



**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders' of Tourism Investment Fund Ltd.**

**Opinion**

We have audited the financial statements of **Tourism Investment Fund Ltd.**, which comprise the Balance Sheet as at 32 Ashad, 2079 (corresponding to 16 July, 2022), 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 32 Ashad, 2079, 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.

**Key Audit Matters**

Key Audit Matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements of the current period and include most significant assessed risk of material (whether due to fraud) identified including those which has greatest effect on overall audit strategy, allocation of resources in audit and directing effort of the engagement team. We have determined that there are no key audit matters to communicate in our report.

**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 Balaram Parajuli  
Proprietor

B.R. Parajuli and Associates, Chartered Accountants



Place: Kathmandu

Date: 2079/09/03

UDIN: 230113CA00960nyqFn

**TOURISM INVESTMENT FUND LTD.**  
**POKHARA-08, NEWROAD**  
**Statement of Financial Position**  
**As on Ashad 32, 2079 (July 16, 2022)**


Particulars	Notes	Amount in NPR	
		Ashad 32, 2079	Ashad 31, 2078
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	4	67,203,111	240,374
Intangible Assets	5	-	-
Investment	6	184,594,537	198,533,061
Deferred Tax Asset	20.2	-	-
Other Non-Current Assets	7	-	-
<b>Total Non Current Assets</b>		<b>251,797,649</b>	<b>198,773,434</b>
<b>Current Assets</b>			
<b>Inventories</b>			
<b>Financial Assets</b>			
i) Trade & Other Receivables	8.1	8,722,779	11,010,585
ii) Cash and Cash Equivalents	8.2	4,835,569	2,722,437
<b>Other Non Financial Assets</b>			
i) Other Current Assets	7	109,816,348	40,000
ii) Income Tax Assets	12.1	-	-
<b>Total Current Assets</b>		<b>123,374,695</b>	<b>13,773,023</b>
<b>Total Assets</b>		<b>375,172,344</b>	<b>212,546,457</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	9	89,000,000	89,000,000
Advance for Share Capital		214,700,072	17,138,570
Reserve and Surplus	10	5,371,688	2,675,254
<b>Total Equity</b>		<b>309,071,761</b>	<b>108,813,824</b>
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Loans & Borrowings	11.1	36,400,000	43,850,000
Retirement Benefit Obligations		-	-
Deferred Tax Liability	20.3	10,743	-
<b>Total Non Current Liabilities</b>		<b>36,410,743</b>	<b>43,850,000</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Loans & Borrowings	11.2	-	-
ii) Trade & Other Payables	11.3	-	54,867,404
Other Non-Financial Liabilities	12	32,111,372	4,984,178
Income Tax Liability	12.1	578,470	31,051
<b>Total Current Liabilities</b>		<b>32,689,841</b>	<b>59,882,634</b>
<b>Total Liabilities</b>		<b>69,100,584</b>	<b>103,732,634</b>
<b>Total Equity &amp; Liabilities</b>		<b>375,172,344</b>	<b>212,546,457</b>

The Accompanying Notes to Account are integral part of this Financial Statement

  
 .....  
**Ram Chandra Sharma**  
 Chairman

  
 .....  
**Ganesh Gautam**  
 Director

  
 .....  
**C.A. Baram Parajuli**  
 B.R. Parajuli & Associates  
 Chartered Accountant

  
 .....  
**Dr. Nanda Shrestha**  
 Director

  
 .....  
**Narayan Dhakal**  
 Accounts Officer



Date:  
 Place:



**TOURISM INVESTMENT FUND LTD.**  
**POKHARA-08, NEWROAD**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Period from Shrawan 1, 2078 to Ashad 32, 2079 (July 16, 2021 to July 16, 2022)**

