

3rd
Annual
Report
FY 2077/78

“गाउँको उत्पादन सहरमा, सहरको पूँजी गाउँमा”

समृद्धि को आधार कृषि



मुक्तिनाथ कृषि कम्पनी लि.

MUKTINATH KRISHI COMPANY LTD

An Associate Company of Muktinath Bikas Bank

“Land is our Legacy”

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Key Highlights

(प्रमुख सूचकहरु)

AS OF 2078 ASHAD



40,000
NO OF CUSTOMERS



8
FARMER GROUPS



6.4x
BUSINESS GROWTH



40
DIRECT EMPLOYEES



197
BUSINESS ASSOCIATE



2
NO OF WAREHOUSE



15
AUTHORIZED BUSINESS ASSOCIATE



52
DISTRICTS COVERED



300+
PRODUCT RANGE



10
NEW BUSINESS INCUBATION



9
NO OF COOPERATIVE



8
NEW SEEDS VARIETY ON REGISTRATION



9
INTERNATIONAL BUSINESS PARTNERS



15
FARMER FIELD TRIAL
(SEEDS VARIETY)



5
NATIONAL BUSINESS PARTNERS



10
FARMERS GROUP TRAINING

OUR VISION



To foster sustainable development in Agriculture economy.

कृषि अर्थतन्त्रको दिगो विकासमा टेवा पुर्‍याउने ।

OUR MISSION

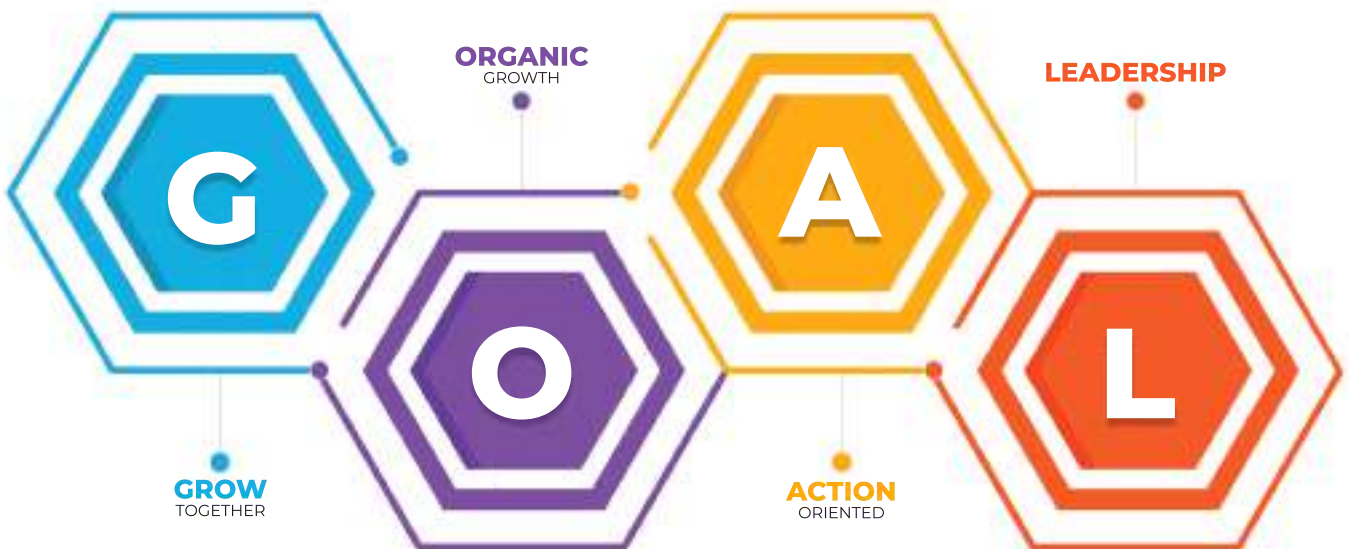


Bringing youth back into an Agricultural sector by competitiveness as well defined commercialized occupation.

कृषिलाई मर्यादित र प्रतिस्पर्धात्मक पेशा बनाई युवाहरुलाई कृषिमा आकर्षण गर्ने ।



COMPANY GOALS



Our Core Functions



Increase Production
& Productivity



Join Venturing & Co-creation



Consultation Service



Supply of quality agri-inputs



Agro-Industry



Agri-Market Centre



Export of High Value Produce



Post-Harvest Management



Research and Development



Technology Transfer

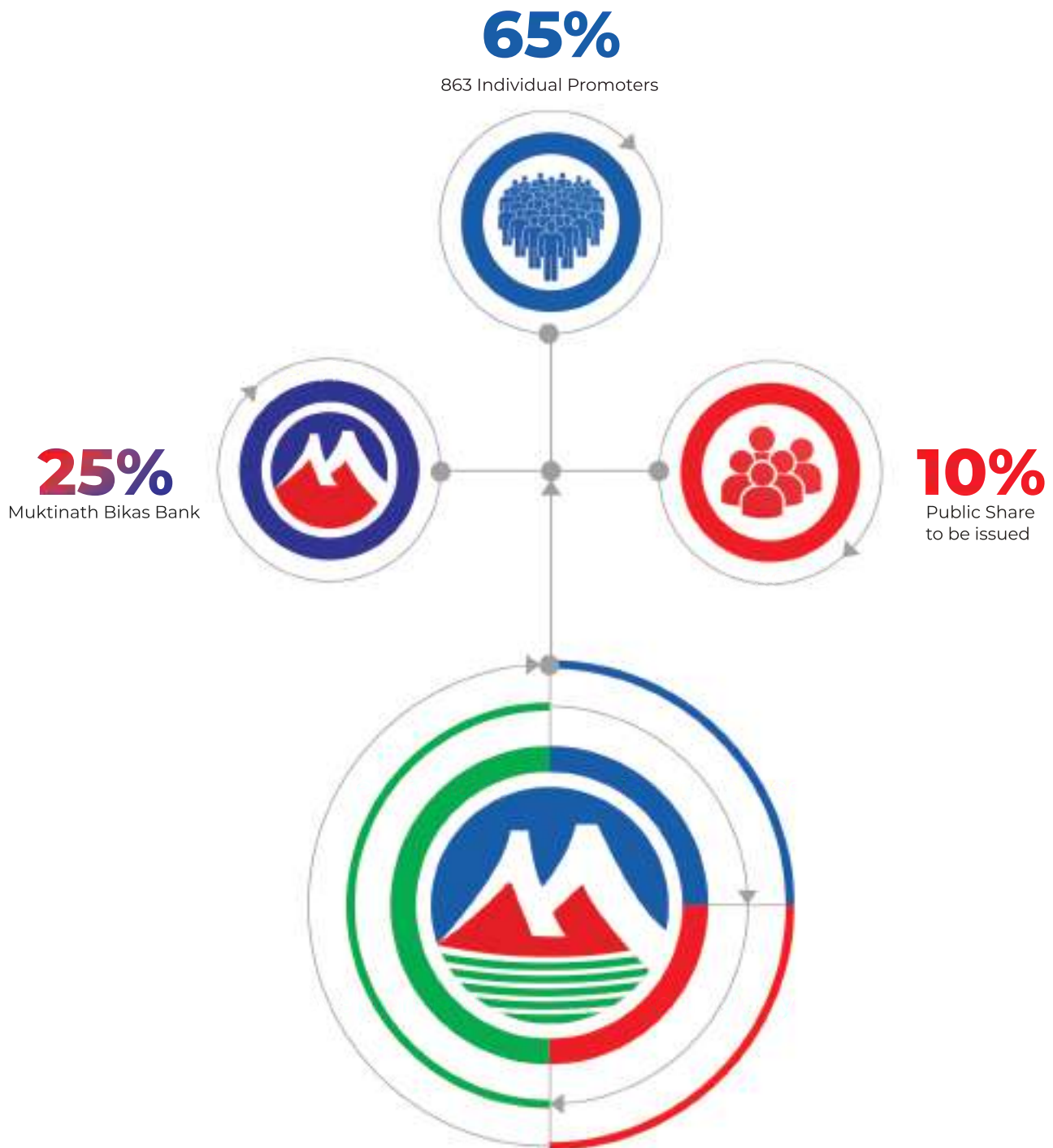


Business Incubation



Agro-Forestry Management

Promoters & Financial Capabilities



MUKTINATH KRISHI COMPANY

Board of Directors

संचालक समिति



Bharat Raj Dhakal
Executive Chairman



Sitaram Kaphle
Director



Tulasi Ram Dhakal
Director



Narayan Shrestha
Director



Mohan Basnet
Director



Prakash Shrestha
Director



Vijay Kumar Gurung
Director

Advisors

सल्लाहकारहरु



Dr. L.K. Pandey
Advisor



Mr. Pushkar Jamnerkar
Advisor



Mr. Pradyuman Pokharel
Advisor

Management Team



Ram Sharan Timalcina
Company Secretary & Senior Manager



Ganesh Poudel
Head of Finance



Anu Jha
Head of Admin & HR



Gopal Lamsal
Head of Sales



Bhumi Raj Bhandari
Regional Head- Gandaki



Sagar Pandey
Head of Technical
Department



Manish Dhakal
Head International
Business



Madan Raj Timalcina
Head of Supply Chain &
Inventory Control



Santosh Adhikari
Head of Business
Development



Shital Chimire
Head of Farm
Mechanization

तेश्रो वार्षिक साधारण सभाको सूचना !!!

