

**BHAKTAPUR INTERNATIONAL HOSPITAL PVT. LTD.**  
 Madhyapur Thimi-3, Kausaltar, Bhaktapur, Bagmati Province, Nepal  
 Statement of Changes in Equity  
 As at 31 Ashad 2082 (15 July 2025)

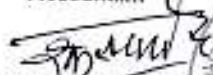
Figures in NPR

Particular	Share Capital	Retain Earnings	Total
Opening Balance on 1st sawan 2077	61,100,000.00		61,100,000.00
Profit (Loss) for The Year		(8,749,896.83)	(8,749,896.83)
Issue of share			
Dividend to shareholders			-
Other change			-
<b>Balance as At 32 Ashad 2078</b>	<b>2077.78 61,100,000.00</b>	<b>- (8,749,896.83)</b>	<b>- 52,350,103.17</b>
Opening Balance on 1st sawan 2078	61,100,000.00	(8,749,896.83)	52,350,103.17
Profit (Loss) for The Year		(28,653,121.02)	(28,653,121.02)
Issue of share	21,600,000.00		21,600,000.00
Dividend to shareholders			-
Other change			-
<b>Balance as At 31 Ashad 2079</b>	<b>2078.79 82,700,000.00</b>	<b>- (37,403,017.85)</b>	<b>- 45,296,982.15</b>
Opening Balance 1st shrawan 2079	82,700,000.00	(37,403,017.85)	45,296,982.15
Profit (Loss) for The Year		(27,553,600.41)	(27,553,600.41)
Issue of share	14,300,000.00		14,300,000.00
Dividend to shareholders			-
Other change			-
<b>Balance as At 32 Ashad 2080</b>	<b>2079.80 97,000,000.00</b>	<b>- (64,956,618.26)</b>	<b>- 32,043,381.74</b>
Opening Balance 1st shrawan 2080	97,000,000.00	(64,956,618.26)	32,043,381.74
Profit (Loss) for The Year		(39,055,457.86)	(39,055,457.86)
Issue of share	500,000.00		500,000.00
Dividend to shareholders			-
Other change			-
<b>Balance as At 31 Ashad 2081</b>	<b>2080.81 97,500,000.00</b>	<b>- (104,012,076.12)</b>	<b>- (6,512,076.12)</b>
Opening Balance 1st shrawan 2080	97,500,000.00	(104,012,076.12)	(6,512,076.12)
Profit (Loss) for The Year		443,251.77	443,251.77
Issue of share			-
Dividend to shareholders			-
Other change			-
<b>Balance as At 31 Ashad 2082</b>	<b>2080.81 97,500,000.00</b>	<b>- (103,568,824.35)</b>	<b>- (6,068,824.35)</b>

  
 Sarita Silwal  
 Accountant

  
 Ramji Kumar  
 CEO

  
 Shyam Krishna Shrestha  
 Director

  
 Mr. Gyan Krishna Shrestha  
 Chair Person



Place: Madhyapur Thimi-3, Bhaktapur

**BHAKTAPUR INTERNATIONAL HOSPITAL PVT. LTD.**  
Madhyapur Thimi-3, Kausaltar, Bhaktapur, Bagmati Province, Nepal

Statement of Income  
As at 31 Ashad 2082 (15 July 2025)

