

R. Puri & Associates

Registered Auditors
Lalitpur, Nepal

Reg No: 5191
PAN: 500017395

THE INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

BANDIPUR CABLE CAR PVT.LTD.

We have audited the accompanying Financial Statements of BANDIPUR CABLE CAR PVT.LTD. which comprise the Balance Sheet as of Ashad 31, 2076 (16th July 2019) and the related Income & Expenditure Account and Cash Flow Statement for the year 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.

Auditors Responsibility

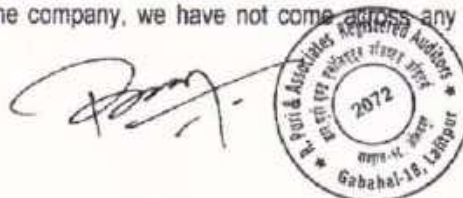
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statement. The procedures selected depended on our professional judgment including the assessment of risk of material misstatements of financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we obtained is sufficient and appropriate to provide a basis of our audit opinion.

Opinion

1. On the basis of our examination we would like to report that
 - i. We have obtained all the related information and explanations for the purpose of audit.
 - ii. The Balance Sheet, Income & Expenditure Account and Fund Flow Statement and attached schedules dealt with by this report are in agreement with the books of accounts maintained by the company.
 - iii. In our opinion and to the best of our information and according to the explanation given to us and from our examination of the books of the accounts of the company, we have not come across any cases



where any office bearer of the company has acted to the contrary to the provisions of law or caused loss or damage to the organization.

iv. We have not come across any accounting fraud.

In our opinion, the Financial Statements give a true and fair view in all material respects on Financial Position of **BANDIPUR CABLE CAR PVT.LTD.** as of 31st Ashad, 2076 and of the results of its Financial Performance and its Cash Flows for the year then ended.



RA. Ram Puri

R.Puri & Associates

Registered Auditors

Place: Kathmandu, Nepal

Date: 2076-09-19

UDIN No: 200112RA06087KDxPI



BANDIPUR CABLE CAR PVT.LTD.
BANDIPUR-03, TANAHUN
Balance Sheet

As on Ashadh 31, 2076 (16th July, 2019)

Amount in NRs.

Particular	Schedule	Current Year	Previous Year
SOURCES OF FUND			
Capital & Reserve Fund			
Share Capital	1	200,000,000	70,000,000
Reserves & Surplus	2	(10,247,831)	(9,041,883)
Advance for Share Capital		40,847,000	50,000,000
Deferred Tax Liability		-	-
Long Term Loan		-	-
Total		230,599,169	110,958,117
APPLICATION OF FUND			
Fixed Assets			
Net Closing Value	3	144,424,603	107,038,206
Net Block		144,424,603	107,038,206
Capital work in Progress		59,594,862	1,565,945
Deferred Tax Assets		-	-
Investment		160,000	160,000
Current Assets			
Prepaid, Advance, Deposits & Receivable	4	28,585,165	1,832,141
Cash & Bank Balance	5	109,236	391,528
Total		28,694,401	2,223,669
Less: Current Liabilities & Provisions			
Duties & Tax Payable	6	436,220	8,250
Current Liabilities & Other Payables	7	1,838,477	21,454
Total		2,274,697	29,704
Net Current Assets		26,419,704	2,193,966
Total		230,599,169	110,958,117

Schedules are integral part of the balance sheet

As per our report on even date

Significant Accounting Policies & Notes to Account 9

Ramchandra Sharma
Chairperson

Kiran Pokharel
Chief Executive Officer

RA. Ram Puri
R. Puri & Associates
Registered Officer

Taranath Upadhyaya
Director

Shiva Prasad Sharma
Chief Finance Officer

Menuka Giri
Account Officer

Date:
Place:



BANDIPUR CABLE CAR PVT.LTD.
BANDIPUR-03,TANAHUN
Profit and Loss Account

For the Period from Shrawan 1, 2075 (July 17,2018) to Ashadh 31, 2076 (July 16, 2019)

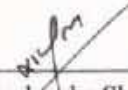
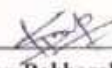

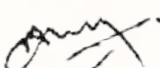


Amount in NRs.