आदरणीय सेयरधनी महानुभावहरु,

मुक्तिनाथ कृषि कम्पनी लि.को सञ्चालक समितिको मिति २०७८/०७/२५ मा सम्पन्न ४४ औं बैठकको निर्णय अनुसार यस कम्पनीको तेश्रो वार्षिक साधारण सभा निम्न मिति, समय र स्थानमा, देहायका विषय उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सम्पूर्ण सेयरधनी महानुभावहरुको जानकारी एवं उपस्थितिका लागि, यो सूचना प्रकाशित गरिएको छ ।

सभा हुने मिति, समय र स्थान :

मिति : २०७८ मंसिर २४ गते, (तदनुसार डिसेम्बर १०, २०२१)

समय : दिनको २:००, बजे ।

स्थान : पोखरा महानगरपालिका, नागाढुंगा (मुक्तिनाथ विकास बैंकको क्षेत्रीय कार्यालय परिसर) कास्की ।

सम्पर्क: ९८०२३५०९००/९८०२३५०९०९/९८०२३५०९०५

छलफलका विषयहरु :

सामान्य प्रस्तावहरु :

१. सञ्चालक समितिको तर्फबाट अध्यक्षज्यूको आ.व. २०७७/०७८ को वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने ।
२. लेखापरीक्षकको प्रतिवेदन सहित आ.व. २०७७/०७८ आषाढ मसान्तको वासलात, नाफा नोक्सान हिसाब, नगद प्रवाह लगायतका विवरणहरु पारित गर्ने ।
३. आ.व.२०७८/०७९ को लागि लेखापरीक्षक नियुक्ति गर्ने र निजको पारिश्रमिक निर्धारण गर्ने ।

विशेष प्रस्तावहरु :

१. सहायक कम्पनीहरु स्थापना गर्ने सम्बन्धमा ।
२. सञ्चालक समितिका अध्यक्ष र संचालकहरुको बैठक भत्ता, दैनिक भत्ता, भ्रमण खर्च लगायतका सुविधाहरु वृद्धि/थप गर्ने सम्बन्धमा ।
३. विविध

द्रष्टव्य: तेश्रो वार्षिक साधारण सभाको शुभ-अवसरमा, यस कम्पनीको क्षेत्रीय कार्यालय, पोखराको उद्घाटन समारोह पनि सोही दिन सोही स्थानमा हुने व्यहोरा यसै सूचना मार्फत जानकारी गरिन्छ ।

संचालक समितिको आज्ञाले

रामशरण तिमल्सिना

(कम्पनी सचिव)

Message from Executive Chairman



आज मिति २०७८ साल मंसिर २४ गतेका दिन मुक्तिनाथ कृषि कम्पनीको तेश्रो वार्षिक साधारण सभामा उपस्थित यस कम्पनीका संचालक ज्यूहरु, आदरणीय शेयरधनी महानुभावहरु, कर्मचारीहरु तथा अन्य उपस्थित महिला तथा सज्जनवृन्द सम्पूर्ण महानुभावहरुमा कम्पनीको तर्फबाट तथा मेरो व्यक्तिगत तर्फबाट स्वागत गर्न चाहन्छु ।

देशको कूल ग्राहस्थ उत्पादनको २५ प्रतिशत भन्दा धेरै हिस्सा ओगटेको कृषि क्षेत्र समग्र अर्थतन्त्रको मूल्य अंग रहेको सवैमा सर्वविदित नै छ । कृषि क्षेत्रको समग्र विकासको लागि मुक्तिनाथ विकास बैंक र सबै शेयरधनी महानुभावहरुको सहयोगमा कृषि कम्पनीको स्थापना गरी यो अवस्था सम्म कम्पनीलाई ल्याउन पाउँदा गौरवान्वित भएका छौं ।

यस मुक्तिनाथ कृषि कम्पनी लि. कृषक, कृषि उद्यमी र उपभोक्ता समेतलाई ध्यानमा राख्दै कृषि मूल्य श्रृङ्खलाको सबै अवयवहरुमा योगदान दिने गरी नेपालको कृषि अर्थतन्त्रलाई सवल बनाउने अभिप्रायले स्थापना भएको थियो । कम्पनीले स्थापना काल देखिनै आफ्नो उद्देश्य अनुसार नै कृषकहरुलाई आवश्यक गुणस्तरीय उत्पादनका साधनहरु जस्तै मल, बिउ, विषादी, औजारउपकरण सहित अनुसन्धान, विकास र प्रविधि हस्तान्तरणको साथै कृषि उत्पादनहरुको राष्ट्रिय र अन्तर्राष्ट्रिय बजारीकरण सम्बन्धी कार्यहरु शुरुवात गरेको छ ।

कुनै पनि कम्पनीको पहिलो तीन वर्ष शिशु अवस्थामा नै रहन्छ । जसमा काम गर्ने सिलसिलामा विभिन्न आरोह अवरोह तथा कमि कमजोरीहरु रहने गरेका छन् । यसै सन्दर्भमा नेपालमा वर्षो दखि व्याप्त रासायनिक मलको समस्या न्यूनीकरण गर्ने अभिप्रायले यस कम्पनीले पनि नेपाल सरकार अर्न्तगतको कृषि सामाग्री कम्पनी लि. ले आवहान गरेको टेन्डरमा सहभागी भई सप्लाई गर्नको लागि सम्झौता भएतापनि कोभिडको विश्वव्यापी महामारीको कारण मुल्यमा भएको उच्च वृद्धि, अन्तर्राष्ट्रिय आवतजावतमा कठिनाई लगायतका राष्ट्रिय तथा अन्तर्राष्ट्रिय असहजताको कारण समयमा रासायनिक मल सप्लाई गर्न नसक्दा विभिन्न प्रकारका आर्थिक तथा कानुनी कन्फ्लिक्ट सामना गर्नु परेको छ । तर संचालक समितिले यसलाई गम्भीरतापूर्वक समीक्षा गरी सिकाइको रुपमा लिदै यसलाई अवसरको रुपमा बदल्ने प्रण गरेको छ ।

माथि उल्लेखित रासायनिक मलको तितो अनुभव बाहेक यस प्रतिवेदनका विभिन्न अंशहरुमा समावेश गरे बमोजिम कम्पनीले आफ्नो लक्ष्य अनुसार विभिन्न राष्ट्रिय तथा अन्तर्राष्ट्रिय कृषि व्यवसायिहरुसंग साभेदारी गरी अनुसन्धान र विकास सहित कृषक, कृषि व्यवसायी र उपभोक्ताको हितलाई ध्यानमा राख्दै ५० भन्दा बढी जिल्लाहरुमा वस्तु तथा सेवाहरु पुर्याउन सफल भएको छ । यसलाई अवसरको रुपमा बदल्दै नेपालभरी गुणस्तरीय कृषि वस्तु तथा सेवाहरु उपलब्ध गराउँदै नेपालको कृषि क्षेत्रलाई संस्थागत विकास गर्नमा यस कम्पनीले नेतृत्व गर्ने दिशामा कम्पनीका क्रियाकलापहरु अगाडि बढिरहेको अनुभूति गरेको छु ।

साथै कम्पनीले वैदेशिक रोजगारीमा गएका युवाहरुलाई देशमा नै स्वरोजगारको वातावरण श्रृजना गर्नको लागि विभिन्न प्रकारका कार्यक्रमहरु ल्याउँदै छ । जसको माध्यमबाट लाखौं युवाहरुलाई स्वदेशमा नै राम्रो कमाई गर्ने वातावरण निर्माण भई देशको कृषिजन्य कूल ग्राहस्थ उत्पादन वृद्धि हुनेछ ।

सम्पूर्ण शेयरधनी महानुभावहरुले कम्पनीप्रति गर्नुभएको सहयोग, हौसला र सकारात्मक सुझावहरु प्रति हार्दिक आभार प्रकट गर्दछु ।

धन्यवाद
भरतराज ढकाल
कार्यकारी अध्यक्ष

DEVELOPMENT OF MUKTINATH KRISHI COMPANY

देशको कुल ग्राहस्थ उत्पादनको २५ प्रतिशत भन्दा धेरै हिस्सा ओगटेको

०२१)



PRIOR TO 2075

Envision of MKCL in the field level working background of Muktinath Bikas Bank & Royal Co-operative

सोचबान दिने ठारी नेपालको कृषि अर्थतन्त्रलाई सबल बनाउने आधिप्रासको

FY 2075-76

Registration of company, basic team & structure formation, policy development & extensive liaison with National stakeholders

जसमा काम गर्न सिलसिलामा विभिन्न अ



FY 2076-077

Recruitment of senior team & departments, start of two R&D farms, development of vermicompost & local seeds products in own brand, tie-up with international companies and started inputs business, study of Nepal inputs market & introduction its chemical fertilizer project.

बाहस रमा अन्तराष्ट्रिय अग्रहताको कारण समग्रमा रासायनिक



FY 2077-078

Market expansion of quality farm products, registration process initiation for seeds & pesticides, market structure formation, introduction into service business, expansion of International business network



साथै कम्पनीले वैदेशिक रोजगारीमा गइका युवाहरूलाई देशमा नै स्वरोजगारको वातावरण श्रृजना गर्नको लागि विभिन्न प्रकारका कार्यक्रमहरू

PROGRESS OF FY 2077/78

१. कार्यालय स्थापना

- बसुन्धरा काठमान्डौमा केन्द्रीय कार्यालय र नागाढुङगा, पोखरामा क्षेत्रीय कार्यालय स्थापना भएको ।



२. बिउविजन वृद्धि र विकास

- ८ वटा धानका हाइब्रिड जातहरु नेपाल सरकारको अनुसन्धान केन्द्रमा पहिलो वर्षको परीक्षणमा रहेको ।
- नेपाल सरकार, बिउ बिजन गुणस्तर तथा नियन्त्रण केन्द्रबाट यस कम्पनीको फार्महरुलाई जातिय विकास तथा प्रवर्द्धन केन्द्रको रुपमा मान्यता दिने प्रकृया पुरा भएको ।
- रुकुम, सिन्धुपाल्चोक, चितवन लगायतका जिल्लाहरुको बिउ बिजन सम्बन्धी उत्पादक सहकारीहरूसंग समन्वय भई तरकारी, धान, गहुँ लगायतका स्थानीय जातका बिउबिजन उत्पादन तथा बजारीकरणको शुरुवात भएको ।
- ७ जातका हाइब्रिड मकैको उपलब्धताको लागि भारतीय कम्पनीसंग सहकार्य भएको ।
- हाइब्रिड जातका १२ वटा तरकारी बालिका ३७ वटा जातहरुलाई कम्पनीको फार्ममा तथा १५ भन्दा बढी स्थानका व्यवसायिक कृषकहरुको फार्ममा फिल्ड परीक्षणको क्रममा रहेको ।



३. रोग किरा नियन्त्रण (विषादी) सम्बन्धी सहकार्य

- चीनमा उत्पादन भएको ५ वटा रासायनिक दुसिनासक विषादीहरु नेपाल सरकारको मापदण्ड अनुसार पब्लिकरण भई कम्पनीको ब्रान्डमा नै बजारीकरणको अवस्थामा रहेको ।
- भारतमा उत्पादन भएको ११ वटा रासायनिक किटनाशक विषादीहरु नेपाल सरकारको मापदण्ड अनुसार पब्लिकरण भई कम्पनीको ब्रान्डमा नै बजारीकरणको अवस्थामा रहेको ।
- भारतमा उत्पादन भएको २ वटा जैविक किटनाशक विषादीहरु नेपाल सरकारको मापदण्ड अनुसार पब्लिकरण भई बजारीकरणको शुरुवात भएको ।
- १० भन्दा बढी व्यवसायिक फार्ममा उल्लेखित विषादीहरुलाई फिल्ड परीक्षणको क्रममा रहेको ।
- जैविक तथा एकीकृत शत्रुजीव व्यवस्थापनको लागि विभिन्न अर्न्तराष्ट्रिय कम्पनीहरुसंग सहकार्य भई वस्तु तथा सेवाहरु बजारीकरणको अवस्थामा रहेको ।



४. कृषि यान्त्रिकरण र यन्त्र उपकरणको दायरामा वृद्धि

- विभिन्न प्रकारका हाते ट्रक्याक्टर, च्याफ कटर, प्रशोधनसंग सम्बन्धित सामाग्रीहरु, स्प्रेयर, ग्रीन हाउससंग सम्बन्धित सामाग्रीहरुको उपलब्धता बढेको ।
- फार्म यान्त्रिकरण डिभिजन नै स्थापना गरी सो सम्बन्धी सम्पूर्ण सेवाहरु उपलब्ध भएको ।
- फिल्ड स्तरमा प्रदर्शनी तथा सेवाहरु उपलब्ध भएको ।
- स्थानीय हाते औजारहरुको डिजाइन तथा केही स्थानीय औजारहरु उत्पादन भएको ।
- थोपा सिँचाई सम्बन्धी परियोजना शुरुवात भएको ।