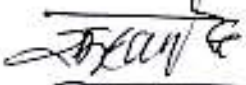
Figures in NPR

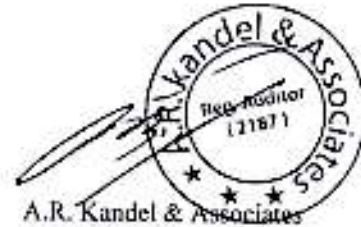
SN	Particular	Anexes	31 st Ashad 2082	Restated As at 31st Ashad 2081	Restated As at 1st Shrawan 2081
A	<i>Direct Income</i>				
(a)	Sales		151,636,699.96	57,257,383.73	55,649,430.01
(b)	Interest from Bank and Other Institution				
<b>Total-A</b>	<b>Total Direct Income</b>		<b>151,636,699.96</b>	<b>57,257,383.73</b>	<b>55,649,430.01</b>
B	<i>Expenses</i>				
(a)	Staff Expenses		82,511,560.62	42,260,231.00	39,522,254.55
(b)	Administrative Expenses		28,009,125.20	23,265,547.80	22,187,696.57
(c)	Material consumed Expenses		26,404,071.64	16,734,402.88	5,586,730.00
(d)	Depreciation Expenses		12,913,042.45	13,181,076.78	15,745,439.17
<b>Total-B</b>	<b>Total Expenses</b>		<b>149,837,799.91</b>	<b>95,441,258.46</b>	<b>83,042,120.29</b>
C	<b>Net Profit/(Loss) Before Interest and Taxes</b>		<b>1,798,900.05</b>	<b>(38,183,874.73)</b>	<b>(27,392,690.28)</b>
D	Interest Expenses		1,355,648.28	895,583.13	160,910.13
E	<b>Net Profit/ (Loss) Before Taxes</b>		<b>443,251.77</b>	<b>(39,079,457.86)</b>	<b>(27,553,600.41)</b>
F	<i>Tax</i>				
(a)	Income tax for this year		-	-	-
(b)	income tax till previous year		-	-	-
(c)	Deffered tax (Income) Expenses		-	-	-
<b>Total-F</b>	<b>Total Tax</b>		<b>-</b>	<b>-</b>	<b>-</b>
	<b>Net Profit/ ( Loss )For This Year</b>		<b>443,251.77</b>	<b>(39,079,457.86)</b>	<b>(27,553,600.41)</b>

  
Sarita Sitwal  
Accountant

  
Ramji Kumar Shrestha  
CEO

  
Shyam Kc Shrestha  
Director

  
Mr. Gyan Krishna Shrestha  
Chair Person



Date:

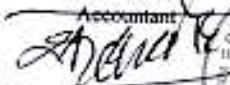
Place: Madhyapur Thimi-3, Bhaktapur

Auditor

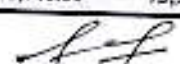
**BHAKTAPUR INTERNATIONAL HOSPITAL PVT. LTD.**  
Madhyapur Thimi-3, Kausaltar, Bhaktapur, Bagmati Province, Nepal  
Statement of Financial Position  
As at 31 Ashad 2082 (15 July 2025)


