

Tribikram Poudel & Associates

Registered Auditors
Bagdol, Lalitpur, Nepal



Reg No: 3697
PAN: 300299430

**Independent Auditor's Report To The Shareholders of
BANDIPUR CABLE CAR Pvt. Ltd.**

We have audited the accompanying Balance Sheet of **Bandipur Cable Car Pvt. Ltd., Bandipur, Tanahun as of Ashad 32, 2075** and the related Income Statement and Cash Flow Statement for the year then ended. These financial statements are the responsibility of company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Nepal Accounting Standard (NAS). Those standards require that we plan and perform the audit to gather appropriate and sufficient audit evidence to provide us in reasonable assurance, that the financial statements are free of any material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and we report that:

- We have obtained all the information and explanations required for the purpose of our audit.
- The Firm has maintained proper books of accounts as required by law.
- The financial statements have been prepared in accordance with Nepal Accounting Standard and in conformity with books of accounts maintained by entity.

In our opinion, the financial statements of **Bandipur Cable Car Pvt. Ltd** gives a true and fair view in all material respect of the financial position of the entity as of Ashad 32, 2075 and of the result of its operation and its cash flow of the year than ended.



Date:

Place: Kathmandu, Nepal

RA. Tribikram Poudel

Tribikram Poudel & Associates

Registered Auditors

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

Balance Sheet

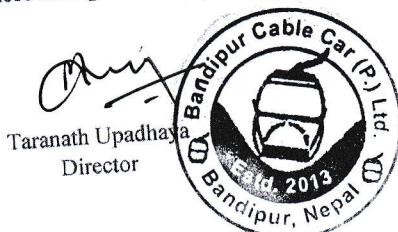
As on Ashadh 32, 2075 (16th July, 2018)

Particular	Schedule	Amount in NRs.	
		Current Year	Previous Year
SOURCES OF FUND			
Capital & Reserve Fund			
Share Capital	1	70,000,000	20,000,000
Reserves & Surplus	2	(9,041,883)	(8,829,462)
Advance for Share Capital		50,000,000	-
Deferred Tax Liability			
Long Term Loan			
Total		110,958,117	11,170,538
APPLICATION OF FUND			
Fixed Assets			
Net Closing Value	3	107,038,206	7,050,941
Net Block		107,038,206	7,050,941
Capital work in Progress		1,565,945	-
Deferred Tax Assets			
Investment		160,000	160,000
Current Assets			
Account Receivable	4	1,832,141	-
Prepaid , Advance & Deposits		391,528	3,978,196
Cash & Bank Balance		2,223,669	3,978,196
Total			
Less: Current Liabilities & Provisions			
Duties & Tax Payable	5	8,250	5,850
Current Liabilities & Other Payables	6	21,454	12,750
Total		29,704	18,600
Net Current Assets		2,193,965	3,959,596
Total		110,958,117	11,170,538

Schedules are integral part of the balance sheet

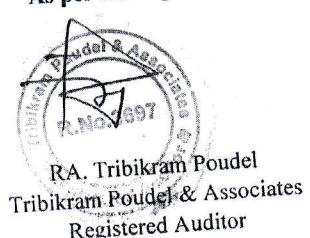
Significant Accounting Policies & Notes to Account

8



Taranath Upadhyaya
Director

Date:
Place:



RA. Tribikram Poudel
Tribikram Poudel & Associates
Registered Auditor

As per our report on even date

BANDIPUR CABLE CAR PVT.LTD.

BANDIPUR-03,TANAHUN

Profit and Loss Account

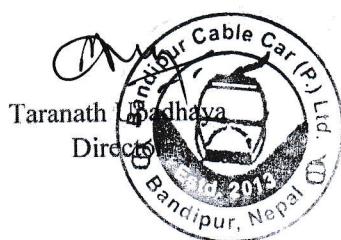
For the Period from Shrawan 1, 2074 (July 16,2017) to Ashadh 32, 2075 (July 16, 2018)

Particular	Schedule	Amount in NRs.	
		Current Year	Previous Year
INCOME			
Sales & Service Income		-	-
Total		-	-
DIRECT COST			
Direct Expenses		-	-
Gross Profit		-	-
OTHER INCOME		-	-
FOREIGN EXCHANGE GAIN		-	-
EXPENDITURE			
Depreciation	3	12,735	-
Administrative Expenses	7	199,685	80,142
Foreign Exchange Loss		-	-
Total Expenditure		212,421	80,142
Profit before Bonus & Tax		(212,421)	(80,142)
Less: Provision for Staff Bonus		-	-
Profit before Tax		(212,421)	(80,142)
Provision for Tax		-	-
Deferred Tax		-	-
Net Profit for the year		(212,421)	(80,142)
Balance of previous year		(8,812,482)	(8,732,340)
Dividend		-	-
Balance carried to Balance Sheet		(9,024,902)	(8,812,482)

Schedules are integral part of the profit and loss account

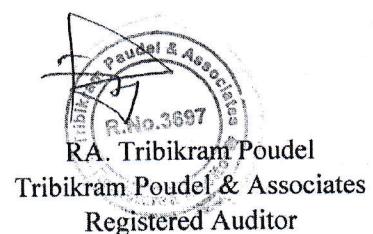
As per our report on even date

Significant Accounting Policies & Notes to Account 8



Date:

Place:



R.A. Tribikram Paudel

Tribikram Paudel & Associates

Registered Auditor

BANDIPUR CABLE CAR PVT.LTD.

