



ANNUAL

REPORT 2017-2018

बत्तीसौं वार्षिक प्रतिवेदन २०७४-२०७५

CORPORATE INFORMATION

Company Name: Bottlers Nepal (Terai) Limited
Registration Number: 98818
Legal Form: Listed Public Company
Stock Exchange Listing: Nepal Stock Exchange as (BNT)
Registered Address: Balaju Industrial District, Balaju, Kathmandu, Nepal
Industry Address: Gondrang, Bharatpur-9, Chitwan, Nepal
Board of Directors: Ms. Shukla Wassan
Mr. Gaurav Khosla
Mr. Sundeep Bajoria
Mr. Gunjan Dhawan
Mr. Surendra Silwal
Mr. Prasad Gyawali
Mr. Pramod Kumar Karki
Chief Executive Officer: Mr. Pradip Pandey
Company Secretary: Ms. Pratima Burma
Statutory Auditor: M/s B.K. Agrawal & Co.
Chartered Accountants
(Mr. Bijay Kumar Agrawal, Managing Partner)
Share Registrar: M/s Nabil Investment Banking Limited
Banking Partners: M/s Standard Chartered Bank Nepal Limited
M/s NMB Bank Limited
M/s Nepal Bank Limited
M/s NIC Asia Bank Limited
M/s Everest Bank Limited
M/s Nepal Bangladesh Bank Limited





बोटलर्स नेपाल (तराई) लिमिटेडका शेयरधनी महानुभावहरूलाई बत्तिसौं वार्षिक साधारण सभाको सूचना

मिति २०७५ भदौ ५ गते मंगलबार (तदनुसार अगस्त २१, २०१८) बसेको संचालक समितिको बैठकको निर्णय अनुसार यस कम्पनीको बत्तिसौं वार्षिक साधारण सभा निम्न लिखित मिति, स्थान तथा समयमा तपसिलका विषयहरू उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सम्बन्धित सबै शेयरधनी महानुभावहरूलाई जानकारी तथा उपस्थितीको लागि यो सूचना प्रकाशित गरिएको छ।

मिति, समय र स्थान :

मिति : २०७५, आश्विन १६ (तदनुसार २ अक्टोबर, २०१८),
मंगलबार

समय : १० : ०० बजे।

स्थान : होटल ज्याडिसन, लाजिम्पाट, काठमाडौं।

सभा ठीक तोकिएको समयमा संचालन हुने भएकोले उपस्थिति पुस्तिका ९:०० बजे देखि खुला राखिने छ।

छलफलका विषय सूची :

१. सामान्य प्रस्ताव :

- आर्थिक वर्ष २०७४/७५ को संचालकको प्रतिवेदन पारित गर्ने।
- २०७५ आषाढ ३२ गते सम्मको वासलात, २०७४ आषाढ ३२ गतेसम्मको आय विवरण सोही मितिमा समाप्त भएको नाफा नोक्सान हिसाब तथा नगद प्रवाह विवरण सहितको लेखापरिक्षण भएको वित्तीय विवरण र लेखापरिक्षकको प्रतिवेदन अनुमोदन गर्ने।
- कम्पनी ऐन, २०६३ को दफा १११ बमोजिम आर्थिक वर्ष २०७५/७६ को लागि लेखापरिक्षकको नियुक्ती र निजको पारिश्रमिक उपर छलफल गरी स्वीकृत गर्ने।
- निर्वाचन गर्ने र साधारण शेयरधनीको तर्फबाट संचालकको नियुक्ति बारे छलफल गरी पारित गर्ने।

(ङ) आर्थिक वर्ष २०७४/७५ का लागि नगद लाभांश उपर छलफल गर्ने र पारित गर्ने।

२. विशेष प्रस्ताव :

(क) कम्पनी ऐन, २०६३ को दफा १०५(१) (ख) बमोजिम नयाँ PET Line विस्तारको लागि स्ट्यान्डर्ड चार्टर्ड बैंक नेपाल लिमिटेडबाट term loan लिने उपर छलफल गरी स्वीकृती गर्ने।