Figures in NPR


SN	Equity and Liabilities	Anexed	31 st Ashad 2082	Restated As at 31st Ashad 2081	Restated As at 1st Shrawan 2081
<b>A. Equity</b>					
(a)	Share Capital		97,500,000.00	97,500,000.00	97,000,000.00
(b)	Reserve and Accumulated Profit/(Loss)		(103,592,824.35)	(104,036,076.12)	(64,956,618.26)
<b>Total-A.</b>	<b>Total Equity</b>		<b>(6,092,824.35)</b>	<b>(6,536,076.12)</b>	<b>32,043,381.74</b>
<b>B. Non current liabilities</b>					
(a)	Loan From Bank and Others		23,146,359.37	20,289,031.67	2,701,777.12
(b)	Other Non current Liabilities		-	-	-
(c)	Provision For Tax		-	-	-
(d)	Deffered Tax (liability)		-	-	-
(e)	Provision for Employee Benefits		-	-	-
<b>Total-B.</b>	<b>Total Non Currrent Liabilities(B)</b>		<b>23,146,359.37</b>	<b>20,289,031.67</b>	<b>2,701,777.12</b>
<b>C. Current Liabilities</b>					
(a)	Trade and Other Payable		-	-	47,322,390.39
(b)	Audit Fee Payable		-	-	-
(c)	Audit Fee Tax Payable		84,750.00	86,905.00	-
(d)	Consultancy Charge Payable		1,125.00	12,095.00	-
(e)	Deposit Received From Oxygen Cylinder		8,818,299.00	6,777,114.00	-
(f)	Deposit Received from patient		19,000.00	19,000.00	-
(g)	PF Deduction		244,388.00	244,388.00	-
(h)	Retension Money		17,675.00	17,675.00	-
(i)	Social Security Fund		166,456.00	166,456.00	-
(j)	Staff Salary Payable		1,532,904.02	1,538,791.02	-
(k)	Supplier Payable		9,472,942.73	11,605,723.84	-
(l)	TDS Payable		33,905,069.26	33,696,089.62	-
(m)	House rent payable		7,013,964.98	4,668,136.47	-
			910,632.00	1,396,464.00	-
<b>Total-C.</b>	<b>Total current Liabilities</b>		<b>62,187,205.99</b>	<b>60,228,837.95</b>	<b>47,322,390.39</b>
<b>G.Total</b>	<b>Total Equity &amp; Liabilities(A+B+C)</b>		<b>79,240,741.01</b>	<b>73,981,793.50</b>	<b>82,067,549.25</b>
<b>Assets</b>					
<b>A. Non Current Assets</b>					
(a)	Computer and Printers		1,254,552.03	1,030,884.26	1,117,642.35
(b)	Office equipments		3,236,663.43	2,798,899.01	3,691,698.67
(c)	Furniture and fixture		2,444,614.68	2,551,896.80	2,417,444.84
(d)	Plant & Machinery		52,806,764.26	50,306,069.25	58,669,925.76
(e)	Vehicles		2,326,007.47	1,822,976.00	2,278,720.00
(f)	Other assets (partietion)		5,168,641.47	5,597,951.85	7,463,935.80
(g)	Intangible Assets ( software)		236,798.46	295,998.08	296,547.60
(h)	Deffered Tax (Assets)		-	-	-
<b>Total-A</b>	<b>Total Non Current Assets(A)</b>		<b>67,474,041.80</b>	<b>64,404,675.25</b>	<b>75,938,915.02</b>
<b>B. Current Assets</b>					
(a)	Cash Balance		6,413.00	6,413.00	-
(b)	Bank Balance		292,859.21	246,020.25	659,448.22
(c)	Receivables		1,949,942.00	1,949,942.00	1,760,988.00
(d)	Inventories		5,121,142.00	5,121,142.00	1,093,543.00
(e)	Other Current Assets		4,396,343.00	2,253,601.00	2,614,655.00
<b>Total-B</b>	<b>Total Current Assets (B)</b>		<b>11,766,699.21</b>	<b>9,577,118.25</b>	<b>6,128,634.22</b>
<b>G.Total</b>	<b>Total Assets(A+B)</b>		<b>79,240,741.01</b>	<b>73,981,793.50</b>	<b>82,067,549.24</b>

  
Sarita Silwa  
Accountant  
  
Mr. Gyan Krishna Shrestha  
Chair Person



  
Ranji Kumar Shrestha  
CEO

  
Shyam Kr. Shrestha  
Director

  
A.R. Kandel & Associates  
Associates  
Auditor



Date:  
Place: Madhyapur Thimi-3, Bhaktapur

**BHAKTAPUR INTERNATIONAL HOSPITAL PVT. LTD.**  
**Madhyapur Thimi-3, Kausaltar, Bhaktapur, Bagmati Province, Nepal**  
**Statement of Cash Flows**  
**As at 31 Ashad 2082 (15 July 2025)**