५. रासायनिक मल सम्बन्धी परियोजना

- कृषि सामाग्री कम्पनी लि. सँग २५,००० मे.ट. युरिया र २०,००० मे.ट. डिएपि सप्लाईको लागि भएको सम्झौता बमोजिम नै कम्पनीले Petropower Commercial, UAE सँग युरिया र Consister Impex Pvt. Ltd., India सँग डिएपि मल खरीदको लागि आवश्यक सबै प्रकृयाहरु पुरा गरी प्रतिपत्र खोलेको भएता पनि कोभिडको कारणले समयमा नै सिपमेन्ट गर्न नसकेको भनी ती कम्पनीहरुबाट प्राप्त अनुरोध अनुसार नै कृषि सामाग्री कम्पनी लि. लाई औपचारिक जानकारी गरेको भएतापनि सम्झौताको अवधि समाप्त भएको कारण देखाउँदै यस कम्पनीसँग गरेको सम्झौताको बुँदाहरुको खिलाफमा एकातर्फि सम्झौता भंग गरेको हो । त्यसका विरुद्ध यस कम्पनीले सम्मानित उच्च अदालत पाटनमा न्यायको लागि मुद्दा दायर गरेको र उक्त मुद्दा अदालतमा विचाराधिन रहेको छ ।
- साथै विश्वव्यापि रुपमा बढ्दै गइरहेको मलको मल्यको कारण वैकल्पिक श्रोतहरु जस्तै प्रांगारीक, जैविक लगायतका अन्य विधिहरुको प्रयोग जानपर्ने देखिन्छ ।
- रासायनिक मलको व्यवसायमा प्रवेश गरे पश्चात अर्न्तराष्ट्रिय जगतमा कम्पनीको पहिचान बढेको कारणले धेरै वटा व्यवसायिक साझेदारीका बाटोहरु खुलेका छन् ।

६. महिला उद्यमशीलता कार्यक्रम

- स्थानीय महिलाहरुले उत्पादन गरेको दाल, गुन्द्रुक, चामल लगायतका खाद्यान्नको संकलन र बजारीकरणको शुरुवात गरेको ।
- बिउ, विषादी, तालिम लगायतका क्रियाकलापहरुमा धेरै महिला सहभागीता रहेको ।



७. कृषि अनुसन्धान फार्मको संचालन

- स्थाइजाको फार्ममा सुन्तलाको कलमी गरी फार्मको दिगो खर्च व्यवस्थापनमा काम गरेको ।
- फार्ममा उत्पादनको साथसाथै विभिन्न अर्न्तराष्ट्रिय कम्पनीहरुसँग समन्वय गरी भित्राइएको विभिन्न ३७ जातका हाइब्रिड जातका तरकारीको प्रदर्शनी स्थल बनाइएको ।
- नेपाल सरकार, बिउ बिजन अर्न्तगतको जातिय प्रवर्द्धन तथा विकास केन्द्र स्थापनाको लागि गृहकार्य भएको ।



८. प्रशोधनसंग सम्बन्धित परियोजनाहरू

- बिउ प्रशोधन, दुध प्रशोधन, कोल्ड स्टोर निर्माण लगायतका परियोजनाहरूको विस्तृत अध्ययन गरेको ।
- चितवन जिल्लाको रत्ननगर नगरपालिकामा बीउ प्रशोधनसंग सम्बन्धित परियोजना प्राप्त गरी स्थापनाको चरणमा रहेको ।



९. केन्द्रीय भण्डारण केन्द्रको संचालन

- चितवन जिल्लाको रत्ननगर नगरपालिका वडा नं २ मा केन्द्रीय भण्डारण केन्द्र संचालन भएको ।



१०. नमुना कृषि मार्ट स्थापना

- बसुन्धरा काठमान्डौमा नमुना कृषि मार्ट (शोरुम) संचालन भएको ।



११. कृषि कर्जाको लागि व्यवसायिक योजना निर्माण

- कृषि उद्यमीहरूलाई आवश्यक १० भन्दा बढी व्यवसायिक योजनाहरू तयार गरेको । उदाहरणको लागि:
नाम: क्षितिज कृषि फार्म (गोरखामा ५० रोपनी र काठमान्डौमा ७ रोपनी)
व्यवसाय: एकीकृत कृषि फार्म
व्यवसायको लगानी: ४.९ करोड



१२. बजारीकरणको लागि कृषि श्रोत केन्द्रहरूको स्थापना

- धादिङ, चितवन, नवलपरासी, स्याङ्जा, रुपन्देही, कपिलवस्तु, पाल्पा, धनगढी, धनकुटा, अापा, सुनशरी, सर्लाही, बाजलुङ, मकवानपुर जिल्लाहरूमा कृषि श्रोत केन्द्रको स्थापना भई कृषि सामाग्रीहरूको बजारीकरणको साथै कृषि प्रविधि हस्तान्तरणमा काम भएको ।



१३. महको अन्तर्राष्ट्रिय बजारीकरण

- करिव ११ मे.ट. विउरीको मह साना किसानहरूबाट संकलन गरी डाबर इन्डियालाई निर्यात गरेको ।



१४. माटो परीक्षण सम्बन्धी अभियान

- ३५ वटा स्थानिय तहहरुमा डिजिटल माटो परीक्षण सम्बन्धी ल्याब स्थापना गरी माटो परीक्षण सम्बन्धी वृहत्तर अभियान संचालन गरेको ।
- नियमित रुपमा कृषक तथा सरकारी निकायका प्राविधिकहरुलाई तालिम कार्यक्रमको आयोजना गरेको ।



१५. गैरसरकारी संस्थाहरूसंग समन्वय तथा परियोजना संचालन

- CASA (Commerical Agriculture for Small Holder Farmer) अर्न्तगत प्रदेश नं २ र लुम्बिनी प्रदेशको विस्तृत शर्मे, व्यवसायिक कृषक समुह तथा सहकारीहरुको पहिचान, विभिन्न १२ वटा बालीहरुको प्रचारप्रसारका सामाग्रीहरुको छपाई तथा वितरण । साथै सोही प्रदेशका १००० भन्दा बढी कृषकहरुलाई परियोजनाको सहयोगमा निशुल्क प्राँगारीक मल तथा बिउहरु वितरण गरेको ।



१६. अन्तराष्ट्रिय समन्वय

- अन्तराष्ट्रिय समन्वयको लागि भारत, चाइना र युनाइटेड अरब इमिरेट्समा कृषि सामाग्री, बिउ, बिषादी, रासायनिक मल लगायत विभिन्न प्रकारका कृषि सेवाहरुको खोजी गरी कम्पनीसंग सम्बन्ध स्थापना गर्न र प्रविधि हस्तान्तरणको लागि संचालक समितिले विज्ञको नियुक्ति गरी काम गरी रहेको छ ।



१७. ब्रान्डिङ तथा बजारीकरण सम्बन्धी कार्यहरू

- कम्पनीको ब्रान्ड समावेश गरी स्थानीय धानको बिउ, तरकारीका बिउ, भर्तिकम्पोष्ट, कृषि चुन लगायतका वस्तुहरूको बजारीकरण भएको ।
- भारतीय कम्पनीहरूबाट सह-ब्रान्डिङको अवधारणा अनुसार स्प्रे पम्प, पिठो पिस्ने मेसिन, विषादीहरू लगायतका वस्तुहरूको बजारीकरण भएको ।
- कम्पनीको कार्यालय, कृषि श्रोत केन्द्र तथा आधिकारीक विक्रेताको विक्रि स्थलमा होर्डिङ बोर्ड तथा अन्य प्रचारप्रसारका सामाग्रीहरू राखिएको ।
- विभिन्न प्रकारका बालिहरूको उत्पादन तथा रोग किरा सम्बन्धी प्रचारप्रसारका सामाग्रीहरू तयार गरी वितरण भएको ।
- नियमित रूपमा कम्पनीको आधिकारीक समाजिक संजालहरूबाट कम्पनीका वस्तु, सेवा तथा कार्यक्रमहरूको प्रचारप्रसार भएको ।
- कम्पनीको इकमर्स सहितको वेबसाइट निर्माण भएको ।

SOME PROSPECTS OF AGRIBUSINESS IN THE WORLD & NEPAL

1. Agriculture trade in the world:

The value of global agricultural and food trade flows has increased five-fold in the last three decades. Europe is both the largest importing and exporting continent. The Americas are the largest net exporter and Asia is the largest net importer of agricultural and food products.

2. Nepalese Agriculture Scenario:

Nepal, the country with almost 30 million people, belongs to one of the developing countries in the world. Though Nepal has been slowly rebuilding itself over the past decade, more than half of the population lives in smallholder farming households. A subsistence oriented agrarian economy is predominant in Nepal. Around 65% of total population is engaged in agriculture in which 60.2% are male and 72.8% are female. In 2075/076, agriculture contributes of 26.5% in total GDP which is 5.02% decreased compared to last year.

Our agricultural practices are still traditional although Nepal has got diversified climatic condition and ecology, only 21% of total land is cultivable. Inadequate extension and research services, poor access to credit, unavailability of quality inputs in time, weak producer associations and lack of technological advancement are major barriers to agricultural growth and can be a source of conflict. Moreover, the process of urbanization is increasing in the alarming rate. The horizontal diversification is not possible due to shrinking land and increasing urbanization. To meet the ever-increasing demand of food, feed and fodder, vertical diversification is only an alternative remained with us. Considering high population growth rate and fragile ecology, the scope of increasing cultivable land is severely limited in Nepal. Nepal has still to depend on foreign countries for agricultural inputs. Telling the truth Nepalese sells rice at 17Rs/kg and buys rice husk at 21 Rs/kg. Our agricultural practices are still traditional.

Despite large constraints, there are considerable opportunities for Nepal to boost the agriculture sector. The government, with donor support, has also developed an impressive range of policy documents to develop the agricultural sector. Yet overall food production in Nepal is not accelerating much and government targets outlined in its strategy papers are being missed. There is need to change some critical policy to promote broader food security and better support in agriculture sector.

3. SOME SIGNALS IN THE NEPALESE AGRICULTURE SECTOR



AGRIBUSINESS AND COMMERCIAL AGRICULTURE

The poultry and dairy processing industry are moving fast and the private sector is improving productivity; other dynamic agribusiness sectors include tea, flowers and vegetable seeds are flourishing.



INCREASING INVESTMENT IN AGRICULTURE

Agribusiness and rural development by Government, development partners, and the private sector has increased since 2000, due to global and domestic factors including a more stable business environment.



