



SILVER YEARS OF FAITH & FLYING





MESSAGE FROM THE
MANAGING DIRECTOR

“The very first
silver jubilee
milestone”



Looking back at these past 25 years, it satisfies my heart to watch the air routes of Nepal grow and connect the country in a matter of an hour. The aviation industry has experienced a revolutionary transformation in the past two and a half-decades.

I remember, 26 years ago during this time when we were making business plans to establish Buddha Air as a company. I would have never imagined that we would reach where we are now. It gives me immense joy to watch this family grow and extend its arms across the nation, serving more passengers with every flight. Today, we have become one of the top ATR operators in the world.

Through thick and thin, we kept moving forward despite all the ups and downs the journey brought in front of us. Although the Covid-19 pandemic obligated us to shut down for 8 months, we got back up and are regaining our work scale. Hard work, resilience, and perseverance are the qualities of our team that I find pride in.

As we are celebrating our 25th anniversary, the very first silver jubilee milestone that a Nepali private domestic airline has accomplished, I would like to congratulate everyone who has worked for Buddha Air, and helped it come to where it is today. I would like to celebrate the faith our nation had in us to lead us to this milestone.

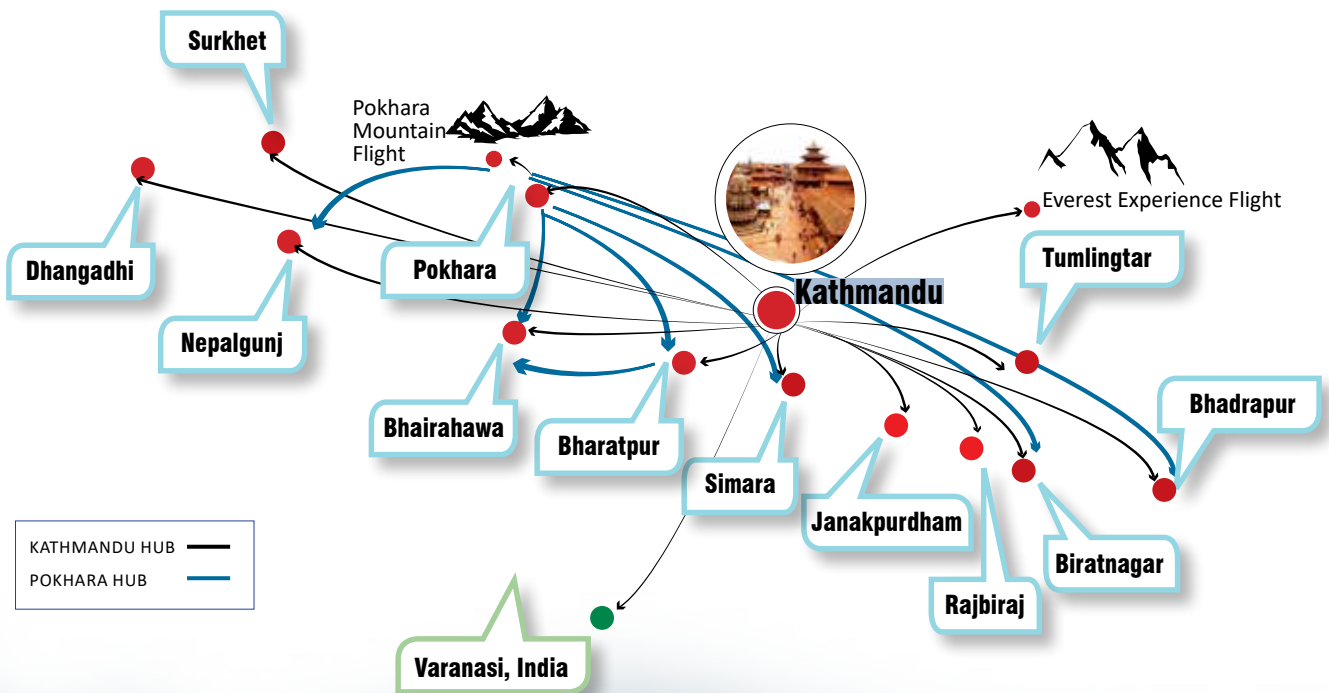
Birendra Bahadur Basnet
Managing Director, Buddha Air

“Connecting 43 air routes”

Buddha Air has been connecting Nepali cities for two and a half decades now. It all started when our Beechcraft 1900'D' took off towards the top of the world in 1997 with a mountain flight. This marked the first flight of one of the largest and longest-serving domestic private airlines of Nepal.



In a matter of 25 years, we have expanded to 16 aircraft with maximum capacity and eco-conscious nature while providing the best services in the aviation sector. With more than 15 national and international destinations, our flights bind together 43 air routes and have catered to over 15 million passengers to reach their destinations safely.





TIMELINE

APR 1996

Registered
Buddha Air Pvt.Ltd



SEPT 1997

Fleet consisted of only
Beechcraft 1900D

OCT

First Flight Took Off
on a Beechcraft
1900D (9N-AEE)

AUG 2008

IFC World Bank provided
a 10-year long term loan
of US\$10 million for
hangar construction and
to purchase two
ATR 42-320s. The loan
was cleared 3 years
ahead of schedule

SEPT 2008

Expanded the fleet
family to include
ATR 42-320.

