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INDEPENDENT AUDITORS' REPORT
TCI NEPAL PRIVATE LIMITED

To
The Board of Directors

Report on Audit of Financial Statements

We have audited the accompanying financial statements of TCI Nepal Private Limited ('the Company') which comprise the balance sheet as at 31 March 2026, income statement, the statement of changes in equity and the cash flow statement for the year then ended, annexed thereto, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared solely to enable the parent company, Transport Corporation of India Limited ('Group'), to prepare its consolidated financial statements as at 31 March 2026.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements have been prepared, in all material respects, in accordance with Nepal Accounting Standards for Micro Entities (NAS for MEs) and are suitable for inclusion in the consolidated financial statements of Transport Corporation of India Limited.

Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of the Financial Statements that give a true and fair view of the financial position, financial performance, financial cash flows of the entity, and a summary of significant account policies and other explanatory information, prepared in accordance with group accounting policies followed by the holding company of the group. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The financial statements have been prepared by the Management of the Company, on the basis of instructions received in this regard solely to enable Transport Corporation of India Limited to prepare its consolidated financial statements.

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. We conducted our audit in accordance with in accordance with the Nepal Standards on Auditing (NSAs). Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting

T.R. Upadhya & Co. Chartered Accountants and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Other Matters

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

c) The balance sheet, the income statement, the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.

Limitation of Use

This report is intended solely for use by Transport Corporation of India Limited in connection with its consolidated financial statements as at and for the year ended 31 March 2026 and should not be used for any other purpose.

Shashi Satyal

Shashi Satyal
Partner

T.R. UPADHYA & CO. Chartered Accountants

PKF TR Upadhya & Co.
Chartered Accountants

Date: 27 May 2026

UDIN: 260528CA00008ZvnAC

TCI Nepal Private Limited
Kathmandu, Nepal

Balance Sheet
As at 31 March 2026

Amount in NPR

Particulars	Schedules	As at 31 March 2026	As at 31 March 2025
Equity and Liabilities			
Equity			
Share capital	1	5,000,000	5,000,000
Reserve & surplus	2	1,677,412	247,080
Total Shareholders Fund		**6,677,412**	**5,247,080**
Non Current liabilities			
Current Liabilities			
Trade & other payables	8	59,179,036	49,373,756
Provisions	9	135,122	32,783
Total Current Liabilities		**59,314,158**	**49,406,539**
Total Equity and Liabilities		**65,991,570**	**54,653,619**
Assets			
Non-Current Assets			
Property, Plant and Equipment (Net)	3	65,241	90,377
Other non current assets	4	-	-
Total Non Current Assets		**65,241**	**90,377**
Current assets			
Trade & other receivables	5	33,436,286	36,470,752
Cash & cash equivalents	6	24,919,158	11,724,735
Current tax assets (net)	7	7,570,885	6,367,755
Total current assets		**65,926,329**	**54,563,242**
Total Assets		**65,991,570**	**54,653,619**

Significant Accounting Policies & Notes to Accounts 15
The accompanying schedules form an integral part of the Financial Statements

