

Independent Auditor's Report

To the Shareholders of Muktinath Krishi Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Muktinath Krishi Company Limited and its subsidiary (referred to as the "Group"), which comprise the Consolidated Statement of Financial Position as at Ashad 31, 2081 (July 15, 2024), the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Equity for the year then ended and Notes to the Consolidated Financial Statements including a summary of significant accounting policies and explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiary, the aforesaid consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at Ashad 31, 2081, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Institute of Chartered Accountants of Nepal's (ICAN's) Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
1. Revenue Recognition Revenue from Operations (hereinafter referred to as "Revenue") is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer, the Group retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists	Our audit approach regarding revenue recognition includes the following among other things: <ul style="list-style-type: none"> <li>Assessed the appropriateness of the Group's revenue recognition accounting policies and tested thereof.</li> <li>Evaluated the integrity of the Group's general information and detailed process flow of sales, segregation of duties for the process followed.</li> </ul>





Key Audit Matter	How our audit addressed the Key Audit Matter
<p>regarding the amount of the consideration that will be derived from the sale of goods.</p> <p>The timing of Revenue recognition is relevant to the reported performance of the Group. The management considers revenue as key measure of evaluation of performance.</p> <p>There is a risk of Revenue being recorded before significant risk and reward of ownership is transferred.</p> <p>Considering the significance of the above matter to the consolidated financial statements being a material item, we have identified this as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>• Performed detailed analysis of Revenue, analytical testing with monthly sales information filed with tax authorities, testing the timing of its recognition and accuracy of the amounts recognized and verification of the supporting information of the Revenue transactions.</li> <li>• Tested the supporting documentation for selected sample of sales transactions recorded during the period closer to the year end and subsequent to the year end to evaluate whether Revenue was recognized in the correct period as part of cut off procedures.</li> </ul>
<p><b>2. Trade and Other Receivables</b></p> <p>Trade debtors are recognized initially at fair value and subsequently measured at amortized cost.</p> <p>The valuation and existence of trade debtors represent a significant area of focus in our audit due to its materiality to the consolidated financial statements. Management's assertion of the completeness, existence, and valuation of trade debtors is critical in determining the accuracy of the consolidated financial statements.</p> <p>Considering the significance of the above matter to the consolidated financial statements being a material item, we have identified this as a key audit matter for the current year audit.</p>	<p>Our audit approach regarding trade debtors includes the following among other things:</p> <ul style="list-style-type: none"> <li>• We performed extensive procedures to address the risk of material misstatement associated with trade debtors.</li> <li>• Our audit included the confirmation of selected receivables with external parties, evaluation of the methodology for the allowance for doubtful debts, and assessment of the recoverability of individual account balances.</li> <li>• We tested the effectiveness of internal controls over the recognition and measurement of trade debtors.</li> <li>• We reviewed the subsequent realization of the selected receivables after the cutoff date.</li> </ul>

#### Other Matter

We have not audited the financial statement of the two subsidiary whose financial statement reflect total assets of NPR 18,11,17,954 as at Ashad 31, 2081 (July 15, 2024), total revenues of NPR Nil and net negative cash flows of NPR. 39,21,087, for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management. Muktinath Itech Limited and Muktinath Climate Care Limited, subsidiaries by control, have not been consolidated into the financial statements of Muktinath Krishi Company Limited due to the absence of capital injection and non-material preoperative expenses. This does not affect our opinion on the consolidated financial statements.

Our opinion on the consolidated financial statements in so far as it relates to accounts and disclosures included in respects of this subsidiary is based solely on the reports of the other auditors.





### **Information other than the Consolidated Financial Statements and Auditor's Report thereon**

The management is responsible for the other information presented in the Company's Annual Report including the report of the Board of Directors. The annual report, including the report of the Board of Directors, is expected to be made available to us after the date of this auditor's report. Our opinion on the Consolidated Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Nepal Financial Reporting Standards (NFRS), 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going





concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on the other Legal and Regulatory Requirements**

We have obtained information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, the Consolidated Statement of Financial Position, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, have been prepared in accordance with the requirements of the Companies Act, 2063 and are in agreement with the books of account maintained by the Company and proper books of account as required by law maintained by the Company including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company.

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 Company, we have not come across cases where board of directors or any employees of the Company have acted contrary to the provisions of law relating to the accounts, or committed any misappropriation or caused loss or damage to the group and violated any directives of Companies Act 2063 or acted in a manner to jeopardize the interest and security of the Company and investors.



CA Anil Paudel

Proprietor

A.P. & Associates,

Chartered Accountants

UDIN: 250102CA00784EwEDv

Place: Kathmandu, Nepal

Date: December 16, 2024 (Poush 01, 2081)



Muktinath Krishi Company Limited  
Basundhara, Kathmandu

Consolidated Statement of Financial Position  
As at 31 Ashad 2081 (15 Jul 2024)

					Amount in Rs
Particulars	Note	Group Balance		Stand Alone	
		31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
ASSETS					
Non-Current Assets					
Property, Plant and Equipments	4	165,987,115	88,864,975	154,957,315	81,041,650
Biological Assets		230,000	-	230,000	
Intangible Assets	5	6,428,335	4,353,191	6,428,335	4,353,191
Investment	7	20,852,000	43,201,859	102,552,000	59,201,859
Total Non-Current Assets		193,497,450	136,420,025	264,167,650	144,596,700
Current Assets					
Inventories		238,722,615	199,150,081	235,194,565	198,503,219
Trade and Other Receivables	6	479,047,414	223,795,705	463,224,393	231,052,140
Income Tax Assets	15	6,637,815	5,422,067	6,648,923	5,413,450
Prepayments	8	739,452	2,183,822	739,452	2,183,822
Cash & Cash Equivalents	9	20,765,982	89,288,801	16,613,812	67,203,332
Deferred Tax Assets	12	27,402,668	25,561,065	27,402,668	25,561,065
Total Current Assets		773,315,946	545,401,541	749,823,813	529,917,028
Total Assets		966,813,396	681,821,566	1,013,991,463	674,513,728
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	10	700,000,000	560,000,000	700,000,000	560,000,000
Share Call Money					
Other Equity	11	(53,750,937)	(63,604,002)	(43,403,719)	(60,602,694)
Total Equity		646,249,063	496,395,998	656,596,281	499,397,306
Liabilities					
Non-Current Liabilities					
Deferred Tax Liabilities	12				
Total Non-Current Liabilities		-	-	-	-
Current Liabilities					
Trade and Other Financial Liabilities	13	163,590,208	81,585,019	200,421,057	71,275,872
Provisions	14	7,220,408	4,852,139	7,220,408	4,852,139
Short Term loan	16	149,753,717	98,988,410	149,753,717	98,988,410
Total Current Liabilities		320,564,333	185,425,568	357,395,182	175,116,421
Total Equity and Liabilities		966,813,396	681,821,566	1,013,991,463	674,513,728

See accompanying notes to the Muktinath Krishi Company Limited Financial Statements (1-23)

For Muktinath Krishi Company Limited

Madhav Bhattarai  
Head of Account & Finance

Ramsharan Timalsina  
Deputy General Manager

Bharat Raj Dhakal  
Managing Director

Sitaram Kaphle  
Chairman

Tulsi Ram Dhakal  
Director

Govinda Bahadur Raut  
Director

Suganika K.C.  
Director

Sharad Chandra Shrestha  
Independent Director

As per our report of even date

Anil Paudel  
Proprietor  
A.P. & Associates, Chartered  
Accountants

Kathmandu, 1st Paus, 2081



Muktinath Krishi Company Limited  
Basundhara, Kathmandu  
Consolidated Statement of Profit or Loss  
As at 31 Ashad 2081 (15 Jul 2024)