MAY 2009

Bought the third
ATR 42-320

JUL 2010

Expanded the fleet
family to include
ATR 72-500 (9N-AJO)

AUG 2010

Began first international
flight to Paro, Bhutan

SEPT 2011

Expanded the fleet
family to include
ATR 72-500 (9N-AJS)

SEPT 2012

Expanded the fleet
family to include
ATR 72-500 9N-AJX

OCT 2014

Buddha Air Hangar
Construction Project won
IPMA Excellence Award



FEB 2022

Expanded the fleet
family to include
ATR 72-500 9N-ANP

AUG 2021

Started direct flights
between Pokhara–
Nepalgunj–Pokhara
& Bharatpur–
Bhairahawa-Bharatpur

Jul 2021

Expanded the fleet
family to include
ATR 72-500 9N-AJL

FEB 2021

Expanded the fleet
family to include
ATR 72-500 9N-ANH

OCT 2019

Expanded the fleet
family to include
ATR 72-500 9N-ANI

Aug 2019

Expanded the fleet
family to include
ATR 72-500 9N-AMY

AUG 2018

Expanded the fleet
family to include
ATR 72-500 9N-AMU

MAR 2018

Expanded the fleet
family to include
ATR 72-500 9N-AMF

SEP 2017

Started direct flights
between Pokhara
and Bhairahawa
and Pokhara and
Bharatpur

MAR 2017

Expanded the fleet
family to include
ATR 72-500 9N-AMD

APR 2016

Successfully
completed
the AvMaSSI
OSA program
comprising of a
harmonized series
of international
practices based on
ICAO Annexes





SALES & MARKETING

“Immense success in revenue & market share”

TOTAL FLIGHTS

264,918

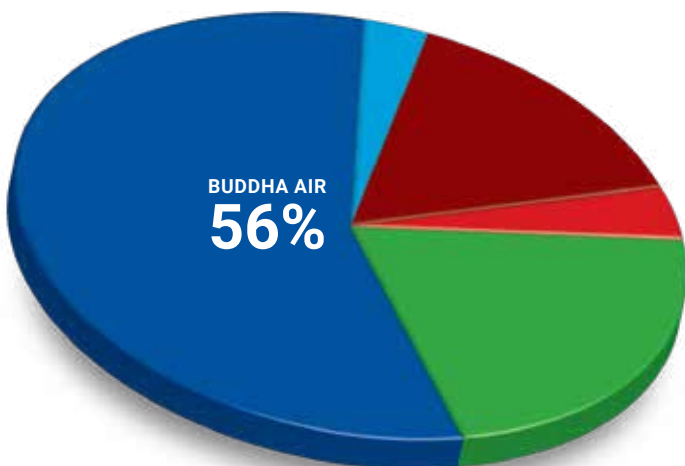
1 Oct 1997 to 1 Oct 2022

We have a history of being the leading shareholder in the domestic pressurized aircraft sector. In the year 2021/22, we secured up to 56% of the market share in the aviation sector of Nepal.

that provides high-quality flight service, we have been able to gain immense success in revenue and market share value, helping us to grow our company for 25 years now. Yet, our proudest earning is the trust and confidence of our valued passengers.

Standing as a credible airline

MARKET SHARE
2021/2022



HAPPY PASSENGERS

1 Oct 1997 to 1 Oct 2022

18,032,458

Nepali	15,147,896
Indian	1,739,831
Foreigner	114,4731



TOTAL HOURS

283,516

1 Oct 1997 to 1 Oct 2022

“Fuel-efficient, and environmentally friendly aircraft”



Our ATR aircrafts are the most eco-sustainable, fuel-efficient, and environmentally friendly aircraft. The turboprop of the aircraft accelerates air using less power. As a result, if the aircraft is flying at a speed of 500km per hour, it is burning up to 40% less fuel, thus emitting 40% less CO2.

In the year 2020/21, we were able to decrease our CO2 emission to 0.2299kg per passenger per mile. Our flight data monitoring systems have been devoted to minimizing the fuel intake and carbon emission from flights by 8 to 18% by working to improve Air Traffic Management and operational procedures.



OUR ECO-CONSCIOUS AIRCRAFT



ATR 72-500

Seat Capacity: **72**

No. of Aircrafts: **11**

In the fiscal year 2020-21, it consumed up to 8,861,086 liters of fuel in 8,809 hours of air time, which is 14 liters per hour per passenger.



ATR 42-320

Seat Capacity: **47**

No. of Aircrafts: **03**

In the fiscal year 2020-21, it consumed up to 1,740,185 liters of fuel in 2,152 hours of air time, which is 17 liters per hour per passenger.