For and on behalf of Board

As per our report of even date

Shailendra Kumar Patel
Country Head

Rajkiran Jayaram Kanagala
Director

Girdhari Singh Shekhawat
Chairman

Shashi Satyal
Partner

PKF TR Upadhya & Co.
Chartered Accountants

T.R. UPADHYA & CO. Chartered Accountants

Subhash
Subhash Singh Shekhawat
Accountant

Date: 27 MAY 2026
Kathmandu

TCI Nepal Pvt. Ltd. ★ Khichapokhari, Ktm. ★

TCI Nepal Private Limited
Kathmandu, Nepal

Income Statement
For the year ended 31 March 2026

Amount in NPR

Particulars	Schedules	Current Period	Previous Period
Revenue from operation	10	202,271,811	132,653,983
Other income	11	182,133	60,000
Total Income		202,453,944	132,713,983
Cost of rendering services	12	190,688,087	122,618,302
Employee benefit expenses	13	6,075,065	5,049,979
Administrative expenses	14	4,004,520	3,995,655
Total Expense		200,767,672	131,663,936
Profit/(Loss) before interest, depreciation and tax		1,686,272	1,050,047
Interest expense		-	-
Depreciation	3	29,436	23,783
Profit Before Tax		1,656,837	1,026,264
Tax Expenses			
Current tax expenses		226,505	-
Deferred tax expense /(income)		-	-
Net Profit/(Loss) transferred to Balance Sheet		1,430,332	1,026,264

Significant Accounting Policies & Notes to Accounts 15
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For and on behalf of Board

As per our report of even date

Shailendra Kumar Patel
Country Head

Rajkiran Jayaram Kanagala
Director

Girdhari Singh Shekhawat
Chairman

Shashi Satyal
Partner

PKF TR Upadhya & Co.
Chartered Accountants

T.R. UPADHYA & CO. Chartered Accountants

Subhash Singh Shekhawat
Accountant

Date: 27 MAY 2026
Kathmandu

TCI Nepal Pvt. Ltd. Khichapokhari, Ktm.

TCI Nepal Private Limited
Kathmandu, Nepal

Cash Flow Statement
For the year ended 31 March 2026

Amount in NPR

Particulars	Current Period	Previous Period
Cash Flow from Operating Activities		
Net profit/(Loss) as per Income Statement	1,430,332	1,026,264
Add: Depreciation	29,436	23,783
Add: Deferred Tax Liability	-	-
Less: Interest Income	-	
Cash flow from Operating activities before working capital changes	**1,459,768**	**1,050,047**
(Increase)/Decrease in Current Assets	1,831,336	(19,629,771)
(Increase)/Decrease in Non Current Assets	-	50,000
Increase/(Decrease) in Current Liabilities	9,907,619	14,416,779
Cash Flows from Operating Activities (A)	**13,198,723**	**(4,112,945)**
Cash Flows from Investing Activities		
Purchase of fixed assets	(4,300)	(114,160)
Decrease/(Increase) in Investment	-	-
Decrease/(Increase) in Pre-operating expenses	-	-
Interest Income	-	-
Cash Flows from Investment Activities (B)	**(4,300)**	**(114,160)**
Cash Flows from Financing Activities		
Issue of shares	-	-
Increase/(Decrease) in loans	-	-
Advance against share capital	-	-
Cash Flows from Financing Activities (C)	-	-
Net Increase/ Decrease in Cash (A+B+C)	**13,194,423**	**(4,227,105)**
Cash and Cash Equivalent at the beginning of the period	11,724,735	15,951,840
Cash and Cash Equivalent at the end of the period	**24,919,158**	**11,724,735**

Significant Accounting Policies & Notes to Accounts 15
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For and on behalf of Board

Shailendra Kumar Patel
Country Head

Rajkiran Jayaram Kanagala
Director

Girdhari Singh Shekhawat
Chairman

As per our report of even date

Shashi Satyal
Partner

PKF TR Upadhya & Co.
Chartered Accountants

T.R. UPADHYA & CO. Chartered Accountants

Subhash Singh Shekhawat
Accountant

Date: 27 MAY 2026
Kathmandu

TCI Nepal Pvt. Ltd. Khichapokhari, Ktm.

