



INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Bandipur Cable Car And Tourism Limited

Opinion

We have audited the financial statements of **Bandipur Cable Car And Tourism Ltd.**, which comprise the Balance Sheet as at 31 Ashad, 2078 (corresponding to 15 July, 2021), and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Balance Sheet of the company as at 31 Ashad, 2078, and its income statement and its cash flows for the year then ended in accordance with Nepal Accounting Standard (NAS).

Basis of 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 Company 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 the financial statements in Nepal, 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*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for other information. The other information comprises the information included in the Annual Report and Report of Board of Directors, but not includes the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

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 NAS, 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 Company's ability to continue as 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 misstatement, 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 is conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and access the risks of material misstatement of 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 control 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 Company'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 the 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 company'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 company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on Other Legal and Regulatory Requirements

Based on our examination of the financial statements as per Company's Act, we report that:

- a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b) The accounts and records of the Company have been maintained as required by law and practice in a manner to reflect the real affairs of the Company.
- c) The Balance Sheet, Income Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company.
- d) In our opinion and to the best of our information and according to explanations given to us, the Board of Directors, the representative or any employee of the Company has not acted contrary to the provision of law relating to accounts nor caused direct loss or damage to the company deliberately or acted in a manner that would jeopardized the interest and security of the Company and the business of the Company appears to have been conducted satisfactorily.


CA. Balaraj Parajuli
Proprietor
B.R. Parajuli & Associates, Chartered Accountants
UDIN: 211003CA00960TXt52

Place: Kathmandu
Date: 2078/06/16

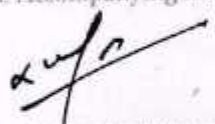


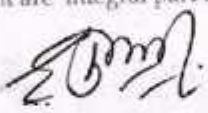
BANDIPUR CABLE CAR AND TOURISM LTD.
BANDIPUR-03 TANAHUN
Statement of Financial Position
as on 31st Ashadh, 2078

Particulars	Schedule	Current Year (NRs.)	Previous Year (NRs.)
ASSETS			
Non- Current Assets			
Property, Plant & Equipments	4	205,961,630.87	158,768,529.40
Investment		160,000.00	160,000.00
Capital Work in Progress		474,477,320.41	186,225,088.00
Total Non-Current Assets		680,598,951.28	345,153,617.40
Current Assets			
Cash and Bank Balance	5	6,206,425.10	832,549.31
Account Receivables	6	67,516,133.86	32,718,428.00
Prepaid, Deposits & Advance	7	114,427,876.81	47,668,350.00
Total Current Assets		188,150,435.77	81,219,327.31
Total Assets		868,749,387.05	426,372,944.71
EQUITY & LIABILITIES			
EQUITY			
Share Capital	1	200,000,000.00	200,000,000.00
Reserves & Surplus	2	(27,210,739.12)	(20,608,314.90)
Advance for Share Capital		216,973,050.50	67,411,848.00
Total Equities		389,762,311.38	246,803,533.10
Non-Current Liabilities			
a) Intermediate & Long Term Loan	3	261,787,010.26	167,800,000.00
Total Non-Current Liabilities		261,787,010.26	167,800,000.00
Current Liabilities			
Sundry Creditors and Payables	8	34,066,065.41	11,769,411.61
Short Term Loan	9	183,134,000.00	
Total Current Liabilities		217,200,065.41	11,769,411.61
Total Liabilities		478,987,075.67	179,569,411.61
Total Equities & Liabilities		868,749,387.05	426,372,944.71

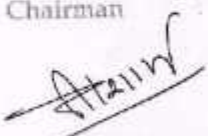
As per our attached report of even date


The Accompanying notes to account are integral part of this financial statement



Ram Chandra Sharma
Chairman


Shiva Prasad Sharma
Director


CA. Balaram Parajuli, Proprietor
B.R. Parajuli & Associates
Chartered Accountants


Chintamani Sharma
COE Secretary
Date: 2078.06.16
Place: Bandipur, Tanahun


Dharma Raj Bhandari
CSO


Hari Pd. Subedi
Account Officer





BANDIPUR CABLE CAR AND TOURISM LTD.
BANDIPUR-03, TANAHUN
Statement of Profit & Loss
For the Year Ended 31st Ashadh, 2078