Beechcraft 1900D

Seat Capacity: **18**

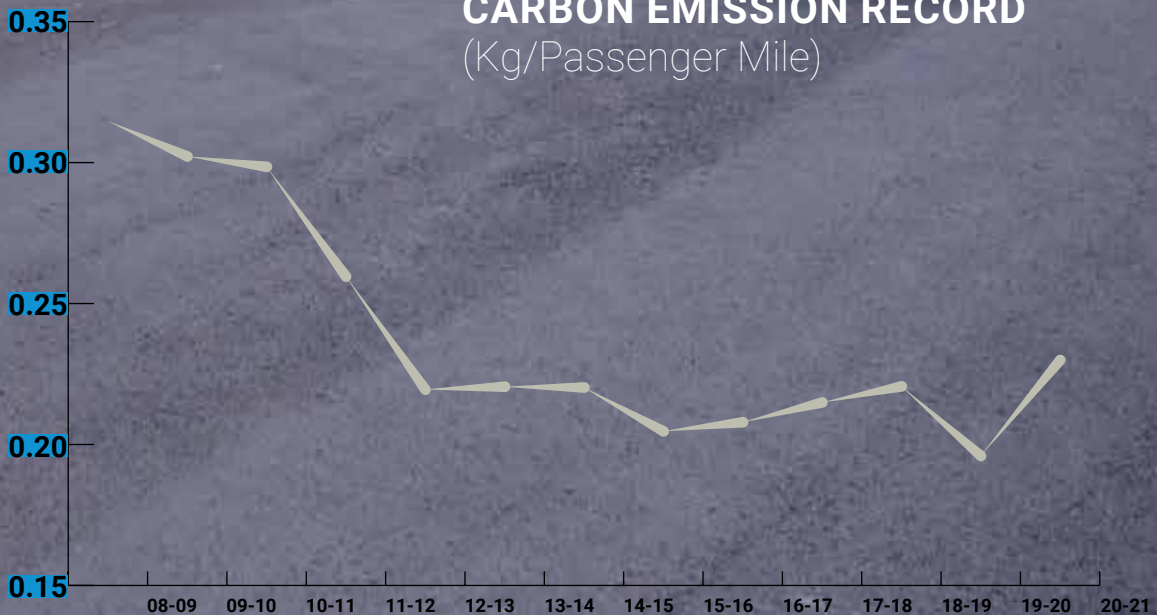
No. of Aircrafts: **02**

In the fiscal year 2020-21, it consumed up to 583,473 liters of fuel in 1,001 hours of air time, which is 32 liters per hour per passenger.



CARBON EMISSION RECORD

(Kg/Passenger Mile)



“Only international standard closed-door hangar facility”



In 2012, the Buddha Air Hangar was built at a budget of US\$ 2.5 million occupying an area of 37,000 square feet at the Tribhuvan International Airport.

It is the only international standard closed-door hangar facility certified as Part 145 AMO (Approved Maintenance Organization) by the Civil Aviation Authority of Nepal (CAAN). It houses the largest inventory of spares and special tools among all private airlines in Nepal.



All our aircraft are maintained in Buddha Air Hangar with all required facilities, tools & equipment in accordance with CAA Nepal Approved Maintenance Program for our fleet. Buddha Air had extended its maintenance services to NOVO Air of Bangladesh and Druk Air of Bhutan in the past for their ATR fleet.

Along with that, operators such as Nepal Airlines, Himalayan Airlines, and other domestic operators also use our maintenance facilities for their aircraft and/or components maintenance.

HANGAR FEATURES

1. Can accommodate Airbus 320 or Boeing 737 aircrafts with an up-to-date hangar facility for Aircraft Base Maintenance and Component Maintenance.
2. Accredited for the maintenance of ATR, Beech aircraft including all the Base Maintenance activities like all 'C' Checks, 12 yearly inspections, 36,000 Cycles Threshold Inspections as well as modifications.
3. Global standard storage facilities for aircraft spare parts and materials worth approximately US\$ 9.3 million.
4. The sole domestic operator to voluntarily incorporate Flight Data Monitoring System in its Safety Management for continuous analysis and monitoring of flights to enhance the overall flight safety.
5. Owns the only ATR aircraft Flight Panel Trainer (FTP) in the Nepali aviation industry dedicated to pilots and engineers to train more effectively and prepare for unfavorable situations.



“ We extended our maintenance services to international airlines like Druk Air of Bhutan and NOVOAIR of Bangladesh for their ATR Fleet ”



MAINTENANCE

FEATURES NO. OF CHECKS

1C **24**

2C **09**

4C **03**

36K **09**

2YE **41**

4YE **19**

8YE **06**

12YE **16**

“ We have the largest spare and special tools inventory amongst all private airlines in Nepal for ATR 42-320, ATR 72-500, and Beechcraft 1900D aircraft worth around US\$ 12.5 million ”



WORKSHOP FACILITY

Our technical department has workshop facilities with different tools and capabilities as approved by CAAN.



1. WHEEL AND BRAKE SHOP

It carries out maintenance work such as Tyre change, Servicing, Repair, and Overhaul of various wheels and brakes of the aircrafts as per the Component Maintenance manual.

2. BATTERY SHOP

The Battery shop carries out maintenance work such as Regular checks, Capacity checks, Periodic checks, General overhauls, and New battery conditioning on aircraft batteries.

3. FUEL NOZZLE AND FILTER CLEANING SHOP

The Fuel nozzle and Filter cleaning shop carries out maintenance work such as Ultrasonic cleaning, leak test, spray pattern check,

Electrosonic cleaning, and inspections.

4. CALIBRATION SHOP

It carries out maintenance work such as Travel board re-certifications and Calibration / adjustment on various measuring instruments as per the company capability list.

5. CVR/FDR READ-OUT FACILITY

The cockpit voice recorder/ Flight data recorder read-out facility carries out data readout and data analysis of CVR and FDR respectively as per the company capability list.