Amount in Rs					
Particulars	Note	Group Balance		Stand Alone	
		31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Revenue from Operations	16	681,045,501	399,758,358	667,606,359	392,547,695
Less: Cost of Goods Sold	18	504,011,474	295,969,441	493,787,768	289,193,129
Gross Profit		177,034,027	103,788,917	173,818,591	103,354,566
Other Income	17	701,297	2,512,220	538,306	2,511,095
Total Income		177,735,325	106,301,137	174,356,898	105,865,661
Operating Expenses					
Personnel Expenses	19	63,074,866	41,690,399	57,972,533	40,603,219
Other Operating Expenses	20	53,659,407	24,861,395	48,176,792	22,511,791
Financial Expenses	21	26,458,517	12,182,620	26,458,517	12,182,620
Depreciation and Amortisation Expenses	4 & 5	21,736,824	13,195,119	21,663,641	13,195,119
Total Operating Expenses		164,929,613	91,929,533	154,271,483	88,492,749
Non Operating (Income)/Expenses	22	191,121	277,517	191,121	277,517
Total Expenses		165,120,734	92,207,051	154,462,604	88,770,266
Profit before Income Tax		12,614,591	14,094,086	19,894,294	17,095,395
Current Tax		66,206	-	-	-
Deferred Tax		(1,841,603)	6,623,108	(1,841,603)	6,623,108
Total Tax Expenses		(1,775,397)	6,623,108	(1,841,603)	6,623,108
Profit for the Period		14,389,988	7,470,979	21,735,897	10,472,287
Basic Earning Per Share (EPS)	23	2.06	1.33	3.11	1.87

See accompanying notes to the Muktinath Krishi Company Limited Financial Statements (1-23)

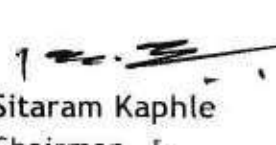
For Muktinath Krishi Company Limited

  
Madhav Bhattarai  
Head of Account & Finance


  
Ramsharan Timalisina  
Deputy General Manager

  
Bharat Raj Dhakal  
Managing Director


As per our report of even date

  
Sitaram Kaphle  
Chairman

  
Tulsi Ram Dhakal  
Director

  
Govinda Bahadur Raut  
Director

  
Anil Paudel  
Proprietor  
A.P. & Associates, Chartered  
Accountants

  
Sugarika K.C.  
Director

  
Sharad Chandra Shrestha  
Independent Director



Kathmandu, 1st Paus, 2081



**Muktinath Krishi Company Limited**  
Basundhara, Kathmandu  
**Consolidated Statement of Comprehensive Income**  
As at 31 Ashad 2081 (15 Jul 2024)

Particulars	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Profit for the year	14,389,988	7,470,979	21,735,897	10,472,287
Other Comprehensive Income, net of Income Tax				
a) Items that will not be reclassified to profit or loss				
Gains/(losses) from investments in equity instruments measured at fair value	-	2,673,003	-	2,673,003
Gains/(losses) on revaluation	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-
Income tax relating to above items	-	(668,251)	-	(668,251)
Net Other Comprehensive Income that will not be reclassified to profit or loss	-	2,004,752	-	2,004,752
b) Items that are or may be reclassified to profit or loss				
Gains/(losses) on cash flow hedge			-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)			-	-
Income tax relating to above items			-	-
Reclassify to profit or loss			-	-
Net other comprehensive income that are or may be reclassified to profit or loss			-	-
c) Share of other comprehensive income of associate accounted as per equity method			-	-
Other comprehensive income for the year, net of income tax	-	2,004,752	-	2,004,752
Total comprehensive income for the year	14,389,988	9,475,731	21,735,897	12,477,039

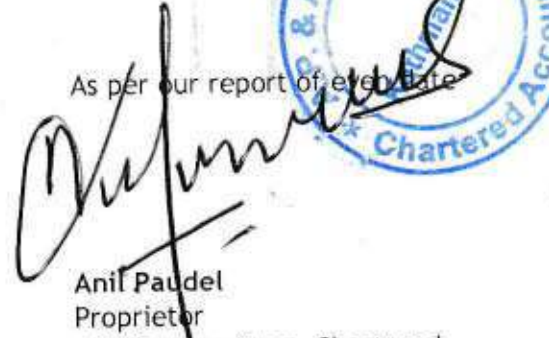
See accompanying notes to the Muktinath Krishi Company Limited Financial Statements (1-23)


For Muktinath Krishi Company Limited

  
Madhav Bhattarai  
Head of Account & Finance

  
Ramsharan Timalsina  
Deputy General Manager

  
Bharat Raj Dhakal  
Managing Director


As per our report of 15/07/2024  
  
Anil Paudel  
Proprietor  
A.P. & Associates, Chartered Accountants

  
Sitaram Kaphle  
Chairman

  
Tulsi Ram Dhakal  
Director

  
Govinda Bahadur Raut  
Director

  
Sugartika K.C.  
Director

  
Sharad Chandra Shrestha  
Independent Director



Kathmandu, 1st Paush, 2081



Muktinath Krishi Company Limited  
Basundhara, Kathmandu,  
Consolidated Statement of Change in Equity (GROUP)  
As at 31 Ashad 2081 (15 Jul 2024)

A. Equity Share Capital					
					Amount in Rs
Opening Balance					560,000,000
Changes in Equity Share Capital during the year					140,000,000
Balance as at 31 Ashad 2081					700,000,000
B. Other Equity					
Particulars	Reserves & Surplus				Total Other Equity
	Share Premium	Retained Earnings	Capital Reserve	Fair Value Reserve	Amount in Rs
As at 31 Ashad 2080	9,738,810	(68,517,437)	1,257,179	(6,082,554)	(63,604,002)
Adjustment/Restatement		(9,000)			(9,000)
Restated Opening Balance	9,738,810	(68,526,437)	1,257,179	(6,082,554)	(63,613,002)
Profit for the year		14,389,988			14,389,988
Share Issue Expenses		(4,527,923)			(4,527,923)
Share Distribution					-
Reversal of Fair Value Reserve		(6,082,554)		6,082,554	-
Change in Fair Value					-
As at 31 Ashad 2081	9,738,810	(64,746,926)	1,257,179	0.00	(53,750,937)

See accompanying notes to the Muktinath Krishi Company Limited Financial Statements (1-23)


For Muktinath Krishi Company Limited

  
Madhav Bhattarai  
Head of Account & Finance

  
Ramsharan Timalisina  
Deputy General Manager


  
Bharat Raj Dhakal  
Managing Director


As per our report on the date

  
Sitaram Kaphle  
Chairman

  
Tulsi Ram Dhakal  
Director

  
Govinda Bahadur Raut  
Director

  
Anil Paudel  
Proprietor  
A.P. & Associates, Chartered Accountants

  
Sugarika K.C.  
Director

  
Sharad Chandra Shrestha  
Independent Director



Kathmandu, 1st Paus, 2081



Muktinath Krishi Company Limited  
Basundhara, Kathmandu,

Consolidated Statement of Change in Equity (Standalone)  
As at 31 Ashad 2081 (15 Jul 2024)

A. Equity Share Capital					Amount in Rs.
Opening Balance					560,000,000
Changes in Equity Share Capital during the year					140,000,000
Balance as at 31 Ashad 2081					700,000,000

B. Other Equity					
Particulars	Reserves & Surplus				Total Other Equity
	Share Premium	Retained Earnings	Capital Reserve	Fair Value Reserve	Amount in Rs
Opening Balance	-	(67,900,527)	1,257,179	(16,823,896)	(83,467,244)
Adjustment/Restatement	-	1,148,702	-	-	1,148,702
Restated Opening Balance	-	(66,751,826)	1,257,179	(16,823,896)	(82,318,544)
Profit for the year	-	10,472,287	-	-	10,472,287
Share Issue Expenses	-	(500,000)	-	-	(500,000)
Share Distrubution	9,738,810	-	-	-	9,738,810
Reversal of Fair Value Reserve	-	(8,736,590)	-	8,736,590	-
Change in Fair Value	-	-	-	2,004,752	2,004,752
As at 31 Ashad 2080	9,738,810	(65,516,129)	1,257,179	(6,082,554)	(60,602,694)
Adjustment/Restatement	-	(9,000)	-	-	(9,000)
Restated Opening Balance	9,738,810	(65,525,129)	1,257,179	(6,082,554)	(60,611,694)
Profit for the year	-	21,735,897	-	-	21,735,897
Share Issue Expenses	-	(4,527,923)	-	-	(4,527,923)
Share Distrubution	-	-	-	-	-
Reversal of Fair Value Reserve	-	(6,082,554)	-	6,082,554	-
Change in Fair Value	-	-	-	-	-
As at 31 Ashad 2081	9,738,810	(54,399,708)	1,257,179	0	(43,403,720)