*Figures in NPR*

Particulars	As at 31 st Ashad 2082	Restated As at 31st Ashad 2081	Restated As at 1st Shrawan 2081
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Profit for the year	443,251.77	(39,079,457.86)	(27,553,600.41)
Adjustment for:			
Depreciation/Impairment on Property, Plant and Equipment	12,913,042.45	13,181,076.78	15,745,439.17
Intrest Income	-	-	-
Intérest Expense	-	-	-
Loss/(gain) on subsequent measurement of investments	-	-	-
Income Tax expense charged to statement of income	-	-	-
Working Capital Adjustments			
Decrease/(Increase) in trade and other receivables	-	(188,954.00)	525,015.00
Decrease/(Increase) in Inventories	-	(4,027,599.00)	-
Decrease/(Increase) in other current assets	(2,142,742.00)	620,562.00	(477,359.00)
Increase/(Decrease) in other current Liabilities	1,958,368.04	12,906,447.56	5,364,847.06
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES (A)</b>	<b>13,171,920.26</b>	<b>(16,587,924.52)</b>	<b>(6,395,658.18)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of PPE, Investments/Financial Assets	-	-	-
Interest/Dividend received	-	-	-
Acquisition of Property, Plant and Equipment	(15,982,409.00)	(1,646,837.00)	(2,424,562.00)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES (B)</b>	<b>(15,982,409.00)</b>	<b>(1,646,837.00)</b>	<b>(2,424,562.00)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from the issue of Equity and Preference Share	-	500,000.00	14,300,000.00
Proceeds from other borrowings	2,857,327.70	17,587,254.55	(5,299,848.53)
Repayment of Borrowings	-	-	-
Dividend Paid	-	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>2,857,327.70</b>	<b>18,087,254.55</b>	<b>9,000,151.47</b>
Net Increase in Cash and Cash Equivalents	46,838.96	(147,506.97)	179,931.29
Cash and Cash Equivalents at the beginning	511,941.25	659,448.22	479,516.93
Exchange gains/(losses) in cash and cash equivalents	-	-	-
<b>Cash and Cash Equivalents at the end</b>	<b>558,780.21</b>	<b>511,941.25</b>	<b>659,448.22</b>


  
**Sarita Silwal**  
 Accountant


  
**Ramji Kumar Shrestha**  
 CEO

  
**Shyam K. Shrestha**  
 Director

  
**Mr. Gyan Krishna Shrestha**  
 Chair Person



  
**A.R. Kandel & Associates**  
 Auditor



**BHAKTAPUR INTERNATIONAL HOSPITAL PVT. LTD.**  
**Madhyapur Thimi-3, Kausaltar, Bhaktapur, Bagmati Province, Nepal**  
**Statement of Cash Flows**  
**As at 31 Ashad 2082 (15 July 2025)**

*Figures in NPR*


Particulars	As at 31 st Ashad 2082	Restated As at 31st Ashad 2081	Restated As at 1st Shrawan 2081
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Profit for the year	443,251.77	(39,079,457.86)	(27,553,600.41)
Adjustment for:			
Depreciation/Impairment on Property, Plant and Equipment	12,913,042.45	13,181,076.78	15,745,439.17
Interest Income	-	-	-
Interest Expense	-	-	-
Loss/(gain) on subsequent measurement of investments	-	-	-
Income Tax expense charged to statement of income	-	-	-
Working Capital Adjustments			
Decrease/(Increase) in trade and other receivables	-	(188,954.00)	525,015.00
Decrease/(Increase) in Inventories	-	(4,027,599.00)	-
Decrease/(Increase) in other current assets	(2,142,742.00)	620,562.00	(477,359.00)
Increase/(Decrease) in other current Liabilities	1,958,368.04	12,906,447.56	5,364,847.06
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES (A)</b>	<b>13,171,920.26</b>	<b>(16,587,924.52)</b>	<b>(6,395,658.18)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of PPE, Investments/Financial Assets	-	-	-
Interest/Dividend received	-	-	-
Acquisition of Property, Plant and Equipment	(15,982,409.00)	(1,646,837.00)	(2,424,562.00)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES (B)</b>	<b>(15,982,409.00)</b>	<b>(1,646,837.00)</b>	<b>(2,424,562.00)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from the issue of Equity and Preference Share	-	500,000.00	14,300,000.00
Proceeds from other borrowings	2,857,327.70	17,587,254.55	(5,299,848.53)
Repayment of Borrowings	-	-	-
Dividend Paid	-	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>2,857,327.70</b>	<b>18,087,254.55</b>	<b>9,000,151.47</b>
Net Increase in Cash and Cash Equivalents	46,838.96	(147,506.97)	179,931.29
Cash and Cash Equivalents at the beginning	511,941.25	659,448.22	479,516.93
Exchange gains/(losses) in cash and cash equivalents	-	-	-
<b>Cash and Cash Equivalents at the end</b>	<b>558,780.21</b>	<b>511,941.25</b>	<b>659,448.22</b>

