

# 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 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)		As on date 13.01.2017 (Unaudited)	
<b>A</b>	<b>ASSETS</b>				
	<b>Non-Current Assets</b>				
	Intangible Assets	68,613		1,539	
	Property, Plant and Equipment	2,741,677		2,594,070	
	<b>Current Assets</b>				
	Inventories	948,685		677,282	
	<b>Non Financial Current Assets</b>				
	Prepayments	8,554		11,242	
	<b>Financial Assets</b>				
	Advances	8,575		7,807	
	Other Current Assets	128,074		140,196	
	Trade receivables	27,413		111,395	
	Cash and cash equivalents	145,356		18,653	
	<b>Total Assets</b>	<b>4,076,947</b>		<b>3,562,184</b>	
<b>B</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>				
	Equity Share Capital	121,000		121,000	
	Reserve and Surplus	1,181,734		843,622	
	<b>Non-current liabilities</b>				
	Retirement Benefit Obligation	391,146		247,728	
	Deferred Tax Liability	136,210		32,433	
	<b>Financial Liabilities</b>				
	Borrowing	-		194,000	
	<b>Current Liabilities</b>				
	<b>Financial Liabilities</b>				
	Borrowings	987,619		849,088	
	Trade payables	749,576		864,775	
	Other Financial Liabilities	509,662		409,538	
	<b>Total Equity and Liabilities</b>	<b>4,076,947</b>		<b>3,562,184</b>	
<b>C</b>	<b>Profit and Loss Account</b>	<b>Current Period</b>		<b>Previous Period</b>	
		<b>18.10.2017 to 14.01.2018 (3 Month)</b>	<b>16.07.2017 to 14.01.2018 (6 Month)</b>	<b>17.10.2016 to 13.01.2017 (3 Month)</b>	<b>16.07.2016 to 13.01.2017 (6 Month)</b>
	Revenue from operations	555,707	2,282,888	554,628	1,783,910
	Cost of sales	(419,386)	(1,483,397)	(480,520)	(1,320,292)
	<b>Gross Profit</b>	<b>136,320</b>	<b>799,491</b>	<b>74,109</b>	<b>463,618</b>
	Other operating income	3,918	14,660	(2,495)	(638)
	Selling and distribution expenses	(170,737)	(451,946)	(125,624)	(250,680)
	Administrative and operating expenses	21,198	(56,671)	(43,328)	(79,659)
	<b>Profit from Operations</b>	<b>(9,300)</b>	<b>305,534</b>	<b>(97,338)</b>	<b>132,642</b>
	Finance Costs	(2,588)	(14,018)	(13,731)	(30,849)
	Finance Income	4,650	9,511	113	123
	<b>Profit Before Tax</b>	<b>(7,238)</b>	<b>301,027</b>	<b>(110,956)</b>	<b>101,916</b>
	<b>Income Tax Expense</b>				
	Current Tax	(29,137)	(68,135)	1,400	(31,720)
	Deferred Tax	(62,152)	(107,042)	1,901	1,901
	<b>Net Profit</b>	<b>(98,526)</b>	<b>125,850</b>	<b>(107,654)</b>	<b>72,097</b>
<b>D</b>	<b>Major Indicators</b>	<b>Current Period</b>		<b>Previous Period</b>	
		<b>16.07.2017 to 14.01.2018 (6 Month)</b>	<b>Annualized</b>	<b>16.07.2016 to 13.01.2017 (6 Month)</b>	<b>Annualized</b>
	1. Earnings per Share (NPR)	104	208	60	119
	2. Market Value Per Share (NPR)	7,081	7,081	4,144	4144
	3. Price Earnings Ratio	68	34	70	35
	4. Current Ratio	0.56		0.46	
	5 Return on Equity	10%	19%	7%	15%
	6. Return on Total Assets	3%	6%	2%	4%
	7. Net Worth Per Share (NPR)	1,077		797	



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	206,915
Transfer fee payable to BNL	6,562
Transfer fee receivable from BNL	3,034

**F Management Analysis**

- a) The Profit before tax has increased by NPR 199 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 25 MM and Selling and distribution expenses amounting to NPR 11 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	8,115
Minimum Price	5,805
Closing Price	7,081
No. of Trades	10,175
Days of Trading	34

**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 Chief Executive Officer on the Truthfulness and accuracy of Information**

I, as at the date, hereby individually accept the 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**