निम्नबमोजिमको प्रस्ताव उपर छलफल गरी उचित देखिएमा संशोधन सहित वा विना पारित गर्ने:

“कम्पनी ऐन, २०६३ को दफा १०५(१) (ख) तथा अन्य उपयुक्त प्रावधान बमोजिम, नयाँ PET Line विस्तारको लागि बोर्डले निर्णय गरे बमोजिमको शर्तहरूमा स्ट्यान्डर्ड चार्टर्ड बैंक नेपाल लिमिटेडबाट रु. २,८५०,०००,००० (दुई अर्ब पचासी करोड) को term loan लिने निर्णय गरियो।

कम्पनीको तर्फबाट यस सम्बन्धी सम्पूर्ण आवश्यक काम कारवाही गर्न कम्पनीको संचालक समितिलाई अख्तियारी प्रदान गरियो।

३. विविध :

(क) विविध : अध्यक्षको अनुमति अनुसार।

संचालक समितिको आदेशानुसार

प्रतीमा बर्मा

कम्पनी सचिव



साधारण सभा सम्बन्धी सामान्य जानकारी

- सभामा भाग लिन चाहने महानुभावहरूले प्रवेश पत्र वा शेयर प्रमाणपत्र अनिवार्य रूपले लिई आउनु हुन अनुरोध गरिन्छ । कुनै शेयरधनी महानुभावहरूले कुनै कारणवश सो सूचना नपाउनु भएमा यसैलाई सूचना सरह मानी आफ्नो कुनै एक परिचयपत्र र शेयरको सक्कल प्रमाण पत्र साथमा लिई सभामा भाग लिन आउनु हुने अनुरोध गरिएको छ । शेयर अभौतिकरण गराइसक्नु भएका शेयरधनी महानुभावलाई निजको डिम्याट अकाउन्ट वा परिचय पत्र पेश गर्नहुन अनुरोध गरिन्छ ।
- वित्तिसौं वार्षिक साधारण सभालाई ध्यानमा राखि मिति २०७५।०६।०२ गते देखि २०७५।०६।१६ सम्म कम्पनीको शेयर दाखिल खाते दर्ता बन्द रहने जानकारी समेत यसै सूचनाद्वारा शेयरधनी महानुभावहरूमा सूचित गरिन्छ ।
- कम्पनीको वार्षिक प्रतिवेदन, प्रतिनिधि (प्रोक्सी) फारम तथा वार्षिक साधारण सभासंग सम्बन्धित अन्य कागजातहरू कम्पनीको अभिलेखमा रहेको शेयरधनी महानुभावहरूको ठेगानामा हुलाकबाट छुट्टै प्रेषित गरिनेछ ।
- कुनै अर्को शेयरधनीको प्रतिनिधि (प्रोक्सी) को रूपमा भाग लिन र मतदान गर्न चाहने शेयरधनीले सभा हुनु भन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको रजिष्टर्ड कार्यालय बालाजु, काठमाडौंमा आफुले पाएको प्रोक्सी दाखिल गरिसकेको हुनुपर्नेछ ।
- सभामा उपस्थित हुनको लागि कुनै एक शेयरधनीको तर्फबाट एक भन्दा बढी व्यक्तिहरूको नाममा प्रोक्सी नियुक्त भएमा सबैभन्दा पहिल्लो मितिमा नियुक्त गरिएको प्रोक्सीले सभामा उपस्थित हुन र मतदान गर्न पाउने छ । कुनै शेयरधनीले एकै मितिमा एक भन्दा बढी प्रोक्सी नियुक्त गरेमा सबैभन्दा पहिले प्रोक्सी कम्पनीको कार्यालयमा दर्ता गर्ने व्यक्तिले सभामा उपस्थित हुन र मतदान गर्न पाउने छ ।
- नाबालक तथा मानसिक सन्तुलन ठीक नभएका शेयरधनीको तर्फबाट कम्पनीको शेयर लगत किताबमा संरक्षकको रूपमा दर्ता भएको व्यक्तिले सभामा भाग लिन र मतदान गर्न वा प्रोक्सी नियुक्त गर्न सक्नेछ ।
- संयुक्त रूपमा लिएको शेयरको हकमा शेयर लगत किताबमा पहिले नाम उल्लेख भएको व्यक्ति वा सर्व सम्मतिबाट प्रतिनिधि नियुक्त भएको एक व्यक्तिले मात्र सभामा भाग लिन वा मतदान गर्न पाउने छ ।
- सभामा विविध अन्य कुरा बुझ्न चाहनु हुने शेयरधनी महानुभावहरूले आफुले बुझ्न खोजेको कुरा खोली कम्पनीको रजिष्टर्ड कार्यालय बालाजु, काठमाडौंमा सभा हुने २ दिन अगावै पत्र पठाउनु हुन अनुरोध गरिन्छ । यसबाट संचालकहरूलाई सभामा उचित जवाफ दिन मिल्नेछ ।
- सुरक्षाको दृष्टिकोणले शेयरधनी महानुभावहरू सभा स्थलमा आउँदा भोला, ब्याग र लौरो जस्ता वस्तुहरू नलिई आउनुहुन अनुरोध गरिन्छ । आवश्यक देखिएमा सुरक्षाकर्मीले सुरक्षा जाँच गर्न सक्ने भएको हुँदा सो कार्यमा सहयोग गरीदिनु हुन र आफ्नो परिचयपत्र वा नागरिकता लिई आउनुहुन समेत अनुरोध गरिन्छ ।
- अन्य कुनै जानकारीको लागि कृपया कम्पनीको रजिष्टर्ड कार्यालय बालाजु, काठमाडौंमा अथवा फोन नं. ४३५०६०२ वा ४३५१८७१ ext. २०२ वा ११९ वा हाम्रो शेयर रजिष्टार कार्यालय, नविल ईन्भेष्टमेन्ट बैंकिङ्ग लिमिटेड, नारायण चौर नक्साल, फोन नं. ४४१०७३७ मा सम्पर्क गर्नु होला ।