Particular	Schedule	Current Year	Previous Year
<u>INCOME</u>			
Sales & Service Income		-	-
Total		-	-
<u>DIRECT COST</u>			
Direct Expenses		-	-
Gross Profit		-	-
<u>OTHER INCOME</u>			
FOREIGN EXCHANGE GAIN		49,443	-
<u>EXPENDITURE</u>			
Depreciation	3	104,771	12,735
Administrative Expenses	8	1,150,619	199,686
Foreign Exchange Loss		-	-
Total Expenditure		1,255,390	212,421
Profit before Bonus & Tax		(1,205,948)	(212,421)
Less: Provision for Staff Bonus		-	-
Profit before Tax		(1,205,948)	(212,421)
Provision for Tax		-	-
Deferred Tax		-	-
Net Profit for the year		(1,205,948)	(212,421)
Balance upto previous year		(9,041,883)	(8,829,462)
Dividend		-	-
Balance carried to Balance Sheet		(10,247,831)	(9,041,883)

Schedules are integral part of the profit and loss account

As per our report on even date

Significant Accounting Policies & Notes to Account 9


 Ramchandra Sharma Chairperson	 Kiran Pokharel Chief Executive Officer	 RA. Ram Puri R. Puri & Associates Registered Officer
 Taranath Upadhaya Director	 Shiva Prasad Sharma Chief Finance Officer	 Menuka Giri Account Officer



Date:

Place:




BANDIPUR CABLE CAR PVT.LTD.
BANDIPUR-03, TANAHUN
Cash Flow Statement

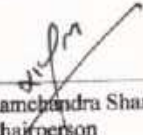
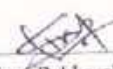

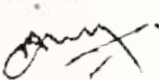
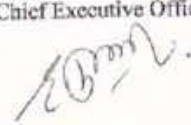
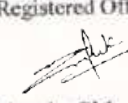
For the Period from Shrawan 1, 2075 (July 17, 2018) to Ashadh 31, 2076 (July 16, 2019)

Amount in NRs.

Particulars	Current Year	Previous Year
(A) Cash flow from operating activities		
Net Profit / (Net Loss) before tax	(1,205,948)	(212,421)
<i>Adjustment for:</i>		
Depreciation	104,771	12,735
Deffered Tax Assets/ (Liability)	-	-
Interest Income	-	-
Other Income	-	-
Gain on Sale of Vehicle	-	-
Adjustment for Prior Period Expenses	-	-
Net cash flow from operating activities before working capital movement	(1,101,176)	(199,686)
Increase/Decrease in Current Assets/Liabilities		
(Increase)/Decrease in Current Assets	(26,753,024)	(1,832,141)
Increase / (Decrease) in Current Liabilities	2,244,993	11,104
Income Tax Paid	-	-
Net flow from change in Current Assets/Liabilities	(24,508,031)	(1,821,037)
Net cash flow from operating activities	(25,609,207)	(2,020,723)
(B) Cash flow from investing activities		
(Increase)/ Decrease in WIP	(58,028,917)	(1,565,945)
Purchase of Fixed Assets	(37,491,168)	(100,000,000)
Sale of Fixed Asset	-	-
Net cash flow from investing activities	(95,520,085)	(101,565,945)
(C) Cash flow from financing activities		
Increase in Paid-up Capital	130,000,000	50,000,000
Increase in Bank Loan	-	-
Unsecured Loan paid	-	-
Advance for share	(9,153,000)	50,000,000
Net cash flow from financing activities	120,847,000	100,000,000
NET CASH FLOW DURING THE YEAR (A+B+C)	(282,292)	(3,586,668)
Opening Cash & Bank Balance	391,528	3,978,196
Closing Cash & Bank Balance	109,236	391,528

As per our report on even date

Significant Accounting Policies & Notes to Account 9

 Ramchandra Sharma Chairperson	 Kiran Pokharel Chief Executive Officer	 RA. Ram Puri R. Puri & Associates Registered Officer
 Tarunath Upadhayn Director	 Shiva Prasad Sharma Chief Finance Officer	 Menuka Giri Account Officer