See accompanying notes to the Muktinath Krishi Company Limited Financial Statements (1-23)

For Muktinath Krishi Company Limited

Madhav Bhattarai  
Head of Account & Finance

Ramsharan Timalisina  
Deputy General Manager

Bharat Raj Dhakal  
Managing Director

As per our report of even date

Sitaram Kaphle  
Chairman

Tulsi Ram Dhakal  
Director

Govinda Bahadur Raut  
Director

Anil Patidar  
Proprietor  
A.P. & Associates, Chartered  
Accountants

Sugarika K.C.  
Director

Sharad Chandra Shrestha  
Independent Director

Kathmandu, 1st Paus, 2081





Muktinath Krishi Company Limited  
Basundhara, Kathmandu  
Consolidated Statement of Cash Flow  
As at 31 Ashad 2081 (15 Jul 2024)

Particulars	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit Before Income Tax	12,614,591	14,094,086	19,894,294	17,095,395
Adjustments for:				
Depreciation and Amortisation Expense	21,736,824	13,195,119	21,663,641	13,195,119
Interest on Lease	10,847,447	-	10,847,447	-
Lease Rent	(14,480,819)	-	(14,480,819)	-
Interest Income	(555,431)	(1,260,008)	(395,420)	(1,260,008)
Income from Portfolio Management Services	-	-	-	-
Change in Fair Value of Securities	488,684	(133,730)	488,684	(133,730)
Profit/Loss on Sale of Fixed Assets	-	(146,118)	-	(146,118)
Operating Profit Before Working Capital Changes	30,651,296	25,749,349	38,017,827	28,750,657
Movements in Working Capital:				
(Increase)/decrease in Inventories	(39,572,534)	(47,586,006)	(36,691,346)	(46,939,144)
(Increase)/decrease in Trade and Other Receivables	(255,251,709)	(115,848,448)	(232,172,253)	(123,104,883)
(Increase)/decrease in Other Current Assets	228,622	(891,679)	208,897	(883,062)
Increase/(decrease) in Other Financial Liabilities	28,562,480	9,934,196	75,702,476	(374,951)
Increase/(decrease) in Other Liabilities	53,133,576	46,771,424	53,133,576	46,771,425
Income Taxes Paid (Net of Refunds)	(66,206)	-	-	-
Net Cash Flows Generated / (Used) from Operating Activities (A)	(182,314,475)	(81,871,164)	(101,800,823)	(95,779,958)
CASH FLOW FROM INVESTING ACTIVITIES:				
Interest Received	555,431	1,260,008	395,420	1,260,008
(Increase)/decrease in Investment	22,349,859	(12,044,906)	(43,350,141)	(28,044,906)
Income from Sale of Securities	(488,684)	133,730	(488,684)	133,730
Payments for purchase of Property, Plant and Equipment	(40,699,849)	(30,686,278)	(37,420,191)	(22,862,953)
Purchase/Sale of Biological Assets	(230,000)	-	(230,000)	-
Payments for Intangible Assets	(3,158,178)	(3,951,399)	(3,158,178)	(3,951,399)
Profit/Loss on Sale of Fixed Assets	-	146,118	-	146,118
Net Cash Flows (Used) / Generated from Investing Activities (B)	(21,671,421)	(45,142,726)	(84,251,774)	(53,319,401)
CASH FLOW FROM FINANCING ACTIVITIES:				
Increase in Equity Share Capital	140,000,000	200,000,000	140,000,000	200,000,000
Adjustment/ Restatement in Retaining Earning	(4,536,923)	648,701	(4,536,922)	648,701
Increase in Share Premium	-	9,738,810	-	9,738,810
Net Cash Flows (Used in) from Financing Activities (C)	135,463,077	210,387,511	135,463,078	210,387,511
Total Cash Flow from Operating, Investing and Financing Activities (A+B+C)	(68,522,819)	83,373,621	(50,589,520)	61,288,152
Opening Cash and Cash Equivalents	89,288,801	5,915,180	67,203,332	5,915,180
Closing Cash and Cash Equivalents	20,765,982	89,288,801	16,613,812	67,203,332

See accompanying notes to the Muktinath Krishi Company Limited Financial Statements (1-23)


For Muktinath Krishi Company Limited

  
Madhav Bhattarai  
Head of Account & Finance

  
Ramsharan Timalsina  
Deputy General Manager

  
Bharat Raj Dhakal  
Managing Director

As per our report of even date  
  
Anil Paudel  
Proprietor  
A.P. & Associates, Chartered  
Accountants

  
Sitaram Kaphle  
Chairman

  
Tulsi Ram Dhakal  
Director

  
Govinda Bahadur Raut  
Director

  
Sugarika K.C.  
Director

  
Sharad Chandra Shrestha  
Independent Director



Kathmandu, 1st Paus, 2081



# Muktinath Krishi Company Ltd.

Basundhara, Kathmandu

## Significant Accounting Policies and Notes to the Financial Statements

For the period ended 31 Ashad 2081 (01 Shrawan 2080 to 31 Ashad 2081)

### 1. Corporate Information

Muktinath Krishi Company Limited ("the Company") is a public limited company established on 14th Bhadra 2075 (30 Aug 2018), under the provisions of Companies Act-2063 of Nepal, with the registration no. 197475/075/076. The registered office of the Company and the principal place of business is located at Basundhara, Kathmandu with regional offices at Pokhara, Chitwan, Butwal, Birendranagar and Itahari and Dhangadhi and Bardibas.

The Company's activity involves, predominantly, business of agricultural products including production, trading and marketing of the agro products, agriculture related consultancy services, seeds, agricultural research and development and technology transfer. Company Services Areas includes Crop Management, Agriculture Mechanization, Promoting Livestock Development, Agribusiness Consultation etc. Company has been working on the development of Agriculture Ecosystem through Institutional Value Chain Management.

### 2. Basis of Preparation

#### 2.1. Statement of Compliance

The financial statements have been prepared and presented under the historical cost convention, on accrual basis and in accordance with Nepal Financial Reporting Standard (NFRS), issued by Accounting Standard Board (ASB) of the Institute of Chartered Accountants of Nepal.

#### Approval of Financial Statements:

The accompanied financial statements have been approved and authorized for issue by the Board of Directors in its meeting held on 1<sup>st</sup> Poush 2081 and have been recommended for approval by shareholders in the Annual General Meeting.

#### 2.2. Reporting Period

The Company follows the Nepalese Financial Year based on Nepali calendar starting from 1st Shrawan 2080 and ending on 31st Ashad 2081. (17th July 2023 to 15th July 2024).

#### 2.3. Changes in Accounting Policies

The accounting policies adopted are consistent with those of previous Financial Year. There has been no change in accounting policies as compared to that of previous year which would have any significant effect on these financials.

#### 2.4. Going Concern

The Board of Directors and company's management have made an assessment of the Company's ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Company is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it. Therefore, the Financial Statements continue to be prepared on the going concern basis.



2.5. Basis of consolidation

Where the company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of income from the date on which control is obtained. They are de-consolidated from the date of control ceases.

2.6. Non-Controlling Interest

For business combinations the company recognized any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. The Groups subsidiaries are wholly owned by the Company. Hence, there are no non-controlling interest as on the reporting date.

2.7. Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealized gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the enterprise. Unrealized gains arising from transactions with associates are eliminated against the investment in the associate. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.8. Use of Estimates

The preparation of financial statements in conformity with NFRS requires management to make judgments, estimates and assumptions, in the application of accounting policies that affect the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Any revisions to accounting estimates are recognized prospectively in current and future periods.

2.9. Functional and Presentation Currency

The functional currency of the company is Nepalese Rupee in which the financial statements has been presented. All values are rounded to the nearest rupee except where otherwise presented.