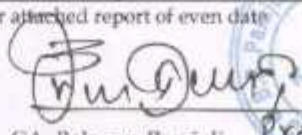
Particulars	Schedule	Current Year (NRs.)	Previous Year (NRs.)
Revenue From Operations	10	-	-
Non Operating Income	11	2,615,827.15	129,422.00
Profit from Operation		2,615,827.15	129,422.00
Staff Expenses	12	-	2,754,502.00
Administrative Expenses	12	6,861,307.79	7,617,364.60
Depreciation	4	2,356,943.58	118,040.00
Earning Before Interest & Tax (EBIT)		(6,602,424.22)	(10,360,484.60)
Interest Expenses	13	-	-
Provision for Staff Bonus		-	-
Profit Before Tax		(6,602,424.22)	(10,360,484.60)
Income Tax Expenses			
Current Taxes		-	-
Deferred Tax Income/(Expenses)		-	-
Net profit/(Loss) after Tax For the year		(6,602,424.22)	(10,360,484.60)

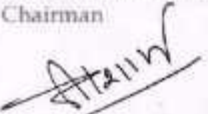
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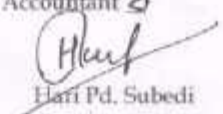

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BANDIPUR-03, TANAHUN

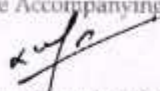
Statement of Cash Flow


For the Year Ended 31st Ashadh, 2078

Particulars	Current Year (NRs.)	Previous Year (NRs.)
<u>Cash Flow from Operating Activities</u>		
Profit (Loss) before Taxation & Extraordinary items	(6,602,424.22)	(10,360,484.60)
Adjustment for:		
Depreciation	2,356,943.58	118,040.00
Add: Interest Expenses	-	-
Add: Provision for Income Tax	-	-
Cash Flow from operation before change in the	(4,245,480.64)	(10,242,444.60)
Decrease (Increase) in Current Assets	(101,557,232.67)	(51,801,611.30)
Increase (Decrease) in Current Liabilities	205,430,653.80	9,494,713.61
Net cash from operating activities (A)	99,627,940.49	(52,549,342.29)
<u>Cash Flows from Investing activities</u>		
Fixed Assets sales (purchase)	(49,550,045.05)	(14,461,966.40)
(Increase)/Decrease in WIP	(288,252,232.41)	(126,630,226.00)
Investment in subsidiary	-	-
Net Cash used in Investing activities (B)	(337,802,277.46)	(141,092,192.40)
<u>Cash Flow from financing Activities</u>		
Issue of Share capital	149,561,202.50	26,564,848.00
Bank Loan	93,987,010.26	167,800,000.00
Dividend Paid	-	-
Interest paid	-	-
Tax Paid	-	-
Net cash used in financing activities (C)	243,548,212.76	194,364,848.00
Total Increase in cash and cash equivalent (A+B+C)	5,373,875.79	723,313.31
Cash & Bank Balance at the beginning of the year	832,549.31	109,236.00
Cash & cash equivalent at the end of the year	6,206,425.10	832,549.31

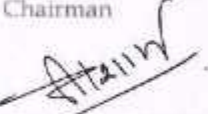
As per our attached report of even date


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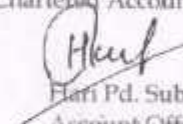

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BANDIPUR CABLE CAR AND TOURISM LTD.
BANDIPUR-03, TANAHUN

Schedule forming part of Balance Sheet and Profit and Loss Account

Share Capital

Schedule-1

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Authorised Capital (10,000,000/- shares of NRs.100)	1,000,000,000.00	200,000,000.00
2	Issued Capital (7,500,000/- shares of NRs.100)	750,000,000.00	200,000,000.00
3	Subscribed & Paid Up Share Capital (2,000,000/- Share @NRs.100 each)	200,000,000.00	200,000,000.00
	Total	200,000,000.00	200,000,000.00

Reserve & Surplus

Schedule-2

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Upto Previous Year	(20,608,314.90)	(10,247,830.30)
2	Profit & Loss A/c this year	(6,602,424.22)	(10,360,484.60)
	Total	(27,210,739.12)	(20,608,314.90)