6. SHEET METAL SHOP

It carries out maintenance work such as Structure/Structure

parts repair as per the applicable approved Structure repair manual or approved Repair Drawings/ Repair schemes.

7. COMPOSITE AND DE-ICER BOOT SHOP

It carries out maintenance work such as Composite structure/ structure parts repair and also De-icer boots are inspected, Repaired, replaced, and tested.

8. STARTER GENERATOR SHOP

It carries out maintenance work such as the Starter generator minor repair, replacement, brush, and bearing change of ATR 42 and ATR 72 Aircraft as per approved CMM/OMM/AMM or Special instructions as per the company capability list.



9. AVIONICS SHOP

The Avionic shop carries out maintenance work such as Radio equipment repair, replacement of parts, and testing as per the related approved CMM/OMM/AMM/Equipment manuals or Special instructions as per the

company capability list.

10. NDT SHOP

The NDT Shop carries out NDT inspections like Ultrasonic inspection, X-ray inspections, Eddy current inspections, Fluorescent Penetrant Inspection, and

Magnetic particle inspection on various Aircraft and aircraft parts.

11. PAINT SHOP

The Paint shop carries out painting work on Aircraft and aircraft parts as per manufacturer specifications.

TECHNICAL TEAM

Buddha Air's CAA Nepal Approved Part 145 Maintenance Organization and Part M Continuing Airworthiness Management are being regularly audited by CAA Nepal and other external agencies.



“Safety comes first”

The operational department of Buddha Air is responsible for flight safety, accident prevention, and the training of crew members. It ensures that flights are properly operated and the crew members are trained as per the requirements of the Civil Aviation Authority of Nepal (CAAN).

Buddha Air spends around US\$ 600,000 annually on skill-enhancement activities which include training and required refreshers in dedicated six-axis simulators.

We send all our ATR & B1900D cockpit crew to refresher training at dedicated six-axis full-motion simulators as per the CAAN requirements.





ATR Aircraft Flight Panel Trainer (FTP)



We introduced the ATR Aircraft Flight Panel Trainer (FTP) for the first time in Nepal to have a platform for our pilots and engineers to train their best. It helps them learn and practice with a safe and first-hand experience of how to deal with

unfavorable situations or in any scenario where there are uncertain technical glitches.



The FTP consists of demo controllers, displays, and audio systems for communication, just like that of an aircraft. It aims to build the confidence in a pilot to gain experience in handling the aircraft through any problem that arises.

Safety Audit

Our Compliance Monitoring and Quality Assurance Department conducts regular audits of each section on a continuous basis to ensure compliance with all applicable regulations and standards.

These audits contribute to maintaining our standards for an external Operational Safety Audit (OSA), which comprises of 958 standards. Through the annual audits, we are committed to fulfill world class safety standards.

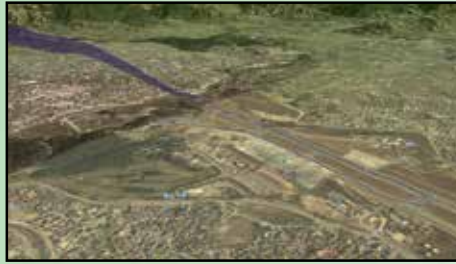


FLIGHT DATA **MONITORING** (FDM)

Every flight by Buddha Air is monitored by FDM—a method of recording and analyzing data generated by an aircraft when it moves from one point to another. The FDM data helps keep track of the continuous trends of the flight within 24 hours. It builds a base for a thorough examination and investigation to be done on any recorded incident for maximum flight safety and efficiency. Immediate remedy actions are taken and the training to the pilot is given accordingly.

For Beechcraft, the data is analyzed by highly qualified, trained expert employees from our in-house FDM program. While for ATR, the data is sent to CASSIOPÉE—an aviation service provided by Sagem that has been leading the market for FDM. The sent data is received within 2 hours, for further analysis by the FDM staff at Buddha Air.

FDM analyses flight data and identifies exceedances or deviations from normal operating procedures. It is a proactive safety process for safety enhancement that involves downloading flight data from the aircraft on a daily basis and uploading it to the Cassiopée database for decoding. This decoded

