00	7,000.00
	Cash and Bank Balance	7	4,372,457.50	4,237,577.27
	Total (A)		10,182,160.96	12,179,205.01
3	Less: Current Liabilities and Provisions (B)			
	Sundry Creditors	8	2,783,625.04	4,825,139.63
	Other Provisions and Payables	9	369,575.44	415,993.74
	Total (B)		3,153,200.48	5,241,133.37
	Net Working Capital (A - B)		7,028,960.47	6,938,071.64
	Grand Total		7,458,143.80	7,231,008.60

Notes to Account and Significant Accounting Policies 10

Ishwor Timsina
Accountant



Haripati Lal Shrestha
Executive Director

As per our Report of even date



CA Ravi Pokharel
For: R. Pokharel & Associates
Chartered Accountants

Date: 29th April 2024
Place: Kathmandu, Nepal

Total Transport Systems Private Limited
Kathmandu, Nepal
Statement of Profit or Loss
For the period from 1st April 2023 to 31st March 2024

Particulars	Schedule No.	Current Year (NPR.)	Previous Year (NPR.)
Revenue (Freight Income)		17,232,925.00	23,973,537.00
Total Operating Income		17,232,925.00	23,973,537.00
Direct Expenses (Costs For Cargo)		12,628,994.15	19,160,459.61
Total Expenses		12,628,994.15	19,160,459.61
Gross Profit/(Loss) from Operation (A)		4,603,930.85	4,813,077.39
Add: Miscellaneous Income		13,403.00	14,541.40
Profit/Loss after miscellaneous income		4,617,333.85	4,827,618.79
Depreciation Expenses	3	125,918.02	92,820.50
General & Administrative Expenses	11	4,188,568.90	4,162,071.22
Profit/Loss Before Tax		302,846.93	572,727.07
Less: Provision for Tax		75,711.73	143,181.77
Net Profit/(Loss) for the year		227,135.20	429,545.30

As per our Report of even date

Ishwor Timsina
Accountant



Haripati Lal Shrestha
Executive Director

CA Ravi Pokharel
For: R. Pokharel & Associates
Chartered Accountants



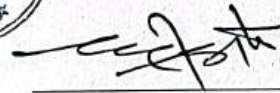
Total Transport Systems Private Limited
Kathmandu, Nepal
Statement of Cash Flows
For the period from 1st April 2023 to 31st March 2024

S.N.	Particulars	Current Year (NPR.)	Previous Year (NPR.)
A)	Cash Flow From Operating Activities:		
	Net Profit	227,135.20	429,545.30
	Adjustments		
	Depreciation	125,918.02	92,820.51
	Non- Cash flow item Adjusted		
	Increase / (Decrease) in Current Assets and Liabilities:		
	(Increase) / Decrease in Current Assets	2,131,924.28	2,618,564.97
	Increase / (Decrease) in Current Liabilities	(2,087,932.89)	(3,076,150.41)
	Total (A)	397,044.61	64,780.36
B)	Cash Flow from Investing Activities:		
	Sales of Fixed Assets	13,145.00	-
	Purchase of Fixed Assets	(275,309.38)	(59,250.01)
	Total (B)	(262,164.38)	(59,250.01)
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)	134,880.23	5,530.35
E)	Cash & Cash Equivalents at the beginning of the Year	4,237,577.27	4,232,046.92
F)	Cash & Cash equivalents at the end of the Year (D+E)	4,372,457.50	4,237,577.27

As per our Report of even date




Ishwor Timsina
Accountant



Haripati Lal Shrestha
Executive Director




CA Ravi Pokharel
For: R. Pokharel & Associates
Chartered Accountants

Total Transport Systems Private Limited
Kathmandu, Nepal
Statement of Changes in Equity
As at 31st March, 2024

PARTICULARS	SHARE CAPITAL	REVALUATION RESERVE	ACCUMULATED PROFIT	TOTAL
Balance as at 31st March 2023 Adjustment	2,500,000.00	-	4,731,008.60	7,231,008.60
Restated Balance as at 1st April 2023	2,500,000.00	-	4,731,008.60	7,231,008.60
Net profit for the period Adjustment			227,135.20	227,135.20
Balance as at 31st March 2024	2,500,000.00	-	4,958,143.80	7,458,143.80



Ishwor Timsina
Accountant



Haripati Lal Shrestha
Executive Director




CA, Ravi Pokharel
For: R. Pokharel & Associates
Chartered Accountants

Date:

Place: Kathmandu, Nepal

Total Transport Systems Private Limited
Kathmandu, Nepal

Schedule of Fixed Assets

For the period from 1st April 2023 to 31st March 2024

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=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	65,374.23					65,374.23	25%	16,343.56	49,030.67			49,030.67
	2. Office Equipments	169,660.80	62,920.00	1.00	62,920.00		232,580.80	25%	58,145.20	174,435.60			174,435.60
	Total	235,035.03	62,920.00		62,920.00		297,955.03	25%	74,488.76	223,466.27			223,466.27
2)	Block C												
	Vehicle	57,901.94	212,389.38	1	212,389.38	13,145.00	257,146.32	20%	51,429.26	205,717.06			205,717.06
	Total	-	212,389.38		212,389.38	13,145.00	257,146.32	20%	51,429.26	205,717.06			205,717.06
	Grand Total	292,936.97	275,309.38		275,309.38	13,145.00	555,101.35		125,918.02	429,183.33			429,183.33



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Total Transport Systems Private Limited
Kathmandu, Nepal
Schedules to Financial Statements
For the period from 1st April 2023 to 31st March 2024

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

Reserve and Surplus

Schedule-2

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Profit and loss upto last year	4,731,008.60	4,301,463.30
Profit/(Loss) for this year	227,135.20	429,545.30
Total	4,958,143.80	4,731,008.60

Advances and Prepaids

Schedule 4

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Advance to Haripati Lal Shrestha	900,000.00	900,012.29
Advance Tax	30,000.00	40,000.00
Total	930,000.00	940,012.29

Sundry Debtors

Schedule 5

Particulars	Current Year (NPR.)	Previous Year (NPR.)
ZIM Integrated Shipping Services Ltd.	22,741.00	-
Siris Express Pvt. Ltd	200,661.25	310,007.25
Hercules Aviation Pvt. Ltd	251,681.00	170,154.00
Atlas De Cargo Pvt. Ltd.	60,607.00	-
Gold Star Line Ltd.	87,015.00	29,471.00
Bridge International Cargo Pvt. Ltd.	191,774.00	-
Bridge Logistics Pvt. Ltd	-	151,867.00
Smooth Cargo Movers Pvt. Ltd	429,914.00	233,917.10
Cargo Packers and Movers International Pvt. Ltd.	117.39	-
Nepal Shipping and Air Logistics Pvt. Ltd. NPSAL	8,648.93	157,477.40
In Time Worldwide Express Ltd. UK	57,754.00	-
Nepal Freight Solution Pvt. Ltd.	100.00	-
Laxmi Shipping and Air Logistics P.L.	44,174.00	-
Lord Buddha Himalayan Enterprises	47,624.00	-
Med Vet Pharma Pvt. Ltd.	180.00	-
Mobility Freight Pvt. Ltd.	1,947.68	-
Expo Express Service Nepal Pvt. Ltd.	-	5,537.17
Legend Cargo Pvt.Ltd	1,273,348.86	1,695,319.86
Imperial Freight Pvt. Ltd.	-	341,624.00
Global Packers and Movers P. Ltd.	524,857.00	549,857.00
Himalayan Travel and Tours P. Ltd. HTT	0.07	744,078.78
Kapileswor Cargo Pvt. Ltd	-	128,260.00
Mount Pumori Air Cargo Pvt. Ltd.	-	399,494.00
Goodluck Transport Service India A/C	-	59,255.25
Sigol Wide Freight Pvt. Ltd.	235,765.00	385,765.00
Yes Frieght Pvt.Ltd	151,139.00	189,000.00
Moon Light Cargo Pvt.Ltd	0.58	357,778.60
Air Sea Express Pvt. Ltd.	-	-



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A.P. Logistics Pvt. Ltd.	-	491,238.00
Inter Global Multimodel Transport Pvt. Ltd.	270.00	-
Mass Nepal Logistics Pvt.Ltd.	260,641.04	296,395.04
Shangrila International Freight Pvt. Ltd.	438,871.16	181,754.00
United Shipping and Forwarding Service Pvt. Ltd.	-	46,043.00
RISING STAR CARGO PVT. LTD.	-	108,183.00
Pan Pacific Shipping & Logistics Services Pvt. Ltd.	368,382.20	-
SWG Logistics Nepal Pvt. Ltd.	113,375.00	-
Sai Global Shipping Agency Nepal. Pvt. Ltd.	54,685.00	-
Rank Entertainment services Pvt.Ltd	36,973.00	-
Total	4,863,247.02	6,994,615.45