BANDIPUR-03,TANAHUN

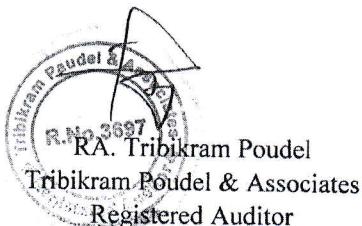
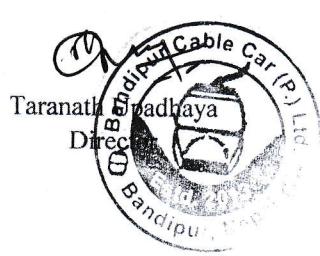
Cash Flow Statement

For the Period from Shrawan 1, 2074 (July 16,2017) to Ashadh 32, 2075 (July 16, 2018)

Particulars	Amount in NRs.	
	Current Year	Previous Year
(A) Cash flow from operating activities		
Net Profit / (Net Loss) before tax	(212,421)	(80,142)
<i>Adjustment for:</i>		
Depreciation	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	(199,685)	(80,142)
Increase/Decrease in Current Assets/Liabilities		
(Increase)/Decrease in Current Assets	(1,832,141)	-
Increase /(Decrease) in Current Liabilities	11,104	920
Income Tax Paid	-	-
Net flow from change in Current Assets/Liabilities	(1,821,037)	920
Net cash flow from operating activities	(2,020,723)	(79,222)
(B) Cash flow from investing activities		
(Increase)/ Decrease in WIP	(1,565,945)	-
Purchase of Fixed Assets	(100,000,000)	-
Sale of Fixed Asset	-	-
Net cash flow from investing activities	(101,565,945)	-
(C) Cash flow from financing activities		
Increase in Paid-up Capital	50,000,000	-
Increase in Bank Loan	-	-
Unsecured Loan paid	-	-
Advance for share	50,000,000	-
Net cash flow from financing activities	100,000,000	-
NET CASH FLOW DURING THE YEAR (A+B+C)	(3,586,668)	(79,222)
Opening Cash & Bank Balance	3,978,196	4,057,418
Closing Cash & Bank Balance	391,528	3,978,196

As per our report on even date

Significant Accounting Policies & Notes to Account 8



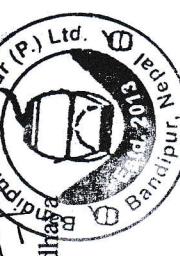
Date:
Place:

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

Statement of Changes in Equity

For the Period from Shrawan 1, 2074 (July 16,2017) to Ashadh 32, 2075 (July 16, 2018)

Particulars	Share capital	Share premium	Translation reserve	Revaluation reserve	Other reserves	Retained earnings	Total
Balance as on Shrawan 1, 2074	20,000,000	-	-	-	-	(8,812,482)	11,187,518
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	-	-	-	-	-	(212,421)	(212,421)
Net profit/(Loss) for the period	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Adjustment for prior period expenses	-	-	-	-	-	(16,981)	(16,981)
Issue of share capital	50,000,000	-	-	-	-	-	50,000,000
Balance as on 5th Ashadh , 2075	70,000,000	-	-	-	(9,024,902)	60,958,117	



Taranath Upadhyaya
Director

RA. Tribikram Poudel
Tribikram Poudel & Associates
Registered Auditor

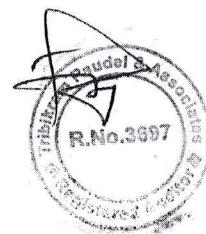
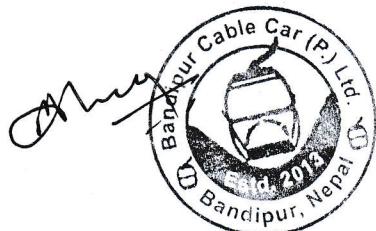
BANDIPUR CABLE CAR PVT.LTD.
BANDIPUR-03,TANAHUN

Schedules forming part of Profit and Loss Account
For the period from 01.04.2074 to 32.03.2075

Schedule-7: Administrative Expenses

Amount in NRs.