3. Significant Accounting Policies

3.1. Revenue Recognition

Revenue from sales of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer. Significant risk and rewards of ownership is transferred upon the products leaving the warehouse and/or establishment from which the products are being sold. Sales are recognized net of trade discounts, price reduction, and indirect coverage subsidy, rebates and sales taxes.

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a timely basis. Other revenues are recognized on accrual basis when the amount of revenue can be estimated reliably and benefits is estimated to flow into the Company.

Dividend income is recognised in the income statement when the right to receive payment is established.

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3.2. Foreign Currency Transactions

Transactions entered into by the Company in a currency other than the currency of primary economic environment in which it operates are recorded at the rates ruling when the transactions occur. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit or Loss. Unsettled foreign currency monetary assets and liabilities, if any are translated at the rates ruling at the reporting date. Exchange differences, if any arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss statement.

3.3. Property, Plant and Equipment (PPE)

**Recognition and measurement:** Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.




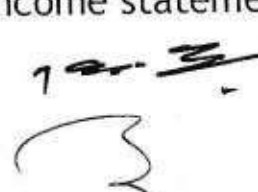


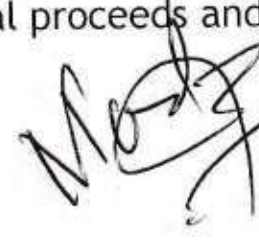

**Depreciation:** Property, plant and equipment (PPE) are depreciated over the estimated useful life, on a straight-line basis, from the day the assets are ready for intended use. Assets acquired under financial lease and leasehold improvements are amortized over the lower of estimated useful life and lease term.

The estimated useful lives of assets for the current period of significant items of property, plant and equipment are as follows:

Category	Estimated Useful Life
Leasehold Asset	5 years
Building and Structures	20 years
Plastic and Similar Structures	5 years
Computer & Accessories	5 years
Vehicle (Four-Wheeler)	7 years
Vehicle (Two-Wheeler)	5 years
Furniture & Fixtures	5 years
Plant & Machineries	5 years
Office Equipment & Machineries	5 years
Other fixed asset like flex print board, battery etc.	2 years
Software	5 years

The company adopts cost model for entire class of PPE. The company has not measured any PPE at revaluation model or at fair value. The items of PPE are measured at cost less accumulated depreciation and any accumulated impairment losses. Assets having acquisition cost less than or equal Rs. 5,000/- before VAT, have been booked as an expense in the Statement of Profit & Loss.

**Disposals:** On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and it's carrying amount is taken to the income statement.





### 3.4. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Acquired computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Direct expenditure, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. These costs are amortized over the estimated useful life of 5 year. Costs associated with maintaining computer software are recognised as an expense as incurred.

### Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new scientific/ technical knowledge and understanding, is recognized in the income statement as an expense as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible and the company has sufficient resources to complete development. The expenditure capitalized includes the cost of materials, direct labor and an appropriate proportion of overheads. Other development expenditure is recognized in the income statement as an expense as incurred. Capitalized development expenditure is stated at cost less accumulated amortization and impairment losses.

### 3.5. Biological Assets

Biological Assets are measured at initial recognition and at each balance sheet date at their fair value less costs to sell, with any resulting gain or loss recognized in the income statement. Costs to sell include all costs that would be necessary to sell the assets, including costs necessary to get the assets to market. Biological assets are measured using the present value of expected net cash flows from the sale of an asset discounted at a current market determined rate. The objective of a calculation of the present value of expected net cash flows is to determine the fair value of a biological asset. The difference between fair value less costs to sell and total production costs is allocated to biological assets held in stock as of each reporting date as a fair value adjustment.

The Company does not have any Biological Assets during the reporting period.

### 3.6. Financial assets & financial liabilities



#### Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost.

#### Inventories

Inventories are initially recognized at cost and subsequently at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated cost necessary to make the sale. Full provision is made for an obsolete stock that cannot be used or is damaged or defective or cannot be sold in the market.

The cost is determined on First-In First-Out (FIFO) method or weighted average method and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition.



**Taxation**

Income tax expenses comprises of Current Tax and Deferred Tax charge.

Current tax is determined in accordance with Income Tax Act 2058. The income tax expense which is recognized in the Statement of Profit & Loss, except to the extent it relates to items recognized directly in Equity or Other Comprehensive Income in which case it is recognized in Equity or in Other Comprehensive Income. Current tax is the amount expected or paid to tax authorities in respect of the current year, using the tax rates and tax laws enacted or substantively enacted on the reporting date and any adjustment to tax payable in respect of prior years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary difference can be utilized. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realized or the liabilities settled, based on tax rates and laws enacted, or substantially enacted, by the balance sheet date. Deferred tax assets and liabilities are offset when they arise in the same tax reporting group and relate to income taxes levied by the same taxation authority, and when the group has legal right to offset.

**Investment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fee and duties.

**Cash and Cash Equivalents**

Cash and Cash Equivalents are defined as Cash on Hand, Demand Deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

**Trade and other payables**

Trade and other payables are initially recognized at fair value and subsequently carried at amortized cost.

**Leases**

The Group recognises a Right-of-Use asset and a Lease Liability at the lease commencement date. The Right-of-Use asset is initially measured at cost, which comprises the initial amount of the Lease Liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received as per NFRS 16.

The Right-of-Use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-of-Use asset or the end of the lease term. The estimated useful lives of Right-of-Use assets are determined on the basis of lease contract. In addition, the Right-of-Use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.



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The Lease Liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate which is 12% for the current Financial Year.

Lease payments included in the measurement of the Lease Liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Lease Liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the Lease Liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the Right-of-Use asset, or is recorded in profit or loss if the carrying amount of the Right-of-Use asset has been reduced to zero.

The Group presents Right-of-Use assets that do not meet the definition of Investment Property in 'Property, Plant and Equipment' and Lease Liabilities in 'Trade and Other Financial Liabilities' in the statement of financial position.

#### Short-term leases and leases of low-value assets

The Group has elected not to recognize Right-of-Use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets.

#### 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.

#### Contingencies, Provisions and Commitments

A provision is created where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A contingent liability is disclosed when there is a possible or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

The company do not have substantial amount of contingent liabilities against its name and has not made any commitments whatsoever to affect the financial statement.



3.7. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of accruals of past or future cash receipts or payments. The cash flows from regular revenue generating & investing activities of the company are segregated.



Mukthinath Krishi Company Limited  
Basundhara, Kathmandu

Notes to Consolidated Financial Statements  
As at 31 Ashad 2081 (15 Jul 2024)