TCI Nepal Private Limited
Kathmandu, Nepal

Statement of Changes in Equity for the year ended 31 March 2026

Amount in NPR

Particulars	Share Capital	Retained earnings	Total
Balance as on 31 March 2024	5,000,000	(779,185)	4,220,815
	-	-	-
Issue of Capital	-	-	-
Net profit /(loss) for the period		1,026,264	1,026,264
Balance as on 31 March 2025	5,000,000	247,079	5,247,079
Issue of Capital	-	-	-
Net profit /(loss) for the period	-	1,430,332	1,430,332
Balance as on 31 March 2026	5,000,000	1,677,411	6,677,411

Significant Accounting Policies & Notes to Accounts 15
The accompanying schedules form an integral part of the Financial Statements

For and on behalf of Board

Shailendra Kumar Patel
Country Head

Girdhari Singh Shekhawat
Chairman

Subhash Singh Shekhawat
Accountant

Rajkiran Jayaram Kanagala
Director

As per our report of even date

Shashi Satyal
Partner

PKF TR Upadhya & Co.
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Date: 27 MAY 2026
Kathmandu

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TCI Nepal Private Limited
Kathmandu, Nepal

Schedules forming part of Financial Statements for the year ended 31 March 2026

Schedule 3: Property, Plant and Equipment

Amount in NPR

	Computer	Printer	Electrical Equipments	Total
Gross Carrying Value				
Balance as at 31 March 2024	288,449	33,690	68,142	390,281
Addition	114,160	-	-	114,160
Sales/Adjustment	-	-	-	-
Balance as at 31 March 2025	402,609	33,690	68,142	504,441
Addition			4,300	4,300
Sales/Adjustment				
Balance as at 31 March 2026	402,609	33,690	72,442	508,741
Accumulated Depreciation				
Balance as at 31 March 2024	288,449	33,690	68,142	390,281
Addition	23,783	-	-	23,783
Sales/Adjustment	-	-	-	-
Balance as at 31 March 2025	312,232	33,690	68,142	414,064
Addition	28,540	-	896	29,436
Sales/Adjustment	-	-	-	-
Balance as at 31 March 2026	340,772	33,690	69,038	443,500
Net Book Value				
Balance as at 31 March 2024	-	-	-	-
Balance as at 31 March 2025	90,377	-	-	90,377
Balance as at 31 March 2026	61,837	-	3,404	65,241
Depreciation rate	25%	25%	25%	

TCI Nepal Private Limited
Kathmandu, Nepal

Schedules forming part of Financial Statements for the year ended 31 March 2026

Schedule 1: Share capital

Amount in NPR

	As at 31 March 2026	As at 31 March 2025
Authorised Share Capital		
1,00,000 Equity Shares of Rs. 100 each	10,000,000	10,000,000
Issued Capital		
50,000 Equity Shares of Rs. 100 each	5,000,000	5,000,000
Subscribed and Paid up Capital		
50,000 Equity Shares of Rs. 100 paid	5,000,000	5,000,000

Schedule 2: Reserve & surplus :

	As at 31 March 2026	As at 31 March 2025
Accumulated Profit/(Loss):		
Opening Balance as on 1 April	247,080	(779,184)
Add: Transferred from Income Statement	1,430,332	1,026,264
Total	**1,677,412**	**247,080**

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TCI Nepal Private Limited
Kathmandu, Nepal

Schedules forming part of Financial Statements for the year ended 31 March 2026

Schedule 4: Other non current assets

Amount in NPR

	As at 31 March 2026	As at 31 March 2025
Bank Guarantee	-	-
Total	-	-

Schedule 5: Trade & other receivables

	As at 31 March 2026	As at 31 March 2025
Trade Receivables	31,694,351	36,046,176
Other Receivables	1,741,935	376,538
Staff Advance	-	48,038
Total	33,436,286	36,470,752

Schedule 6: Cash & cash equivalents

	As at 31 March 2026	As at 31 March 2025
Cash in Hand	43,221	86,732
Bank Balance	24,875,937	11,638,004
Total	24,919,158	11,724,735

Date:

Schedule 7: Current tax assets (Net)

	As at 31 March 2026	As at 31 March 2025
Advance tax	7,797,390	6,367,755
Less: Provision for tax	(226,505)	-
Total	7,570,885	6,367,755

