PAN NO :108256794

JABIN ASSOCIATES, REGISTERED AUDITORS

जबिन एसोसिएट्स, रजिष्टर्ड अडिटर्स

Contact : +977-9841000700, Mail : audit.121121@gmail.com, REGD NO. 5672 'B', Tumbaha, KMC - 25 , Kathmandu, Nepal

आ.व. ८१/०८२

INDEPENDENT AUDITOR'S REPORT
TO The Members Of Bahing kirant Mulukhim.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bahing kirant Mulukhim *(hereinafter referred to as "the NPO")*, which comprise the statement of financial position as at Ashad 32, 2082 (July 16, 2025), and the statement of income, the statement of cash flows 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 financial position of the NPO as at Ashad 32, 2082 (July 16, 2025), and its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standard for NOPs (NAS for NPOs) and the relevant presentation requirements thereof.

Basis for opinion

We conducted our audit in accordance with Nepal Standards 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 Firm in accordance with the code of ethics for professional accountant issued by Institute of Chartered Accountants of Nepal (ICAN) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Acts and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Code of Ethics for professional accountants. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Responsibilities of management and those charged with governance for the financial statements

The management of the Organization is responsible for the preparation and fair presentation of the financial statements in accordance with NAS for NPOs, 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 Organization's ability to continue as a 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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 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.

Report on other legal and regulatory requirements

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. In our opinion, proper books of account as required by law have been kept by the Orgainzation, so far as appears from our examination of those books.

c. The enclosed statement of financial position, statement of profit or loss and statement of cash flows have been prepared in conformity with the relevant act and the same are in agreement with the books of account maintained by the Organization.

d. To the best of our information and according to explanations given to us and so far appeared from our examination of the books of account of the Organizaton necessary for the purpose of our audit, we have not come across cases where Board Members or any employees of the Organization have acted contrary to the provisions of law relating to the accounts or committed any misappropriation or caused loss or damage to the Organization relating to the accounts in the Organization.

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JA
REGD. NO. 5672
KATHMANDU - 25
NEPAL

Jabin Ram Shrestha
Proprietor
For: Jabin & Associates
Registered Auditor

Place: Kathmandu
Date: Manshir 07,2082

BAHING KIRANT MULUKHIM

Bouddha , Kathmandu

Statement of Financial Position

As at 32nd Ashad 2082 (16th July 2025)

Figures in NPR

	Note	As at 32nd Ashad 2082	Restated As at 31st Ashad 2081
ASSETS			
Non-Current Assets			
Property, plant and equipment	1	11,320,956	2,604,717
Intangible assets	2	-	-
Deferred tax assets	3	-	-
Total Non-Current Assets		**11,320,956**	**2,604,717**
Current assets			
Trade and other receivables	4	22,928	10,374
Income tax receivables	5	-	-
Prepayments	6	-	-
Cash and cash equivalents	7	1,696,150	1,896,449
Other current assets	8	-	-
Total current assets		**1,719,078**	**1,906,823**
Total assets		**13,040,034**	**4,511,540**
EQUITY AND LIABILITIES			
Equity			
Retained earnings	9	(373,503)	(29,242)
Total Equity		**(373,503)**	**(29,242)**
Liabilities			
Non-Current Liabilities			
Provision for Employee Benefits	10	-	-
Deferred Tax Liabilities	3	-	-
Total Non-Current Liabilities		**-**	**-**
Current Liabilities			
Trade and other payables	11	5,000	5,000
Income Tax Payables	5	-	-
Other current liabilities	12	-	-
Funds	21	13,408,538	4,535,782
Total Current Liabilities		**13,413,538**	**4,540,782**
Total Liabilities		**13,413,538**	**4,540,782**
Total Equity and Liabilities		**13,040,034**	**4,511,540**

Chair Person   Treasure   JABIN ASSOCIATES REGD NO. 5672 KATHMANDU NEPAL   Auditor

BAHING KIRANT MULUKHIM

Bouddha , Kathmandu

Statement of Profit or Loss

For the year ended 32nd Ashad 2082 (16th July 2025)

	Note	FY 2081-82	*Figures in NPR* *Restated* FY 2080-81
Direct Income	13	612,806	259,970
Interest Income	14	78,616	72,028
Other Income	15	-	-
Total Income		**691,422**	**331,998**
Employee Benefit Expenses	16	-	-
Administrative Expenses	17	912,923	223,841
Depreciation and Amortization Expenses	18	122,761	139,774
Other Expenses	19	-	-
Total Expenses		**1,035,683**	**363,615**
Profit Before Tax		**(344,261)**	**(31,617)**
Income Tax Expense	20	-	-
Current tax Provision		-	-
Deferred tax		-	-
Net Profit for the year		**(344,261)**	**(31,617)**