4. Property, Plant and Equipment and Capital Work-in-Progress (Stand Alone)											Amount in Rs
	Lease Hold Assets	Building & Structures	Computer & Accessories	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments & Others	Other Fixed Assets	Under Construction Assets	Right of Use Assets	Total
Cost											
As on 1st Shrawan	15,830,494	4,091,660	2,856,046	100,000	1,898,840	7,722,298	3,358,364	258,195	-	25,973,412	62,089,310
Additions during the year	3,869,818	220,096	942,495	-	1,490,270	2,254,035	2,351,991	-	43,298,538	25,035,582	79,483,326
Acquisition	3,869,818	220,096	942,495	-	1,490,270	2,254,035	2,351,991	-	43,298,538	-	54,427,744
Capitalizations	-	-	-	-	-	-	-	-	-	25,035,582	25,035,582
Adjustments	200,000	(1,715,857)	118,425	-	-	-	(318,425)	(3,220)	(21,581,000)	(13,568,887)	(13,568,887)
Disposal during the year	-	-	-	-	-	-	(18,318)	-	-	-	(23,318,395)
Balance at 31 Ashad 2080	19,900,313	2,595,899	3,917,167	100,000	3,389,110	9,976,333	5,373,612	254,975	21,717,538	37,440,107	104,665,354
Additions during the year	5,691,637	1,347,919	1,611,515	221,859	817,460	9,451,770	1,779,880	479,405	16,018,745	57,076,081	94,496,272
Acquisition	5,691,637	1,347,919	1,611,515	221,859	817,460	9,451,770	1,779,880	479,405	16,018,745	-	94,496,272
Capitalizations	-	-	-	-	-	-	-	-	-	57,076,081	57,076,081
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 Ashad, 2081	25,591,950	3,943,818	5,528,682	321,859	4,206,570	19,428,103	7,153,492	734,380	37,736,283	94,516,188	199,161,626
Depreciation and Impairment Losses											
As on 1st Shrawan	1,383,977	1,712,892	670,566	49,432	645,352	2,834,176	1,118,682	230,778	-	2,597,341	11,243,197
Charge for the year	3,297,275	623,835	713,382	20,000	411,618	1,217,279	735,918	26,768	-	6,002,994	13,045,069
Previous Year	3,206,099	475,161	594,894	20,000	379,768	1,103,185	604,324	26,768	-	-	6,410,200
Addition	91,176	148,674	118,487	-	31,850	114,093	131,594	-	-	6,002,994	6,638,869
Adjustments	141,930	-	136,777	-	-	-	(278,707)	(2,572)	-	-	(668,562)
Disposals	-	(661,114)	-	-	-	-	(4,876)	-	-	-	-
Balance at 31 Ashad 2080	4,823,183	1,675,613	1,520,724	69,432	1,056,971	4,051,455	1,571,016	254,975	-	8,600,335	23,623,704
Charge for the year	4,183,122	143,152	1,032,473	45,454	748,858	2,144,479	1,253,335	228,679	-	10,801,055	20,580,407
Previous Year	3,980,062.50	129,794.95	783,433.35	20,000	677,882.02	1,425,190.46	1,074,722.43	127,487.50	-	-	8,218,573
Addition	203,059.27	13,357.35	249,039.40	25,454.35	70,976.31	719,288.95	178,612.27	101,191.22	-	10,801,054.74	12,362,034
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 Ashad, 2081	9,006,304	1,818,765	2,553,197	114,886	1,805,829	6,195,934	2,824,351	483,653	-	19,401,390	44,204,311
Net book value											
As on Ashad end 2079	14,446,517	2,378,768	2,185,481	50,568	1,253,488	4,888,122	2,239,682	27,417	-	23,376,071	50,846,113
As on Ashad end 2080	15,077,130	920,286	2,396,443	30,568	2,332,440	5,924,878	3,802,596	0	21,717,538	28,839,772	81,041,650
As on Ashad end 2081	16,585,645	2,125,053	2,975,485	206,973	2,401,041	13,232,169	4,379,141	250,726	37,736,283	75,114,798	154,927,315

Footnotes:  
1. Additional Disclosures Related to Right of Use Assets is provided at Note No 26.1.





Muktinath Krishi Company Limited  
Basundhara, Kathmandu

Notes to Consolidated Financial Statements  
As at 31 Ashad 2081 (15 Jul 2024)

4. Property, Plant and Equipment and Capital Work-in-Progress (Group)											Amount in Rs.
Particulars	Lease Hold Assets	Building & Structures	Computer & Accessories	Plant & Machineries	Furniture & Fixtures	Vehicles	Office Equipments & Others	Other Fixed Assets	Under Construction Assets	Right of use Assets	Total
Cost											
Balance at 31 Ashad 2080	19,900,313	2,595,899	3,917,167	100,000	3,389,410	9,976,333	5,373,612	254,975	29,540,863	37,440,107	112,488,679
Additions during the year	5,691,637	1,399,299	1,611,515	1,123,497	1,374,631	9,451,770	1,779,880	479,405	17,788,214	57,076,081	97,775,930
Acquisition	5,691,637	1,399,299	1,611,515	1,123,497	1,374,631	9,451,770	1,779,880	479,405	17,788,214	57,076,081	97,775,930
Capitalizations	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 Ashad, 2081	25,591,950	3,995,198	5,528,682	1,223,497	4,764,041	19,428,103	7,153,492	734,380	47,329,077	94,516,188	210,264,609
Depreciation and Impairment Losses											
Balance at 31 Ashad 2080	4,823,183	1,675,613	1,520,724	69,432	1,056,971	4,051,455	1,571,016	254,975	-	8,600,335	23,623,704
Charge for the year	4,183,122	144,141	1,032,473	89,370	777,136	2,144,479	1,253,335	228,679	-	10,801,055	20,653,790
Previous Year	3,980,063	129,795	783,433	20,000	677,882	1,425,190	1,074,722	127,488	-	-	8,218,573
Addition	203,059	14,346	249,039	69,370	99,254	719,289	178,612	101,191	-	10,801,055	12,435,217
Adjustments	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 Ashad, 2081	9,006,304	1,819,754	2,553,197	158,802	1,834,107	6,195,934	2,824,351	483,653	-	19,401,390	44,277,494
Net book value											
As on Ashad end 2079	15,077,130	920,286	2,396,443	30,568	2,332,440	5,924,878	3,802,596	0	29,540,863	28,839,772	88,864,975
As on Ashad end 2080	16,585,645	2,175,444	2,975,485	1,064,695	2,929,934	13,232,169	4,329,141	250,726	47,329,077	75,114,798	165,987,115
As on Ashad end 2081											





Muktinath Krishi Company Limited  
Basundhara, Kathmandu

Notes to Consolidated Financial Statements  
As at 31 Ashad 2081 (15 Jul 2024)

5. Intangible Assets						
Particulars	Group Balance			Standalone		
	Computer Software & Others	Under Development	Total Group	Computer Software & Others	Under Development	Total Intangible Assets
As on 1st Shrawan	730,250	-	730,250	730,250	-	730,250
Additions /Acquisitions	3,951,399	-	3,951,399	3,951,399	-	3,951,399
Disposals	-	-	-	-	-	-
Balance at 31 Ashad 2080	4,681,649	-	4,681,649	4,681,649	-	4,681,649
Additions /Acquisitions	733,519	2,424,658	3,158,178	733,519	2,424,658	3,158,178
Disposals	-	-	-	-	-	-
Balance at 31 Ashad, 2081	5,415,168	2,424,658	5,415,168	5,415,168	2,424,658	7,839,827
Amortisation and Impairment Losses	-	-	-	-	-	-
As on 1st Shrawan	182,408	-	182,408	182,408	-	182,408
Charge for the year	146,050	-	146,050	146,050	-	146,050
Impairment losses	-	-	-	-	-	-
Balance as at 31 Ashad 2080	328,458	-	328,458	328,458	-	328,458
Charge for the year	1,083,034	-	1,083,034	1,083,034	-	1,083,034
Impairment losses	-	-	-	-	-	-
Balance at 31 Ashad, 2081	1,411,492	-	1,411,492	1,411,492	-	1,411,492
Net book value	-	-	-	-	-	-
As on Ashad end 2079	547,842	-	547,842	547,842	-	547,842
As on Ashad end 2080	4,353,191	-	4,353,191	4,353,191	-	4,353,191
As on Ashad end 2081	4,003,677	2,424,658	6,428,335	4,003,677	2,424,658	6,428,335













Muktinath Krishi Company Limited  
Basundhara, Kathmandu

Notes to Consolidated Financial Statements  
As at 31 Ashad 2081 (15 Jul 2024)