Intermediate & Long Term Loan

Schedule-3

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Nepal SBI Bank Ltd		167,800,000.00
a	Term Loan	162,244,955.13	-
b	Hire Purchase Loan	11,465,587.46	-
2	NMB Bank Ltd		-
a	Term Loan	88,076,467.67	-
	Total	261,787,010.26	167,800,000.00

Cash and Bank Balance

Schedule-5

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Cash in Hand (As Certified By Management)	4,721.19	36,940.79
2	Nepal Bank Ltd	413,471.00	58,385.00
3	Nepal SBI Bank Ltd	3,774,701.71	539,315.58
4	Citizen Bank International Ltd	33,800.00	30,000.00
5	NIC Asia Bank Ltd	1,903,236.64	167,907.94
6	NMB Bank Ltd	76,494.56	-
	Total	6,206,425.10	832,549.31

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Trade and Sundry Receivables

Schedule-6

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Value Added Tax (VAT)	53,745,886.11	22,183,985.00
2	Taranath Upadhaya	8,407,000.00	8,407,000.00
3	Prepaid Rent	66,666.66	66,667.00
4	Others	5,296,581.09	2,060,776.00
	Total	67,516,133.86	32,718,428.00

Loans, Advance and Deposits

Schedule-7

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Staff & Party Advances	2,046,753.67	1,503,082.00
2	Chandra Nirman Sewa Pvt.Ltd (Mobilization Amt)	10,679,325.25	36,374,568.00
3	Others	37,872,221.34	1,790,900.00
4	Land Advance	-	8,000,000.00
5	Conveyar Ropway Services Private Ltd (Construction and Mechanical Advance)	8,962,172.14	-
6	Short-Term Investment	54,867,404.41	-
	Total	114,427,876.81	47,668,350.00

Trade and Sundry Payables

Schedule-8

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Audit Fee Payable	123,125.00	98,500.00
2	Expenses Payable	2,106,773.71	1,006,389.88
3	House Rent Payable	44,211.07	137,611.11
4	Lease Rent Payable	-	108,000.00
5	Salary Payable	143,899.00	191,712.00
6	Other Miscellaneous Payable	-	5,645,838.73
7	Account & Other Payables	2,495,747.09	2,873,161.94
8	Chandra Nirman Sewa Pvt.Ltd (Civil Contractor)	27,235,892.04	-
9	TDS Payables		
a	TDS on Audit Fee	1,875.00	1,500.00
b	TDS on Rent	147,126.91	112,777.40
c	TDS on Salary	33,140.08	31,515.36
d	TDS on Service	-	11,037.17
e	TDS on Supervision & Assessment	-	76,592.91
f	TDS on Goods Purchase	878,173.94	7,886.99
g	TDS on Construction	416,525.67	1,447,593.78
h	TDS on Msc Services	8,621.63	19,294.34
i	TDS on Vehicle Lease	1,800.00	-
j	TDS on Interest Income	392,254.28	-
k	Remuneration Tax	36,900.00	-
	Total	34,066,065.41	11,769,411.61

Short Term Loan (Cash Credit,OD)

Schedule-9

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Nepal SBI Bank Ltd		-
a	Bridge Gap Loan	100,000,000.00	-
2	NMB Bank Ltd		-
a	Bridge Gap Loan	83,134,000.00	-
	Total	183,134,000.00	-

Income Details

Schedule-10

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1			-
	Total	-	-

Non-Operating Income

Schedule-11

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Interest Income	2,371,978.91	129,422.00
2	Share Form Charges	243,848.24	-
	Total	2,615,827.15	129,422.00

