



मुक्तिनाथ कृषि कम्पनी लि.

MUKTINATH KRISHI COMPANY LTD.

An Associate Company of Muktinath Bikas Bank



INTERIM FINANCIAL STATEMENT

As on 31st Ashwin 2082

For FY 2082-83

Muktinath Krishi Company Limited

Quarterly Statement of Financial Position

As at 31st Ashwin 2082 (17th Oct 2025)



मुक्तिनाथ कृषि कम्पनी लि.

MUKTINATH KRISHI COMPANY LTD.

(An Associate Company of Muktinath Bikas Bank Ltd.)

Amount in Rs

Particulars	MKCL		
	31st Ashwin 2082(Unaudted)	Previous Quarter Ending 32nd Ashad 2082 (Audited)	Corresponding Previous Year Quarter Ending 30th Ashwin 2081 (Unaudited)
ASSETS			
Non-Current Assets			
Property, Plant and Equipments	169,711,236	171,432,734	81,048,500
Biological Assets	115,000	115,000	-
Intangible Assets	6,991,707	7,279,110	6,261,008
Investment	227,863,975	226,616,503	102,000,000
Total Non-Current Assets	404,681,918	405,443,347	189,309,508
Current Assets			
Inventories	189,097,203	174,702,246	165,344,369
Trade and Other Receivables	680,887,703	568,063,124	502,138,058
Other Receivables	-	-	-
Income Tax Assets	7,804,200	7,792,336	11,154,007
Prepayments	2,899,407	848,845	98,187,032
Cash & Cash Equivalents	19,208,914	44,277,968	29,421,663
Deferred Tax Assets	26,649,737	26,649,738	25,561,065
Total Current Assets	926,547,165	822,334,256	831,806,194
Total Assets	1,331,229,083	1,227,777,603	1,021,115,702
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	700,000,000	700,000,000	700,000,000
Other Equity	118,060,268	107,053,101	(20,616,375)
Total Equity	818,060,268	807,053,101	679,383,625
Liabilities			
Non-Current Liabilities			
Deferred Tax Liabilities	-	-	-
Total Non-Current Liabilities	-	-	-
Current Liabilities			
Trade and Other Financial Liabilities	393,875,357	247,727,056	194,273,337
Provisions	6,358,131	6,358,131	5,258,574
Income Tax Provision	14,773,315	14,773,315	-
Short Term Loan	98,162,012	151,866,000	142,200,167
Total Current Liabilities	513,168,815	420,724,502	341,732,078
Total Equity and Liabilities	1,331,229,083	1,227,777,603	1,021,115,702

Muktinath Krishi Company Limited

Quarterly Statement of Profit or Loss

As at 31st Ashwin 2082 (17th Oct 2025)



मुक्तिनाथ कृषि कम्पनी लि.

MUKTINATH KRISHI COMPANY LTD.

(An Associate Company of Muktinath Bikas Bank Ltd.)

Amount in Rs

Particulars	MKCL		
	Upto this quarter (31st Ashwin, 2082)(Unaudited)	Previous Quarter Ending (32nd Ashad 2082 Audited)	Corresponding Previous Year Quarter Ending 30th Ashwin 2081 (Unaudited)
Revenue from Operations	166,033,638	725,830,332	212,224,661
Less: Cost of Goods Sold	133,998,322	579,779,036	166,237,266
Gross Profit	32,035,316	146,051,296	45,987,395
Sale of an Investment	-	81,250,000	-
Other Income	10,638	14,361,992	7,301
Total Income	32,045,954	241,663,287	45,994,696
Operating Expenses			
Personnel Expenses	12,041,992	56,403,652	10,725,000
Other Operating Expenses	4,748,721	30,276,044	13,799,100
Financial Expenses	2,043,525	23,624,386	1,942,270
Depreciation and Amortisation Expenses	2,204,550	20,363,831	2,984,072
Total Operating Expenses	21,038,788	130,667,912	29,450,443
Non Operating (Income)/Expenses	-	(1,187,492)	-
Total Expenses	21,038,788	129,480,420	29,450,443
Profit before Income Tax	11,007,167	112,182,867	16,544,253
Tax Expenses			
Current Tax		14,773,315	-
Deferred Tax Expenses /(Income)		752,931	-
Total Tax Expenses	-	15,526,246	-
Profit for the Period	11,007,167	96,656,622	16,544,253
Basic Earning Per Share (EPS)-Annualized	6.29	13.81	9.45