Particulars	Notes	Amount in NPR	
		Ashad 32, 2079	Ashad 31, 2078
<b>Income from Operation</b>			
Income from Investment	13	14,974,706	13,883,490
Finance Cost	14	9,488,072	9,572,828
<b>Gross Income</b>		<b>5,486,633</b>	<b>4,310,663</b>
Other Operating Income	15	219,894	353,904
<b>Total Income From Operations</b>		<b>5,706,528</b>	<b>4,664,567</b>
<b>Less: Operating Expense</b>			
Employee Benefit Expenses	16	683,167	344,172
Administrative Expenses	17	995,605	414,469
Selling & Distribution Expenses		-	-
<b>Profit from Operations</b>		<b>4,027,756</b>	<b>3,905,925</b>
Depreciation and amortisation	18	17,122	80,125
Finance Cost		-	-
<b>Profit Before Staff Bonus and Income Tax</b>		<b>4,010,633</b>	<b>3,825,801</b>
Staff Bonus	16	401,063	347,800
Tax Expenses			
i) Current Tax	19.1	902,392	869,500
ii) Deferred Tax	19.2	10,743	-
<b>Profit From Continuing Operations</b>		<b>2,696,435</b>	<b>2,608,501</b>
<b>Profit/(Loss) on Discontinued Operations (Net of Tax)</b>		<b>-</b>	<b>-</b>
<b>Profit For the Year</b>		<b>2,696,435</b>	<b>2,608,501</b>
<b>Other Comprehensive Income / (Expenses)</b>			
Net Gains / (loss) on Available-for-Sale Investments			
Actuarial Gains / (Losses) on Defined Benefits Plan			
<b>Total Other Comprehensive Income / (Expenses)</b>		<b>-</b>	<b>-</b>
<b>Less: Tax Expense relating to Components of OCI</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Year</b>		<b>-</b>	<b>-</b>
<b>Attributable to</b>			
Equity Share Holders		<b>2,696,435</b>	<b>2,608,501</b>


The Accompanying Notes to Account are integral part of this Financial Statement

  
 Ram Chandra Sharma  
 Chairman

  
 Ganesh Goutam  
 Director

  
 CA. Balaram Panjari  
 B.R. Parajuli & Associates  
 Chartered Accountants



  
 Dr. Nanda Shrestha  
 Director

  
 Narayan Dhakal  
 Accounts Officer



**TOURISM INVESTMENT FUND LTD.**

**POKHARA-08, NEWROAD**

**Statement of Cash Flows**

**For the Period from Shrawan 1, 2078 to Ashad 32, 2079 (July 16, 2021 to July 16, 2022)**

Particulars	Amount in NPR	
	Ashad 32, 2079	Ashad 31, 2078
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	2,696,435	2,608,501
<u>Adjustments for:</u>		
Loss on sale of assets	-	-
Interest Expense	9,488,072	9,572,828
Depreciation Expenses	17,122	80,125
Income Tax Provision	913,135	869,500
Staff Bonus Provision	401,063	347,800
<b>Cash flow from Operating Activities before working capital changes</b>	<b>13,515,828</b>	<b>13,478,753</b>
Increase/(Decrease) in Liabilities	(27,626,748)	43,637,869
(Increase)/Decrease in Other Assets	(107,488,542)	(10,956,424)
<b>Net Cash Flow from Operating Activities (1)</b>	<b>(121,599,462)</b>	<b>46,160,198</b>
<b>B. Cash Flow from Financing Activities</b>		
Increase/(Decrease) in Share Capital	-	89,000,000
Increase/(Decrease) in Advance Share Capital	194,561,502	(14,169,430)
Increase/(Decrease) in Long Term Loan	(7,450,000)	10,251,420
Dividend Paid	-	-
Interest paid	(9,488,072.35)	(9,572,827.69)
Tax Paid	(869,500)	(22,251)
<b>Net Cash Flow from Financing Activities (2)</b>	<b>176,753,930</b>	<b>75,486,911</b>
<b>C. Cash Flow from Investing Activities</b>		
(Increase)/Decrease in Investments	13,938,524	(119,149,316)
(Increase)/Decrease in Fixed Deposits	-	-
Sale/(Purchase) of Tangible & Intangible Fixed Assets	(66,979,860)	-
<b>Net Cash Flow from Investing Activities (1)</b>	<b>(53,041,337)</b>	<b>(119,149,316)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)</b>	<b>2,113,131</b>	<b>2,497,794</b>
Cash and Cash Equivalents at beginning of the year/period	2,722,437	224,644
<b>Cash and Cash Equivalents at end of the year/period</b>	<b>4,835,569</b>	<b>2,722,437</b>

The Accompanying Notes to Account are integral part of this Financial Statement



.....  
Ram Chandra Sharma



.....  
Ganesh Gautam  
Director




.....  
CA. Baram Parajuli  
B.R. Parajuli & Associates  
Chartered Accountant



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Dr. Nanda Shrestha  
Director



.....  
Narayan Dhakal  
Accounts Officer



**TOURISM INVESTMENT FUND LTD.**  
**POKHARA-08, NEWROAD**  
**Statement of Changes in Equity**  
**For the Year Ended Ashad 32, 2079**