Chair Person

Treasure

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Auditor

BAHING KIRANT MULUKHIM

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Statement of Cash Flows

For the year ended 32nd Ashad 2082 (16th July 2025)

Particulars	FY 2081-82	*Figures in NPR* *Restated* FY 2080-81
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit for the year	**(344,261)**	**(31,617)**
Adjustment for:		
Depreciation/Impairment on Property, Plant and Equipment	122,761	139,774
Working Capital Adjustments		
Decrease/(Increase) in trade and other receivables	(12,554)	(6,187)
Increase/(Decrease) in trade and other payables	8,872,755	514,329
Increase/(Decrease) in provisions		
Increase/(Decrease) in other liabilities	-	-
Cash Generated from Operations	**8,638,701**	**647,916**
Income tax paid		
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	**8,638,701**	**616,299**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of PPE, Investments/Financial Assets		
Acquisition of Property, Plant and Equipment	(8,839,000.00)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)	**(8,839,000)**	**-**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from other borrowings	-	-
Repayment of Borrowings	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**-**	**-**
Net Increase in Cash and Cash Equivalents	(200,299)	616,299
Cash and Cash Equivalents at the beginning	1,896,449	1,280,150
Exchange gains/(losses) in cash and cash equivalents		
Cash and Cash Equivalents at the end	**1,696,150**	**1,896,449**

Chair Person

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Notes to Financial Statements

Figures in NPR

1 **Property, plant and equipment**

	Land	Furniture and Fixture	Buliding & Structure	Office Equipments	Vehicles	Plant & Mchinery	Total
Cost							
Balance as at 1st Shrawan 2081	950,000.00	900	1,388,244	178	265,395	-	**2,604,717**
Additions	8,839,000	-	-	-	-	-	**8,839,000**
Revaluation and adjustments	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance as at 32nd Ashad 2082	**9,789,000**	**900**	**1,388,244**	**178**	**265,395**	**-**	**11,443,717**
Depreciation and impairment losses							
Charge for the year	-	225	69,412	45	53,079	-	**122,761**
Impairment Losses	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance as at 31st Ashad 2082	**-**	**225**	**69,412**	**45**	**53,079**	**-**	**122,761**
Net book value							
As at 1st Shrawan 2081	950,000	900	1,388,244	178	265,395	-	**2,604,717**
As at 31st Ashad 2082	9,789,000	675	1,318,832	134	212,316	-	**11,320,956**

Security (If any)

Impairment of Property, Plant and Equipment

No items of Property, Plant and Equipment have been impaired.

The Company has availed the exemption in relation to the property, plant and equipment on the date of transition. The fair value as on the date of transition has been approximated to equal the carrying amounts as per previous GAAP and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

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Notes to Financial Statements

Figures in NPR

2 Intangible Assets

	Software	Total
Cost		
Balance at 1 Shrawan 2080	-	-
Additions	-	-
Disposals	-	-
Balance at 31 Ashadh 2081	-	-
Additions	-	-
Disposals		-
Balance at 31 Ashad 2082	-	-
Amortization and Impairment losses		
Balance at 1 Shrawan 2080	-	-
Charge for the year	-	-
Disposals	-	-
Balance at 31 Ashadh 2081	-	-
Charge for the year	-	-
Disposals		
Balance at 31 Ashad 2082	-	-
Net Book Value		
As at 1st Shrawan 2080	-	-
As at 31st Ashad 2081	-	-
As at 31st Ashad 2082	-	-

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Figures in NPR

3 Deferred tax assets and liabilities:

Deferred tax is calculated on temporary differences using a tax rate of 25% (FY 2080-81: 25%). Deferred tax assets have been recognized in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the management believe it is probable that these assets will be recovered.

