

Coca-Cola

**BOTTLERS
NEPAL LIMITED**
(Authorized Bottler of The Coca-Cola Company)

Balaju Industrial District, Balaju, Kathmandu Unaudited Financial Results (Quarterly)

As at the end of Second Quarter (14/01/2018) of the Fiscal Year 2074/75 (FY 2017-2018)
NPR in Thousand

S.N	Particulars	As on date 14.01.2018 (Unaudited) (Group)		As on date 13.01.2017 (Unaudited) (Group)	
A	ASSETS				
	Non-current assets				
	Intangible Assets	136,867		9,970	
	Property, Plant and Equipment	3,954,138		3,727,182	
	Deferred Tax Assets	171,382		-	
	Financial Assets				
	Investments	112,628		112,628	
	Prepayment	27,984		32,458	
	Current Assets				
	Inventories	1,558,185		1,286,859	
	Non Financial Current Assets				
	Prepayments	23,453		23,959	
	Financial Assets				
	Advances	16,371		17,642	
	Other Current Assets	282,547		218,656	
	Trade receivables	159,497		294,109	
	Cash and Cash Equivalents	896,033		44,382	
	Total Assets	7,339,085		5,767,843	
B	EQUITY AND LIABILITIES				
	Equity				
	Equity Share capital	194,889		194,889	
	Reserve and Surplus	2,564,663		1,642,250	
	Non Controlling Interest	88,565		79,754	
	Non-current liabilities				
	Retirement Benefit Obligation	750,899		521,630	
	Deferred Tax Liability	-		46,794	
	Financial Liabilities				
	Borrowing	-		194,000	
	Current liabilities				
	Financial Liabilities				
	Borrowings	987,619		1,033,384	
	Trade payables	1,997,278		1,442,339	
	Other Financial liabilities	755,173		612,804	
	Total Equity and Liabilities	7,339,085		5,767,843	
C	Profit and Loss Account				
		Current Period (Group)		Previous Period (Group)	
		18.10.2017 to 14.01.2018 (3 Month)	16.07.2017 to 14.01.2018 (6 Month)	17.10.2016 to 13.01.2017 (3 Month)	16.07.2016 to 13.01.2017 (6 Month)
	Revenue from operations	843,597	3,780,133	890,852	2,904,046
	Cost of sales	(639,234)	(2,574,610)	(724,309)	(2,137,091)
	Gross Profit	204,363	1,205,523	166,543	766,955
	Other operating income	12,961	17,327	(6,517)	(2,312)
	Selling and distribution expenses	(309,196)	(735,957)	(208,541)	(455,152)
	Administrative and operating expenses	(32,878)	(183,177)	(140,430)	(242,478)
	Profit from Operations	(124,749)	303,716	(188,946)	67,012
	Finance Costs	(2,595)	(14,558)	(13,822)	(30,940)
	Finance Income	22,789	28,060	364	880
	Profit Before Tax	(104,555)	317,219	(202,404)	36,953
	Income Tax Expense				
	Current Tax	(14,557)	(78,541)	1,280	(39,611)
	Deferred Tax	(47,590)	(107,042)	1,901	1,901
	Net Profit	(166,703)	131,636	(199,222)	(757)
	Owners of the Company (Net Profit)	(157,622)	120,036	(189,300)	(7,402)
	Non Controlling Interest (Net profit)	(9,081)	11,600	(9,923)	6,645
D	Major Indicators				
		Current Period (Group)		Previous Period (Group)	
		16.07.2017 to 14.01.2018 (6 Month)	Annualized	16.07.2016 to 13.01.2017 (6 Month)	Annualized
	1. Earnings per Share (NPR)	62	123	(4)	(8)
	2. Market Value Per Share (NPR)	1,660	1,660	1,660	1,660
	3. Price Earnings Ratio	27	13	(437)	(219)
	4. Current Ratio	0.79		0.61	
	5 Return on Equity	4.62%	9.24%	-0.04%	-0.08%
	6. Return on Total Assets	1.79%	3.59%	-0.01%	-0.03%
	7. Net Worth Per Share (NPR)	1,461		984	

Note:

- 1 Figures are regrouped wherever necessary for consistent presentation and comparison.
- 2 Above presented figures may vary with the audited figures if amended by the external auditors and/or regulator
- 3 Quarterly earnings per share, Price earning ratio, Return on equity, Return on total assets and Net worth per share are calculated based on quarterly unaudited profits and number of equity shares outstanding at the reporting date and Annualized earnings per share, Price earning ratio, Return on equity, Return on total assets and Net worth per share are calculated based on Annualized unaudited profits and number of equity shares outstanding at the reporting date. Annualized profit is calculated on the basis of accumulated Second Quarter profit (Q2 YTD).

E Related Party Disclosure

During the period, the following related party transactions occurred:

Particulars	NPR in Thousand
Purchase of Concentrate from Atlantic Industries	409,097
Transfer fee payable to BNTL	3,034
Transfer fee receivable from BNTL	6,562

F Management Analysis

- a) The Profit before tax has increased by NPR 280 MM at the end of second quarter over previous year same period due to pack mix
- b) Management effort is focused on cost management, efficiency improvement, Portfolio expansion and Optimum resource management
- c) The company is continuously working on upgrading IT infrastructure, enhancing transactions security, automating work processes, enhancing productivity.
- d) Regrouped from Administrative and operating expenses to Cost of sales amounting to NPR 48 MM and Selling and distribution expenses amounting to NPR 22 MM respectively

G Details Related to Legal Proceedings

No legal case was filed in this Quarter by or against the Company.

H Analysis of Share Transactions

i) Management's view on the performance of the stocks of the body corporate

Price and transactions of the Company's shares are being determined by the open share market operations through a duly established Stock Exchange. Management's view on this is neutral.

ii) High, Low and Closing Price of the stocks of the company during each quarter of the preceding year along with total volume of trading of shares and number of days traded

Particulars	NPR
Maximum Price	No Transaction
Minimum Price	No Transaction
Closing Price (Last Transaction value)	1660
No. of Trades	No Transaction
Days of Trading	No Transaction

I Risks and Challenges

Internal Problem & Challenges

Rise in cost of operations with Inflation.

Rural distribution at effective cost.

External Problem & Challenges

Unstable socio-political environment.

Fluctuation in international fuel prices impacting packaging material cost and transportation cost.

Strategy

Proactively monitor the internal and external environmental changes

Develop cost effective distribution models for upcountry areas.

J Corporate Governance

The Company follows prudent Corporate Governance Practices in all business transactions.

During the Quarter under review, the Company had convened two Board Meetings i.e. on 6th November, 2017 and 11th December, 2017 and one Audit Committee Meeting i.e. on 6th November, 2017

K Declaration by Managing Director on the Truthfulness and accuracy of Information

I, as at the date, hereby individually accept responsibility for the accuracy of the information and details contained in this report. I hereby declare that to the best of my knowledge and belief, the information contained in this report is true, accurate and complete and there are no other matters concealed the omission of which shall adversely affect the informed investment decision by the investors.

Puneet Varshney
Managing Director
Date