निर्वाचन सम्बन्धि अन्य जानकारी

- संचालक पदको निर्वाचनमा उम्मेदवार हुने शेयरधनी प्रचलित कानून तथा कम्पनीको प्रबन्ध पत्र र नियमावली बमोजिम संचालक हुन योग्य भएको हुनुपर्नेछ ।
- संचालक निर्वाचन सम्बन्धी सम्पूर्ण कार्यक्रम कम्पनीको रजिष्टर्ड कार्यालय बालाजु औद्योगिक क्षेत्र, काठमाडौंको सूचना पाटीमा प्रकाशित हुने भएकोले त्यस सम्बन्धमा थप जानकारी राख्न इच्छुक शेयरधनी तथा उम्मेदवार समेतले कार्यालय समय भित्र सम्पर्क राख्न हुन अनुरोध गरिन्छ ।
- निर्वाचन सम्बन्धि अन्य जानकारी निर्वाचन अधिकृतद्वारा छुट्टै कम्पनीको कार्यालयभित्रको सूचना पाटीमा प्रेषित गरिनेछ ।



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VISION, MISSION AND VALUES

Vision Statement

To make every Nepali's first choice of refreshment available within easy reach.

Mission Statement

To build a community driven, customer focused, profitable, sustainable and socially responsible business in Nepal.

VALUES

Passion for Winning

Committed in heart and mind

Empowerment

Decisions are made at the lowest appropriate level

Citizenship

Commitment to local stakeholders by consistent engagement & environmental practices

Leadership

The courage to shape a better future

Integrity

Be real

Accountability

If it is to be, it's up to me

Teamwork

Working together to support and inspire each other to win

ABOUT BOTTLERS NEPAL (TERAI) LIMITED

Bottlers Nepal (Terai) Limited (hereinafter also referred to as the "Company" or "BNTL") is a Public Limited Company, with operations spanning over 32 years. The shares of the Company are listed with the Nepal Stock Exchange Limited (NEPSE) and the majority of its shares are held by M/s Bottlers Nepal Limited (BNL).