Muktinath Krishi Company Limited

Statement of Cash Flow

As at 31 Ashwin 2082 (17th Oct 2025)



Particulars	MKCL	
	Upto this quarter (31st Ashwin, 2082)(Unaudited)	Previous Quarter Ending 32nd Ashad 2082 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit for the year	11,007,167	112,182,867
Adjustment for:		
Depreciation/Impairment on Property, Plant and Equipment	2,204,550	20,363,831
Interest on Lease		-
Lease Rent		-
Interest Income	(10,638)	(1,091,118)
Income from Portfolio Management Services		-
Change in Fair Value of Securities	-	-
Profit/Loss on Sale of Fixed Assets		
Operating Profit Before Working Capital Changes	13,201,078	131,455,580
Changes In Working Capital		
(Increase)/decrease in Inventories	(14,394,958)	60,492,320
(Increase)/decrease in Trade and Other Receivables	(112,824,579)	(104,838,730)
(Increase)/decrease in Other Current Assets	(2,062,427)	(1,252,806)
Increase/(decrease) in Other Financial Liabilities	146,148,301	47,305,997
Increase/(Decrease) in Trade and Other Payables	(53,703,988)	1,250,006
Increase/(decrease) in Other Liabilities	0.00	
Income Taxes Paid (Net of Refunds)	-	
Net Cash Flows Generated / (Used) from Operating Activities (A)	(23,636,572)	134,412,366
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	10,638	1,091,118
(Increase)/decrease in Investment	(1,247,471)	(124,064,503)
Income from Sale of Securities	-	-
Payments for purchase of Property, Plant and Equipment	(195,649)	(35,746,914)
Adjustment for Derecognition of Right of use assets		
Purchase/Sale of Biological Assets	-	115,000
Payments for Intangible Assets	-	(1,943,111)
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)	(1,432,481)	(160,548,411)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from the issue of Equity and Preference Share	-	-
Adjustment/ Restatement in Retaining Earning		53,800,200
Proceeds/(Repayment) of Secured Loan		-
Interest Paid		
CASH FLOW FROM FINANCING ACTIVITIES (C)	-	53,800,200
Total Cash Flow from Operating, Investing and Financing Activities (A+B+C)	(25,069,054)	27,664,156
Opening Cash and Cash Equivalents	44,277,968	16,613,812
Closing Cash and Cash Equivalents	19,208,914	44,277,968

Muktinath Krishi Company Limited
Basundhara, Kathmandu

Notes to Consolidated Financial Statements
As at 31st Ashwin 2082 (17th October 2025)