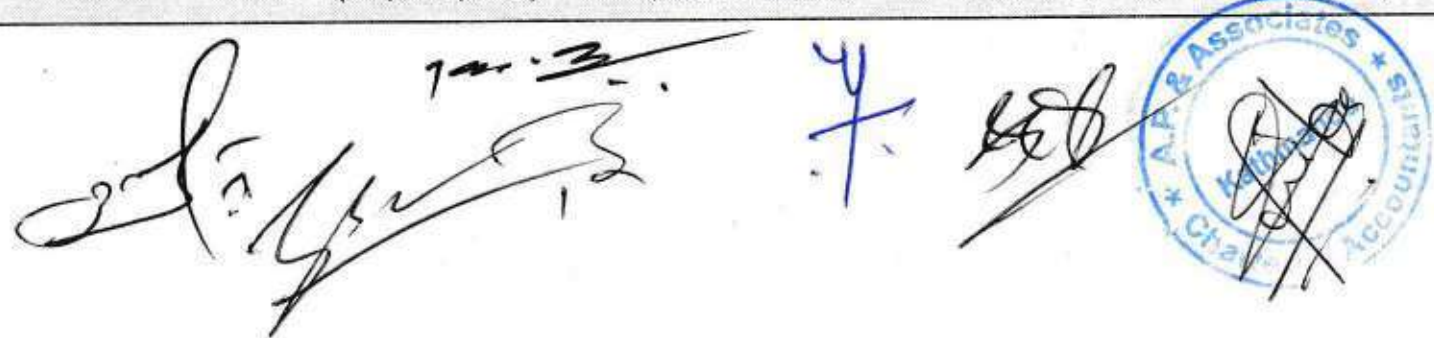
10. Share Capital	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Authorized Share Capital : (1,00,00,000 Equity Shares of Rs 100 each)	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued Share Capital : FY 2080/81 (100,00,000 Equity Shares of Rs 100 each); FY 2079/80 (70,00,000 Equity Shares of Rs 100 each)	1,000,000,000	70,000,000	1,000,000,000	70,000,000
Paid-up Share Capital FY 2080/81 (70,00,000 Equity Shares of Rs 100 each paid up); FY 2079/80 (56,00,000 Equity Shares of Rs 100 each paid up)	700,000,000	560,000,000	700,000,000	560,000,000

Out of the total Issued Shares, 56,00,000 equity shares are offered to promoters & balance 14,00,000 equity shares were allocated to the general public during the year.

The shareholding pattern on the company is as follows.

Shareholder Category	No. of Share	% of holding
Muktinath Bikas Bank Ltd	1,555,500	22.22%
Bharat Raj Dhakal	148,000	2.11%
Tulsi Ram Dhakal	140,217	2.00%
Narayan Kumar Shrestha	108,143	1.54%
Sitaram Kaphle	78,220	1.12%
Others Shareholders (Holding less than 1% of total s	4,969,920	71.00%
Total	7,000,000	100.00%

11. Other Equity	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Retained Earnings	(64,746,926)	(68,517,437)	(54,399,708)	(65,516,129)
Share Premium	9,738,810	9,738,810	9,738,810	9,738,810
Capital Reserve	1,257,179	1,257,179	1,257,179	1,257,179
Fair Value Reserve	0	(6,082,554)	0	(6,082,554)
Total	(53,750,937)	(63,604,002)	(43,403,719)	(60,602,694)



Muktinath Krishi Company Limited

Basundhara, Kathmandu

Notes to Consolidated Financial Statements

As at 31 Ashad 2081 (15 Jul 2024)

6. Trade and Other Receivables	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Trade Debtors	376,255,888	182,438,809	400,361,540	177,042,268
Advance to Suppliers	61,981,836	22,228,942	25,966,799	22,228,942
VAT Receivable	10,000,286	8,604,086	9,325,009	8,558,659
LC/TT Margin	4,367,964	2,429,030	4,367,964	2,429,030
Seed Trial & Registration Advance	3,260,000	3,260,000	3,260,000	3,260,000
Input/ Seed Production Advance	114,660	114,660	114,660	114,660
Staff Advances	1,506,138	1,532,422	1,274,750	1,532,422
Rent Deposit	290,000	250,000	290,000	250,000
Other Deposits	13,310,020	1,318,313	3,086,284	1,318,313
Other Receivables	2,924,597	1,619,442	2,924,597	1,619,442
Project Advances	5,036,025	-	5,036,025	-
Receivable from Subsidiaries	-	-	7,216,765	12,698,403
Total	479,047,414	223,795,705	463,224,393	231,052,140






Trade and Other Receivables are non-interest bearing receivables.

7. Investment	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Long Term Investment				
Investment in Subsidiaries	-	-	82,000,000	16,000,000
Nepal Warehousing Company Ltd	20,000,000	20,000,000	20,000,000	20,000,000
Fixed Deposit at MNBBL Operation A/C	852,000	-	552,000	-
Investment in Portfolio Management Service	-	23,201,859	-	23,201,859
Total	20,852,000	43,201,859	102,552,000	59,201,859

8. Prepayments	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Prepaid Rental	-	-	-	-
Prepaid Expenses	349,366	1,834,282	349,366	1,834,282
Prepaid Insurance	390,086	349,540	390,086	349,540
Total	739,452	2,183,822	739,452	2,183,822

9. Cash & Cash Equivalents (CCE)	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
a. Cash on hand	109,272	17,284	104,605	17,284
b. Balances with Banks and Financial Institution				
Call & Current Accounts	20,656,710	85,971,517	16,509,207	63,886,048
Term deposits carried at amortised cost	-	3,300,000	-	3,300,000
Total	20,765,982	89,288,801	16,613,812	67,203,332

Cash and Cash Equivalents includes cash balance in hand, demand deposits with bank, other short term highly liquid investments with original maturity of three months or less.



Muktinath Krishi Company Limited  
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Notes to Consolidated Financial Statements  
As at 31 Ashad 2081 (15 Jul 2024)

12. Deferred Tax Assets/ Liabilities	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Deferred Tax Assets/(liabilities)	27,402,668	25,561,065	27,402,668	25,561,065
Total	27,402,668	25,561,065	27,402,668	25,561,065

12.1 Defferred Tax Assets/(Liabilities)

Particulars / Items	Group/ Stand Alone		
	Defferred Tax Assets	Defferred Tax Liabilities	Defferred Tax Assets/(Liabilities)
PPE	5,322,113	-	5,322,113
Intangible Asset	-	249,418	(249,418)
Provision	1,805,102	-	1,805,102
Lease Liability	20,958,571	-	20,958,571
Right to Use Assets	-	18,778,700	(18,778,700)
IncomeTax Loss	18,345,000	-	18,345,000
Defferred Tax Assets/(Liabilities)	46,430,786	19,028,118	27,402,668

Deferred Tax (Assets)/Liabilities as on Ashad end, 2080	25,561,065
Deferred Tax Assets/(Liabilities) as on Ashad end, 2081	27,402,668
Defferred Tax Income/Loss	1,841,603
Defferred Tax Income/Loss recognized in P&L	1,841,603
Defferred Tax Income/Loss recognized in OCI	-
Defferred Tax Income/Loss Directy recognized in Equity	-

13. Trade and Other Financial Liabilities	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Trade Creditors	63,414,663	35,794,290	60,070,613	29,723,225
Other Creditors	-	3,452,910	-	3,442,826
Advance Received from Party	7,918,253	4,892,830	7,918,253	995,920
Staff Payable	4,382,291	2,521,609	3,980,253	2,521,609
TDS Payable	2,184,931	1,341,973	1,837,818	1,168,485
VAT Payable	172,232	-	-	-
Audit Fee Payable	354,600	256,100	197,000	98,500
Other Payables	1,328,955	2,933,731	1,318,705	2,933,731
Rent Payable	-	-	-	-
Lease Liability	83,834,284	30,391,575	83,834,284	30,391,575
Payable to Subsidiaries	-	-	41,264,131	-
Total	163,590,208	81,585,019	200,421,057	71,275,872

14. Provisions	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Provision for Gratuity	2,954,304	2,532,002	2,954,304	2,532,002
Provision for Leave Enchasment	4,266,104	2,320,136	4,266,104	2,320,136
Total	7,220,408	4,852,139	7,220,408	4,852,139














Muktinath Krishi Company Limited  
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Notes to Consolidated Financial Statements  
As on 31 Ashad 2081 (15 Jul 2024)

15. Income Taxes				
15.1 Income Tax Assets	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Advance Income Tax	1,201,124	1,200,000	1,200,000	1,200,000
TDS Recievable	10,761,471	9,480,641	10,707,497	9,472,024
Less: Provision for current tax upto FY 2076-77	(5,258,574)	(5,258,574)	(5,258,574)	(5,258,574)
Less: Provision for current tax	(66,206)	-	-	-
Income Tax Assets/ (Liabilities)	6,637,815	5,422,067	6,648,923	5,413,450