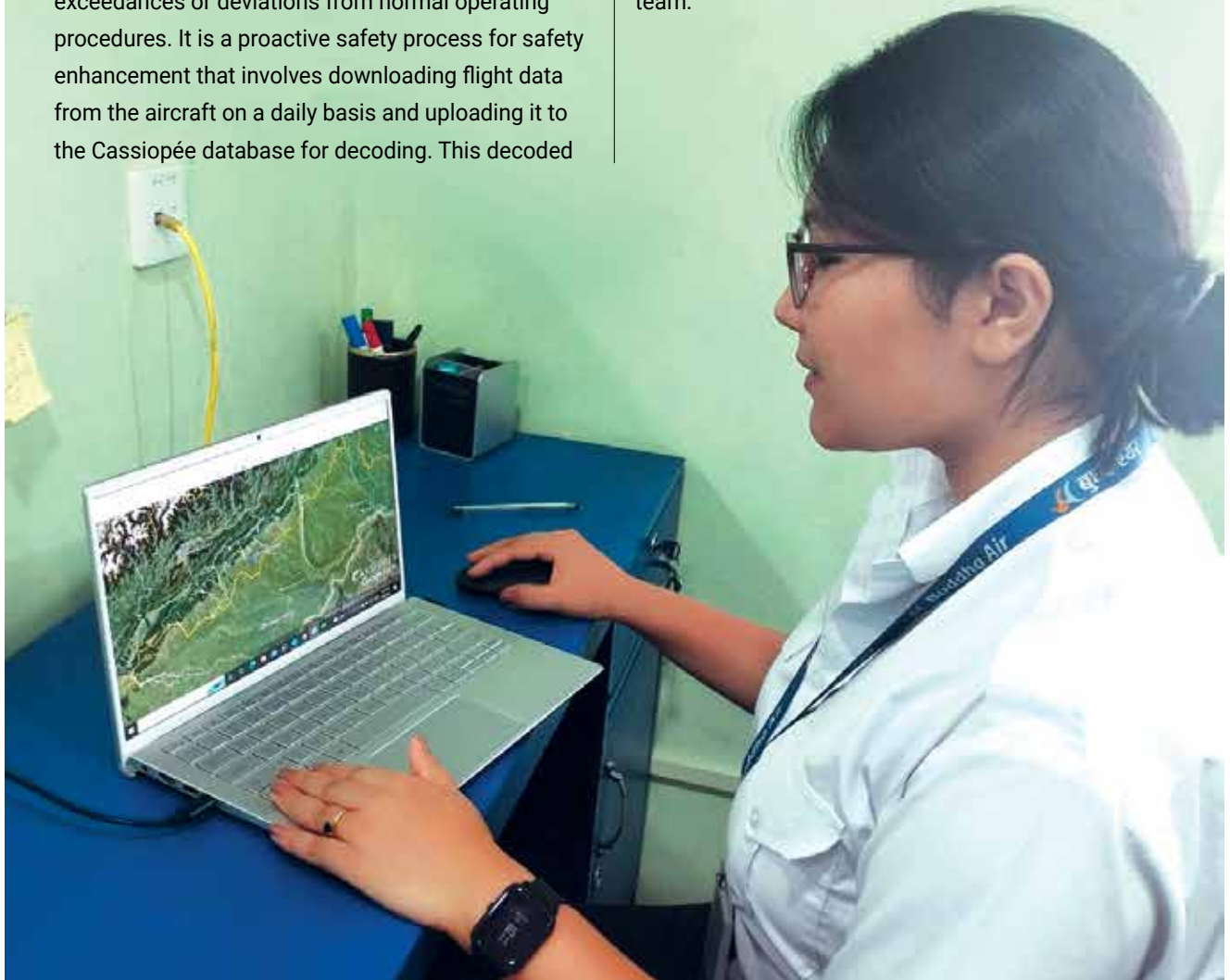


information is then analyzed by Corporate Safety Department.

Although FDM is not a mandatory requirement for Buddha Air, it has implemented for the safety and comfort of passengers. Every flight is

analyzed and the exceedances like “High Rate of Descent”, “Hard Landing”, “High-Speed Taxing”, etc. are identified, and necessary corrective actions are taken. The recorded exceedances are also fed into Buddha Air’s crew trend monitoring and aircraft monitoring program. Based on these trends, a customized crew training program is prepared to address the issue. Confidentiality is maintained regarding the crew’s identity.

This unique approach taken by Buddha Air demonstrates the extra step taken not only for the safety of its passengers but also to provide a comfortable flight and practice expertise among the team.