  
 Sarita Silwal  
 Accountant

  
 Ramji Kumar Shrestha  
 CEO

  
 Shyam Kr. Shrestha  
 Director

  
 Mr. Gyan Krishna Shrestha  
 Chair Person

  
 A.R. Kandel & Associates  
 Auditor

**BHAKTAPUR INTERNATIONAL HOSPITAL PVT. LTD.**  
 Madhyapur Thimi-3, Kausaltar, Bhaktapur, Bagmati Province, Nepal  
 Notes to Financial Statements  
 As at 31 Ashad 2082 (15 July 2025)

Figures in NPR

3.1 Property, Plant and Equipment	Computer and Printers	Office equipments	Furniture and fixture	Plant & Machinery	Vehicles	Other assets (particlen)	Total
<b>Cost</b>							
Balance at 1st Shrawan 2081(Restated)	1,687,113.00	5,776,718.00	4,364,555.00	76,795,825.12	3,144,000.00	10,811,869.00	102,580,078.12
Additions	227,183.00	31,950.00	860,291.00	459,613.00	-	-	1,579,037.00
Disposals	-	-	-	-	-	-	-
<b>Balance at 31st Ashad 2081(Restated)</b>	<b>1,914,296.00</b>	<b>5,808,668.00</b>	<b>5,224,844.00</b>	<b>77,255,438.12</b>	<b>3,144,000.00</b>	<b>10,811,869.00</b>	<b>104,159,115.12</b>
Additions	573,913.00	1,291,949.00	675,344.00	11,338,631.00	929,600.00	1,172,972.00	15,982,409.00
Disposals	-	-	-	-	-	-	-
<b>Balance at 31 st Ashad 2082</b>	<b>2,488,209.00</b>	<b>7,100,617.00</b>	<b>5,900,188.00</b>	<b>88,594,069.12</b>	<b>4,073,600.00</b>	<b>11,984,841.00</b>	<b>120,141,524.12</b>
<b>Depreciation and Impairment losses</b>							
Balance at 1st Shrawan 2081(Restated)	569,470.65	2,082,019.33	1,947,108.16	18,125,899.36	865,280.00	3,347,933.20	26,937,710.70
Charge for the year	313,941.09	927,749.67	725,839.04	8,823,469.51	455,744.00	1,865,983.95	13,112,727.26
Disposals	-	-	-	-	-	-	-
<b>Balance at 31st Ashad 2081(Restated)</b>	<b>883,411.74</b>	<b>3,009,769.00</b>	<b>2,672,947.20</b>	<b>26,949,368.87</b>	<b>1,321,024.00</b>	<b>5,213,917.15</b>	<b>40,050,437.96</b>
Charge for the year	350,245.23	854,184.58	782,626.12	8,837,935.99	426,568.53	1,602,282.38	12,853,842.83
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>Balance at 31 st Ashad 2082</b>	<b>1,233,656.97</b>	<b>3,863,953.58</b>	<b>3,455,573.32</b>	<b>35,787,304.86</b>	<b>1,747,592.53</b>	<b>6,816,199.53</b>	<b>52,904,280.79</b>
<b>Net Book Value</b>							
As at 1st Shrawan 2081(Restated)	1,117,642.35	3,694,698.67	2,417,444.84	58,669,925.76	2,278,720.00	7,463,935.80	75,642,167.42
As at 31st Ashad 2081(Restated)	1,030,884.26	2,798,899.00	2,551,896.80	50,306,069.25	1,822,976.00	5,597,951.85	64,108,677.16
As at 31 st Ashad 2082	1,254,552.03	3,236,663.42	2,444,614.68	52,806,764.26	2,326,007.47	5,168,641.47	67,237,243.33