Date:

Place:









BANDIPUR CABLE CAR PVT.LTD.
BANDIPUR-03,TANAHUN

Statement of Changes in Equity

For the Period from Shrawan 1, 2075 (July 17,2018) to Ashadh 31, 2076 (July 16, 2019)

Particulars	Share capital	Share premium	Translation reserve	Revaluation reserve	Other reserves	Retained earnings	Total
Balance as on Shrawan 1, 2075	70,000,000	-	-	-	-	(9,041,883)	60,958,117
Deferred tax adjustment	-	-	-	-	-	-	-
Deficit on revaluation of properties	-	-	-	-	-	-	-
Surplus on revaluation of investments	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-
Net gains and losses not recognised in the income statement	-	-	-	-	-	-	-
Net profit/(Loss) for the period	-	-	-	-	-	(1,205,948)	(1,205,948)
Dividend	-	-	-	-	-	-	-
Adjustment for prior period expenses	-	-	-	-	-	-	-
Issue of share capital	130,000,000	-	-	-	-	-	130,000,000
Balance as on 31st Ashadh , 2076	200,000,000	-	-	-	-	(10,247,831)	189,752,169

As per our report on even date

 Ramchandra Sharma Chairperson	 Kiran Pokharel Chief Executive Officer	 R.A. Ram Puri R. Puri & Associates Registered Officer
 Taranath Upadhaya Chairperson	 Shiva Prasad Sharma Chief Finance Officer	 Menuka Giri Account Officer



**Schedule-5: Cash & Bank Balance***Amount in NRs.*

Particulars	Current Year	Previous Year
Cash-in-hand (As certified By Management)	30,423	39,568
Nepal SBI Bank Limited	19,664	346,960
Nepal Bank Limited	59,149	5,000
Total	109,236	391,528

Schedule-6: Duties & Tax Payable*Amount in NRs.*

Particulars	Current Year	Previous Year
TDS on Rent	35,285	6,000
TDS on Audit Fee	225	2,250
TDS on Service	384,719	-
TDS on Salary	6,348	-
TDS on Vehicle Lease	6,000	-
TDS on Supervision & Assessment	3,644	-
Total	436,220	8,250

Schedule-7: Current Liabilities & Other Payables*Amount in NRs.*

Particulars	Current Year	Previous Year
Audit Fee Payable	14,775	12,750
Expenses Payable	111,739	8,704
Salary Payable	25,000	-
House Rent Payable	31,000	-
Miscellaneous Payable	719,858	-
Account & Other Payable	936,105	-
Total	1,838,477	21,454

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BANDIPUR CABLE CAR PVT.LTD.
BANDIPUR-03, TANAHUN

Schedules forming part of Balance Sheet
As on Ashadh 31, 2076 (16th July, 2019)

Schedule-1: Share Capital

Amount in NRs.

Particulars	Current Year	Previous Year
AUTHORISED 2,000,000 Equity Shares face value of Rs. 100/- each	200,000,000	200,000,000
ISSUED 2,000,000 Equity Shares of Rs. 100/- each	200,000,000	200,000,000
SUBSCRIBED & PAID UP 2,000,000 Equity Shares of Rs. 100/- each	200,000,000	70,000,000
Total	200,000,000	70,000,000

Schedule-2: Reserve & Surplus

Amount in NRs.

Particulars	Current Year	Previous Year
Profit/ (Loss) up to last year	(9,041,883)	(8,829,462)
Profit/ (Loss) of the year	(1,205,948)	(212,421)
Prior Year Adjustment	-	-
Total	(10,247,831)	(9,041,883)

Schedule-4: Prepaid, Advance, Deposits & Receivable

Amount in NRs.

Particulars	Current Year	Previous Year
Receivable		-
Value Added Tax (VAT)	3,346,756	-
Taranath Upadhaya	8,407,000	-
Advances		
Staff & Party Advances	4,331,409	-
Chandra Nirwan Sewa Pvt.Ltd.(Civil Contractor)	12,500,000	-
Total	28,585,165	-

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BANDIPUR CABLE CAR PVT.LTD.
BANDIPUR-03, TANAHUN

Schedules forming part of Profit and Loss Account
 For the period from 01.04.2075 to 31.03.2076



Schedule-8: Administrative Expenses

Amount in NRs.