	As at 32nd Ashad 2082	*As at 31st Ashad 2081*
<u>Reconciliation of deferred tax assets/liability net</u>		
Opening Balance as at 1st Shrawan	-	-
Tax income/(expense) during the period recognised in profit or loss	-	-
Tax income/(expense) during the period recognised in OCI	-	-
Closing balance as at 31st Ashad	-	-

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Notes to Financial Statements

Figures in NPR

4 Trade and other receivables:

	As at 32nd Ashad 2082	*As at 31st Ashad 2081*
Trade Receivables	-	-
TDS	22,928	10,374.17
Security Deposit (Telephone)	-	-
	22,928	**10,374**

a) The fair values of all the above financial assets are equal to their carrying amounts.
b) Bank overdrafts are secured against all current assets including trade receivables
d) Trade receivables are non-interest bearing and generally have a credit period of 30 days

5 Income Tax (Receivable)/Payable

	As at 32nd Ashad 2082	*As at 31st Ashad 2081*
Income Tax Payable	-	-
Less: Advance Income Tax	-	-
	-	-

6 Prepayments

	As at 32nd Ashad 2082	*As at 31st Ashad 2081*
	-	-

7 Cash and Cash Equivalents:

	As at 32nd Ashad 2082	*As at 31st Ashad 2081*
Cash in hand & Bank	1,696,150	1,896,448.74
	1,696,150	**1,896,449**

8 Other current assets

	As at 32nd Ashad 2082	*As at 31st Ashad 2081*
Advance Amount	-	-
Staff advances	-	-
	-	-

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Figures in NPR

9 Reserves:

Retained earnings

	As at 32nd Ashad 2082	As at 31st Ashad 2081
Opening balance	**(29,242)**	(31,616.63)
Profit for the year	(344,261)	2,374.25
Other comprehensive Income	-	-
Dividend to Share Holders	-	-
As at 31st Ashad	**(373,503)**	**(29,242)**

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BAHING KIRANT MULUKHIM

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Notes to Financial Statements

10 Provisions for employee benefits

Total

	As at 32nd Ashad 2082	As at 31st Ashad 2081
Provision for employee benefits		
Provision for Gratuity	-	-
Provision for Leave benefits	-	-
	-	**-**
Calssified into:		
Non-current portion	**-**	**-**
Current portion	**-**	**-**

Movement in Provision for Gratuity

	FY 2080-81	FY 2079-80
Balance as at the beginning of the year	-	-
Provision for the year	-	-
Payments made	-	-
Balance as at the end of the year	**-**	**-**

Movement in Provision for Leave

	FY 2080-81	FY 2079-80
Balance as at the beginning of the year	-	-
Provision for the year	-	-
Payments made	-	-
Balance as at the end of the year	**-**	**-**

11 Trade and other payables:

	As at 32nd Ashad 2082	As at 31st Ashad 2081
Other payable	-	-
Letter of Credit Payable	-	-
Accrued Expenses	-	-
Audit Fee Payable	5,000	5,000
	5,000	**5,000**

Trade payables are non-interest bearing and are normally settled on 30 days as per business terms basis.

12 Other current liabilities

	As at 32nd Ashad 2082	As at 31st Ashad 2081
	-	**-**

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Notes to Financial Statements

Figures in NPR

13 Income

	FY 2081-82	FY 2080-81
Donation	231,450	194,470
Members Renew	381,356	65,500
	612,806	**259,970**

14 Interest income

	FY 2081-82	FY 2080-81
Interest income	78,616	72,028
	78,616	**72,028**

15 Other incomes

	FY 2081-82	FY 2080-81
	-	-
	-	-

16 Employee Benefit Expenses

	FY 2081-82	FY 2080-81
Salary and allowances	-	-
	-	-

17 Administrative Expenses

	FY 2081-82	FY 2080-81
AGM Expenses	20,380	15,015
Audit Fee	5,000	5,000
Printing and Stationary	675	10,711
Printing of Book (Class 3 Bahing)	199,728	-
Registration & Renew Expenses	11,150	9,725
Miscellinious expenses	18,730	16,140
Dausi Bhailo Program	63,820	39,550
Rent	18,000	18,000
Office Expenses	105,600	109,700
Land Tax Expenses (MalPot)	469,840	-
	912,923	**223,841**

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Notes to Financial Statements

Figures in NPR

18 Depreciation and amortization expense

	FY 2081-82	FY 2080-81
Depreciation on property, plant and equipment	122,761	139,774
Amortization of intangible assets	-	-
	122,761	139,774

19 Other Expenses

	FY 2081-82	FY 2080-81
Dausi Bhailo Program Expenses	-	150,000
		-
	-	150,000

20 Income tax

	FY 2081-82	FY 2080-81
Current tax expense		
Current tax on profits for the year	-	462,073
Adjustment for under provision in prior periods	-	545,200
Total current tax	-	1,007,273
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Recognition of previously unrecognized deferred taxes		-
Total Deferred Tax	-	-
Total Tax Expense	-	1,007,273