4. Property, Plant and Equipment and Capital Work-in-Progress (Stand Alone)											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											
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	942,695	-	1,490,570	2,254,035	2,351,991	-	43,298,538	25,035,582.14	79,463,326
Acquisition	3,869,818	220,096	942,695	-	1,490,570	2,254,035	2,351,991	-	43,298,538		54,427,744
Capitalizations										25,035,582	25,035,582
Adjustments	200,000		118,425				(318,425)			(13,568,887)	(13,568,887)
Disposal during the year	-	(1,715,857)	-	-	-	-	(18,318)	(3,220)	(21,581,000)		(23,318,395)
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	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	57,076,081	94,496,272
Capitalizations											
Adjustments											-
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 Ashad, 2081	25,591,950	3,943,818	5,528,682	321,859	4,206,870	19,428,103	7,153,492	734,380	37,736,283	94,516,188	199,161,626
Additions during the year	1,863,222	-	634,718	246,298	21,239	5,029,858	189,013	-	5,688,144	22,074,420	35,746,913
Acquisition	1,863,222	-	634,718	246,298	21,239	5,029,858	189,013	-	5,688,144	12,655,432	26,327,925
Capitalizations											
Adjustments										9,418,988	9,418,988
Disposal during the year											
Balance at 31st Ashad 2082	27,455,172	3,943,818	6,163,401	568,157	4,228,109	24,457,962	7,342,505	734,380	43,424,427	116,590,609	234,908,539
Additions during the year	-	-	121,000	-	-	-	74,650	-	-	-	195,650
Acquisition			121,000				74,650				
Capitalizations											
Adjustments											
Disposal during the year											
Balance at 30th Ashwin 2083	27,455,172	3,943,818	6,284,401	568,157	4,228,109	24,457,962	7,417,155	734,380	43,424,427	116,590,609	235,104,189
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	13,049,069
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)				-
Disposals	-	(661,114)	-	-	-	-	(4,876)	(2,572)			(668,562)
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	20,580,607
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 32 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
Charge for the year	1,798,355.21	197,190.89	1,149,698.14	27,749.25	601,609.89	2,568,431.19	1,046,109.73	250,726.28	-	11,631,624	19,271,495
Previous Year	1,706,130	197,191	1,105,736	21,457	600,981	2,158,678	1,021,927	250,726	-	10,301,423	17,364,251
Addition	92,225	-	43,962	6,292	628	409,753	24,182	-	-	1,330,201	1,907,243
Adjustments											
Disposals											
Balance at 32 Ashad, 2082	10,804,660	2,015,956	3,702,895	142,636	2,407,439	8,764,366	3,870,461	734,380	-	31,033,014	63,475,805
Charge for the year	457,586	49,298	308,170	9,469	151,004	679,388	262,232	-	-	-	1,917,147
Previous Year	457,586	49,298	308,170	9,469	151,004	679,388	262,232	-	-	-	
Addition											
Adjustments											
Disposals											
Balance at 30 Ashwin, 2082	11,262,246	2,065,254	4,011,065	152,105	2,558,443	9,443,753	4,132,693	734,380	-	31,033,014	65,392,952
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	4,329,141	250,726	37,736,283	75,114,798	154,957,315
As on Ashad end 2082	16,650,512	1,927,862	2,460,506	425,522	1,820,670	15,693,596	3,472,044	-	43,424,427	85,557,595	171,432,734
As on Ashwin end 2082	16,192,926	1,878,564	2,273,336	416,053	1,669,666	15,014,208	3,284,462	-	43,424,427	85,557,595	169,711,236

Muktinath Krishi Company Limited
Basundhara, Kathmandu

Notes to Consolidated Financial Statements
As at 31st Ashwin 2082 (17th October 2025)