NOURISING GOVERNMENT POLICIES

Several policy formulations including the National Agricultural Sector Development Policy 2010, the Three & Five Year Plans, Rural Infrastructure Plan 2004, Agri-Business Promotion Policy 2006, and several others are all emphasizing the central role of agriculture.



ACCESS TO INFRASTRUCTURE AND SERVICES

Including road, market, irrigation credit and agricultural service centers have also improving considerably.



INCREASING INTEREST OF YOUTH AND FOREIGN RETURNEE IN AGRIBUSINESS

4. FUTURE TRENDS AFFECTING THE AGRICULTURE SECTOR IN NEPAL

A vision for Nepal is not an exercise in isolation of what happens in the rest of the world. A realistic and solid vision is anchored in depth understanding of the current situation and overall trends that affect Nepal in a regional and global context. It should also be noted that the formulation of the vision is the outcome of discussions with stakeholders in the regions and at the national level.

Key Elements of the Vision for future of Nepal in Agriculture:



Targets for the Strategic Components of the ADS 2015-2035

Outcome	Indicator	Current Situation	Target
Governance	Agricultural Growth	3% average annual growth	5% average annual growth
Productivity	Land productivity	\$1,804/ha	\$4,787/ha
	Labor productivity	\$794/agricultural labor	\$1,833/agricultural labor
	Marketed surplus	Less than 50% of agricultural production	More than 80% of agricultural production
Commercialization	Agribusiness GDP	10% of GDP	20% of Agricultural GDP
Competitiveness	Agri-food exports	\$248 million	\$2,000 million

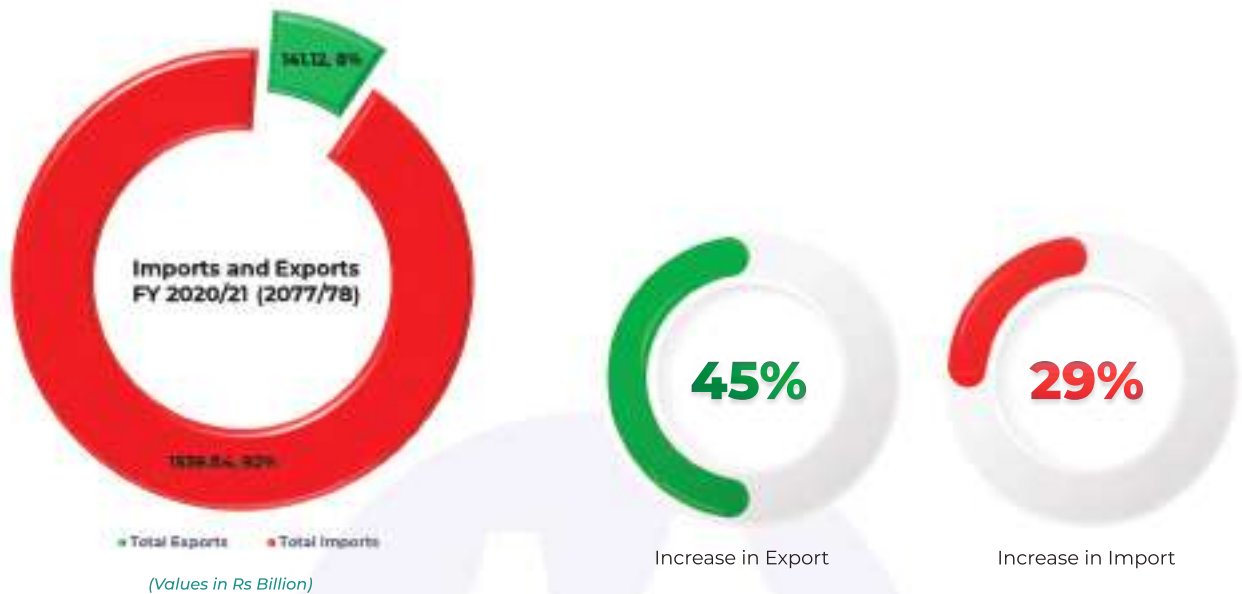
Ref. Government of Nepal, Ministry of Agricultural Development

Strategic Components of the Agriculture Development Strategy(ADS) 2015-2035 strongly indicate the opportunity to work in quality inputs, technology transfer and development of competitive market to achieve the outcome

5. SCOPE IN NEPAL AGRICULTURE MARKET:

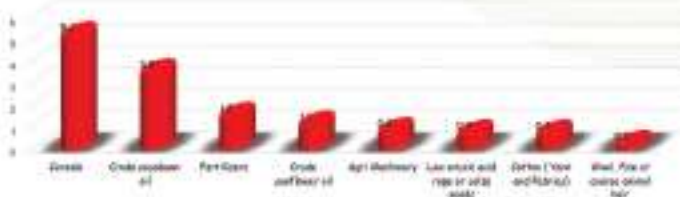
- Introduction of new technology.
- User friendly products and effective service.
- Quality products & services in fair price.
- Timely availability of product and services.
- Attractive market schemes & offers.
- Regular service after sales.
- Online price information system & applications.
- Proper branding & packaging.
- One stop solution for Agri-inputs.
- Bank financing on inputs purchase.

6. IMPORT & EXPORT IN NEPAL



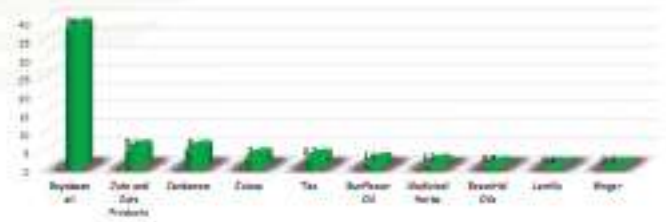
Compared to previous year the import percentage increased by 28.7% and however export by 44.4 % which makes increased in export import ratio from 1:14.6 to 1:10.9 showing the positive scenario in international trade.

Share Percentage on total import of agri-related commodities (FY 2077-78)



Above table shows the percentage share by import commodities in total import value. This high value of cereals and fertilizer show the increasing demand of those items. Also as per compared to previous year, Fertilizer import value, machinery and cereals import increased by **20.1%**, **25.9%** and **39.9%** respectively. Which show the demand of those items are increasing.

Share Percentage on total export of agri-related commodities (FY 2077-78)

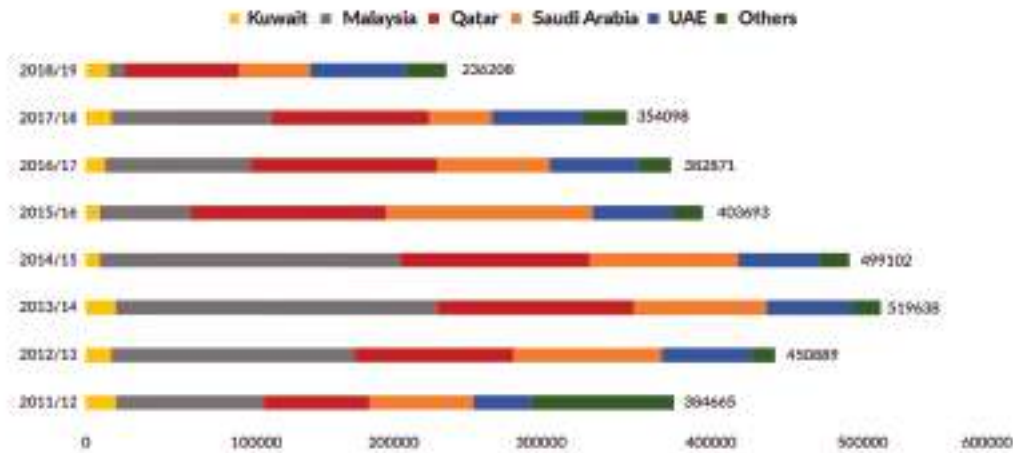


Above table shows the percentage share by commodities in total export value of soyabean oil, jute, cardamom and so on shows the high demand of those items in international market. Also as per compared to previous year soyabean oil, sunflower oil, cardamom, tea, medicinal herbs export value increased by **322.7%**, **1999%**, **74.7%**, **36.4%** and **8.3%** respectively which shows the demand of those items are increasing in international market.

Source: Trade and Export Promotion Centre

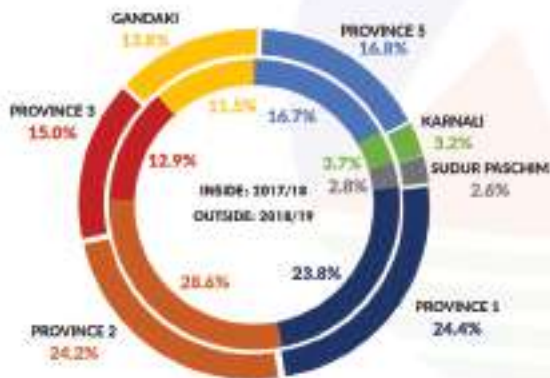
7. STATUS OF LABOUR MIGRATION FROM NEPAL

COUNTRY WISE TRENDS IN LABOUR MIGRATION



From above we can clearly see the migration of youth is higher for income generation. Within 10 Years after 2009, more than 40 lakh population are migrated from country. Annually, 2, 36,208 persons are migrated from country. Which include the average age group of 28.

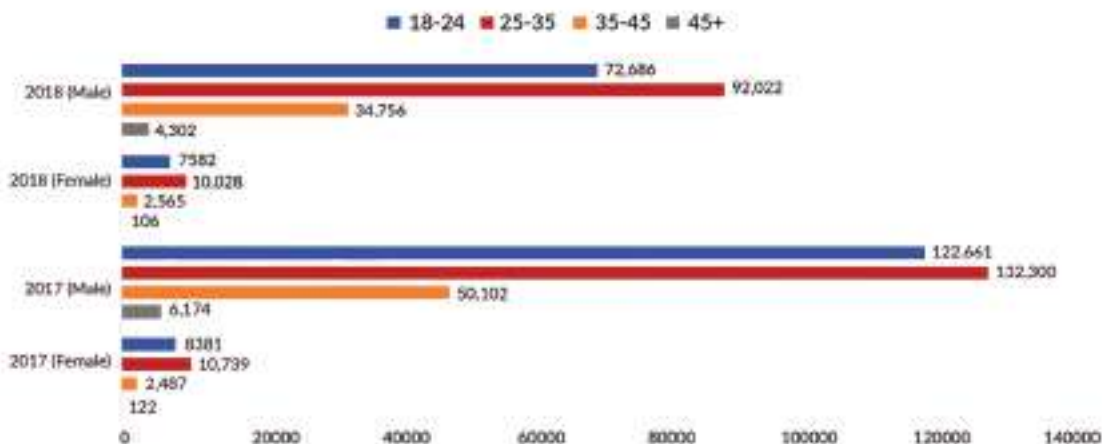
PROVINCE WISE LABOUR MIGRATION IN FY 2018-19



INTRISTING FACT

देशले वार्षिक रूपमा करीव रु. १.६१ खर्ब) रेमिटेन्स प्राप्त गरिरहेको छ जुन नेपालको कुल गार्हस्थ उत्पादन (४२.६६ खर्ब) को २२.६ प्रतिशत हुन जान्छ (श्रोत: नेपाल राष्ट्र बैंक २०७७-०७८)। यदि हामीले प्रयोग नगरिएको करीव १० लाख ३० हजार हेक्टर खेतीयोग्य जमिनमा एकीकृत खेति गर्ने हो भने रेमिटेन्स बराबरको जीडीपी सजिलै सिर्जना गर्न सक्छौं। साथै रेमिटेन्सबाट प्राप्त भएको रकम बचत पनि हुन नसकेको अवस्थामा यदि हामीले नेपालमा नै उत्पादन वृद्धि गर्न सक्ने हो बचतको वृद्धि भई कृषि उद्योगहरूको स्थापना हुन जान्छ जसको कारण लाखौंको संख्यामा रोजगारीको सिर्जना हुन्छ।

AGE & GENDER WISE LABOUR MIGRATION



(Source: Nepal Migration Labor Report, 2020).