Staff, Operating and Administrative Expenses

Schedule-12

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
A)	Staff Expenses		
1	Basic Salary	-	2,754,502.00
		-	2,754,502.00
B)	Office & Administrative Expenses		
1	House Rent Expenses	282,711.10	350,889.00
2	Audit Fee	125,000.00	100,000.00
3	Printing and Stationary	420,741.34	239,783.00
4	Telephone & Communication Expenses	61,680.00	68,147.00
5	Miscellaneous Expenses	1,111,863.84	669,594.60
6	Bank Charges	25,737.16	2,724,034.00
7	Water & Electricity Expenses	28,519.00	103,845.00
8	Registration & Renewal Charges	123,962.00	3,400.00
9	Repair & Maintenance	111,066.68	183,083.00
10	Advertisement	58,268.00	19,050.00
11	Fabrication Anchor Bolts Expenses	-	665,380.00
12	Office Expenses	2,920,856.70	478,582.00
13	Insurance Expenses	162,436.00	4,561.00
14	Account Mgt & Internal Control Charges	106,194.69	331,858.00
15	Land Lease Rent	-	437,778.00
16	Internet Expenses	114,008.50	24,888.00
17	Office Meeting Expenses	-	48,300.00
18	Postage & Courier Charges	300.00	559.00
19	Valuation Charges	-	176,991.00
20	Agm Expenses	-	246,933.00
21	Municipality Tax	-	603,120.00
22	Branch Expansion Expenses	19,503.00	94,952.00
23	Programme Expenses	9,550.00	-
24	Office Tiffin Expenses	940,610.00	41,637.00
25	TADA	3,000.00	-
26	Networking Expenses	5,100.00	-
27	Medical Expenses	1,109.00	-
28	Legal Expenses	10,000.00	-
27	Kitchen Expenses	219,090.78	-
		6,861,307.79	7,617,364.60
	Total (A+B)	6,861,307.79	10,371,866.60



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Interest Expenses

Schedule-13

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1			
	Total	-	-

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BANDIPUR CABLE CAR AND TOURISM LTD.

BANDIPUR-03, TANAHUN

Statement of Changes in Equity
For the Year Ended 31st Ashadh, 2078

IN NRs.

Particulars	Share Capital	Advance for share Capital	Share Premium	Translation Reserve	Revaluation Reserve	Other Reserve	Retained Earnings	Total
Balance As on 1st of Shrawan 2077	200,000,000.00	67,411,848.00	-	-	-	-	(27,608,314.90)	246,803,533.10
Adjustment	-	-	-	-	-	-	-	-
Share Issued During the Year	-	149,561,202.50	-	-	-	-	(6,602,424.22)	149,561,202.50
Net Profit During the Year	-	-	-	-	-	-	-	-
This Year's tax payment	-	-	-	-	-	-	-	-
Balance As on Ashadh, 2078	200,000,000.00	216,973,050.50	-	-	-	-	(27,210,739.12)	389,762,311.38

As per our attached report of even date

Ram Chandra Sharma
Chairman

Shiva Prasad Sharma
Director

Chintamani Sharma
COE Secretary

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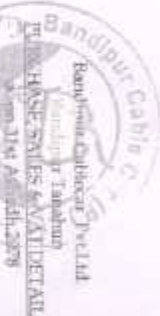
Schedules 4: Property, Plant & Equipments



Particulars	Opening as on 01.04.2017	Total Addition	Addition Up to Period	Addition Merged - Churn	Addition Balance - Asset	Total Absorbed	Disposal During The Year	Depreciable Value	Rate	Depreciation for the year	Unabsorbed Addition	WDV as on 31.03.2018
POOL 'A'												
Land	157,718,840	33,952,410										191,671,250
Sub Total	157,718,840	33,952,410										191,671,250
POOL 'B'												
Furniture and Fixture	446,848	109,295	109,295			109,295	-	556,143	25%	139,036		417,108
Computer & Accessories	346,015	256,105	34,512	221,592		182,211	-	488,250	25%	122,064	73,864	440,036
Other Office Equipment	199,305	-	-	-	-	-	-	199,305	25%	49,826	-	149,479
Unabsorbed Repair And Maintenance (U/R 5.16)												
Sub Total	952,168	365,400	143,807	221,592	-	291,536	-	1,243,704		310,926	73,864	1,006,642
POOL 'C'												
Vehicle	-	15,212,255	-	15,212,255	-	10,154,824	-	10,154,824	20%	2,030,965	5,077,412	11,301,271
Sub Total	-	15,212,255	-	15,212,255	-	10,154,824	-	10,154,824		2,030,965	5,077,412	11,301,271
POOL 'D'												
Plant & Machinery	89,027	-	-	-	-	-	-	89,027	15%	13,354	-	75,673
Other Assets	69,027	-	-	-	-	-	-	89,027	15%	13,354	-	75,673
Sub Total	158,054	-	-	-	-	-	-	158,054		26,708	-	131,346
POOL 'E'												
Website Animation & Networking	8,403	-	-	-	-	-	-	8,403	5 Years	1,689	-	6,714
Lease Hold construction	8,403	-	-	-	-	-	-	8,403	5 Years	1,689	-	6,714
Sub Total	16,806	-	-	-	-	-	-	16,806		3,378	-	13,428
Total	158,766,529	49,530,085	143,807	15,453,255	-	10,546,359	-	11,454,949	-	2,362,941	5,151,276	208,561,611