4. Property, Plant and Equipment and Capital Work-in-Progress (Stand Alone)											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											
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	942,695	-	1,490,570	2,254,035	2,351,991	-	43,298,538	25,035,582.14	79,463,326
Acquisition	3,869,818	220,096	942,695	-	1,490,570	2,254,035	2,351,991	-	43,298,538		54,427,744
Capitalizations										25,035,582	25,035,582
Adjustments	200,000		118,425				(318,425)			(13,568,887)	(13,568,887)
Disposal during the year	-	(1,715,857)	-	-	-	-	(18,318)	(3,220)	(21,581,000)		(23,318,395)
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	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	57,076,081	94,496,272
Capitalizations											
Adjustments											-
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 Ashad, 2081	25,591,950	3,943,818	5,528,682	321,859	4,206,870	19,428,103	7,153,492	734,380	37,736,283	94,516,188	199,161,626
Additions during the year	1,863,222	-	634,718	246,298	21,239	5,029,858	189,013	-	5,688,144	22,074,420	35,746,913
Acquisition	1,863,222	-	634,718	246,298	21,239	5,029,858	189,013	-	5,688,144	12,655,432	26,327,925
Capitalizations											
Adjustments										9,418,988	9,418,988
Disposal during the year											
Balance at 31st Ashad 2082	27,455,172	3,943,818	6,163,401	568,157	4,228,109	24,457,962	7,342,505	734,380	43,424,427	116,590,609	234,908,539
Additions during the year	-	-	121,000	-	-	-	74,650	-	-	-	195,650
Acquisition			121,000				74,650				
Capitalizations											
Adjustments											
Disposal during the year											
Balance at 30th Ashwin 2083	27,455,172	3,943,818	6,284,401	568,157	4,228,109	24,457,962	7,417,155	734,380	43,424,427	116,590,609	235,104,189
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	13,049,069
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)				-
Disposals	-	(661,114)	-	-	-	-	(4,876)	(2,572)			(668,562)
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	20,580,607
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 32 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
Charge for the year	1,798,355.21	197,190.89	1,149,698.14	27,749.25	601,609.89	2,568,431.19	1,046,109.73	250,726.28	-	11,631,624	19,271,495
Previous Year	1,706,130	197,191	1,105,736	21,457	600,981	2,158,678	1,021,927	250,726	-	10,301,423	17,364,251
Addition	92,225	-	43,962	6,292	628	409,753	24,182	-	-	1,330,201	1,907,243
Adjustments											
Disposals											
Balance at 32 Ashad, 2082	10,804,660	2,015,956	3,702,895	142,636	2,407,439	8,764,366	3,870,461	734,380	-	31,033,014	63,475,805
Charge for the year	457,586	49,298	308,170	9,469	151,004	679,388	262,232	-	-	-	1,917,147
Previous Year	457,586	49,298	308,170	9,469	151,004	679,388	262,232	-	-	-	
Addition											
Adjustments											
Disposals											
Balance at 30 Ashwin, 2082	11,262,246	2,065,254	4,011,065	152,105	2,558,443	9,443,753	4,132,693	734,380	-	31,033,014	65,392,952
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	4,329,141	250,726	37,736,283	75,114,798	154,957,315
As on Ashad end 2082	16,650,512	1,927,862	2,460,506	425,522	1,820,670	15,693,596	3,472,044	-	43,424,427	85,557,595	171,432,734
As on Ashwin end 2082	16,192,926	1,878,564	2,273,336	416,053	1,669,666	15,014,208	3,284,462	-	43,424,427	85,557,595	169,711,236

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. The company has regional offices located at Kathmandu, Dhangadi, Birendranagar, Butwal, Pokhara, Chitwan, Bardibas, and Itahari.

The Company’s activity involves, predominantly, business of agricultural products including production, trading and marketing of the agro products as well as supply of agricultural equipment’s, agriculture related consultancy services, seeds, agricultural research and development and technology transfer.

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 Accounting Standards and Principles, issued by Accounting Standard Board (ASB) of the Institute of Chartered Accountants of Nepal.

2.2. Interim Period and Approval of Financial Statement

Interim Period:

The Company has prepared the statements based upon Nepali calendar starting from 1st Shrawan 2082 and ending on 31st Ashwin 2082.

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. 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.

2.6. 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.

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 Interim date.

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	As per Agreement
Building and Structures	20 years
Plastic and Other Structures	5 years
Computer & Accessories	5 years
Vehicle (Four-Wheeler)	9 years
Vehicle (Two-Wheeler)	7 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 its 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 capitalized 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 recognized as a capital improvement and added to the original cost of the software. These costs are amortized over the estimated useful life of 5 years. Costs associated with maintaining computer software are recognized as an expense as incurred.

3.5. Financial assets & financial liabilities

Trade and Other Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized 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.

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 Interim 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 Interim group and relate to income taxes levied by the same taxation authority, and when the group has legal right to offset.

The Company has not recognized deferred tax Expenses for the period.

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. Except investment made at Nepal Warehousing Company Limited which is taken at fair market value. 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.

3.6. 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.

3.7. 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.