नेपालको कृषि विकासमा मुक्तिनाथ कृषि कम्पनीको भूमिका :

नेपालमा पछिल्लो केही दशकदेखि घट्दै गएको कृषि उत्पादन क्षेत्र र उत्पादकत्वलाई वृद्धि नगरी, बढ्दै गइरहेको जनसंख्यालाई धान्न सक्ने अवस्था नभएर नै भारत लगायतका देशहरुबाट खर्बौंको कृषि उपजहरुको आयात भइरहेको छ । आयातबाट देशको अर्थतन्त्र त कमजोर भएको छँदै छ, पैसा तिरेर पनि गुणस्तरीय खाद्य वस्तु नपाएर स्वास्थ्यसंग सम्बन्धित विभिन्न समस्याहरु ठेल्लन परिरहेको यथार्थ हामीसंग छ । हिमाल, पहाड र तराईको भौगोलिकतामा सर्जित नेपालमा विश्वकै उत्कृष्ट हावापानी पाइन्छ जसमा वर्षभरी नै खेतिपाती गर्न सम्भव छ, अर्थात् राम्रो व्यवस्थापनमा उपभोक्ताको रोजाइअनुसार वर्षभरीनै सबै किसिमका उत्पादनहरु लिन सकिन्छ । यति हुँदाहुँदै पनि कृषिलाई मर्यादित र उच्च आम्दानीको व्यवसायको रूपमा विकास गर्न नसकिरहेको अवस्थामा विदेशहरुमा जस्तै नीजि क्षेत्रको लगानी र व्यवस्थापन अपरिहार्य रहेको छ ।

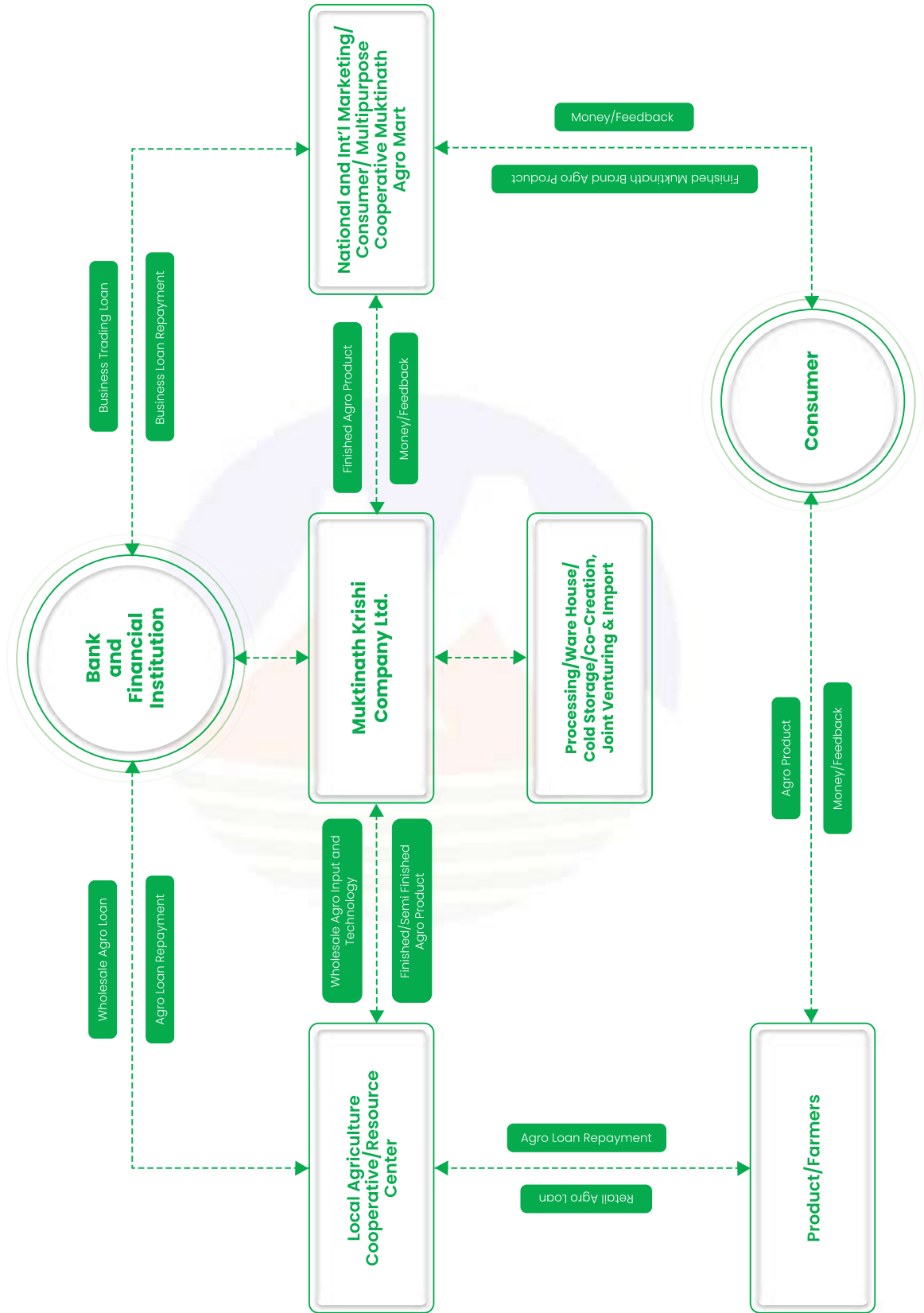
नेपाल सरकारले अवलम्बन गरेको दिगो कृषि विकासको लागि आवश्यक पर्ने विभिन्न क्षेत्रहरुमा प्रत्यक्ष तथा अप्रत्यक्ष रूपमा कम्पनीले भूमिका निर्वाह गर्न सक्दछ । जस्तै:

- 🌱 कृषकहरुलाई अति आवश्यक उत्पादनका साधनहरु जस्तै मल, बिउ, विषादी, औजारउपकरणहरु उपलब्ध गराउन सक्दछ ।
- 🌱 उत्पादकत्व वृद्धि गरि बढ्दै गएको आयातलाई प्रतिस्थापन गर्न सक्दछ ।
- 🌱 कृषक तथा कृषि व्यवसायीहरुलाई आवश्यक प्रविधि हस्तान्तरण गर्ने ।
- 🌱 कम्पनीले कृषिसंग सम्बन्धित अनुसन्धान र विकासमा श्रोत केन्द्रको रूपमा काम गर्न सक्दछ ।
- 🌱 कृषिमा आधुनिककरणको माध्यमबाट युवाहरुलाई आकर्षित गर्ने ।
- 🌱 युवा लक्षित कृषि उद्यमको विकासमा काम गर्ने ।
- 🌱 राष्ट्रिय तथा अन्तर्राष्ट्रिय बजारीकरणमा सहयोग गर्छ ।
- 🌱 नीजि क्षेत्रको कृषिमा लगानीको लागि प्रोत्साहन गर्छ ।
- 🌱 कृषि व्यवसायलाई मर्यादित र नाफामुखी पेशाको रूपमा स्थापित गर्न सक्छ ।

कम्पनीले ग्रामीण क्षेत्रका सहकारीहरुलाई उत्पादनमा र शहरका सहकारीहरुलाई बजारीकरणमा जोडी व्यवस्थापकिय रूपमा काम गर्ने उद्देश्य अनुरूप संस्थागत रूपमा काम गर्ने उद्देश्य राखेको छ । यसले गर्दा कृषि सम्बन्धी सम्पूर्ण क्रियाकलापहरु एउटै संस्थागत श्रृङ्खलामा बाँधिन गई तीव्र रूपमा ठूलो संख्यामा कृषक तथा उपभोक्ता समक्ष पुग्न सकिन्छ र दिगो कृषि विकासको लक्ष्यमा पुग्नको लागि महत्वपूर्ण भूमिका निर्वाह गर्न सक्दछ । साथै नेपाल जस्तो सानो बजार भएको देशमा साना तथा मझौला व्यवसायी र लगानीलाई व्यवस्थित रूपमा परिचालन गर्न नसकेको खण्डमा ठूला लगानीले पर्याप्त बजार पाउन सक्ने स्थिति छैन । त्यसैले यस कम्पनीले अडगिकार गरेको सबै मिलेर जाउँ, एकीकृत विकास गरौं भन्ने भावनाले मात्र कृषि व्यवसायलाई माथि उठाउन सकिन्छ ।

SERVICE FLOW PROCESS

कम्पनीको सेवा प्रवाहको प्रकृया



ACTION PLAN FOR FY 2078/79

1. Increase in input range & trade business expansion

(उत्पादनका साधनहरूको क्षेत्र वृद्धि र व्यापार वृद्धि)

- Business Collaboration for Green House, small farm implements, heavy farm implements, bio-pesticide, Nepal made small implements, different fertilizer composition & livestock products.
- Business Partnership with 25 cooperatives as Agriculture Resource Centre.
- Establishment of Authorized Business Associate in 40 districts.

2. Training, R&D on seeds, nutrients & pesticide

(तालिम, बिउ, पौष्टिक तत्व र विषादीहरूको अनुसन्धान र विकास)

- Start Farming Center of Excellence in Niuwabot, Syangja.
- Trial & Demonstration of hybrid vegetable seeds varieties in MKCL farm including on farmers field.
- Start “कृषकसंग मुक्तिनाथ (Muktinath with Farmer Group)” events in 30 group/cooperatives.
- Develop & disseminate technical materials via different means including social media
- Start R&D centre in Chitwan, Nepal.
- Field survey & study on livestock rearing pattern in Gandaki province.
- Feasibility study to start Nematicide production, Implementation of “Neem hub development” project.