Schedule 8: Trade & other payables

	As at 31 March 2026	As at 31 March 2025
Payable to TCI Freight*	11,447,282	10,303,775
Payable to TCI SCS*	45,554,099	37,509,680
Audit Fees Payable	150,000	150,000
TDS Payable	227,380	140,666
VAT Payable	1,225,535	523,668
Expenses Payable	512,916	691,173
Employee Related Payables	61,824	54,795
Total	59,179,036	49,373,756

Schedule 9: Provisions

	As at 31 March 2026	As at 31 March 2025
Provision for bonus	101,757	6,311
Provision for CSR	33,365	26,472
	135,122	32,783

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TCI Nepal Private Limited
Kathmandu, Nepal

Schedules forming part of Financial Statements for the year ended 31 March 2026

Schedule 10: Revenue from operation

Amount in NPR

	Current period	Previous period
Freight Income-local bills	64,350,247	44,087,685
Freight Income-through bills in India	136,574,864	87,195,859
Demurrage Charges	1,346,700	1,370,439
	202,271,811	132,653,983

Schedule 11: Other Income

	Current period	Previous period
Rental Income	60,000	60,000
Interest Income	-	-
Other Miscellaneous Income	122,133	-
	182,133	60,000

Schedule 12: Cost of rendering services

	Current period	Previous period
Lorry Hire and transportation Charges	184,787,476	117,405,149
Custom clearance charges	4,028,611	3,843,553
Crane Operation Charges and Other direct expenses	1,872,000	1,369,600
	190,688,087	122,618,302

Schedule 13: Employee benefit expenses

	Current period	Previous period
Salaries and Allowance	5,003,302	4,149,991
Contribution to SSF	553,822	480,038
Other employee Benefit Expenses	517,941	419,950
	6,075,065	5,049,979

Schedule 14: Administrative expenses

	Current period	Previous period
Rent	1,833,597	1,802,411
Audit Fee		
Statutory Audit Fee	192,500	192,500
Tax Audit Fees	82,500	82,500
Group Audit Fee	150,000	150,000
Consultancy Fee	344,000	144,000
Bank Charges	274,686	174,919
Office Expenses	6,200	26,175
Travel Expenses	148,108	201,468
Printing and Stationery	84,447	44,640
Conveyance Expenses	301,207	283,420
Repair and Maintenance	27,030	-
Office Maintenance Expenses	250,265	226,921
Telephone and Postage	128,030	121,012
Foreign Exchange Fluctuation	146,676	89,343
Entertainment Expenses	1,395	2,000
Miscellaneous Expenses	1,643	91,129
Rates and taxes	25,342	112,800
CSR expenses	6,893	417
Subscription fees	-	250,000
Total	4,004,520	3,995,655

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★ T.R. UPADHYA & CO. ★ Chartered Accountants

TCI Nepal Private Limited

Schedule 15: Significant Accounting Policies and Notes to Accounts
For the year ended 31 March 2026

1. **Corporate Background**

TCI Nepal Private Limited ("Company") is a private limited company incorporated in Nepal under the Companies Act 2063 on 2 June, 2017 after obtaining approval from for Foreign Direct Investment under the Foreign Investment and Technology Transfer Act 1992. The registered office of the company is located at Kathmandu Metropolitan City Ward No. 22

TCI Nepal Private Limited is a wholly owned subsidiary company of Transport Corporation of India (TCI) Limited headquartered in Gurgaon, Haryana, India. The principal business of the company is warehousing and Cargo handling.

2. **Summary of Significant Accounting Policies**

2.1 **Basis of Preparation**

The financial statements have been prepared in accordance with applicable Nepal Accounting Standards for Micro Entities (NAS for MEs) as issued by the Institute of Chartered Accountants of Nepal (ICAN).and in accordance with the relevant presentation requirement of Companies Act 2063. The accounting policies are applied consistently to all the periods presented in the financial statements.

2.2 **Responsibility for Financial Statements**

The Management is responsible for the preparation of financial statements of the Company. The management has prepared the financial statements in accordance with Nepal Accounting Standards and in compliance with the Companies Act, 2063.