Amount in NPR

Particular	Share Capital	Advance for Share Capital	Accumulated Profit/ Loss	General Reserve	Total
Balance at the Beginning of the Period					
Readjusted Opening			66,753		31,374,753
Issue of Share Capital	89,000,000				31,374,753
Receipt of Advance Share Capital		(89,000,000)			
Profit for the Year		74,830,570	2,608,501		74,830,570
Available for Sale Reserve					
Transferred to General Reserve					
Issue of Bonus Share					
Cash Dividend Paid					
Transfer to CSR Reserve					
Expenses from CSR Fund					
Balance at the End of the FY 2077/78	89,000,000	17,138,570	2,675,254		108,813,824
Balance at the Beginning of the FY 2078/79	89,000,000	17,138,570	2,675,254		108,813,824
Readjusted Opening					
Issue of Share Capital					
Receipt of Advance Share Capital		194,561,502			194,561,502
Profit for the Year			2,696,435		2,696,435
Available for Sale Reserve					
Transferred to General Reserve					
Transferred to CSR Reserve					
Expenses from CSR Fund					
Issue of Bonus Share					
Cash Dividend Paid					
Balance at the End of the FY 2078/79	89,000,000	211,700,072	5,371,688		306,071,761

The Accompanying Notes to Account are integral part of this Financial Statement

  
 Ram Chandra Sharma

.....  
 Narayan Dhakal  
 Accounts Officer

  
 Ganesh Gautam  
 Director

.....  
 Dr. Nanda Shrestha  
 Director

  
 C.A. Balaram Parajuli  
 B.R. Parajuli & Associates  
 Chartered Accountant



## Tourism Investment Fund Limited

Pokhara-08, Kaski

Notes to Financial Statements as of Ashad 32, 2079 (July 16, 2022)

### 1. Overview of the Company

Tourism Investment Fund Limited (The "Company") is a public limited company incorporated under Companies Act of Nepal. Its registration no. 226600/076/077 with registered address as Pokhara, Kaski. The registered office and principal place of business is located at Pokhara, Nepal. The Pan of company is 609643602 The company is not listed in Nepal Stock Exchange Limited yet.

The principal objective of the company is to invest the funds in various long- and short-term capital funds of the market / Business and also Related Activity within the territory of Nepal.

The substantial share of the company was purchased by RKD Holdings Limited as on Poush, 2077. Hence, this organization is the subsidiary company of the former organization.

### 2. Statement of Compliance:

Financial statements have been prepared in accordance with Nepal Accounting Standards (NAS) as published by the Accounting Standards Board (ASB) - Nepal and issued by Institute of Chartered Accountant of Nepal (ICAN).

#### 2.1 Approval of financial statements

Accompanied financial statements have been adopted by Board of Directors on its meeting held on December 21, 2022 and have been recommended for approval by shareholders in the Annual General Meeting.

### 3. Basis of Preparation

The company while complying with reporting standards, makes critical accounting judgement as having potentially material impact on Financial Statements. The significant accounting policies that relate to financial statements as a whole along with judgements made are described herein.

Where an accounting policy is generally applicable to a specific item, it is described within that relevant note. NAS requires company to exercise judgement in making accounting estimates. Description of such estimates has been given in relevant sections wherever they have been applied.

#### 3.1 Reporting Pronouncements

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.







## 3.2 Accounting Conventions

Financial statements have been prepared on a historical cost basis, unless modified by revaluation of financial assets and liabilities at fair value through profit or loss.

Financial statements have been prepared on a going concern basis where accounting policies and judgements as required by the standards to be consistently used and in case of deviations disclosed specifically.

## 3.3 Presentation

Financial Statements have been presented in the nearest Nepalese Rupees.

For presentation of Statement of Financial Position, assets and liabilities have been bifurcated into current and non-current distinction under Liquidity basis.

Statement of Profit or Loss has been prepared using classification 'by nature' method.

Cash flows from operation within the Statement of Cash Flows have been derived using indirect method.

### 3.3.1 Presentation currency

Financial statements are denominated in Nepalese Rupees (NPR), which is functional and presentation currency of the company.

### 3.3.2 Current and Non-Current distinction

#### Assets

Apart from Property, Plant and Equipment, Deferred tax assets and Investment, all the assets are taken as current assets unless specific additional disclosure is made in notes for current and non-current distinction.

#### Liabilities

Apart from defined benefit plan obligations, long term loan and deferred tax liability, all liabilities are taken as current liabilities unless specific additional disclosure is made in notes for current and non-current distinction.

## 3.4 Accounting Policies and Accounting Estimates

Company, under Nepal Accounting Standards (NAS), is required to apply accounting policies to most appropriately suit its circumstances and operating environment. Further, the company is required to make judgement in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect Financial Statements. This may later be determined that a different choice could have been more appropriate.

Accounting policies have been included in the relevant notes for each item of Financial Statements. The effect and nature of the changes, if any, have been disclosed.



NAS requires the company to make estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in Financial Statements.