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54B ANNEX-11B

Month	NON VAT SALES	VAT SALES	VAT ON SALES	NON VAT PURCHASE	VAT PURCHASE	CREDIT TAX	VAT ON IMPORT	Last year sales VAT ADJ.	purchase VAT ADJ.	CREDIT B.I	VAT DUE	Voucher no/ Receipt no
CREDIT B/I												
Shrawan					2,275,207	293,777				(22,479,762)		
Bhadra					55,326	7,160				(22,486,942)		
Adshwin					9,537	1,240				(22,488,191)		
Kartik					1,399,136	168,888				(22,657,069)		
Mangsir					22,915,682	2,979,026				(25,636,105)		
Poush					89,172,553	10,422,432				(36,058,537)		
Magh		2,212,389.00	287,611		134,219	17,448				(33,788,374)		
Falgun					20,012,740	3,251,656				(39,040,030)		
Chaitra					642,744	83,337				(39,123,586)		
Baisak					416,013	54,082				(38,075,521)		
Jestha					20,333	2,669				(38,078,190)		
Asad					120,520,741	15,687,696				(53,745,886)		
Total	-	2,212,389.00	287,610.57	-	253,474,312.93	32,951,660.68	-	-	(1,102,147.00)			
Reconciliations												
Vat												
Opening Vat 22,183,985.00												
Total Vat Credit Claim during the Year 32,951,660.68												
Less: Error Entry (287,610.57)												
Vehicle Vat Reversed (1,102,147.00)												
Less: Error Entry (2.00)												
Add: Calculation Error in Month of Asad												
Sales As per Financials 53,745,886.11												

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Bandipur Cable Car and Tourism Public Limited
Bandipur-03, Tanahun

Schedule 14: Significant Accounting Policies and Other Explanatory Notes

1. Introduction of Company

Bandipur Cable Car and Tourism Public Limited (The "Company") initially named as Bandipur Cable Car Pvt. Ltd., at the office of Company registrar having its registration no.108644/69/70 with registered address as Bandipur, Tanahun. Later the company converted into Public limited company also with new name as Bandipur Cable Car & Tourism Public Limited as on 29th August, 2021 with registration no. as 270364/078/79. The registered office and principal place of business is located at Tanahun, Nepal. The PAN of company is 600918925. The company is not listed in Nepal Stock Exchange Limited yet.

The principal objective of the company is to Build & Operate the Cable Car and promotes other Tourism Related Activity within the territory of Nepal.

The substantial share of the company was purchased by RKD Real Estate & Construction Public Limited as on Ashadh, 2075. Hence, this organization is the subsidiary company of the former organization.

2. Authorization date

The financial statements have been authorized by the Board of Directors on 02.10.2021

3. Responsibility for financial statements

The company management is responsible for the preparation of financial statements. These financial statements include following components:

- a. Balance Sheet disclosing the information on financial position of Bandipur Cable Car and Tourism Ltd as on July 15, 2021;
- b. Income Statement (Profit & Loss Account) disclosing the financial performance of Bandipur Cable Car and Tourism Ltd for the year ended on July 15, 2021;
- c. Statement of Changes in Equity showing all changes in equity of Bandipur Cable Car and Tourism Ltd during the year ended on July 15, 2021;
- d. Cash Flow Statement disclosing the cash flows of Bandipur Cable Car and Tourism Ltd during the year ended on July 15, 2021; and
- e. Notes to the Financial Statements comprising a summary of principal accounting policies and other relevant explanatory notes.



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4. Significant Accounting Policies:

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for the whole period and to all the years presented, unless otherwise stated.

5. Statement of Compliance:

The Financial Statements that comprise of components mentioned above have been prepared in accordance with Nepal Accounting Standards ("NAS") pronounced by the Institute of Chartered Accountants of Nepal and its disclosure requirement and in compliance with Company Act, 2063 unless otherwise stated.

The financial statements are prepared on a going concern basis.

