

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 Fourth Quarter (16/07/2018) of the Fiscal Year 2074/75 (FY 2017-2018)

NPR in Thousand

S.N	Particulars	As on date 16.07.2018 (Unaudited) (Group)		As on date 15.07.2017 (Unaudited) (Group)	
A	ASSETS				
	Non-current assets				
	Intangible Assets		120,657		144,653
	Property, Plant and Equipment		4,229,833		3,945,802
	Financial Assets				
	Prepayment		26,518		30,552
	Current Assets				
	Inventories		1,640,410		1,516,852
	Non Financial Current Assets				
	Prepayments		32,819		30,731
	Financial Assets				
	Advances		4,753		12,436
	Other Current Assets		275,109		165,848
	Trade receivables		245,071		125,043
	Cash and Cash Equivalents		229,203		863,438
	Total Assets		6,804,373		6,835,355
B	EQUITY AND LIABILITIES				
	Equity				
	Equity Share capital		194,889		194,889
	Reserve and Surplus		3,029,462		2,080,610
	Non Controlling Interest		181,333		117,593
	Non-current liabilities				
	Retirement Benefit Obligation		691,068		660,434
	Deferred Tax Liability		60,098		7,168
	Current liabilities				
	Financial Liabilities				
	Borrowings		496,609		810,575
	Trade payables		1,329,730		2,249,426
	Other Financial liabilities		821,184		714,660
	Total Equity and Liabilities		6,804,373		6,835,355
C	Profit and Loss Account				
		Current Period (Group)		Previous Period (Group)	
		14.04.2018 to 16.07.2018 (3 Month)	16.07.2017 to 16.07.2018 (12 Month)	14.04.2017 to 15.07.2017 (3 Month)	16.07.2016 to 15.07.2017 (12 Month)
	Revenue from operations	3,216,308	9,083,454	3,040,989	7,696,783
	Cost of sales	(1,975,926)	(5,902,478)	(1,987,500)	(5,296,092)
	Gross Profit	1,240,382	3,180,976	1,053,489	2,400,691
	Other operating income		21,228	21,781	52,526
	Selling and distribution expenses	(357,493)	(1,494,704)	(393,024)	(1,133,909)
	Administrative and operating expenses	(123,318)	(387,363)	(43,796)	(373,994)
	Profit from Operations	759,571	1,320,137	638,450	945,314
	Finance Costs	(23,310)	(54,418)	(15,051)	(66,392)
	Finance Income	15,647	58,426	2,084	3,285
	Profit Before Tax	751,908	1,324,145	625,483	882,207
	Income Tax Expense				
	Current Tax	(122,987)	(261,339)	(97,354)	(156,969)
	Deferred Tax	(27,119)	(53,787)	(2,502)	(22,377)
	Net Profit	601,802	1,009,019	525,627	702,861
	Owners of the Company (Net Profit)	565,634	943,077	504,391	658,377
	Non Controlling Interest (Net profit)	36,168	65,942	21,236	44,484
D	Major Indicators				
		Current Period (Group)		Previous Period (Group)	
		16.07.2017 to 16.07.2018 (12 Month)		16.07.2016 to 15.07.2017 (12 Month)	
	1. Earnings per Share (NPR)		484		338
	2. Market Value Per Share (NPR)		1,693		1,660
	3. Price Earnings Ratio		3		5
	4. Current Ratio		0.92		0.72
	5. Return on Equity		30%		29%
	6. Return on Total Assets		15%		10%
	7. Net Worth Per Share (NPR)		1,747		1,228

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 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.

E Related Party Disclosure

During the period, the following related party transactions occurred:

Particulars	NPR in Thousand
Purchase of Concentrate from Atlantic Industries	1,959,702
Transfer fee payable to BNTL	46,684
Transfer fee receivable from BNTL	41,392

F Management Analysis

- a) The Profit after tax has increased by NPR 306 MM at the end of fourth quarter over previous year same period due to improved volume and pack mix, cost saving initiative, better working capital management etc
- b) The company is continuously working on upgrading IT infrastructure, enhancing transactions security, automating work processes, enhancing productivity.
- c) One day more in this quarter as compared to same quarter in the previous year.

G Details Related to Legal Proceedings

The Government has increased the Import Duty for sugar from 15% to 30% on 17 April 2018 (2075-01-04). Prior to the decision made by the Government, the Company had few consignments of sugar lying at Dryport and few others on transit for which import duty was already paid. The Custom Office had asked the Company to pay the additional 15% custom duty prior to transferring its consignment from Dry port.

Respondent: Government of Nepal, Office of Prime Minister and Council of Minister, Ministry of Finance, Department of Custom, Tripureshwor and Dry Port Custom Office, Sirsiya, Parsa

Remedies Sought:

- a. To issue writ of certiorari dismissing any decision or acts that impose additional import duty on sugar imported prior to April 17, 2018 and writ of mandamus to allow the sugar to be transferred from dry port without paying additional duty.
- b. To issue interim order not to implement the decision of Government till the final disposal of the case.

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

Not traded in the given quarter

I Risks and Challenges

Internal Problem & Challenges

Rise in cost of operations with inflation.

Rural distribution at effective cost.

External Problem & Challenges

Unstable tax regime under federal state.

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 on 14th May, 2018 and 5th July, 2018.

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: 15th August, 2018 (30th Shrawan, 2075)