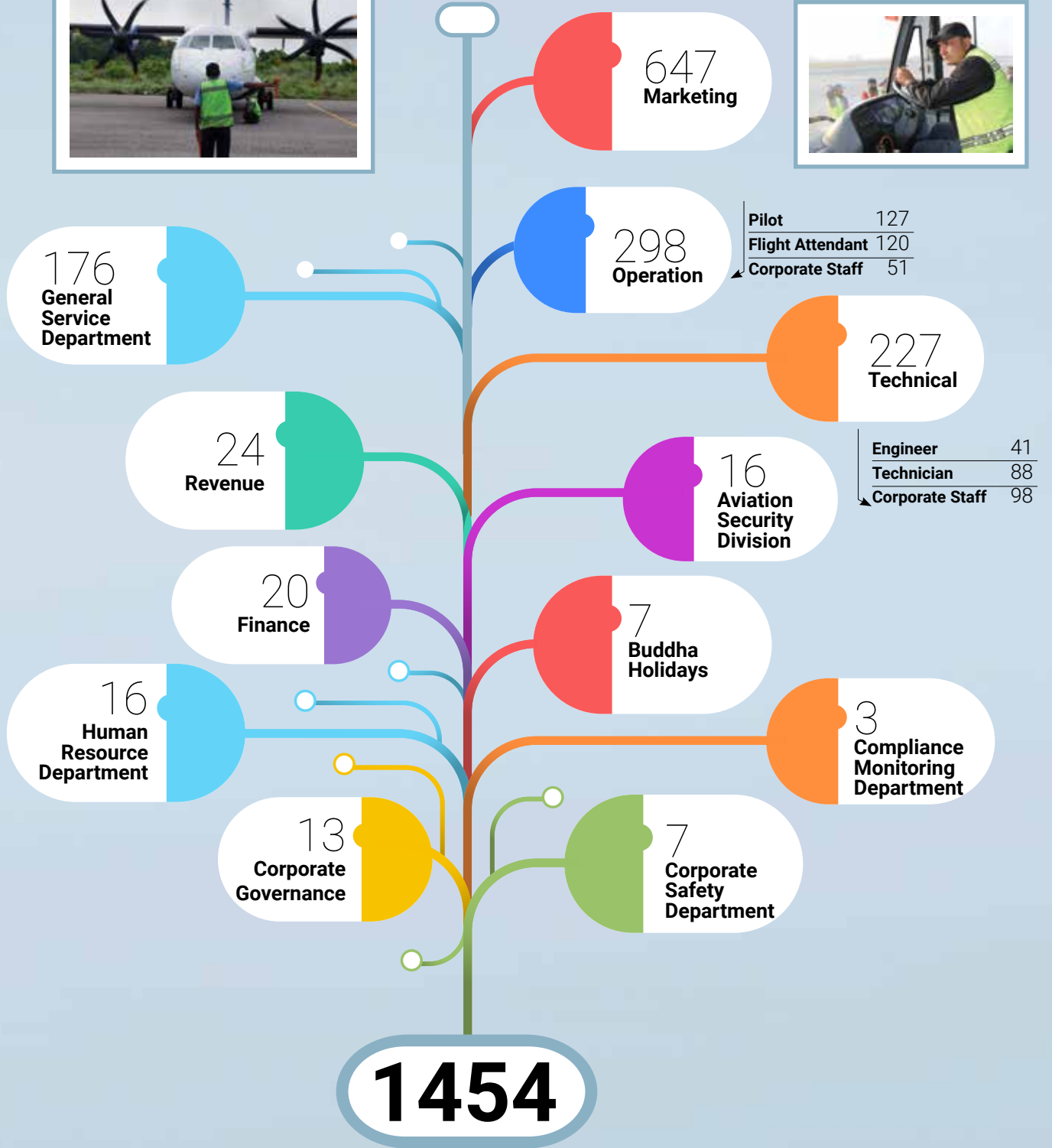
“A space that encourages learning and growth”

In the past two and a half-decades, it is our dedicated team that has brought us to where we are today. The hard work of our employees have contributed to our success in the aviation sector. From the moment passengers book their ticket to them safely reaching their destination, our employees work to be with the passengers all along their journey and ensure that they have a convenient and comfortable flight.



We have 1454 employees working in 14 different departments in Buddha Air. To support them and enhance their expertise in the field, we invested a total of around US\$ 5,88,384.27 for technical training and around US\$ 248,263 for non-technical training in the fiscal year 2021/22.





“Earning for the nation”

With the increasing trust of our valued customers, we are witnessing a sustained growth in our revenue. With an initial investment of Rs 50 million of

paid-of capital and loan, we now own assets worth more than Rs. 7 billion. Our total projected revenue for the fiscal year 2021-22 is Rs 9 billion.

Our Direct tax contribution was Rs 52,608,963, and we paid indirect tax of Rs 669,566,247.



Issuers with this rating are considered to have the adequate degree of safety regarding timely servicing of financial obligations. Such Issuers carry low credit risk.

Accredited with an A2+ rank by ICRA

Buddha Air has been ranked A2+ (short-term loans including non-fund based limits) and LA- (long-term loans) which are two ranks down from the top rating by ICRA Nepal Limited. ICRA Nepal Limited (ICRA Nepal) is the first Credit Rating Agency in Nepal and a Subsidiary of ICRA Limited (ICRA) of India, an international credit rating Company that just completed Buddha Air's credit rating audit as per the requirement of their Central Bank (NRB).

The ratings from Watch with negative implications have also been removed which shows the improvement in the company's monthly revenue trajectory in 9M FY2022. The trajectory exceeded the pre-pandemic levels, largely supported by

the healthy growth in Buddha Air's domestic passengers. We think we have been downgraded one step on the basis of the high financial risk of the airline industry globally and particularly in Nepal. Otherwise, we should have been rated one step above if the external scenario is negated.

Buddha Air also has an exceptional Interest Coverage Ratio (ICR) taking its ability to pay interest on its outstanding debt. We were able to achieve a comfortable ICR of ~8.6 times and an adequate debt service coverage ratio (DSCR) of 2.3 times for 9M FY2022, aided mainly by a sharp increase in the scale of operations along with gradual improvement in operating profit margin (OPM).