Reconciliation of tax expense and the accounting profit multiplied by Basic tax rate for 2080-81 and 2081-82

	FY 2081-82	FY 2080-81
Accounting profit before income tax		
statutory income tax rate of 25% (FY 2081-82.: 25%)		

21 Funds

	FY 2081-82	FY 2080-81
Mana Lucky bhasha Sanrachan Achekosh	2057402.44	2,057,402
Ambulance Purchased Fund	754800	754,800
Long Term Loan	503580	503,580
Building Constuction Fund	569500	569500
Ambulance Sewa Kosh	262903	250000
Bahing Kirat Mukukhim Fund	23500	23500
Sarikhim Fund	9151852.16	292000
Fund for Emergency Aid	85000	85000
	13,408,538	4,535,782

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JA
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BAHING KIRANT MULUKHIM

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Notes to Financial Statements

Figures in NPR

First time adoption of NAS for NPOs (continued)

Explanatory Notes

EN-1: Property, plant and equipment and intangible assets

	As at 32nd Ashad 2082	As at 31st Ashad 2081
Fixed assets as per GAAP	11,320,956	2,604,717
Investment properties presented as a separate line item	-	-
Intangible assets presented as a separate line item	-	-
Repair expense capitalized as per GAAP derecognized	-	-
Property, plant and equipment as per NAS	**11,320,956**	**2,604,717**

EN-2: Investment Properties

Under GAAP, investment properties were grouped within property, plant and equipment. They

	As at 32nd Ashad 2082	As at 31st Ashad 2081
Investment properties (at cost) presented under PPE	-	-
Fair value adjustment	-	-
Investment properties as per NFRS for SMEs	**-**	**-**

EN-3: Investments

Under GAAP, investment in listed shared were measured at cost. Upon transition to NAS for ME, they have been measured at fair values.

	As at 32nd Ashad 2082	As at 31st Ashad 2081
Investment in listed shares at cost	-	-
Fair value adjustment	-	-
Investments as per NFRS for SMEs	**-**	**-**

EN-2: Various current assets and liabilities

Various current assets and liabilities have been appropriately reclassified upon transition to NAS fo NPOs.

EN-3: Retained Earnings

Various remeasurements upon transition to NAS for NPOs have been adjusted against retained earnings as follows:

	As at 32nd Ashad 2082	As at 31st Ashad 2081
Retained Earnings as per GAAP	(29,242)	2,374
Remeasurements:		
Remeasurement of investment in listed shares		-
Provisions for long-term employee benefits recognized		-
Remeasurement of investment properties		-
Recognition of deferred taxes		-
Exchange difference on foreign currency payables		-
Total remeasurements		**-**
Remeasurements on transition to NAS for ME		
Change in net profits for FY 2081-82	(344,261)	(31,617)
Retained Earnings as per NAS for ME	**(373,503)**	**(29,242)**

EN-6: Loans and borrowings

Upon transition to NFRS for SMEs, loans and borrowings have been appropriately reclassified as "current" and "non-current".

EN-4: Provision for employee benefits

Long-term employee benefits were accounted for as expense on payment basis as per GAAP. Upon transition to NAS for NPOs, they have been recognized as liabilities.

Chair Person | Treasure | JABIN ASSOCIATES JA Auditor

EN-5: Deferred tax assets and liabilities

Deferred taxes had not been recognized on temporary differences under previous GAAP. Upon transition to NFRS for SMEs; deferred taxes have been recognized for all temporary differences.

EN-6: Net profit for FY 2081-82

Various remeasurements upon transition to NAS for NPOs have resulted in differences in net profit for FY 2081-82 as compared to GAAP. The reconciliation has been presented herewith:

Net profit as per GAAP	(344,261)
Less: Repair and maintenance capitalized as per GAAP	-
Add: Fair value adjustment of Investment property	-
Add: Exchange loss as per GAAP	-
Add: Exchange gain as per NAS for NPOs	-
Add: Gratuity expense as per GAAP	-
Less: Gratuity expense as per NAS for NPOs	-
Add: Leave expense as per GAAP	-
Less: Leave expense as per NAS for NPOs	-
Less: Profit on sale of shares as per GAAP	-
Less: Loss on sale of shares as per NAS for NPOs	-
Add: Fair value adjustment of investment in shares	-
Less: Previous year tax exppense recognized in PL	-
Less: Deferred tax expense recognized as per NAS for NPOs	-
Net profit as per NAS for NPOs	**(344,261)**

Chair Person Treasure Auditor

JABIN ASSOCIATES