15.2. Income tax recognised in Statement of Profit and Loss	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Income Tax Expenses				
Current year	66,206	-	-	-
Adjustments for prior years	-	-	-	-
Total (A)	66,206	-	-	-
Deferred tax:				
Origination and reversal of temporary differences	(1,841,603)	6,623,108	(1,841,603)	6,623,108
Recognition of previously unrecognised tax losses	-	-	-	-
Total (B)	(1,841,603)	6,623,108	(1,841,603.06)	6,623,108
Income tax expense recognised in the Statement of P & L (A+B)	(1,775,397)	6,623,108	(1,841,603)	6,623,108

16. Short Term Loan	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Demand Loan	47,598,000	47,598,000	47,598,000	47,598,000
Trust Receipt Loan	102,155,717	51,390,410	102,155,717	51,390,410
Other Short Term Loan	-	-	-	-
Total	149,753,717	98,988,410	149,753,717	98,988,410





Muktinath Krishi Company Limited

Basundhara, Kathmandu,

Notes to Consolidated Financial Statements

As at 31 Ashad 2081 (15 Jul 2024)

16. Revenue from Operations	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Sales	215,802,849	196,922,078	207,475,203	193,938,770
Exempt Sales	590,685,525	247,321,507	585,574,029	243,094,152
Sales to CASA Project				
Less: Sales Return	(125,442,873)	(44,485,227)	(125,442,873)	(44,485,227)
Total	681,045,501	399,758,358	667,606,359	392,547,695

17. Other income	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Income from Portfolio Management Service	-	179,537	-	179,537
Interest Income on Bank Deposits	555,431	1,260,008	395,420	1,260,008
Miscellaneous Income	145,866	1,072,675	142,886	1,071,550
Total	701,297	2,512,220	538,306	2,511,095

18. Cost of Goods Sold	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Opening Stock	199,150,081	151,564,075	198,503,219	151,564,075
Cost of Purchase	527,333,095	331,204,656	514,507,127	323,781,481
Direct Expenses:				
Loading / Unloading Cost	1,160,264	2,115,411	1,116,664	2,115,411
Transportation Expenses	9,135,178	1,831,647	8,906,352	1,831,647
Packing Material Cost	680,571	6,340,879	680,571	6,340,879
Other Direct Expenses	5,274,900	2,062,855	5,268,400	2,062,855
Total Direct Expenses	16,250,913	12,350,792	15,971,987	12,350,792
Less: Closing Stock	(238,722,615)	(199,150,081)	(235,194,565)	(198,503,219)
Total Cost of Goods Sold	504,011,474	295,969,441	493,787,768	289,193,129

Costs of purchase include the purchase price, import and tax-related duties, transport costs, insurance during transportation, handling costs, and other costs that are directly attributable to the acquisition of goods, materials, and services and to make the goods and services ready to sale.

19. Employee Benefits Expense	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Salaries & Wages	55,824,936	36,731,663	50,934,223	35,644,484
Intern Expenses	1,569,163	460,310	1,546,163	460,310
Employee Provident Fund Expenses	1,868,772	1,447,564	1,680,153	1,447,564
Leave Expenses	2,315,518	1,431,832	2,315,518	1,431,832
Gratuity Expenses	817,650	1,165,777	817,650	1,165,777
Staff Welfare Costs	678,826	453,253	678,826	453,253
Total	63,074,866	41,690,399	57,972,533	40,603,219





Muktinath Krishi Company Limited  
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Notes to Consolidated Financial Statements  
As at 31 Ashad 2081 (15 Jul 2024)

20. Other Operating Expenses	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Branding, Promotion & Market Extension	7,024,925	5,365,966	6,951,055	5,365,966
Rent Expenses	2,058,410	2,034,194	118,910	434,194
AGM Expenses	464,825	244,505	464,825	244,505
Audit Fees	360,000	260,000	200,000	100,000
Professional Consultancy Fees	1,909,674	1,062,466	1,909,674	1,062,466
Training & Demonstration Expenses	168,094	57,108	25,660	57,108
Meeting Allowance	34,000	455,000	34,000	455,000
Bank Charges	2,396,836	795,227	1,743,816	795,087
Annual Maintenance charges	971,602	143,070	626,778	143,070
Meeting Expenses	1,033,622	290,663	1,032,422	290,663
Communication Expenses	2,029,349	891,168	2,029,349	891,168
Insurance Charges	2,732,756	881,353	2,732,756	881,353
Lodging and Fooding Expenses	7,044,947	2,610,177	6,907,491	2,610,177
Power & Fuel	3,389,954	1,557,502	3,218,579	1,557,502
Water, Electricity and Office Utilities	1,596,858	860,693	1,205,999	759,789
Printing, Stationery and Small Accessories	967,262	1,436,554	841,737	1,390,054
Registration and Renewal	763,731	773,600	602,531	440,100
Bid Application Charges	13,000	-	-	-
Selling and Distribution Expense	4,347,247	908,336	4,263,448	894,576
Security Expenses	1,089,530	293,500	691,300	293,500
Travelling Expenses	2,964,080	939,369	2,861,103	849,429
Fines & Penalties	123,198	222,968	91,790	222,968
Repair and Maintenance	1,569,645	650,097	1,555,645	650,097
Office Maintenance Costs	2,884,284	432,279	2,884,284	432,279
Vehicle Expenses	232,802	231,785	232,802	231,785
Other Office Expenses	5,438,775	1,463,816	4,950,837	1,458,956
Donation Expenses	50,000	-	-	-
Total	53,659,407	24,861,395	48,176,792	22,511,791



**Muktinath Krishi Company Limited**  
Basundhara, Kathmandu,

**Notes to Consolidated Financial Statements**  
As at 31 Ashad 2081 (15 Jul 2024)

21. Financial Expenses	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Interest Expenses	15,611,069	9,891,791	15,611,069	9,891,791
Interest Expenses on Leases	10,847,447	2,290,829	10,847,447	2,290,829
<b>Total</b>	<b>26,458,517</b>	<b>12,182,620</b>	<b>26,458,517</b>	<b>12,182,620</b>

22. Non Operating (Income)/Expenses	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Foreign Exchange (Gain)/Loss	(297,563)	-	(297,563)	-
(Profit)/Loss on Sale of Fixed Assets	-	557,366	-	557,366
Write Off Expenses	-	(146,118)	-	(146,118)
(Profit)/Loss on Sale of Securities	488,684	(133,730)	488,684	(133,730)
<b>Total</b>	<b>191,121</b>	<b>277,517</b>	<b>191,121</b>	<b>277,517</b>

23. Earnings per share	Group Balance		Stand Alone	
	31 Ashad 2081	31 Ashad 2080	31 Ashad 2081	31 Ashad 2080
Profit for the year	14,389,988	7,470,979	21,735,897	10,472,287
Weighted average number of equity shares	7,000,000	5,600,000	7,000,000	5,600,000
<b>Basic /diluted earnings per share</b>	<b>2.06</b>	<b>1</b>	<b>3.11</b>	<b>1.87</b>

Basic EPS is computed by dividing the Profit or loss attributable to the equity shareholders of the company for the period by the weighted average number of ordinary shares outstanding during the reporting period.

**24. Events after Reporting Period**

There is no such events after reporting period.

**25. Related party disclosure**

**Parties Exercising Control over the Company**  
Muktinath Bikas Bank Ltd.

- Parent company holding 22.22% of the total share

**Parties where the Company holds the Control**

- Muktinath Agro Machinery Company Limited
- Muktinath Fertilizer Bank Limited
- Muktinath Food Bank Limited
- Muktinath Livestock Bank Limited
- Muktinath Nursery Bank Limited
- Muktinath Seed Bank Limited
- Muktinath Trading Company Limited
- Muktinath Herbal Bank Limited

- 100% holding Subsidiary Company
- 100% holding Subsidiary Company
- 100% holding Subsidiary Company
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Muktinath Krishi Company Limited  
Basundhara, Kathmandu

Notes to Consolidated Financial Statements  
As at 31 Ashad 2081 (15 Jul 2024)

Other Related Parties  
Muktinath Capital Ltd.