Company applies estimates in preparing and presenting Financial Statements. Estimates and underlying assumptions are reviewed periodically. Revision to accounting estimates are recognized in the period in which estimates are revised and applied prospectively.

Disclosures of the accounting estimates have been included in the relevant section of the notes wherever estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

### 3.5 Financial Periods

The company follows the Nepalese financial year based on the Nepalese calendar (i.e., Shrawan 1, 2078 to Ashad 32, 2079).

### 3.6 Discounting

Discounting has been applied where assets and liabilities are non-current and the impact of the discounting is material.

No discounting has been made in regards to deferred tax liability.

## 4. Property, Plant & Equipment

### Accounting Policy

NAS 16 provides guidance on recognition, measurement and disclosure on property, plant and equipment. Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which they are incurred.

Depreciation on other assets is calculated using the Written Down Value method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building and Construction	0%
Furniture and Fixtures	25%
Computers	25%
Office Equipment	25%
Vehicle	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. The value of the assets fully depreciated but continued to be in use is considered not material.



At each reporting date, assets are also assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately to the recoverable amount.

Assets with cost below NPR 5,000 are charged off as revenue expenditure. Gains and losses on disposal are included in the Statement of Profit or Loss.

#### Explanatory Note

Particulars	Original Cost	Addition Current Year	Disposal of Assets	Total Assets	Accumulated Depreciation till Ashad 31, 2078	Depreciation F/Y 2078/79	Accumulated Depreciation till Ashad 32, 2079	WDV as Ashad 32, 2079
<b>A. Property, plant and equipment</b>								
Land	-	66,979,860	-	66,979,860	-	-	-	66,979,860
Furniture and Fixture, Computer and Office Equipment	320,498	-	-	320,498	80,125	17,122	97,247	223,251
Vehicle	-	-	-	-	-	-	-	-
Other Equipment	-	-	-	-	-	-	-	-
<b>Total</b>	<b>320,498</b>	<b>66,979,860</b>	<b>-</b>	<b>67,300,358</b>	<b>80,125</b>	<b>17,122</b>	<b>97,247</b>	<b>67,203,111</b>

## 5. Intangible Asset

### Accounting Policy

#### Acquired Intangible Assets

Intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the Company, and are amortized on the basis of their expected useful lives.

Amortization on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

#### Explanatory Notes

Particulars	Original Cost	Addition Current Year	Disposal of Assets	Total Assets	Accumulated Depreciation till Ashad 31, 2078	Depreciation F/Y 2078/79	Accumulated Depreciation till Ashad 32, 2079	WDV as Ashad 32, 2079
Intangible Assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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## 6. Investment

### Accounting Policies

The Company classifies its financial assets into following measurement categories:

- a) Financial assets held for Trading;
- b) Loans and receivables;
- c) Held-to-maturity; and
- d) Available-for-sale.

#### Financial assets held for trading

A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term.

Financial assets may be designated at fair value through profit or loss when:

- The designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities on a different basis
- A group of financial assets and/or liabilities is managed and its performance evaluated on a fair value basis
- The assets or liabilities include embedded derivatives and such derivatives are required to be recognized separately.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and it is expected that substantially all of the initial investment will be recovered, other than because of credit deterioration.

#### Held-to-maturity

Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity.

#### Available for Sale Investment

An Available for sale investment is one that is not a loan or receivable nor held to maturity nor held for trading purposes.

NAS 39 Financial Instruments: Recognition and Measurement requires that available for sale investments are remeasured to fair value at each reporting date. Any difference is recognized as other comprehensive income and accumulated as a separate reserve in equity.

#### Initial recognition

All financial instruments are initially recognized at fair value, which is normally the transaction price. For those financial assets not carried at fair value through profit and loss, directly attributable transaction costs shall be added at initial recognition.

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Purchases and sales of financial assets held at fair value through profit or loss are initially recognized on the trade-date (the date on which the Company commits to purchase or sell the asset).

Loans are recognized when cash is advanced to the borrowers.

#### Subsequent measurement

Financial assets held at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value taken directly to the net trading income in the statement of profit or loss.

Available-for-sale financial assets are subsequently carried at fair value, with gains and losses arising from changes in fair value taken to Other Comprehensive Income, unless the Company makes irrevocable election to make changes in fair value through Statement of Profit or Loss.

Financial assets are subsequently measured at amortized cost, with any difference between proceeds net of directly attributable transaction costs and the redemption value recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

#### Derecognition

Financial assets are derecognized when rights to receive cash flows from the assets have expired or where the company has transferred substantially all risks and rewards of ownership. If substantially all risks and rewards have been neither retained nor transferred and the company has retained control, assets continue to be recognized to the extent of the company's continuing involvement.