HIGHEST TAX PAYER AWARD



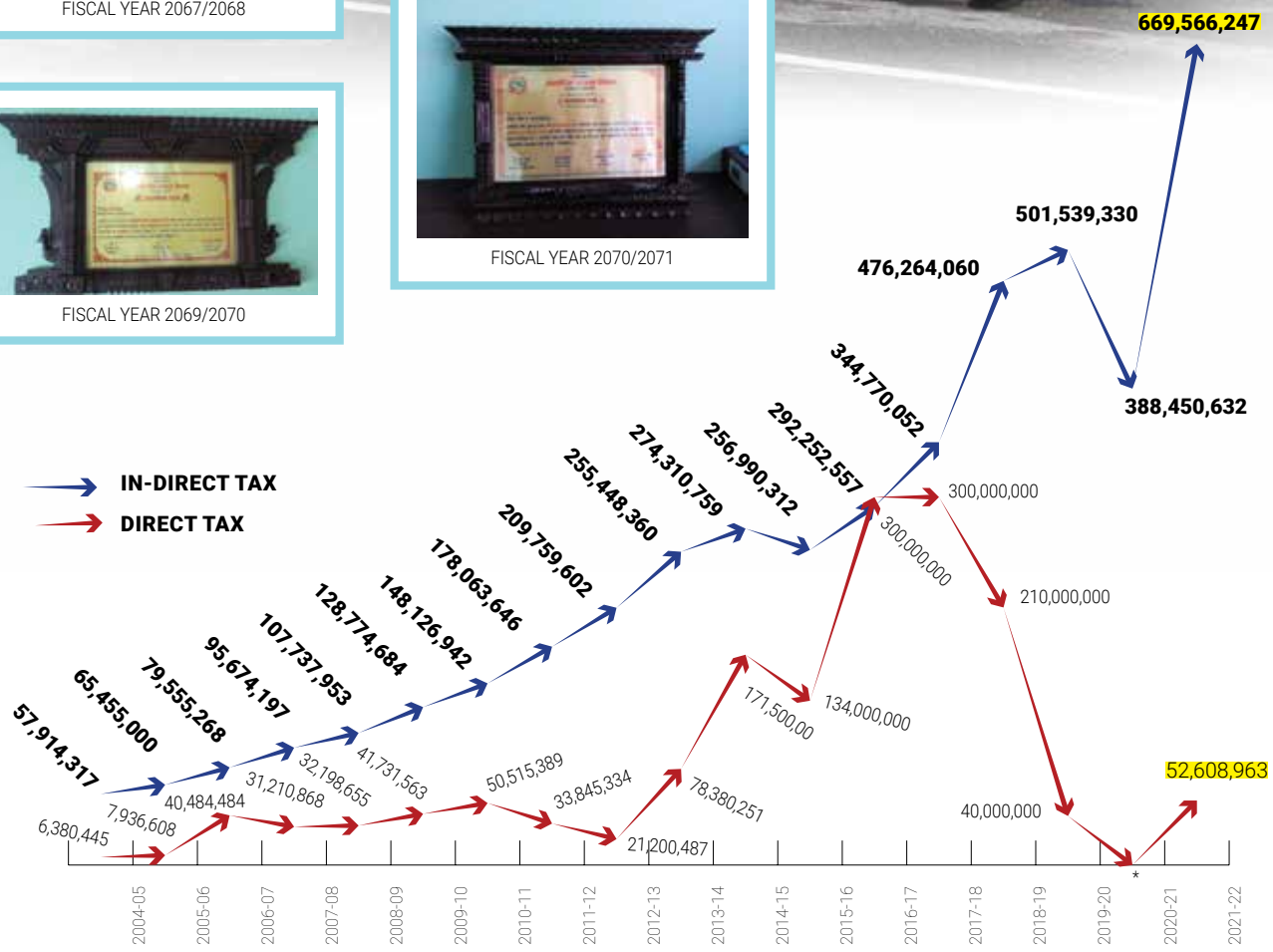
FISCAL YEAR 2067/2068



FISCAL YEAR 2069/2070



FISCAL YEAR 2070/2071



*Company went into loss due to the Covid-19 Pandemic



“Flying above the mountains”



The pioneer flight of Buddha Air was touring the Everest mountain range by flight back in 1997. Now, 25 years later, we are offering three such experiences to enjoy the majestic view of the mountains spanning from west to east.

Our aircrafts have all the modern avionics, instruments, and airframe that are found in a modern jetliner.

Everest Experience

Our Everest Experience Mountain flight has been awarded the “Certificate of Excellence” by TripAdvisor for four consecutive years in 2017, 2018, 2019, and 2020. It is a one-hour long flight that takes off from the TIA. One can witness 20 of the world’s highest peaks from up close such as Mt Cho-Oyu, Mt ShishaPangma, Mt Everest, and Mt Lhotse from the aircraft.





Annapurna Experience

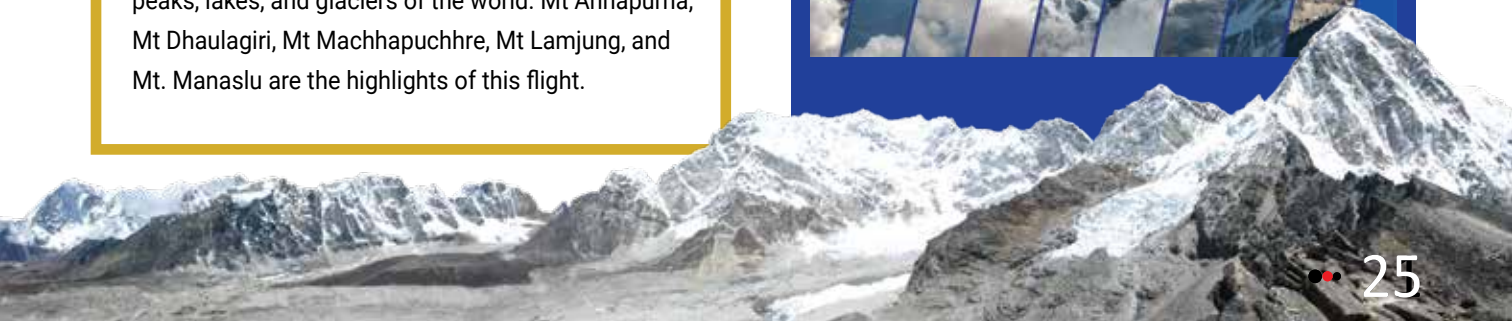


The 30-minute flight takes off from Pokhara early in the morning, flying over the majestic Annapurna mountain range to witness some of the highest peaks, lakes, and glaciers of the world. Mt Annapurna, Mt Dhaulagiri, Mt Machhapuchhre, Mt Lamjung, and Mt. Manaslu are the highlights of this flight.