3. Systematic business planning & project ventures

(व्यवस्थित व्यवसायिक योजना र परियोजनागत सहकार्य)

- Implementation of Software based business on planning for bank loan proposal.
- Collaboration with 5 banks & 10 microfinances institutions for business planning.
- Introduction of business incubation center focusing graduates & youth.
- Business venture with local Open Polinated vegetable (at-least 15 crops) & cereals seeds producer group/cooperatives.
- Start “Muktinath with University Students for Business Inception Events” in 5 agriculture institute/university.
- Strengthen the urban agriculture system both inside & outside Kathmandu valley.
- Business venture with Tissue Culture & related technical business.

4. Collection, Branding, packaging & marketing of local products

(स्थानीय खाद्य वस्तुको संकलन, ब्रान्डिङ, प्याकेजिङ र बजारीकरण गर्ने)

- Sourcing of Local Products produced by rural farmer of Nepal.
- Business collaboration with at least 10 modern retailers.
- Expansion of FMCG business network in cooperative based 10 Agriculture Resource Center.
- FMCG products display in 50 branches of Muktinath Bikas Bank & all branches of Royal Cooperative Kathmandu.
- Explore opportunity for export of honey, big cardamom, Pulses, Fruits, spices etc.

5. Establishment of Subsidiary Company

(सहायक कम्पनीहरूको स्थापना)

- Guideline preparation for project selection & Implementation.
- Establishment of three Subsidiaries Company based on recommendation of board.

6. Mechanization trainings, services & customer care unit

(यांत्रिकरण सम्बन्धी तालिम, सेवा र ग्राहक सेवा संचालन)

- Farm equipment's Repair and maintainance training to business associates.
- Monthly "Products functioning and service" training to sales & marketing staffs.
- Promote to establish "One Agriculture Resource Center/Distributor, One Service Center".
- Technical & Business Collaboration with companies for designing of small farm implements.
- Planning to establish mechanical workshop for assembling & repair of farm equipments.
- Establishment of "customer care unit" with hotline number in corporate office.
- Innovative designing of at-least 5 products related to farm mechanization.

7. Sales, Branding & Marketing Related Activities

(विक्रिवितरण ब्रान्डिङ र बजारीकरण सम्बन्धी क्रियाकलापहरु)

- Aggressive social media campaign.
- Participation in different Regional, National & International Trade Fair.
- Placement of hoarding board besides highway including on distributor place.
- Regular website update & maintenance including periodic update in MIS.
- Formation of sales & Marketing policy to direct the institutional sales.
- To start service camp at field level for after sales services.
- Strategy Development for online marketing.

8. Chemical Fertilizer & International Trade

(रासायनिक मल र अन्तर्राष्ट्रिय बजारीकरण)

- Feasibility study of potential Export of the agri-products from Nepal.
- Feasibility study of the project with National Agricultural Cooperative Marketing Federation.
- Identification of possible International buyer of Nepali products.
- Explore the possibility to participate in chemical fertilizer project in Nepal in Joint Ventures or as a local agents.

9. Activities Related to Investment

(लगानीसँग सम्बन्धित क्रियाकलापहरु)

- Investment in Nepal Warehousing Company
- Investment in Portfolio Management Services
- Excess fund in Fixed Deposit
- Initiation for purchase of Share & acquisition of beneficial firms/company

10. Joint Activities with Muktinath Bikas Bank (MNBBL)

(मुक्तिनाथ विकास बैंक र कृषि कम्पनीले संयुक्त रुपमा गर्न सक्ने क्रियाकलापहरु)

- Mutual business expansion initiative.
- MKCL & MNBBL branch level staff interaction program.
- Joint meeting with MNBBL clients for agro-advisory services.
- Exploring inputs & output product marketing produced by microfinance group member.

11. Food Literacy Campaign

(स्वाद्य साक्षरता अभियान संचालन)

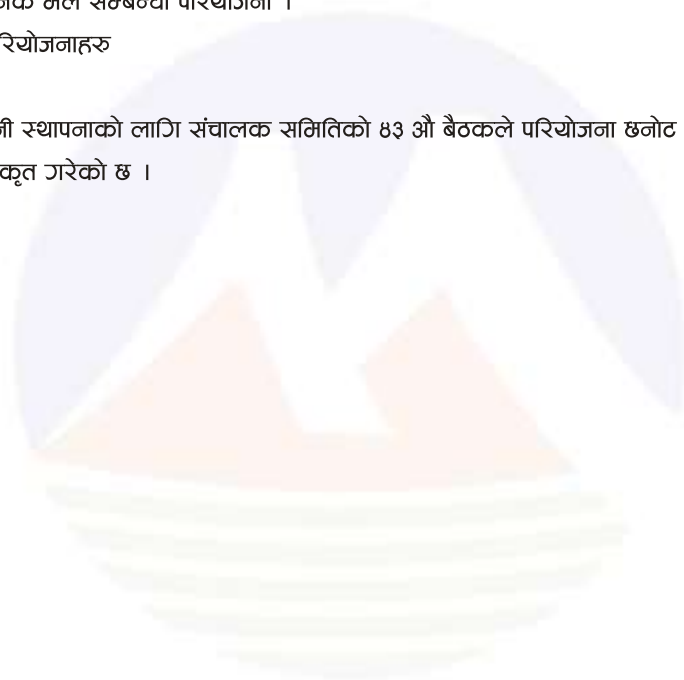
- "Start of food literacy for food security campaign"

सहायक कम्पनी स्थापनाको अवधारणा:

नेपालमा छरिएर रहेको कृषि व्यवसायका अवसर र चुनौतिहरूलाई एकीकृत गरी उत्कृष्ट संस्थागत व्यवस्थापनको माध्यमबाट कृषि तथा सम्बन्धित क्षेत्रलाई मर्यादित र प्रतिस्पर्धि बनाई युवाहरूको आकर्षणको केन्द्रविन्दु बनाउनु कृषि क्षेत्रको दिगो विकासमा अतिआवश्यक देखिएको हुँदा यस कम्पनीको प्रबन्धपत्र र नियमावलीको अधिनमा रही कम्पनीले सहायक कम्पनी स्थापनाको अवधारणा प्रस्तुत गरेको छ। निम्नानुसारका क्षेत्रहरूलाई समेट्ने गरी प्रत्येक क्षेत्रमा एक वा एक भन्दा बढी सहायक कम्पनीहरू आवश्यकता अनुसार स्थापना गर्ने लक्ष्य लिएको छ।

- ❁ बीउ र विषादी सम्बन्धी परियोजना ।
- ❁ पशु व्यवसाय सम्बन्धी परियोजना (दुध, मासु, दाना आदी) ।
- ❁ खाद्यान्न उत्पादन, प्रशोधन र बजारीकरण सम्बन्धी परियोजना ।
- ❁ कृषि औजार उपकरण सम्बन्धी परियोजना ।
- ❁ जडिबुटि उत्पादन, प्रशोधन र बजारीकरण सम्बन्धी परियोजना ।
- ❁ प्रांगारीक तथा रासायनिक मल सम्बन्धी परियोजना ।
- ❁ कृषि सम्बन्धी अन्य परियोजनाहरू

उल्लेखित सहायक कम्पनी स्थापनाको लागि संचालक समितिको ४३ औं बैठकले परियोजना छनोट तथा कार्यान्वयन कार्यविधि २०७८ पनि स्वीकृत गरेको छ ।





Independent Auditor's Report

To the Shareholders of Muktinath Krishi Company Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Muktinath Krishi Company Limited (hereinafter referred as the "Company" or "MKCL") which comprise the statement of financial position as at Ashad 31, 2078 (July 15, 2021), the statement of profit or loss, the statement of other comprehensive income, the statement of cash flows, the statement of changes in equity, and notes to the financial statement including summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at Ashad 31, 2078 and its financial performance and its 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 Financial Statements* section of our report. We are independent of the Company in accordance with the ICAN's (*Institute of Chartered Accountants of Nepal*) handbook of code of ethics for professional accountants and we have fulfilled our other ethical responsibilities in accordance with the ICAN's handbook of the 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 (KAM) are those matters that, in our professional judgment and based on the consideration of the internal audit reports and other reports given by the experts, were of most significance in the audit of the financial statements of the current period. The matters raised were addressed during our audit of financial statements, and in forming the opinion thereon, we do not provide a separate opinion on these matters.

We have determined the matters described below to be the Key Audit Matters to be communicate in our report and to those charged with governance.



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

Other Information

We have nothing to report on the other information in the Annual Report. The directors are responsible for the other information presented in the Annual Report and Accounts of 2077-78 together with the Financial Statements. Our opinion on the 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. Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Nepal Financial Reporting Standards (NFRSs) and for such internal control as



management determines 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 wither intends to liquidate the company 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that included 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 judgement 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 material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the 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 the 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 discloses in the financial statement or, if such disclosures are inadequate, ,to modify our audit 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 financial statements. We are responsible for direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding 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.

Reports on 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, statement of financial position, statement of profit or loss, statement of changes in equity and 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 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 and the audit reports issued by other auditors necessary for the purpose of our audit, 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, its depositors and investors.



Anil Paudel
Proprietor
A.P. & Associates
Chartered Accountants

Kathmandu
Date: 11 Karthik 2078
UDIN: 211112CA00784yhrsd

Muktinath Krishi Company Limited

Basundhara, Kathmandu

Statement of Financial Position

As at 31 Ashad 2078 (15 July 2021)

		Amount in Rs	
Particulars	Note	As at 31 Ashad 2078	As at 31 Ashad 2077
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	21,775,522	15,737,838
Intangible Assets	5	667,157	27,685
Total Non-Current Assets		22,442,679	15,765,523
Current Assets			
Inventories		51,305,304	10,628,813
Trade and Other Receivables	6	140,912,498	11,902,997
Income Tax Assets	15	3,887,868	1,329,027
Investment	7	83,674,664	-
Prepayments	8	623,511	208,086
Cash & Cash Equivalents	9	92,671,013	159,350,610
Total Current Assets		373,074,858	183,419,533
Total Assets		395,517,537	199,185,056
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	360,000,000	180,000,000
Other Equity	11	18,919,851	17,019,894
Total equity		378,919,851	197,019,894
Liabilities			
Non-Current Liabilities			
Deferred Tax Liabilities	12	2,288,560	414,724
Total Non-Current Liabilities		2,288,560	414,724
Current Liabilities			
Trade and Other Financial Liabilities	13	13,827,108	1,697,678
Provisions	14	482,018	52,760
Total Current Liabilities		14,309,126	1,750,438
Total Equity and Liabilities		395,517,537	199,185,056

See accompanying notes to the Muktinath Krishi Company Limited financial statements (1-21)

For Muktinath Krishi Company Limited

Sandeep Rijal
Accounts Officer

Bharat Raj Dhakal
Executive Chairman

Sitaram Kaphle
Director

As per our report of even
date

Tulsi Ram Dhakal
Director

Narayan Kumar Shrestha
Director

Prakash Prasad Shrestha
Director

Anil Paudel
Proprietor

Mohan Kumar Basnet
Director

Vijay Kumar Gurung
Director

A. P. & Associates
Chartered Accountants

Kathmandu, 11th Karthik 2078

Muktinath Krishi Company Limited

Basundhara, Kathmandu

Statement of Profit or Loss

For the year ended 31 Ashad 2078 (15 July 2021)