#### Explanatory Notes

The company classifies the financial assets as "Financial Asset held till Maturity" based on above criterions.

Particulars	Ashad 32, 2079	Ashad 31, 2078
<b><u>Investment in Shares:</u></b>		
Bizbazar Ltd.	10,200,000	-
<b><u>Advance for Investment:</u></b>		
Panchase Cable Car & Tours Ltd.	450,000	200,000
Bizbazar Ltd.	45,945,355	5,595,355
Bandipur Cable Car and Tourism Ltd.	-	12,369,798
<b>Total</b>	<b>56,595,355</b>	<b>18,165,153</b>

Further, it also classifies the short-term loan investment as "Financial Asset held till Maturity" based on above criterions.

Particulars	Ashad 32, 2079	Ashad 31, 2078
Short Term Investment	127,999,182	180,367,908
<b>Total</b>	<b>127,999,182</b>	<b>180,367,908</b>

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## 7. Other Non-Financial Assets

### Accounting Policies

Other Non-Financial Assets includes Prepaid Expenses, Advances & Other Receivables. Those assets that fall under the classification of financial instruments are carried at amortized costs and assets that do not fall within the definition are carried at its cost.

These instruments are regularly monitored for impairment.

### Explanatory Notes

#### i) Non-Current Other Non-Financial Asset

Particulars	Ashad 32, 2079	Ashad 31, 2078
Advance For Property, Plant & Equipment	-	-
Deposits Against appeals	-	-
Other Deposits	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### ii) Current Other Non-Financial Asset

Particulars	Ashad 32, 2079	Ashad 31, 2078
Other receivable and advance	22,582,895	40,000
Land Advance	87,233,453	-
<b>Total</b>	<b>109,816,348</b>	<b>40,000</b>

## 8. Financial Asset

### 8.1 Trade and other receivables

#### Accounting Policies

Trade Receivables that fall under the classification of financial instruments are carried at amortized costs and assets that do not fall within the definition are carried at cost. These instruments are regularly monitored for impairment.

#### Explanatory Notes

Particulars	Ashad 32, 2079	Ashad 31, 2078
Misc Receivable	5,994,500	10,099,876
Interest Receivable	2,728,279	910,710
<b>Total</b>	<b>8,722,779</b>	<b>11,010,585</b>



## 8.2 Cash and Cash Equivalent

### Accounting Policies

Cash and cash equivalents comprise cash balances, call deposits and other short term highly liquid investments. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included within borrowings in current liabilities on the balance sheet.

### Explanatory Notes

Particulars	Ashad 32, 2079	Ashad 31, 2078
Cash in Hand	33,174	33,174
Cash at Bank	4,802,395	2,689,263
<b>Total</b>	<b>4,835,569</b>	<b>2,722,437</b>
Nepal SBI Bank Ltd	3,892,195	2,689,263
Kumari Bank Ltd	910,200	-
<b>Total</b>	<b>4,802,395</b>	<b>2,689,263</b>

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.

## 9. Share Capital

### Accounting Policy

Financial instruments issues are classified as equity when there is no contractual obligation to transfer cash, other financial assets or issue available number of own equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction net of taxes from the proceeds.

Dividends on ordinary shares classified as equity are recognized in equity in the period in which they are declared.

### Explanatory Notes

Particulars	Number	Per Unit Value	Amount
Authorized Capital	10,000,000	1,000	10,000,000,000
Issued Capital	550,000	1,000	550,000,000
Subscribed Capital	89,000	1,000	89,000,000

### Share Capital

Ordinary Shares (Number)	Ashad 32, 2079	Ashad 31, 2078
Fully Paid Ordinary Shares at the beginning of the Year	89,000	89,000
Number of Bonus shares issued	-	-
<b>Fully Paid Ordinary Shares at the end of the Year (Number)</b>	<b>89,000</b>	<b>89,000</b>
Per unit Value of the Shares	1,000	1,000
<b>Fully Paid Ordinary Shares (Amount)</b>	<b>89,000,000</b>	<b>89,000,000</b>



## 10. Reserve

### Accounting Policy

#### 10.1 General Reserve

There is no any provision related to allocation of the net profit to the General Reserve Fund.

#### 10.2 Capital Reserve

A Capital reserve in generally created out of profits or gains of a capital nature there has been no sale of fixed assets nor revaluation of assets or liabilities during the year.

The company do not have any capital reserve in its books.

#### 10.3 Movement in reserves

Movements in reserves are given in detail in Statement of Changes in Equity.

The reserves include following reserves.

