

# Coca-Cola BOTTLEERS NEPAL (TERAI) LIMITED

(Authorized Bottler of The Coca-Cola Company)

**Gondrang, Bharatpur-9 Chitwan, Nepal**  
**Unaudited Financial Results (Quarterly)**

As at the end of First Quarter (17/10/2017) of the Fiscal Year 2074/75 (FY 2017-2018)

NPR in Thousand

S.N	Particulars	As on date 17.10.2017 (Unaudited)		As on date 16.10.2016 (Unaudited)	
<b>A</b>	<b>ASSETS</b>				
	<b>Non-Current Assets</b>				
	Intangible Assets	71,412		1,696	
	Property, Plant and Equipment	2,702,502		2,571,292	
	<b>Current Assets</b>				
	Inventories	896,218		586,524	
	<b>Non Financial Current Assets</b>				
	Prepayments	10,071		15,078	
	<b>Financial Assets</b>				
	Advances	6,798		7,817	
	Other Current Assets	51,952		57,178	
	Trade receivables	68,405		83,120	
	Cash and cash equivalents	303,465		75,020	
	<b>Total Assets</b>	<b>4,110,824</b>		<b>3,397,723</b>	
<b>B</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>				
	Equity Share Capital	121,000		121,000	
	Reserve and Surplus	1,370,155		918,957	
	<b>Non-current liabilities</b>				
	Retirement Benefit Obligation	313,275		248,730	
	Deferred Tax Liability	86,275		32,433	
	<b>Financial Liabilities</b>				
	Borrowing	-		376,000	
	<b>Current Liabilities</b>				
	<b>Financial Liabilities</b>				
	Borrowings	58,880		454,162	
	Trade payables	1,619,286		768,715	
	Other Financial Liabilities	541,953		477,726	
	<b>Total Equity and Liabilities</b>	<b>4,110,824</b>		<b>3,397,723</b>	
<b>C</b>	<b>Profit and Loss Account</b>				
		<b>Current Period</b>		<b>Previous Period</b>	
		<b>16.07.2017 to</b>		<b>16.07.2016 to</b>	
		<b>17.10.2017</b>		<b>16.10.2016</b>	
	Revenue from operations	1,727,182		1,229,282	
	Cost of sales	(1,064,011)		(839,773)	
	<b>Gross Profit</b>	<b>663,171</b>		<b>389,510</b>	
	Other operating income	10,742		1,857	
	Selling and distribution expenses	(281,209)		(125,056)	
	Administrative and operating expenses	(77,869)		(36,331)	
	<b>Profit from Operations</b>	<b>314,835</b>		<b>229,980</b>	
	Finance Costs	(11,430)		(17,118)	
	Finance Income	4,861		123	
	<b>Profit Before Tax</b>	<b>308,265</b>		<b>212,985</b>	
	<b>Income Tax Expense</b>				
	Current Tax	(38,998)		(33,121)	
	Deferred Tax	(44,890)		-	
	<b>Net Profit</b>	<b>224,376</b>		<b>179,864</b>	
<b>D</b>	<b>Major Indicators</b>				
		<b>16.07.2017 to</b>		<b>16.07.2016 to</b>	
		<b>17.10.2017</b>		<b>16.10.2016</b>	
		<b>Quarterly</b>	<b>Annualized</b>	<b>Quarterly</b>	<b>Annualized</b>
	1. Earnings per Share (NPR)	185	742	149	595
	2. Market Value Per Share (NPR)	6,550	6,550	5,300	5300
	3. Price Earnings Ratio	35	9	36	9
	4. Current Ratio	0.60		0.48	
	5. Return on Equity	15%	60%	17%	69%
	6. Return on Total Assets	5%	22%	5%	21%
	7. Net Worth Per Share (NPR)	1,232		859	

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 calculated basis 1st Quarter profit.

**E Related Party Disclosure**

During the period, the following related party transactions occurred:

Particulars	NPR in Thousand
Purchase of Concentrate from Atlantic Industries	283,647
Transfer fee payable to BNL	7,491
Transfer fee receivable from BNL	5,870

**F Management Analysis**

- a) This Quarter Profit before tax has increased by NPR 95 MM 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.

**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	7,400
Minimum Price	6,205
Closing Price	6,550
No. of Trades	5,079
Days of Trading	39

**Risks and Challenges**

**Internal Problem & Challenges**

Rise in cost of operations with Inflation.

Upcountry 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.

**Corporate Governance**

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

During the Quarter under review, the Company had convened one Board Meeting and Audit Committee Meeting i.e. on 22nd August, 2017

**K Declaration by Chief Executive Officer 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**  
Chief Executive Officer  
Date