- Group Company

Key Management Personnel  
a) Mr. Bharat Raj Dhakal  
b) Mr. Ramsharan Timalisina



- Managing Director  
- Deputy General Manager

Key Managerial Personnel's Emoluments and Facilities

Related Party	Nature of Relation	Nature of Transaction	Amount
Bharat Raj Dhakal	Managing Director	Employee Benefits	4,300,801
Bharat Raj Dhakal	Managing Director	Meeting Allowance	97,500
Ramsharan Timalisina	Deputy General Manager	Employee Benefits	2,730,384
Sitaram Kafle	Chairman	Meeting Allowance	155,000
Tulsiram Dhakal	Director	Meeting Allowance	137,000
Mohan Kumar Basnet	Director	Meeting Allowance	65,000
Prakash Prasad Shrestha	Director	Meeting Allowance	15,000
Shikha Maskey	Director	Meeting Allowance	65,000
Govinda Bahadur Raut	Director	Meeting Allowance	132,000
Chiranjibi Aryal	Director	Meeting Allowance	16,000
Sugarika K.C.	Director	Meeting Allowance	32,000
Tulsiram Dhakal	Director	Meeting Allowance	137,000
Mohan Kumar Basnet	Director	Meeting Allowance	65,000
Prakash Prasad Shrestha	Director	Meeting Allowance	15,000
Shikha Maskey	Director	Meeting Allowance	65,000
Govinda Bahadur Raut	Director	Meeting Allowance	132,000
Chiranjibi Aryal	Director	Meeting Allowance	16,000
Sugarika K.C.	Director	Meeting Allowance	32,000

Transactions with Related Parties

Related Party	Nature of Relation	Nature of Transaction	Amount
Muktinath Agro Machinery Co. Ltd.	Subsidiary Company	Payable to Subsidiaries	970,723
Muktinath Agro Machinery Co. Ltd.	Subsidiary Company	Sale of Goods	5,957,939
Muktinath Fertilizer Bank Ltd.	Subsidiary Company	Payable to Subsidiaries	971,974
Muktinath Fertilizer Bank Ltd.	Subsidiary Company	Purchase of Goods	17,620
Muktinath Food Bank Ltd.	Subsidiary Company	Payable to Subsidiaries	8,676,560
Muktinath Livestock Bank Ltd.	Subsidiary Company	Receivable From Subsidiaries	1,851,688
Muktinath Livestock Bank Ltd.	Subsidiary Company	Sale of Goods	477,737
Muktinath Nursery Bank Ltd.	Subsidiary Company	Payable to Subsidiaries	9,656,355
Muktinath Nursery Bank Ltd.	Subsidiary Company	Sale of Goods	2,757,708
Muktinath Seed Bank Ltd.	Subsidiary Company	Payable to Subsidiaries	4,423,357
Muktinath Seed Bank Ltd.	Subsidiary Company	Sale of Goods	1,225,133
Muktinath Seed Bank Ltd.	Subsidiary Company	Purchase of Goods	701,420
Muktinath Trading Company Ltd.	Subsidiary Company	Payable to Subsidiaries	4,666,286
Muktinath Trading Company Ltd.	Subsidiary Company	Sale of Goods	853,200
Muktinath Trading Company Ltd.	Subsidiary Company	Purchase of Goods	61,482





Muktinath Krishi Company Limited  
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Notes to Consolidated Financial Statements  
As on 31 Ashad 2081 (15 Jul 2024)

26. Lease

As on Ashad end, 2081	Group		MKCL	
	Amount		Amount	
Property, Plant and Equipment	79,842,517		79,842,517	
Right-of-Use Assets	75,114,798		75,114,798	
Total	154,957,315.50		154,957,315.50	

Right-of-Use Assets

As on Ashad end, 2081	Group		MKCL	
	Property	Total	Property	Total
Balance at Shrawan 1, 2080	28,839,772	28,839,772	28,839,772	28,839,772
Depreciation Charge for the Year	10,801,055	10,801,055	10,801,055	10,801,055
Balance at Ashad 31st, 2081	75,114,798.40	75,114,798.40	75,114,798.40	75,114,798.40

Additions for the Financial Year 2080/81 were Rs. 5.7 crore.

Lease Liabilities






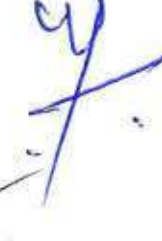


As on Ashad end, 2081	Group		MKCL	
	Amount		Amount	
Maturity analysis – contractual undiscounted cash flows				
Less than one Year	16,132,956		16,132,956	
One to five Years	76,692,125		76,692,125	
More Than Five Years	40,217,495		40,217,495	
Total undiscounted lease liabilities at Ashad end	133,042,576.15		133,042,576.15	
Lease liabilities included in the statement of financial position at Ashad end 2080	75,114,798.40		75,114,798.40	
Current	12,958,959		12,958,959.04	
Non-Current	58,260,344		58,260,343.94	

Amounts recognised in Profit or Loss

As on Ashad end, 2081	Group		MKCL	
	Amount		Amount	
Interest on lease liabilities	8,210,624		8,210,624	
Expenses relating to short-term leases	2,499,410		559,910	

Amounts recognised in the Statement of Cash Flows

As on Ashad end, 2081	Group		MKCL	
	Amount		Amount	
Total cash outflow for leases	14,480,819		14,480,819	



Transactions with Related Parties

Related Party	Nature of Relation	Nature of Transaction	Amount
Muktinath Herbal Bank Ltd.	Subsidiary Company	Payable to Subsidiaries	7,955,104
Itech Ltd.	Subsidiary Company	Receivable From Subsidiaries	1,186,766
Climate Care Ltd.	Subsidiary Company	Receivable From Subsidiaries	2,34,538
Muktinath Bikash Bank Ltd.	Parent Company	Bank Balance	12,386,213
Muktinath Bikash Bank Ltd.	Parent Company	Sale	25,219,434
Muktinath Bikash Bank Ltd.	Parent Company	Fixed Deposit	5,52,000
Muktinath Bikash Bank Ltd.	Parent Company	Interest Income	3,51,229
Muktinath Capital	Group Company	PMC AMS /Exit Load	1,091,664
Muktinath Capital	Group Company	RTS Fee	459,700
Muktinath Capital	Group Company	Underwriting Commission	500,000

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Muktinath Krishi Company Limited  
Basundhara, Kathmandu

Notes to Consolidated Financial Statements  
As on 31 Ashad 2081 (15 Jul 2024)

27. Comparative Figures

Previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary to conform to the current year's presentation. The details of restatement in comparative figures are as follows:

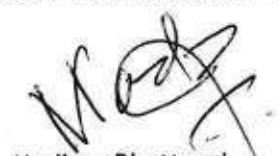
Changes in Statement of Profit or Loss

Particulars	Restated Balance	As per Previous Year	Difference	Remarks
Overtime Expenses	9,000	-	(9,000)	Opening Difference appeared in Books
	9,000.00	-	(9,000.00)	

Changes in Statement of Change in Equity

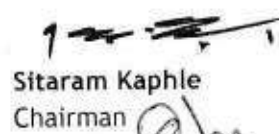
	Restated Balance	As per Previous Year	Difference	Remarks
Transfer from Fair Value Reserve to Retained Earning	-	6,082,554	(6,082,554)	Fair Value Reserve to Retained Earning
	-	6,082,554.00	(6,082,554.00)	

For Muktinath Krishi Company Limited

  
Madhav Bhattarai  
Head of Account & Finance

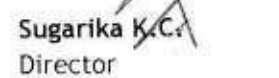
  
Ramsharan Timalisina  
Deputy General Manager

  
Bharat Raj Dhakal  
Managing Director

  
Sitaram Kaphle  
Chairman

  
Tulsi Ram Dhakal  
Director

  
Govinda Bahadur Raut  
Director

  
Sagarika K.C.  
Director

  
Sharad Chandra Shrestha  
Independent Director



As per our report of even date  
  
Anil Paudel  
Proprietor  
A.P. & Associates, Chartered  
Accountants



Kathmandu, 1st Paus, 2081