### Explanatory Notes

Particulars	Ashad 32, 2079	Ashad 31, 2078
Capital Reserve	-	-
General Reserve	-	-
Available for Sale Reserve	-	-
Accumulated Profit	5,371,688	2,675,254
<b>Total</b>	<b>5,371,688</b>	<b>2,675,254</b>

## 11. Financial Liabilities (Non-Current)

### Accounting Policy

Financial liabilities are classified as either held

- at fair value through profit or loss, or
- at amortized cost.

Management determines classification of its financial liabilities at initial recognition or, where applicable, at the time of reclassification.

#### Financial liabilities held at fair value through Profit or Loss

A financial liability is classified as held for trading if acquired principally for the purpose of selling in the short term.

Financial liabilities may be designated at fair value through profit or loss when:

- The designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities on a different basis

*[Handwritten signatures]*





- A group of financial liabilities is managed and its performance evaluated on a fair value basis
- The liabilities include embedded derivatives and such derivatives are required to be recognized separately.

#### Financial liabilities held at amortized cost

Financial liabilities, not classified held at fair value through profit or loss includes payables which are classified as amortized cost instruments.

#### Initial recognition

All financial instruments are initially recognized at fair value, which is normally the transaction price. For those financial liabilities not carried at fair value through profit and loss, directly attributable transaction costs shall be deducted at initial recognition.

Purchases and sales of financial liabilities held at fair value through profit or loss are initially recognized on the trade-date (the date on which the Company commits to purchase or sell the asset).

Loans are recognized when cash is advanced to the borrowers.

#### Subsequent measurement

Financial liabilities held at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value taken directly to the net trading income in the statement of profit or loss.

Financial liabilities are subsequently measured at amortized cost, with any difference between proceeds net of directly attributable transaction costs and the redemption value recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

#### Derecognition

Financial liabilities are derecognized when they are extinguished. A financial liability is extinguished when the obligation is discharged, cancelled or expires.

#### Explanatory Notes

##### 11.1 Loans & Borrowings (Non-Current)

###### a) Unsecured Loan

Particulars	Ashad 32, 2079	Ashad 31, 2078
Unsecured Loan	36,400,000	43,850,000
<i>Debenture</i>	36,400,000	43,850,000
<b>Total</b>	<b>36,400,000</b>	<b>43,850,000</b>
<b>Loans &amp; Borrowings (Non-Current)</b>	<b>36,400,000</b>	<b>43,850,000</b>

> The company has classified these financial liabilities at amortized cost.



## 11.2 Loans & Borrowings (Current)

The Company has no loans & borrowings of current nature.

## 11.3 Trade and Other Payables (Current)

Particulars	Ashad 32, 2079	Ashad 31, 2078
Bandipur Cable Car & Tourism Ltd	-	54,867,404
<b>Total</b>	<b>-</b>	<b>54,867,404</b>

## 12. Non- Financial Liabilities

### Accounting Policy

Non-financial liabilities are recorded and reported at cost based on legal and constructive obligation to the Company.

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provision for bonus is created as per Bonus Act, 2030.

Provision for taxation is created with the best estimate (i.e., as per the taxation laws of Nepal).

### Explanatory Note

Particulars	Ashad 32, 2079	Ashad 31, 2078
Expense Payable	1,514	419,377
Interest Payable	157,440	1,264,535
Bonus Payable	401,063	347,800
Audit Fee Payable	128,225	103,606
Land Purchase Payable	23,704,946	-
TDS Payable	1,321,809	1,438,068
Other Payable	6,396,374	1,410,792
<b>Total</b>	<b>32,111,372</b>	<b>4,984,178</b>

## 12.1 Income Tax Liability/ (Asset)

Particulars	Ashad 32, 2079	Ashad 31, 2078
Provision for Taxation	902,392	869,500
TDS Receivable	323,923	838,449
<b>Net Income Tax Liability</b>	<b>578,470</b>	<b>31,051</b>

*[Handwritten signatures]*



### 13. Income from Investment

#### Accounting Policy

NAS 18 Revenue states that the reporting entity should recognize from the use of their assets yielding interest, royalties and dividends when:

- It is probable that the economic benefits associated with the transaction will flow to the entity.
- The amount of revenue can be measured reliably.

#### Explanatory Notes

Particulars	Ashad 32, 2079	Ashad 31, 2078
Revenue from Operation		
Finance Income	14,974,706	13,883,490
<b>Total</b>	<b>11,559,284</b>	<b>13,883,490</b>

### 14. Finance Cost

#### Accounting Policy

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 is substantially ready for their intended use.

Other borrowing cost are charged to Statement of Profit or Loss for the reporting period.