2.3 **Basis of Measurement**

The financial statements have been prepared in accordance with historical cost convention and accrual basis and the presentation requirement of Companies Act 2063.

2.4 **Going Concern**

The financial statements are prepared on the assumption that the Company is a going concern.

2.5 **Revenue Recognition**

Revenue is recognized to the extent that the economic benefits will flow to the Company, the revenue, the associated cost incurred and to be incurred and the stage of completion of the transaction at the end of the reporting period can be measured reliably.

Rendering of Services

Revenue from rendering of services is recognized on accrual basis as per contractual agreements entered into with the customers.

Other Income

Other incomes are recognized on an accrual basis.

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TCI Nepal Pvt. Ltd. Khichapokhari, Ktm.

2.6 Property, Plant and Equipment and Depreciation

Property, Plant and Equipment (PPE) are measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

Depreciation on each part of an item of property, plant and equipment is provided using the straight line method based on the useful life of the asset as prescribed by operational policy of the group company and is charged to the income statement. Depreciation on additions is charged on a pro rata basis from the date the assets are purchased or become ready for use.

The depreciation rate for the assets are mentioned as follows:

Nature of Assets	Useful Life	Depreciation Rate
Office Equipment- Computers, printers and batteries	4 years	25%

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash at bank.

2.8 Trade receivables

Trade receivables are stated at their book value.

2.9 Lease

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.10 Cash flow statement

Cash flows are reported using indirect method, whereby net profits 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 and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

2.11 Income Tax

Current Income Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year as per the provisions of the Income Tax Act, 2002. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities. Income tax rates applicable to the company:

Income from sale of services and other income: 25%

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TCI Nepal Pvt. Ltd. Khichapokhari, Ktm.

2.12 Retirement and Employee Benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are expensed in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Long term employee benefits:

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss in the financial year to which they relate.

The Company is registered in the Social Security Fund (SSF) and the Social Security Fund Contribution @31% of basic salary for all the retirement benefits (Provident fund, Social Security tax, Gratuity and Medical Insurance to the staff) are deposited therein on monthly basis.

(b) Other long-term employee benefits

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave and annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leaves.

However, the Company has not determined the liability for such accumulated leave as of reporting date.

2.13 Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

2.14 Events after the Balance Sheet Date

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue.

Appropriate adjustments in the financial statements and disclosures in notes to accounts have been made for all material and significant events that have occurred between the balance sheet date and date when the financial statements have been authorised for issue.

2.15 Rounding off and Comparative Figures

The financial statements are presented in Nepalese Rupees (NPR), rounded off to the nearest rupee. Previous year figures have been reclassified/ regrouped whenever necessary.

TCI Nepal Pvt. Ltd. ★ Khichapokhari, Ktm. ★

★ T.R. UPADHYA & CO. ★ Chartered Accountants

3. Other Notes

3.1. Equity

TCI Nepal Private Limited is a 100% subsidiary company of Transport Corporation of India Limited (TCI), registered and operating in India. The following are the details relating to its Share Capital:

Particulars	Amount in NPR
Authorized Share Capital	10,000,000
Issued Share Capital	5,000,000
Called Up and subscribed Share Capital	5,000,000
Paid Up Share Capital	5,000,000

3.2. Related Party Transactions

The related party transactions during the year were as follows:

Amount in NPR

Name of related parties	Nature of Relationship	Nature of transaction	Balance as at the beginning of period	Transaction during the period	Balance as at the end of period
TCI Supply Chain Solutions	Subsidiary of Holding Company	Purchase of services	(37,509,680)	82,279,176	(45,554,099)
TCI Freight	Subsidiary of Holding Company		(10,303,775)	80,035,118	(11,447,282)
TCI Freight	Subsidiary of Holding Company	Sale of services	245,905	712,534	54,825

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