Amount in Rs			
	Note	31 Ashad 2078	31 Ashad 2077
Revenue from Operations	16	98,424,994	15,303,537
Less: Cost of Goods Sold	18	82,009,618	13,186,925
Gross Profit		16,415,375	2,116,612
Other Income	17	28,350,063	17,145,444
Total Income		44,765,438	19,262,056
Operating Expenses			
Personnel Expenses	19	17,292,527	5,021,436
Other Operating Expenses	20	20,867,410	5,229,677
Depreciation and Amortisation Expense	4 & 5	4,088,887	2,048,754
Total expenses		42,248,824	12,299,866
Profit before Income Tax		2,516,614	6,962,190
Tax Expenses			
Current Tax		-	1,572,498
Deferred Tax		1,873,836	(36,406)
Total Tax Expense		1,873,836	1,536,092
Profit for the Period		642,778	5,426,097
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		642,778	5,426,097
Basic Earning Per Share (EPS)	21	0.18	3.01

See accompanying notes to the Muktinath Krishi Company Limited financial statements (1-21)

For Muktinath Krishi Company Limited

Sandeep Rijal
Accounts Officer

Bharat Raj Dhakal
Executive Chairman

Sitaram Kaphle
Director

As per our report of
even date

Tulsi Ram Dhakal
Director

Narayan Kumar Shrestha
Director

Prakash Prasad Shrestha
Director

Anil Paudel
Proprietor

Mohan Kumar Basnet
Director

Vijay Kumar Gurung
Director

A. P. & Associates
Chartered Accountants

Kathmandu, 11th Karthik 2078

Muktinath Krishi Company Limited

Basundhara, Kathmandu

Statement of Cash Flow

For the year ended 31 Ashad 2078 (15 July 2021)

Particulars	Amount in Rs	
	31 Ashad 2078	31 Ashad 2077
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Income Tax	2,516,614	6,962,190
Adjustments for:		
Depreciation and Amortisation Expense	4,088,887	2,048,754
Interest Income	(4,789,805)	(17,145,444)
Provisions & Non Cash Expenses	-	52,760
Income from Portfolio Management Services	(15,851,300)	-
Change in Fair Value of Securities	(5,951,503)	-
Loss on Sale of Fixed Assets	1,325,608	-
Operating Profit Before Working Capital Changes	(18,661,499.00)	(8,081,740)
Movements in Working Capital:		
(Increase)/decrease in Inventories	(40,676,491)	(10,628,813)
(Increase)/decrease in Trade and Other Receivables	(129,009,501)	(10,420,620)
(Increase)/decrease in Other Current Assets	(2,974,266)	(1,071,083)
Increase/(decrease) in Other Financial Liabilities	12,129,430	1,591,064
Increase/(decrease) in Other Liabilities	429,258.00	-
Income Taxes Paid (Net of Refunds)	-	(3,071,817)
Net Cash Flows Generated / (Used) from Operating Activities (A)	(178,763,069)	(31,683,010)
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	4,789,805	17,145,444
(Increase)/decrease in Investment	(83,674,664)	-
Income from Sale of Securities	15,851,300	-
Income change in Fair Value	5,951,503	-
Payments for purchase of Property, Plant and Equipment	(10,099,343)	(7,870,061)
Payments for Intangible Assets	(666,700)	-
Loss on Sale of Fixed Assets	(1,325,608)	-
Net Cash Flows (Used) / Generated from Investing Activities (B)	(69,173,706)	9,275,383
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in Equity Share Capital	180,000,000	-
Increase in Capital Reserve	1,257,179	-
Net Cash Flows (Used in) from Financing Activities (C)	181,257,179	-
Total Cash Flow from Operating, Investing and Financing Activities (A+B+C)	(66,679,596)	(22,407,627)
Opening Cash and Cash Equivalents	159,350,609	181,758,236
Closing Cash and Cash Equivalents	92,671,013	159,350,609

See accompanying notes to the Muktinath Krishi Company Limited financial statements (1-21)

For Muktinath Krishi Company Limited

Sandeep Rijal
Accounts Officer

Bharat Raj Dhakal
Executive Chairman

Sitaran Kaphle
Director

As per our report of even
date

Tulsi Ram Dhakal
Director

Narayan Kumar Shrestha
Director

Prakash Prasad Shrestha
Director

Anil Paudel
Proprietor

Mohan Kumar Basnet
Director

Vijay Kumar Gurung
Director

A. P. & Associates
Chartered Accountants

Kathmandu, 11th Karthik 2078

Muktinath Krishi Company Limited

Basundhara, Kathmandu,

Statement of Change in Equity

For the year ended 31 Ashad 2078 (15 July 2021)

A. Equity Share Capital							
							Amount in Rs
Opening Balance							180,000,000
Changes in Equity Share Capital during the year							180,000,000
Balance as at 31st Ashad 2078							360,000,000

B. Other equity							
Particulars	Reserves & Surplus						Total Other Equity
	Share Premium	Retained Earnings	Capital Reserve	Capital Redemption Reserve	General Reserve	Fair Value Reserve	Amount in Rs
Opening Balance	-	17,019,894	-	-	-	-	17,019,894
Profit for the year	-	642,778	-	-	-	-	642,778
Share Distribution	-	-	1,257,179	-	-	-	1,257,179
Change in Fair Value	-	(4,463,627)	-	-	-	4,463,627	-
As at 31st Ashad 2078	-	13,199,045	1,257,179	-	-	4,463,627	18,919,851

See accompanying notes to the Muktinath Krishi Company Limited financial statements (1-21)

For Muktinath Krishi Company Limited

Sandeep Rijal
Accounts Officer

Bharat Raj Dhakal
Executive Chairman

Sitaram Kaphle
Director

As per our report of even
date

Tulsi Ram Dhakal
Director

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Proprietor

A. P. & Associates
Chartered Accountants

Mohan Kumar Basnet
Director

Vijay Kumar Gurung
Director

Kathmandu, 11th Karthik 2078

Muktinath Krishi Company Ltd.

Basundhara, Kathmandu

Significant Accounting Policies and Notes to the Financial Statements

For the period ended 31 Ashad 2078 (01 Shrawan 2077 to 31 Ashad 2078)

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's activity involves, predominantly, business of agricultural products including production, trading and marketing of the agro products as well as supply of agricultural equipment and agriculture related consultancy services.

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.

2.2. Reporting Period and Approval of Financial Statement

Reporting Period:

The Group follows the Nepalese financial year based on Nepali calendar starting from 1st Shrawan 2077 and ending on 31st Ashad 2078. (16th July 2020 to 15th July 2021).

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 11th Karthik 2078 and have been recommended for approval by shareholders in the Annual General Meeting.

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 Directors 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 Board 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 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	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 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 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.

3.5. 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.

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.

For the purpose of cash flow statements, cash and cash equivalents consist of cash in hand and balance in banks.

Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently carried at amortized cost. The carrying amount is considered as approximate fair value due to short maturity of these instruments.

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.

Company has taken Bank guarantee amounting to NPR 300,000 and issued to Department of customs for Exim code certificate.

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. Performance Guarantee on Fertilizer Contract

Muktinath Krishi Company Limited (MKCL) has entered into the agreement with Krishi Samagri Company Limited on 2nd August 2020 for supply and delivery of 25,000 Metric Tonne of Urea Fertilizer and 20,000 Metric Tonne of DAP Fertilizer. MKCL has submitted 5% of contract amount as a performance security in the form of Performance Guarantee (PG) to Krishi Samagri Company Limited. However, the said contract has been unilaterally cancelled by Krishi Samagri Company Limited on 11th January 2021 without the consent of MKCL in contradiction of the agreement clause to settle the disputes amicably. In this regard, MKCL has filed a petition in Patan High Court through court file no. 077-WO-0554 which is under the jurisdiction of the Honorable High Court and the final decision in this regard is not made by the court. The Company Management has estimated that the chances of favorable court decision to the Company is higher.

3.10. Events after Reporting Period

The company has no events reportable after the end of reporting period.

3.11. 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 reporting period.

3.12. Related party disclosure

Parties Exercising Control over the Company

- a) Muktinath Bikas Bank Ltd. - Parent company holding 27.78% of the total share

Other Related Parties

- a) Muktinath Capital Ltd. - Group Company

Key Management Personnel

- a) Mr. Bharat Raj Dhakal - Executive Chairman
 b) Mr. Salil Kumar Srivastava - Chief Executive Officer

Transactions with Related Parties

Related Party	Nature of Relation	Nature of Transaction	Amount
Muktinath Bikas Bank Ltd.	Parent Company	Bank Balance	5,03,06,749/-
Muktinath Bikas Bank Ltd.	Parent Company	Fixed Deposit	3,50,00,000/-
Muktinath Bikas Bank Ltd.	Parent Company	Other Deposits	58,39,760/-
Muktinath Bikas Bank Ltd.	Parent Company	Interest Income	47,41,029/-
Muktinath Bikas Bank Ltd.	Parent Company	Bank Charges	4,37,633/-
Muktinath Capital Limited	Group Company	Investment	7,93,80,285/-
Bharat Raj Dhakal	Executive Chairman	Employee Benefits	40,92,663/-
Salil Kumar Srivastava	Chief Executive Officer	Employee Benefits	31,50,000/-

3.13. Comparative Figures

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

Muktinath Krishi Company Limited

Basundhara, Kathmandu

Notes to Financial Statements For the year ended 31 Ashad 2078 (15 July 2021)

4. Property, plant and equipment and capital work-in-progress

Particulars	Amount in Rs									
	Lease Hold Assets	Building & Structures	Computer & Accessories	Plant & Machineries	Furniture And Fixtures	Vehicles	Office Equipments & Others	Other Fixed Assets	Under Construction Assets	Total
As on 1st Shrawan	782,485	4,091,660	453,500	100,000	614,021	12,103,900	636,876	32,125	50,000	18,864,567
Additions during the year										
Acquisition	1,209,500	-	934,433	-	591,588	3,868,398	1,578,242	226,070	7,087,516	15,495,747
Capitalizations	50,000	-	-	-	-	-	-	-	-	50,000
Revaluation and adjustments	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	(8,250,000)	-	-	(50,000)	(8,300,000)
Balance at 31st Ashad 2078	2,041,985	4,091,660	1,387,933	100,000	1,205,609	7,722,298	2,215,118	258,195	7,087,516	26,110,314
Depreciation and impairment losses										
As on 1st Shrawan	234,745	76,228	19,981	9,432	138,584	2,385,478	241,910	20,371	-	3,126,729
Change for the year	179,510	818,332	180,367	20,000	210,227	2,199,109	372,804	81,310	-	4,061,659
Adjustment due to revaluations and others	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(2,853,596)	-	-	-	(2,853,596)
Balance at 31st Ashad 2078	414,255	894,560	200,348	29,432	348,811	1,730,991	614,714	101,681	-	4,334,792
Net book value										
As on Ashad end 2077	547,740	4,015,432	433,519	90,568	475,437	9,718,422	394,966	11,754	50,000	15,737,838
As on Ashad end 2078	1,627,730	3,197,100	1,187,585	70,568	856,798	5,991,307	1,600,404	156,514	7,087,516	21,775,522