Himalayan Kora Experience

The airplane takes off from Pokhara Airport at 6 am in the morning and is an hour and 30 minutes flight. The flight travels from the west–Pokhara to the east–the Everest region, giving a glimpse of what the Himalayas have to offer. The views of the mountains start from Mt Machhapuchhre, Mt Annapurna, Mt Manaslu, and Mt Dhaulagiri while moving further towards Ganesh Himal, Gauri Shankar Range, Mt Langtang, Mt Makalu, and Mount Everest.

9 At Go! Himalaya Kora Experience



“Serving the farmers”

Rice production and harvesting, each year, contributes 1% to the annual economic growth rate of the country. More than 30% of the Nepali land is used for agriculture, while 50% of the cultivable land has the potential for paddy production.

We are a country that is majorly dependent on rice—an average Nepali consumes around 137.5kg of rice in a year. Out of this, only around 40% is cultivated in Nepal, while the rest has to be imported from India. Nepali farms were experiencing losses and less productivity because of poor technology, poor irrigation, unpredictable weather, lack of good fertilizer, and pest infections.



As a corporate entity committed to serving the needs of society, Buddha Air firmly believes that charity begins at home. In our effort to bring progressive transformation in society and in the economy, we have been supporting hundreds of farmers from Jhapa, Morang, Sunsari and Saptari districts since the year 2000 as the majority of Nepalis rely on agriculture for their livelihood.



BIJAY AMATYA*Managing Director, Kora Tours*

I take pride in saying that I was their regular customer from the day of its inception. They have always served with the highest level of commitment.

The increased flight frequency of Buddha Air has helped the tourism industry to plan travel timing at their convenience and increased the volume of tourists in the country. Their commitment to customer care and safety is praiseworthy.

SUBU SHRESTHA*Director, Business Advantage*

Twenty-five years ago, in the face of extreme odds and adversity, Buddha Air boldly rolled the dice and through the management's foresight, good governance, and professionalism, established a

world-class air infrastructure that has propelled the social and economic development of a geographically unique country like Nepal.

DR. DHANANJAY REGMI*Chief Executive Officer, Nepal Tourism Board*

A pioneer in the aviation sector of Nepal, Buddha Air has made a consistent effort to evolve from its humble beginning. From making air travel accessible for everyone in the country to

ensuring impeccable service and safety. It has been a beacon in connecting Nepal to its people enhancing growth of domestic tourism. On behalf of the Tourism Industry and NTB, I take this opportunity to thank Buddha Air for undertaking and delivering this valuable job.

CAPT. RAMESHWOR THAPA*AOAN President*

In my experience, Buddha Air has not only opened the door for other private airline companies to recognize the scope and growth of air travel in Nepal but also has connected

the major cities of different provinces. It is indeed an inspiration to other airlines to harvest the hidden opportunities of internal tourism promotion. Buddha Air has created the pathway of the possibility of expanding and strengthening domestic airports.

BISWAS DHAKAL*President, F1 Soft*

Buddha Air has always managed to advance with innovative technology. From the very beginning, Buddha Air has been open to utilizing the growing online booking and payment services. This has,

as a matter of fact, made it easy for people to access their services. It gives me immense joy to have held hands with Buddha Air from the very beginning until today.

DIPA SHREE NIRLA*Actor & Director*

Buddha Air holds a special place in my heart as it was the first ship I boarded on its first year of flight back in 1997. I was traveling to Pokhara from Kathmandu. The experience remains ingrained in my mind,

I was so excited. The employees were very welcoming and they made me feel at home on the flight. It's no wonder that it is the first choice of flight for many Nepalis.

“ We strive, so that everyone can soar ”



— Our Values —

PEOPLE-FIRST

Buddha Air believes that success, growth and prosperity are always shared. We put our people first and do our best for them, so that they can do their best for each other, for our company and for our customers.

INTEGRITY & TRANSPARENCY

We believe in honesty and integrity in every aspect of our business - how we function internally, how we treat our customers, how we conduct ourselves externally. Rules and regulations are to be followed, but the spirit of transparency is what is most important.

PURSUING EXCELLENCE

We have a legacy of 'firsts' but also bests, and we must keep building on it. As Nepal's leading domestic airline,

we aim to set and maintain the benchmark for exemplary management, operational excellence and customer satisfaction.

CONNECTING NEPAL

Our flights move thousands of people every single day, expanding mobility and access not just for visitors and tourists, but for ordinary Nepalis. Furthering, deepening and easing these connections helps us, our flyers and our economy flourish.

CONSCIOUS CHANGE

As we turn 25 in a fast-paced industry with rapidly diversifying customers, we're conscious of the need to transform in ways that are consistent with our values and legacy, but also equip us to evolve and excel.