Security (if any)

Property, Plant and Equipment under construction

  
 Sarita Silwal  
 Accountant

  
 Ramji Kumar Shrestha  
 CEO

  
 Shyam Kr. Shrestha  
 Director



  
 A.R. Kandel & Associates  
 Auditor


Place: Madhyapur Thimi-3, Bhaktapur

**BHAKTAPUR INTERNATIONAL HOSPITAL PVT. LTD.**  
 Madhyapur Thimi-3, Kausaltar, Bhaktapur, Bagmati Province, Nepal  
 Notes to Financial Statements  
 As at 31 Ashad 2082 (15 July 2025)

*Figures in NPR*

3.2 Intangible Assets	Software1	Software2	Total
<u>Cost</u>			
Balance at 1st Shrawan 2081	410,898.00	-	410,898.00
Additions	67,800.00	-	67,800.00
Disposals	-	-	-
<b>Balance at 31st Ashad 2081</b>	<b>478,698.00</b>	<b>-</b>	<b>478,698.00</b>
Additions	-	-	-
Disposals	-	-	-
<b>Balance at 31 st Ashad 2082</b>	<b>478,698.00</b>	<b>-</b>	<b>478,698.00</b>
<u>Depreciation and Impairment losses</u>			
Balance at 1st Shrawan 2081	114,350.40	-	114,350.40
Charge for the year	68,349.52	-	68,349.52
Disposals	-	-	-
<b>Balance at 31st Ashad 2081</b>	<b>182,699.92</b>	<b>-</b>	<b>182,699.92</b>
Charge for the year	59,199.62	-	59,199.62
Disposals	-	-	-
<b>Balance at 31 st Ashad 2082</b>	<b>241,899.54</b>	<b>-</b>	<b>241,899.54</b>
<u>Net Book Value</u>			
As at 1st Shrawan 2081	296,547.60	-	296,547.60
As at 31st Ashad 2081	295,998.08	-	295,998.08
As at 31 st Ashad 2082	236,798.46	-	236,798.46

  
 Sarita Silwal  
 Accountant

  
 Ranji Kumar Shrestha  
 CEO

  
 Shyam Kr. Shrestha  
 Director

  
 Mr. Gyan Krishna Shrestha  
 Chair Person



  
 A.R. Kandel & Associates  
 Auditor





**BHAKTAPUR INTERNATIONAL HOSPITAL PVT. LTD.**  
 Madhyapur Thant-3, Kausar, Bhaktapur, Bagmati Province, Nepal  
 Depreciation of Fixed Assets  
 As at 31 Ashad 2082 (31 July 2025)

Tax Base

Figures in L

S/N	Particular	Group (Depn Rate)	Opening	Depreciation Base			Total	Depreciation	Unabsorbed Repairs	Depreciable Base (Cost)
				Addition (Upper Pouch)	Addition (Share to Chaitra)	Addition (Balance to Ashadh)				
1	Buildings	1								
2	Computer and Printers	2	1,030,884.26	48,998	438,381	86,534	1,604,797.26	350,245.23	1,254,552	
3	Office equipments	2	2,798,899.01	192,139	377,291	922,519	4,090,848.01	854,184.58	3,236,663	
4	Furniture and fixture	2	2,551,896.80	396,145	268,189	11,010	3,227,240.80	782,626.12	2,444,614	
5	Other assets (partition)	2	5,597,951.85	422,553	415,455	334,964	6,770,923.85	1,602,282.38	5,168,641	
6	Vehicles	2	1,822,976.00	-	-	929,690	2,752,576.00	426,568.53	2,326,007	
7	Plant & Machinery	4	50,306,009.25	5,749,873	3,002,135	2,586,623	61,644,700.25	8,837,935.99	52,806,764	
8	Intangible Assets (software)	5	295,998.08	-	-	-	295,998.08	59,199.62	236,798	
<b>Total</b>			<b>64,404,675.25</b>	<b>6,807,708</b>	<b>4,301,451</b>	<b>4,871,239</b>	<b>80,287,084.25</b>	<b>12,913,042.45</b>	<b>67,374,041</b>	

