

# 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 (14/01/2019) of the Fiscal Year 2075/76 (FY 2018-2019)

NPR in Thousand

S.N	Particulars	As on date 14.01.2019 (Unaudited)		As on date 14.01.2018 (Unaudited)	
<b>A</b>	<b>ASSETS</b>				
	<b>Non-Current Assets</b>				
	Intangible Assets		48,584		68,613
	Property, Plant and Equipment		3,615,449		2,741,677
	<b>Current Assets</b>				
	Inventories		1,105,883		948,685
	<b>Non Financial Current Assets</b>				
	Prepayments		35,905		8,554
	<b>Financial Assets</b>				
	Advances		8,088		8,575
	Other Current Assets		190,190		128,074
	Trade receivables		27,585		27,413
	Cash and cash equivalents		269,393		145,356
	<b>Total Assets</b>		<b>5,301,077</b>		<b>4,076,947</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>				
	Equity Share Capital		121,000		121,000
	Reserve and Surplus		2,017,969		1,181,734
	<b>Non-current liabilities</b>				
	Retirement Benefit Obligation		359,933		391,146
	Deferred Tax Liability		60,344		136,210
	Borrowing		815,257		
	<b>Current Liabilities</b>				
	<b>Financial Liabilities</b>				
	Borrowings		859,284		987,619
	Trade payables		555,226		749,576
	Other Financial Liabilities		512,064		509,662
	<b>Total Equity and Liabilities</b>		<b>5,301,077</b>		<b>4,076,947</b>
<b>C</b>	<b>Profit and Loss Account</b>	<b>Current Period</b>		<b>5,301,077</b>	
		<b>18.10.2018 to 14.01.2019 (3 Month)</b>	<b>17.07.2018 to 14.01.2019 (6 Month)</b>	<b>18.10.2017 to 14.01.2018 (3 Month)</b>	<b>16.07.2017 to 14.01.2018 (6 Month)</b>
	Revenue from operations	410,235	2,563,496	555,707	2,282,888
	Cost of sales	(346,377)	(1,711,347)	(419,386)	(1,483,397)
	<b>Gross Profit</b>	<b>63,858</b>	<b>852,149</b>	<b>136,320</b>	<b>799,491</b>
	Other operating income	6,463	23,313	3,918	14,660
	Selling and distribution expenses	(153,931)	(508,980)	(170,737)	(451,946)
	Administrative and operating expenses	(5,155)	(83,617)	21,198	(56,671)
	<b>Profit from Operations</b>	<b>(88,765)</b>	<b>282,864</b>	<b>(9,300)</b>	<b>305,534</b>
	Finance Costs	(20,155)	(27,765)	(2,588)	(14,018)
	Finance Income	9,387	9,397	4,650	9,511
	<b>Profit Before Tax</b>	<b>(99,533)</b>	<b>264,496</b>	<b>(7,238)</b>	<b>301,027</b>
	<b>Income Tax Expense</b>				
	Current Tax	32,324	(43,069)	(29,137)	(68,135)
	Deferred Tax	2,087	(11,688)	(62,152)	(107,042)
	<b>Net Profit</b>	<b>(65,122)</b>	<b>209,739</b>	<b>(98,526)</b>	<b>125,850</b>
<b>D</b>	<b>Major Indicators</b>	<b>Current Period</b>		<b>Previous Period</b>	
		<b>17.07.2018 to 14.01.2019 (6 Month)</b>	<b>Annualized</b>	<b>16.07.2017 to 14.01.2018 (6 Month)</b>	<b>Annualized</b>
	1. Earnings per Share (NPR)	173	347	104	208
	2. Market Value Per Share (NPR)	6,579	6,579	7,081	7,081
	3. Price Earnings Ratio	38	19	68	34
	4. Current Ratio	0.85		0.56	
	5. Return on Equity	10%	20%	10%	19%
	6. Return on Total Assets	4%	8%	3%	6%
	7. Net Worth Per Share (NPR)	1,768		1,077	

**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 Pacific Refreshments Pte. Ltd.	763,500
Transfer fee payable to BNL	27,410
Transfer fee receivable from BNL	6,609

**F Management Analysis**

- a) The Profit after tax has improved by NPR 84 MM at the end of second quarter over previous year same period due to pack mix, and deferred tax.
- b) The company is continuously working on upgrading IT infrastructure, enhancing transactions security, automating work processes, enhancing productivity.
- c) One day less in this quarter as compared to same quarter in the previous year.

**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	6937
Minimum Price	6370
Closing Price	6579
No. of Trades	3020
Days of Trading	35

**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 Audit Committee and Risk Management Committee on 14th November, 2018 and Board Meetings on 15th November, 2018

**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.

**Pradip Pandey**

**Chief Executive Officer**

**Date: 11<sup>th</sup> February, 2019 (28<sup>th</sup> Magh, 2075)**