#### Explanatory Notes

Particulars	Ashad 32, 2079	Ashad 31, 2078
Interest Expenses		
Debenture	5,312,304	5,244,376
Unsecured Loan	4,175,769	4,328,452
<b>Total</b>	<b>9,488,072</b>	<b>9,572,828</b>

### 15. Other Operating Income

Other operating income includes revenue from all other operating activities which are not related to the principal activities of the company, such as gains/losses from disposals, interest income, dividend income, etc.

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## Explanatory Notes

Particulars	Ashad 32, 2079	Ashad 31, 2078
Service Charge	15,000	15,000
Miscellaneous Income	204,894	280,904
<b>Total</b>	<b>219,894</b>	<b>353,904</b>

- The Company has received compensation against the vehicle insurance claim during the reporting period.

## 16. Employee Benefit Expense

### Accounting Policy

NAS 19: Employee Benefits prescribe the accounting and disclosure for employee benefits (that is, all forms of consideration given by an entity in exchange for service rendered by employees).

The standard provides for the recognition, measurement and disclosure of the following employee benefits:

- Short term employee benefits
- Post-employment benefits
- Other long term employee benefits
- Termination benefits

The cost of providing employee benefits should be recognized in the period in which the benefit is earned by the employee, rather than when it is paid or payable.

### Staff Bonus

The Company set asides every year as staff bonus 10% of its accounting profit when there is net profit for the reporting period.

### Explanatory Notes

Following employee benefits costs are charged to the Statement of Profit or Loss.

The company has created provision for staff bonus NPR 401,063 as mandated by Bonus Act, 2030.

Particulars	Ashad 32, 2079	Ashad 31, 2078
Salary and Allowance	683,167	344,172
<b>Employee Benefits excluding Staff bonus</b>	<b>683,167</b>	<b>344,172</b>
Staff Bonus	401,063	347,800
<b>Total Staff Cost including Staff Bonus</b>	<b>1,084,230</b>	<b>691,972</b>





## 17. Administrative Expenses

### Accounting Policy

Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrences of liabilities that result in decreased in equity, other than those relating to distribution to equity participants.

All general and administrative expenses are recognized when the benefit is received by the company.

### Explanatory Notes

Particulars	Ashad 32, 2079	Ashad 31, 2078
Bank Charges	8,595	2,845
Printing and Stationary	16,061	31,160
Audit Fee	129,950	105,000
Registration and Renewal Charges	43,700	37,805
Advertisement Expenses	3,500	3,000
Office Expenses	63,230	10,275
Miscellaneous Expenses	38,364	114,036
Tea and Tiffin Expenses	103,538	-
Traveling and Accommodation	53,823	-
Vehicle Fuel Expenses	38,800	-
Valuation Expenses	16,000	-
Wages	2,600	-
Office Rent Expenses	357,444	-
Vehicle Hire Charges	120,000	-
Telephone and Mobile Expenses	-	1,000
Internet Expenses	-	8,934
Electricity Expenses	-	4,446
Account Management Fee	-	95,969
<b>Total</b>	<b>995,605</b>	<b>414,469</b>

## 18. Depreciation and Amortization

### Accounting Policy

The Company's accounting policy related to depreciation of property plant and equipment has been discussed in Note 4 & 5.

Amortization of expenses, wherever appropriate is apportioned on the basis of the pattern of the economic benefit derived, which is usually on the time apportioned basis.



## Explanatory Notes

Particulars	Accumulated Depreciation till Ashad 31, 2078	Depreciation F/Y 2078/79	Accumulated Depreciation till Ashad 32, 2079
<b>A. Property, plant and equipment</b>			
Land			
Furniture and Fixture, Computer and Office Equipment	80,125	17,122	97,247
<b>Total (A)</b>	<b>80,125</b>	<b>17,122</b>	<b>97,247</b>
<b>B. Intangible Assets</b>	-	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>80,125</b>	<b>17,122</b>	<b>97,247</b>

## 19. Taxation

### Accounting Policy

Income tax payable on profits is based on the applicable provisions of Income Tax Act, 2058 and is recognized as an expense in period in which profits arise.

Deferred tax is provided in full, using liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rate applicable to the Company as at the reporting date which is expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized. Current and deferred tax relating to items which are charged or credited directly to equity, is credited or charged directly to equity and is subsequently recognized in the statement of profit or loss together with the current or deferred gain or loss.

### Explanatory Notes

#### 19.1 Current Tax

The Company's current tax liabilities are calculated using the Income Tax Act, 2058 as applicable in Nepal. Current tax payable (or recoverable) is based on the taxable profit for the year. Taxable profit differs from the profit reported in the statement of profit or loss, because some item of income or expense are taxable or deductible in different years or may never be taxable or deductible.