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	4,233,583.17	4,181,878.90
Cash In Hand	138,874.33	55,698.37
Total	4,372,457.50	4,237,577.27

Sundry Creditors

Schedule 8

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Sri Durga Impex and Logistics	288,060.67	187,566.31
Globe Shipping and Logistics Pvt. Ltd.	6.00	-
Total Transport Systems Kolkata	1,894,358.80	4,009,400.09
Goodluck Transport Service India A/C	220,906.80	-
Air Link International	-	63,895.00
Laxmi Transport Company, India	311,236.13	261,813.05
Pan Pacific Shipping and Logistics Services Pvt. Ltd.	-	56,785.31
Matrix Office System Pvt. Ltd.	5,141.50	15,466.50
Overseas Corporation Pvt. Ltd, India	-	200,663.37
Sangam Transport Pvt. Ltd.	-	29,550.00
SRI LAXMI ROADWAYS	0.65	-
Times services	40,000.00	-
Road Star Logistics Pvt .Ltd. Kolkata	5,817.49	-
Public Freight Pvt.Ltd	18,097.00	-
Total	2,783,625.04	4,825,139.63

Other Provisions and payable

Schedule 9

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Provision for Income Taxes	323,227.04	377,214.74
Salary Payable	-	-
TDS Payble	46,348.40	38,779.00
Total	369,575.44	415,993.74

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General and Administrative Expenses

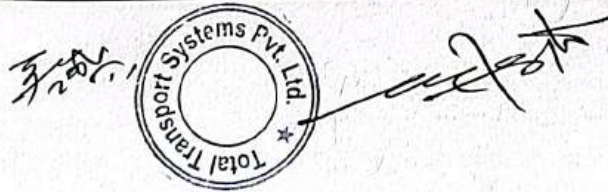
Schedule 11

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Audit Fee	125,000.00	141,250.00
Bank and fund transfer expenses	23,051.51	48,612.57
Business Promotion Expenses	203,177.00	270,973.00
Cleaning	43,529.00	39,704.00
Consultancy Fee	56,950.00	16,950.00
Conveyance and Travelling Expenses	96,647.00	551,540.00
Courier Charges	10,050.00	14,825.00
Exchange Loss	27,290.57	-
Fines and Penalties	61,681.32	5,352.15
Fuel Expenses	185,879.00	181,902.00
Fund Transfer Expenses	433.00	419.00
House Rent Expenses	234,000.00	223,200.00
Insurance Expenses	10,774.00	-
Internet	27,783.00	18,532.00
Legal Charges	-	-
Membership	-	64,000.00
Miscellaneous	6,763.00	9,201.00
Other Operating Expenses	36,587.00	51,341.00
office Tools	24,449.00	-
Printing and Stationary Expenses	107,717.50	92,251.50
Renewal Charges	36,300.00	10,500.00
Repair and Maintenance	87,240.00	55,695.00
Salary expenses	2,434,355.00	2,182,868.00
Staff Welfare	80,748.00	76,979.00
Telephone and Fax Expenses	51,350.00	62,450.00
Program Expenses	50,000.00	-
Warehouse Expenses	40,010.00	-
Water and Electricity Expenses	42,086.00	43,526.00
Meeting Related Expenses	79,718.00	-
Donation	5,000.00	-
Total	4,188,568.90	4,162,071.22

Duties and taxes

Schedule 12

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Vat Receivable	9,456.44	-
Total	9,456.44	-



Total Transport Systems Private Limited
Kathmandu, Nepal
Significant Accounting Policies and Notes relating to the Financial
Statements
Fiscal Year 2023/24

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. 2,75,309 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

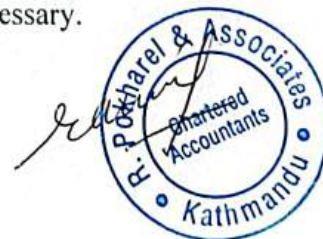
The company has the issued & paid-up Share Capital of NPR.25,00,000.00.

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.



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. **Advance taken by Executive Director**

The executive director of the organization has obtained advance from the organization which at March end is Rs. 900000.00.

9. **Cash and Bank:**

Particulars	Current Year (NPR.)	Previous Year (NPR.)
Cash in Hand	1,38,874.33	55,698.37
Bank Account	4,233,583.17	4,181,878.90
Total	4,372,457.50	4,237,577.27

10. **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.

11. **Financial Year**

Current Financial Year comprises from 1st April 2023 to 31st March 2024.