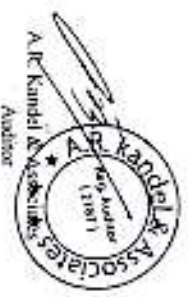
*Sarla Silwal*  
 Sarla Silwal  
 Accountant

*Ramji Kumar Shrestha*  
 Ramji Kumar Shrestha  
 CEO

*Mr. Gyan Krishna Shrestha*  
 Mr. Gyan Krishna Shrestha  
 Chair Person



*Shyam Shrestha*  
 Shyam Shrestha  
 Director



**Significant Accounting Policies and Notes to Accounts**

**1. General information**

Bhaktapur International Hospital Pvt Ltd is limited liability company domiciled in Nepal registered under Company Act 2063. The address of its registered office is Madhyapur Thimi-3, Kaushaltar, Bhaktapur, Nepal. The company is registered as private company on 2077 poush 7 with registration no 250697/077/078. The main aim for establishment of the hospital is to provide quality health care facility in the people.

The financial statements were authorized to issue by Bhaktapur International Hospital Pvt. Ltd. on 31st Ashad, 2082.

**2. Significant Accounting Policies**

**2.1 Basis of preparation and accounting policies**

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

**2.1.1 Statement of Compliance**

These financial statements have been prepared in accordance with Nepal Accounting Standard for BHAKTAPUR INTERNATIONAL HOSPITAL PVT. LTD.

**2.1.2 Basis of Measurement**

The financial statements have been prepared on the historical cost basis except investments held-for-trade is measured at fair value.

**2.1.3 Critical Accounting Estimates**

The preparation of the financial statements in conformity with Nepal Accounting Standards requires the use of certain critical accounting estimates and judgements. The company makes certain estimates and assumptions regarding the future events. In the future, actual result may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are to be disclosed.

**2.1.4. Functional and Presentation Currency**

The financial statements are prepared in Nepalese Rupees, which is the Company's functional currency. All the financial information presented in Nepalese Rupees has been rounded to the nearest rupee, except otherwise indicated.

**2.2 Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

**2.2.1 Impairment of non-financial assets (excluding inventories)**

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly. Impairment charges are included in profit or loss.

**2.2.2. Foreign currency**

Transactions entered into by company entities in a currency other than the currency of the primary economic environment in which they operate (the functional currency is NPR) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss.

**2.2.3. Property, plant and equipment**

Items of property, plant and equipment are initially recognized at cost. Cost includes the purchase price and other directly attributable costs. Subsequently, items of property, plant and equipment are measured at cost less depreciation less impairment.



**BHAKTAPUR INTERNATIONAL HOSPITAL PVT. LTD.**  
Madhyapur Thimi-3, Kausaltar, Bhaktapur, Bagmati Province, Nepal  
Notes to Financial Statements

*Figures in NPR*

**2.2.4. Depreciation**

Depreciation is provided on all other items of property, plant and equipment so as to write-off their carrying value over the expected useful economic lives.

Depreciation has been computed on SLM/WDV method as per Income tax act, 2058.

**2.2.5. Leased Assets**

When all the risks and rewards incidental to the ownership are not transferred to the company (an operating lease), the total rentals payable under the lease are charged to the statement of income over the lease term.