6. Prior Period Errors

Prior Period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- was available when financial statements for those periods were authorized for issues;
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

7. Functional and presentation currency

All financial information in the financial statements is presented in Nepalese Rupees (NRs.), which is the Company's functional currency. All financial information presented in Nepalese rupees has been rounded to the nearest rupees.

8. Use of Judgment, Accounting Policy and Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

a. Cash Flow Statement



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Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular operating, financing and investing activities of the Company are segregated.

b. **Revenue Recognition:**

Revenue have been recognized on accrual basis. Revenue from the sale of goods is only recognized when company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the company will receive the previously agreed upon payment. These criteria are only considered to meet when goods are delivered to the buyer.

c. **Going Concern**

The financial statements of the Company has been prepared on the going concern basis, management neither has intention to liquidate nor to cease the trading of the entity.

d. **Borrowing Cost (Financial Expenses)**

Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds. 'Borrowing Costs' that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised to respective qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

e. **Cash & Cash Equivalent**

Cash and Bank Balance comprise cash which is retained by organization, account official staff and bank comprises bank account with several banks and financial institutions.

f. **Property Plant and Equipment (PPE)**

(a) PPE are stated at cost net of accumulated depreciation. The cost comprises of expenditure that is directly attributable to acquisition of the PPE.

(b) Freehold Land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for



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- (c) Depreciation is charged to Profit & Loss Account on the written-down value method and depreciation on asset added during the year is charged as per method recognized by Income Tax Act, 2058. The rates of depreciation based on the estimated useful life are as follows:

S. no.	Asset Type	Depreciation Rates
1	Building	5%
2	Furniture and Fixture	25%
3	Computer and Accessories	25%
4	Office Equipment	25%
5	Vehicle	20%
6	Plant and Machinery	15%
7	Other Assets	15%
8	Intangible Assets	5 Years

g. Trade Receivable

Trade Receivable includes amount receivable from party. These are stated at their cost less provision for impairment. The amount of provision is recognized in the income statement if any.

h. Contingent Asset, Liability and Provision

There was not any contingent liabilities of company existed as on financial reporting date.

The provisions for liabilities of uncertain timing or amount include those for onerous leases, warranty claims, leasehold dilapidations and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

i. Income Taxes

i. Current Income Tax:

Provision for current tax is recognized with reference to profit for the financial year as reported in the financial statements based on the provisions of Income Tax Act, 2058 and Rule thereof.

ii. Deferred Tax:

Deferred tax for the year has been calculated on timing difference arising due to changes in depreciation provision as per companies act and Income Tax Act.

Leases

Leases are classified as financial leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Other leases are classified as operating leases, if any.

k. Investment



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Investment made by company is valued at cost or market price whichever is lower



l. Capital Work- in -Progress

Capital work in progress includes directly attributable cost of construction or installation/Fabrication of plant and machinery to be capitalized. All other expenses including interest incurred during construction period to be capitalized as part of construction cost to the extent to which these expenditures are especially attributable to the construction

m. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of assets net selling prices and value in use. However, during the year, there were no any indication presents which require adjustment in the financial statement of the organization.

n. Foreign Exchange Transaction/Translation

Expenses and Income are recorded at the exchange rates prevailing on the date of transaction. Monetary Assets / Liabilities at Balance Sheet date are restated at the exchange rate prevailing on Balance Sheet Date. Exchange differences arising on settlement of transactions and on account of restatement of assets / liabilities are dealt with as foreign exchange fluctuation in Profit & Loss Account. There were no any foreign currency transaction during the period under reporting

o. Previous Year's Figures and Rounding Off

The Financial Statements are presented in Nepalese Rupees, rounded off to the nearest rupee.

Previous year's figures have been regrouped/rearranged wherever necessary to match the nature of financial transaction.

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1.1. Notes to account

1.1.1. Work In Progress (WIP)

During the year 288,252,232.41/- has been capitalized for the construction of cable car and hotel which is currently under construction the detail of such is as follows:

S.NO	Opening Capital Work in Progress (CWIP)	Addition During the Year	Closing Balance Capital Work in Progress (CWIP)
1	186,225,088.00/-	288,252,232.41/-	474,477,320.41/-

1.1.2. Bank Details

The company has maintained several bank accounts which are as follows.