Muktinath Krishi Company Limited

Basundhara, Kathmandu

Notes to Financial Statements

For the year ended 31 Ashad 2078 (15 July 2021)

5. Intangible Assets	Amount in Rs	
	Computer Software & E- Commerce website	Total Intangible Assets
As on 1st Shrawan	39,550	39,550
Additions /Acquisitions	666,700	666,700
Disposals	-	-
Balance at 31st Ashad 2078	706,250	706,250
Amortisation and impairment losses		
As on 1st Shrawan	11,865	11,865
Change for the year	27,228	27,228
Impairment losses	-	-
Balance as at 31st Ashad 2078	39,093	39,093
Net book value		
As on Ashad end 2077	27,685	27,685
As on Ashad end 2078	667,157	667,157

Muktinath Krishi Company Limited

Basundhara, Kathmandu

Notes to Financial Statements

For the year ended 31 Ashad 2078 (15 July 2021)

6. Trade and Other Receivables	Amount in Rs	
	31 Ashad 2078	31 Ashad 2077
Trade Debtors	30,481,931	8,543,688
Advance to suppliers	9,133,805	2,159,134
VAT Receivable	2,637,301	499,013
Staff Advance	460,358	101,335
Other Receivables	1,453,332	10,000
Deposit for Fertilizer Contract (Note no 3.9)	92,296,200	-
Bid Deposit	290,496	-
Rent Deposit	100,000	-
Other Deposits	4,059,075	589,827
Total	140,912,498	11,902,997

Trade and Other Receivables are non-interest bearing receivables. They are neither past due nor impaired.

7. Investment	Amount in Rs	
	31 Ashad 2078	31 Ashad 2077
Investment in Portfolio Management Service	83,674,664	-
Total	83,674,664	-

8. Prepayments	Amount in Rs	
	31 Ashad 2078	31 Ashad 2077
Prepaid rental	570,000	195,183
Prepaid Insurance	53,511	12,903
Total	623,511	208,086

9. Cash & Cash Equivalents (CCE)	Amount in Rs	
	31 Ashad 2078	31 Ashad 2077
a. Cash on hand	15,720	-
b. Balances with banks in current accounts		
Current accounts	57,655,293	19,350,610
Term deposits carried at amortised cost	35,000,000	140,000,000
Total	92,671,013	159,350,610

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

Basundhara, Kathmandu

Notes to Financial Statements For the year ended 31 Ashad 2078 (15 July 2021)

10. Share Capital	Amount in Rs	
	31 Ashad 2078	31 Ashad 2077
Authorised Share Capital : (1,00,00,000 Equity Shares of Rs 100 each)	1,000,000,000	1,000,000,000
Issued Share Capital : (40,00,000 Equity Shares of Rs 100 each)	400,000,000	400,000,000
Paid-up Share Capital (36,00,000 Equity Shares of Rs 100 each paid up)	360,000,000	180,000,000

Out of the total issued shares, 36,00,000 equity shares are offered to promoters & balance 4,00,000 equity shares are yet to offer to public.

The shareholding pattern on the company is as follows.

Shareholder Category	No. of Share	% of holding
Muktinath Bikas Bank Ltd	1,000,000	27.78%
Bharat Raj Dhakal	87,940	2.44%
Tulsi Ram Dhakal	85,000	2.36%
Narayan Kumar Shrestha	50,000	1.39%
Sitaram Kaphle	40,000	1.11%
Others Shareholders (Holding less than 1% of total share)	2,337,060	64.92%
Total	3,600,000	100.00%

11. Other Equity	Amount in Rs	
	31 Ashad 2078	31 Ashad 2077
Retained Earnings	13,199,045	17,019,894
Capital Reserve	1,257,179	-
Fair Value Reserve	4,463,627	-
Total	18,919,851	17,019,894

Muktinath Krishi Company Limited

Basundhara, Kathmandu

Notes to Financial Statements

For the year ended 31 Ashad 2078 (15 July 2021)

		<i>Amount in Rs</i>	
12. Deferred Tax Liabilities	31 Ashad 2078	31 Ashad 2077	
Deferred Tax Liabilities	2,288,560	414,724	
Total	2,288,560	414,724	
		<i>Amount in Rs</i>	
13. Trade and Other Financial Liabilities	31 Ashad 2078	31 Ashad 2077	
Trade Creditors	8,774,216	413,108	
Other Creditors	798,597	154,605	
Advance Received from Party	409,097	-	
Staff Payable	2,476,196	365,278	
Audit Fee Payable	75,000	49,250	
TDS Payable	682,472	334,837	
Advances from Others	-	50,000	
Other Payables	146,780	182,394	
Rent Payable	124,297	49,794	
Lease Liability	340,455	98,412	
Total	13,827,108	1,697,678	
		<i>Amount in Rs</i>	
14. Provisions	31 Ashad 2078	31 Ashad 2077	
Provision for Gratuity	482,018	52,760	
Total	482,018	52,760	
		<i>Amount in Rs</i>	
15. Income Taxes			
15.1 Income Tax Assets	31 Ashad 2078	31 Ashad 2077	
Advance Income Tax	1,200,000	1,200,000	
TDS Receivable upto FY 2076-77	5,387,601	5,387,601	
TDS Receivable for FY 2077-78	2,558,842	-	
Less: Provision for current tax upto FY 2076-77	5,258,574	5,258,574	
Less: Provision for current tax FY 2077-78	-	-	
Income Tax Assets/ (Liabilities)	3,887,868	1,329,027	
		<i>Amount in Rs</i>	
15.2: Income tax recognised in Statement of Profit and Loss	31 Ashad 2078	31 Ashad 2077	
Income Tax Expenses			
Current year	-	1,572,498	
Adjustments for prior years	-	-	
Total (A)	-	1,572,498	
Deferred tax:			
Origination and reversal of temporary differences	1,873,836	(36,406)	
Recognition of previously unrecognised tax losses	-	-	
Total (B)	1,873,836	(36,406)	
Income tax expense recognised in the Statement of Profit and Loss (A+B)	1,873,836	1,536,092	

Muktinath Krishi Company Limited

Basundhara, Kathmandu,

Notes to Financial Statements

For the year ended 31 Ashad 2078 (15 July 2021)

		<i>Amount in Rs</i>	
16. Revenue from Operations	31 Ashad 2078	31 Ashad 2077	
VAT Sales	54,840,711	8,617,195	
Exempt Sales	37,232,988	6,699,716	
Export Sales	6,935,760	-	
Less: Sales Return	(584,465)	(13,374)	
Total	98,424,994	15,303,537	

		<i>Amount in Rs</i>	
17. Other Income	31 Ashad 2078	31 Ashad 2077	
Income from Portfolio Management Service	15,851,300	-	
Service Income	1,328,724	-	
Interest Income on Bank Deposits	4,789,805	17,145,444	
Miscellaneous Income	428,730	-	
Change in Fair Value of Securities	5,951,503	-	
Total	28,350,063	17,145,444	

		<i>Amount in Rs</i>	
18. Cost of Goods Sold	31 Ashad 2078	31 Ashad 2077	
Opening Stock	10,628,813	-	
Cost of Purchase	122,312,109	20,653,988	
Direct Expenses:			
Import Cost	-	1,969,114	
Loading/Unloading Charges	-	49,707	
Packaging Costs	170,492	1,142,929	
Other Direct Expenses	203,508	-	
Total Direct Expenses	374,000	3,161,750	
Less: Closing Stock	51,305,304	10,628,813	
Total Cost of Goods Sold	82,009,618	13,186,925	

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.

		<i>Amount in Rs</i>	
19. Employee Benefits Expense	31 Ashad 2078	31 Ashad 2077	
Salaries & Wages	16,863,269	4,968,676	
Gratuity	429,258	52,760	
Total	17,292,527	5,021,436	

Muktinath Krishi Company Limited

Basundhara, Kathmandu

Notes to Financial Statements

For the year ended 31 Ashad 2078 (15 July 2021)

	<i>Amount in Rs</i>	
20. Other Operating Expenses	31 Ashad 2078	31 Ashad 2077
Branding, Promotion & Market Research	821,983	28,231
Rent Expenses	3,913,946	1,814,065
AGM Expenses	69,570	140,109
Meeting Expenses	40,846	16,672
Staff Welfare Costs	55,130	-
Staff Refreshment	251,008	-
Audit Fee	75,000	50,000
Charges for Non-Funded Liabilities	-	719,860
Bank Charges	1,973,021	51,983
Interest Expenses	200,000	-
Bid Application Charges	20,000	60,000
Communication Expenses	366,211	31,252
Annual Management Charges	549,473	-
Insurance Charges	329,334	64,845
Lodging and Fooding Expenses	649,601	63,776
Transportation Costs	600,514	157,524
Meeting Allowance	-	193,500
Notary Costs	1,500	14,175
Office Supplies	-	1,200
Power & Fuel	484,960	164,643
Printing, Stationery and Small Accessories	1,009,325	43,895
Registration and Renewal	158,410	183,635
Farm Operation & Field Expenses	3,778,727	895,029
Loss on Sale of Fixed Assets	1,325,608	-
Travelling Expenses	274,417	182,904
Fines & Penalties	30,065	-
Professional Consultancy Fees	601,950	-
Office Maintenance Costs	170,597	-
Training Expenses	2,352,654	-
Vehicle Expenses	198,919	105,977
Water, Electricity and Office Utilities	230,994	54,488
Other Office Expenses	333,647	191,914
Total	20,867,410	5,229,677

Muktinath Krishi Company Limited

Basundhara, Kathmandu,

Notes to Financial Statements

For the year ended 31 Ashad 2078 (15 July 2021)

21. Earnings per share	31 Ashad 2078	31 Ashad 2077
Profit for the year	642,778	5,426,098
Weighted average number of equity shares	3,600,000	1,800,000
Basic /diluted earnings per share	0.18	3.01

For Muktinath Krishi Company Limited

Sandeep Rijal
Accounts Officer

Bharat Raj Dhakal
Executive Chairman

Sitaram Kaphle
Director

As per our report of
even date

Tulsi Ram Dhakal
Director

Narayan Kumar Shrestha
Director

Prakash Prasad Shrestha
Director

Anil Paudel
Proprietor

A. P. & Associates
Chartered Accountants

Mohan Kumar Basnet
Director

Vijay Kumar Gurung
Director

Kathmandu, 11th Karthik 2078

कृषकहरुको ऐक्यवद्धता, मुक्तिनाथको प्रतिवद्धता

कृषकसँग मुक्तिनाथ



MKCL **Network**



मुक्तिनाथ कृषि कम्पनी लि.
MUKTINATH KRISHI COMPANY LTD
An Associate Company of Muktinath Bikas Bank

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