The details of tax expenses are as given below:



Particulars	Ashad 32, 2079	Ashad 31, 2078
Current Tax Expenses	902,392	869,500
Previous Years' Tax Expenses	-	-
Deferred Tax Expenses/(Income)	10,743	-
<b>Total</b>	<b>913,135</b>	<b>869,500</b>

## 19.2 Deferred Tax

Deferred tax is provided in full, using liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rate applicable to the Company as at the reporting date which is expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized. Current and deferred tax relating to items which are charged or credited directly to equity, is credited or charged directly to equity and is subsequently recognized in the statement of profit or loss together with the current or deferred gain or loss.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

### Explanatory Note

F/Y 2078/79

Particulars	Carrying Amount	Tax Base	Temporary Difference
Property, Plant & Equipment	67,203,111	67,203,111	42,971
Defined Benefit Plan	-	-	-
Investment	-	-	-
<b>Total</b>			<b>42,971</b>
Tax rate			25%
<b>Deferred Tax Liability as on Ashad 32, 2079</b>			<b>10,743</b>
<b>Deferred Tax Liability as on Ashad 31, 2078</b>			<b>-</b>
<b>Deferred Tax Expense for the year</b>			<b>10,743</b>

Taxable temporary differences have been created for the year which results into deferred tax liability that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.

## 20. Foreign Currencies

The Company does not have any foreign currency denominated Assets, Liabilities, income and Expenses.



## 21. Related Party Disclosures

The Company identifies following as the related parties under the requirements of NAS 24.

- i) Shareholders having shareholding of 5% or more during the year.
- ii) Companies represented by the Directors.
- iii) Directors of the Company and their close family members if any
- iv) Key Managerial Personnel and their close family members if any.

### Explanatory Notes

#### 21.1 Significant Shareholders

Name of the Share Holder	Ashad 32, 2079 % of Holding
RKD Holdings Ltd.	78.65%

➤ Significant shareholders comprise 78.65% of the total share capital of the company.

#### 21.2 Transaction with Significant Shareholders

Name of the Share Holder	Nature	Ashad 32, 2079
RKD Holdings Ltd.	Share Capital	70,000,000
Total		70,000,000

#### 21.3 Transactions with and payments to directors of the Company

Company has conducted nine Board Meetings for taking Decisions as per MOA & AOA of the company. However, meeting allowances has not been provided as company is yet to start its commercial operation.

Details of the board of directors and their composition, and changes if any during the period, are disclosed in the Annual Report.

There have been no transactions with the close family member of the directors.

#### 21.4 Transactions with and payments to Key Management Personnel

There has been no transaction and payments to Key Management Personnel.



## 22. Events after reporting period

### Accounting Policy

The company monitors and assess events that may have potential impact to qualify as adjusting and/or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are disclosed in the notes with possible financial impact, to the extent ascertainable.

### Explanatory Notes

There are no material events that has occurred subsequent to Ashad 32, 2079 till the signing of this financial statement.

## 23. Contingent Liabilities and commitments

### Accounting Policy

Where appropriate, the Company recognizes a provision for liabilities when it is probable that an outflow of economic resources embodying economic benefits will be required and for which a reliable estimate can be made of the obligation(s).

The Company seeks to comply with all applicable laws and regulations, but may be subject to regulatory actions and investigations, the outcome of which are generally difficult to predict and can be material to the Company.

### Explanatory Notes

The Company has no contingent Liabilities and commitments as on the reporting date.

## 24. Cashflow statement

### Accounting Policy

For the purpose of the cash flow statement, cash and cash equivalents comprise cash and balances with Banks.

## 25. Dividend

### Accounting Policy

Distribution of profit to the shareholders is done by way of payment of cash dividend and /or issue of bonus shares. Applicable withholding taxes are deducted from such distribution. The distributions are proposed by the board and approved by the general meeting. The proposed dividend and bonus shares are not adjusted in the books, instead disclosed by way of notes.

### Explanatory Notes

No Dividend is Proposed by the company since it is yet to commence its operations.







## 26. Restatement or regroup of financial information

The financial figures for the comparative period of the reporting entity have been restated or regrouped/rearranged wherever necessary to match the nature of financial transaction.



.....  
**Ram Chandra Sharma**  
Chairman



.....  
**Ganesh Gautam**  
Director



.....  
**CA. Balaram Parajuli**  
**B.R. Parajuli & Associates**  
Chartered Accountant



.....  
**Dr. Nanda Shrestha**  
Director



.....  
**Narayan Dhakal**  
Accounts Officer