**2.2.6. Investments**

The hospital have no investment details

**2.2.7. Trade and other receivables**

Trade and other receivables are stated at their cost less provision for impairment. The amount of the provision is recognized in the income statement.

**2.2.8. Inventories**

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realisable value. The cost is determined on first-out-first (FIFO) method or weighted average method and included expenditure incurred in acquiring the inventories and bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes direct material and labour cost and it does not include overheads which is charged to the statement of income in the period in which it is incurred.

**2.2.9. Cash and cash equivalents**

Cash and cash equivalents comprises 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.

**2.2.10. Share capital**

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset the company's equity shares are classified as equity instruments.

**2.2.11. Borrowing costs**

**2.2.12. Retirement Benefits**

**Defined contribution schemes**

**Defined benefit schemes**

**2.2.13. Taxation**

Income tax is the expected tax payable on the taxable income for the year using tax rate at the balance sheet date and any adjustment to tax payable in respect of previous years.

**2.2.14. Government grant/deferred revenue**

**2.2.15. Trade and other payables**

Trade and other payables are stated at their cost.

**2.2.16. Provisions**

The provisions for liabilities of uncertain timing or amount include those for warranty claims, leasehold dilapidations and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.



**BHAKTAPUR INTERNATIONAL HOSPITAL PVT. LTD.**  
**Madhyapur Thimi-3, Kausaltar, Bhaktapur, Bagmati Province, Nepal**  
**Notes to Financial Statements**

*Figures in NPR*

**2.2.17. Income**

**Revenue**

Revenue for the sale of goods or services is recognized when the company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the company will receive the previously agreed upon payment.

**Interest income**

Interest income are recognized in the statement of income using the effective interest method.

**Dividend income**

**2.2.18. Expenses**

**Hospital operating expenses**

**3.2 Changes in Accounting Policies ( If any)**

In the current financial year the company changes in accounting policies. This change has been accounted for by restarting comparatives and adjusting the opening balance of retaining earnings 1st shrawan 2080. The changes in accounting policy when applied consistently to 2081 had the following impact on opening retain earnings on net profit.

**3.2.1 Contingencies**

The company has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent

**3.2.2 Related party Transactions**

**Identity of related parties**

The company is controlled by Bhaktapur International Hospital pvt hd which owns 100 percent of the company's shares. The remaining 0 percent shares are widely held. The ultimate parent company of the company is Bhaktapur International Hospital put ltd incorporated in Nepal.

In addition to their salaries the company also provides non cash benefits to directors and executive officers and contributes to a post employment defined benefit plan of their behalf.

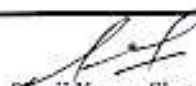
**3.2.3 Current / Non current assets and liabilities**

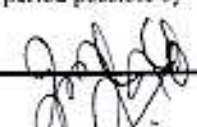
Current assets are expected to be realized within the normal operating cycle of the entity or within twelve months after the reporting period or are intended for sale or consumption within the normal operating cycle of the entity or are held primarily for the purpose of trading or are cash equivalents. All other assets are classified as Non current assets. Current liabilities are expected to be settled in the entity's normal operating cycle or are primarily held for trading or are due to be settled-within a period of twelve months after the reporting period. All other liabilities are classified as non current liabilities.

**3.2.4 Prior period errors**

Prior period errors are commissions or misstatements in an entity's financial statements. Correction of an error is done by calculating the cumulative effect of the change on the financial statements of the period as if new method or estimate had always been used for all the affected prior years financial statements. Sometimes such changes may not be practicable, in such cases it is applied to the latest period possible by making corresponding adjustment to the opening balance of the period.

Sarita Silwal  
Accountant

  
Kamji Kumar Shrestha  
CEO

  
Shyam Kr. Shrestha  
Director

Date: Falgun, 2081  
Place: Madhyapur Thimi-3, Bhaktapur

Mr. Gyan Krishna Shrestha - A.R. Kandel & Associates  
Chair Person Auditor