Particulars	Current Year	Previous Year
House Rent Expenses	60,000	36,000
Travelling Expenses		29,142
Audit Fee	15,000	15,000
Puja & Festival Exp	35,475	-
Printing and Stationary	14,392	-
Telephone/mobile Charges	12,650	-
Miscellaneous Expenses	62,168	-
Total	199,685	80,142



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

Schedules forming part of Balance Sheet
As on Ashadh 32, 2075 (16th July, 2018)

Schedule-1: Share Capital

Particulars	Current Year	Amount in NRs. 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 700,000 Equity Shares of Rs. 100/- each	70,000,000	20,000,000
Total	70,000,000	20,000,000

Schedule-2: Reserve & Surplus

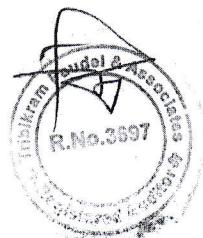
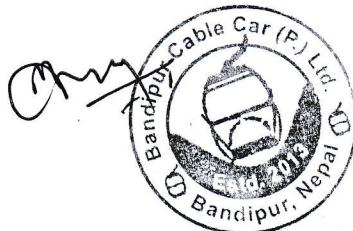
Particulars	Current Year	Amount in NRs. Previous Year
Profit/ (Loss) up to last year	(8,829,462)	(8,732,340)
Profit/ (Loss) of the year	(212,421)	(80,142)
Prior Year Adjustment		(16,981)
Total	(9,041,883)	(8,829,462)

Schedule-4: Cash & Bank Balance

Particulars	Current Year	Amount in NRs. Previous Year
Cash-in-hand (As certified By Management)	39,568	2,964,216
Nepal SBI Bank Limited	346,960	1,008,980
Nepal Bank Limited	5,000	5,000
Total	391,528	3,978,196

Schedule-5: Duties & Tax Payable

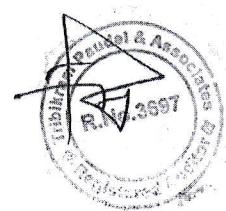
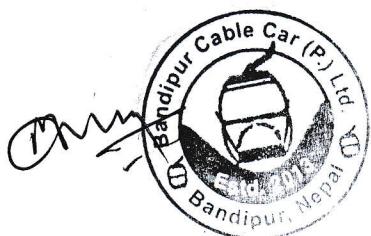
Particulars	Current Year	Amount in NRs. Previous Year
TDS on Rent	6,000	3,600
TDS on Audit Fee	2,250	2,250
Total	8,250	5,850



Schedule-6: Current Liabilities & Other Payables

Amount in NRs.

Particulars	Current Year	Previous Year
Audit Fee Payable	12,750	12,750
Expenses Payable	8,704	-
Director's Advance	-	-
Total	21,454	12,750



SCHEDULE '8' 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 2075-08-22. 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 of the subsidiary company of the former organization. The change of Control financial statement as per Sec. 57 of Nepal Income Tax Act, 2058 has already been submitted to IRD,Tanahun. As on the date of financial statement, the paid up capital of the company was NRs. 7 crore where as the advance of amount equivalent to Nrs. 5 crore was provided by its prospective shareholder as on the date.

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

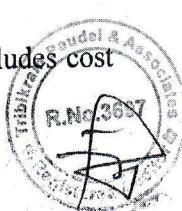
The financial statements have been prepared in accordance with Nepal Accounting Standards ("NAS") except otherwise stated and the Company Act, 2063.

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 defined in Income Tax Act, 2058.

Building and other similar structures	5 %
Office equipment and furniture	25 %
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.

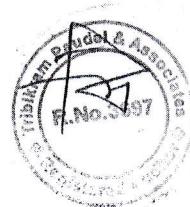
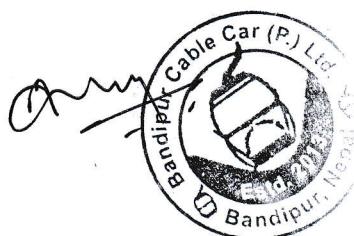
e. Provisions, Contingent Liabilities and Contingent Assets

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. 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*.



BANDIPUR CABLE CAR PVT.LTD.
 BANDIPUR-03, TANAHUN
 Statement of Fixed Assets and Depreciation
 As on Asthad 32, 2075 (16th July, 2018)

Schedule 3

S.N.	Particulars	Dep. Rate	Net Book Value			Depreciation	Total	Current Year	Previous Year
			Opening	Addition Cost	Total				
1	Land	-	7,000,000	100,000,000	107,000,000	-	-	107,000,000	7,000,000
2	Furniture & Fixture	25%	28,793	-	28,793	7,198.24	7,198	21,595	28,793
3	Computer & Printer	25%	22,148	-	22,148	5,537.11	5,537	16,611	22,148
Total			7,050,941	100,000,000	107,050,941		12,735	107,038,206	7,050,941