There are no significant changes in contingencies, provisions and commitments during the Interim period.

3.8. 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.

3.9. Events after Interim Period

No material events exist subsequently to the reporting date of the condensed financial statements that require disclosures or adjustments in the interim financial statements.

3.10. Earnings Per Share (EPS)

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 Interim period.

3.11. Related Party Disclosure

i) List of Related Party

a) Muktinath Bikas Bank Ltd.	- Parent company holding 22.2% of the total share
b) Muktinath Agro Machinery Company Limited	- 100% Subsidiary Company
c) Muktinath Fertilizer Bank Limited	- 100% Subsidiary Company
d) Muktinath Food Bank Limited	- Associates company holding 18.75 % of Shares .
e) Muktinath Livestock Bank Limited	- 100% Subsidiary Company
f) Muktinath Nursery Bank Limited	- 100% Subsidiary Company
g) Muktinath Seed Bank Limited	- 100% Subsidiary Company
h) Muktinath Trading Company Limited	- 100% Subsidiary Company
i) Muktinath Herbal Bank Limited	- 100% Subsidiary Company
j) Muktinath Capital Ltd.	- Group Company

Key Management Personnel

a) Mr. Sitaram Kaphle (Re-elected on 2080.09.25)	- Chairman
b) Mr. Bharat Raj Dhakal (Re-elected on 2080.09.25)	- Managing Director
c) Mr. Tulsi Ram Dhakal (Re-elected on 2080.09.25)	- Director
d) Mr. Govinda Bahadur Raut (Re-elected on 2080.09.25)	- Director
e) Mrs. Sugarika KC (Elected on 2080.10.22)	- Director
f) Mr. Sarad Chandra Shrestha (Elected on 2081.06.16)	- Director
g) Mr. Ramsharan Timalsina (Appointed on 2076.09.20)	- Deputy Chief Executive Officer & CS

ii) Transactions with Related Parties

a) Parent and Subsidiaries

Related Party	Nature of Relation	Nature of Transaction	Amount
Muktinath Bikash Bank Ltd.	Parent Company	Bank Balance	1,74,75,352.02
Muktinath Bikash Bank Ltd.	Parent Company	Fixed Deposit	51,05,078.55
Muktinath Bikash Bank Ltd.	Parent Company	Interest Income	10,638
Muktinath Agro Machinery Co. Ltd.	Subsidiary Company	Sales of Goods	2,63,80,095
Muktinath Foods Bank Ltd.	Associate Company	Sale of Goods	7,02,614
Muktinath Live Stock Bank Ltd.	Subsidiary Company	Receivable/ (Payable) to Subsidiaries & Associates Cos.	1,78,82,896
Muktinath Nursery Bank Ltd.	Subsidiary Company		(68,77,604)
Muktinath Foods Bank Ltd.	Subsidiary Company		(18,18,96,839)
Muktinath Agro Machinery Company Ltd.	Subsidiary Company		5,89,55,592
Muktinath Trading Company Ltd.	Subsidiary Company		17,32,67,540
Muktinath Herbal Bank Ltd.	Subsidiary Company		(13,06,891)
Muktinath Fertilizer Bank Ltd.	Subsidiary Company		1,34,12,459
Muktinath Seeds Bank Ltd.	Subsidiary Company		1,17,65,722
Muktinath ITech Ltd	Subsidiary Company		58,90,260
Muktinath Climate Care Ltd	Subsidiary Company		18,33,700

b) Meeting Allowances

3.12. Comparative Figures

Previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary to confirm to the current year's presentation.

3.13. Other Disclosures

i) Seasonality of Operation

The Company's historical data indicates that the company experiences higher revenue generation in Q4, aligning with the peak of the growing season. The major paddy plantation and the vegetable season falling in second half of the year, and also the government subsidy program aligning within this period does significantly increase the company's business. The Company has experienced a decline in sales 21.76% as compare to first quarter of immediate preceding financial year due to Gen Z Strike, flood during the paddy harvesting season.