Particulars	Current Year	Previous Year
House Rent Expenses	150,000	60,000
Travelling Expenses	-	-
Audit Fee	15,000	15,000
Puja & Festival Exp	-	35,475
Printing and Stationary	103,464	14,392
Telephone & Communication Expenses	63,607	12,650
Miscellaneous Expenses	71,612	62,168
Bank Charges	34,087	-
Electricity Expenses	7,851	-
Registration & Renewal	11,817	-
Repair & Maintenance	14,425	-
Salary & Allowance	93,300	-
Advertisement	10,000	-
Public Relation & Shareholder Welfare Expenses	193,941	-
Office expenses	17,090	-
Supervision & Assesment Charges	364,425	-
Total	1,150,619	199,685

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Vehicles and Automobiles	20 %
Plant and Machinery	15 %

b. Income Taxes:

Some expenses charged to the Profit and Loss Account may not be allowable in full or part under the Income Tax Act and Rules. Similarly, some income may be tax exempt. Accordingly, the net profit as reported in the Profit and Loss Account and taxable profit may vary. Provision for current tax is made with reference to the profit of the financial year based on the provision of the Income Tax Act, 2058.

c. Income:

All incomes are recognized on accrual basis, if any.

d. Expenses:

All expenses except specially mentioned, if any are accounted on accrual basis.

e. Provisions, Contingent Liabilities and Contingent Assets

Provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent Assets are not recognized however is assessed continually to ensure that developments are appropriately reflected in the financial statements.

f. 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.*

g. Reclassification of previous year figure

Previous year figures are regrouped and rearranged whenever necessary. Current year and previous Year Figures are rounded off to the nearest decimal place, *wherever applicable.*

F) Capital Work In Progress

Fixed Assets under Construction and costs of assets not read for use as well as all the project site expenses are categorized as capital work in progress.

G) Related Party Transactions

As on financial Closure date, organization has receivable amount of NRs.8, 407,000 from Taranath Updhaya, member of board of director of the company.



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SCHEDULE '9' ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A) General information

Bandipur Cable Car Pvt.Ltd.is a limited liability company domiciled in Nepal. It is registered with Company registrar office Nepal as well as IRD, Tanahun. The address of its registered office is Bandipur, Tanahun. Nepal. 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 financial statements were adopted by the Board of Directors on 2076-09-17. The Board of Directors of the company acknowledges the responsibility of preparation of financial statements of the company.

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.

B) Basis of Preparation

The financial statements are presented in Nepalese Rupees (NRs.) and are prepared on historical cost convention by applying accrual basis of accounting and prepared in accordance with Nepal Accounting Standards (NAS).

C) Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that are considered while reporting amounts of assets and liabilities (*including contingent liabilities*) as of the date of the financial statement and income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

D) Statement of Compliance

The financial statements have been prepared in accordance with Nepal Accounting Standards ("NAS") except otherwise stated and the Company Act, 2063.

E) Summary of 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 to all the years presented, unless otherwise stated, if any.

a. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost includes cost of acquisition including incidental expenses related to acquisition.

Depreciation is calculated as per the rate and method defined in Income Tax Act, 2058.

Building and other similar structures 5%



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Moreover, RKD Real Estate & Construction Public Limited has issued the total taxable invoice of NRs.23, 759,714.14 for the project site construction service rendered during the year. Furthermore, as per the request of holding company, the payable amount has been converted to advance for share capital considering share lagat for the same was not obtained till the financial closure date.

H) Employee Benefits

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

I) Impairment of Assets

At each financial reporting date, organization assesses the impairment of assets, if any and any deviation is charged and treated in the financial statement of the organization. However, during the year, there were no any indication presents which require adjustment in the financial statement of the organization.

J) Foreign Exchange Transaction/Translation

During the year, organization paid the total amount of INR. 99,65,000 to Indian consultant against obtaining the consultancy service for design and drawing of Cable Car Layout & Alignment.

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