S.no.	Bank Name & Account No.	Amount as per books	Bank Statement	Bank Reconciliation	Bank Confirmation Certificate
1	Nepal Bank Ltd	413,471.00 /-	413,471.00 /-	-	413,471.00/-
2	Nepal SBI Bank Ltd	3,774,701.71 /-	3,774,701.71 /-	-	3,774,701.71 /-
3	Citizen Bank International Ltd	33,800.00 /-	33,800.00/-	-	33,800.00 /-
4	NIC Asia Bank Ltd	1,903,236.64 /-	1,903,236.64 /-	-	1,903,236.64 /-
5	NMB Bank Ltd	76,494.56/-	76,494.56 /-	-	76,494.56 /-
	Total	6,201,703.91/-	6,201,703.91 /-	-	6,201,703.91/-

1.1.3. Cash Details

The company has cash in hand of NRs. 4,721.19 which is as follows:

S.no	Particulars	Amount as per books
1	Cash In Hand- Account Department	-
2	Cash-	-
3	Petty Cash -Bandipur	-
4	Petty Cash - Corporate Office	4,721.19/-
	Total	4,721.19/-

1.1.4. Prepaid, Deposits and Advance

It includes advances provided to staff, contractor, landlord and other advance provided to different parties.

Particulars	Amount(NRs)
Staff & Party Advances	2,046,753.67/-
Chandra Nirman Sewa Pvt.Ltd (Mobilization Amt)	10,679,325.25/-
Short-Term Investment	54,867,404.41/-
Conveyor Ropway Services Private Ltd (Construction and Mechanical Advance)	8,962,172.14/-
Other	37,872,221.34/-
Total	114,427,876.81/-

1.1.5. Short-Term and Long-Term Payables

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Short-Term and long-term payables include loans from Banks and Financial institution & other during the year for daily organizational operation.

The company has a bank loan of NRs.444,921,010.26/- which is as follows

S.no.	Particulars	Amount
1	Nepal SBI Bank Ltd.	273,710,542.59/-
2	NMB Bank Ltd.	171,210,467.67/-
	Total	444,921,010.26/-

Other Short-term Payable is as follows:

S.No	Particulars	Amt
1	Expenses Payable	2,418,008.78/-
2	Account & Other Payables	2,495,747.09/-
3	Chandra Nirman Sewa Pvt.Ltd (Civil Contractor)	27,235,892.04/-
4	Statutory Dues & Taxes	1,916,417.51/-
	Total	34,066,065.41

1.1.6. Finance Cost

During the year interest and other cost incurred by an entity in connection with the borrowing of the fund from bank and financial institution is as follows.

The total interest cost incurred has been capitalised.

S.No.	Particulars	Amount
1	Interest on Bridge Gap Loan	18,867,386.57 /-
2	Interest on Term Loan	8,860,974.37/-
	Total	27,728,360.94/-

1.1.7. Employee Benefits

Short Term Employee Benefits are recognized and recorded in the period in which employee services are rendered.

i. Employee Expenses

Employee Expenses consists of basic salary, Grade, Dashain and other allowances provided to the staff during the year. The total Employee Expenses during the year is NRs.75,50,776.55. Total employee expenses incurred directly for the project has been capitalized during the year.

ii. Employees' Bonus

No provision towards employee bonus and Employee housing fund as required under Bonus Act, 2030 & Labor Act, 2048 has been appropriated in the financial statement.

1.1.8. Income Tax Liability

i. Current Tax



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During the period the company has occurred loss of NRs 6,602,424.24 with accumulated loss of NRs 27,210,739.13 Hence the company is not liable for any income tax.

1.1.9. Related Party Disclosure

As per NAS 24 on Related Party Disclosures, the transaction and outstanding balance of the related parties requires the disclosure in the financial statement of parent, venture or Investor Company or entity.

Related Party Transaction outstanding as on 2078.03.31:

S. No.	Related Party	Relation	FY 2077-78	Remarks
1	RKD Real Estate & Construction Public Limited	Group Company	46,360,811.81 /-	Advance for Share

1.1.10. Events After the Balance Sheet Date

There are no any adjusting and non-adjusting events occurred during the period except the change in legal structure of the company.

1.1.11. Deferred Tax Assets & Liabilities

Deferred tax assets & Liabilities has not been considered while preparing the financial statement.