The Company is engaged in the production, manufacture and sale of soft drinks being carbonated non-alcoholic beverages under the brand names - Coca-Cola®, Sprite®, Fanta® and Kinley®. The Company along with its holding company, Bottlers Nepal Limited, are the only authorized bottlers of "The Coca-Cola Company" ("TCCC") in Nepal.

High standards of Corporate Governance, strong technical credentials, prudent risk management approach, a culture of dedication and a strong distribution network has been the key driving forces of the Company. The Company is considered as one of the most prestigious multinational companies in Nepal.

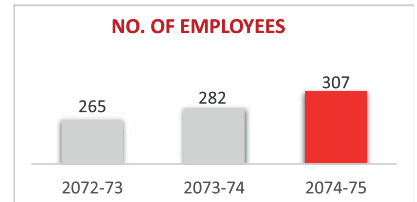
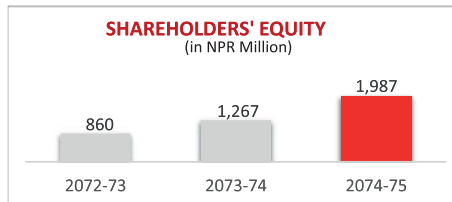
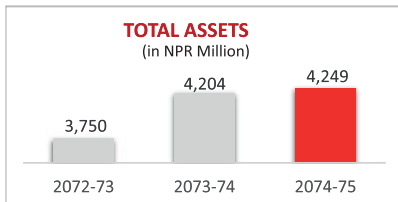
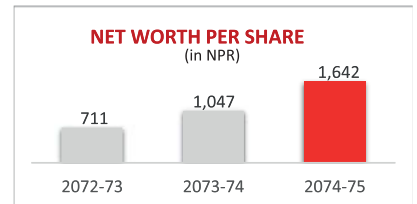
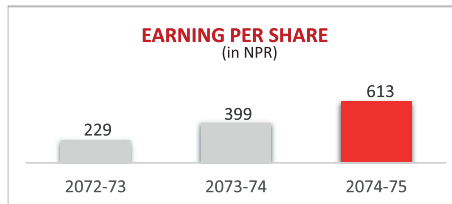
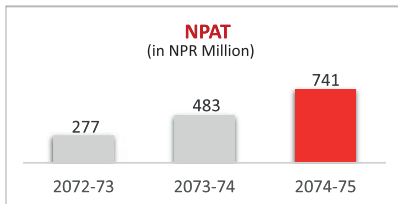
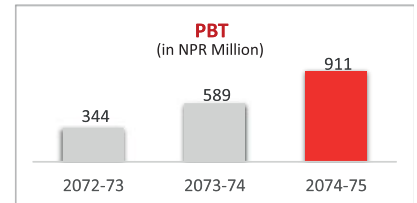
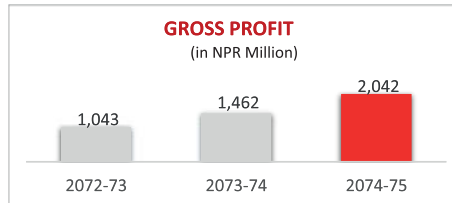
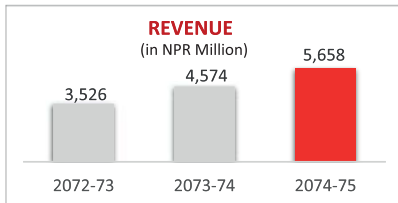
It believes the success of the Group depends on our ability to connect with consumers by providing them with a wide variety of beverage options to meet their desires, needs and lifestyles. Our success further depends on the ability of our people to execute effectively, every day.

Our objective is to use our Company's assets — our brands, financial strength, unrivaled distribution system, global reach, and the talent and strong commitment of our management and associates — to become more competitive and to accelerate growth in a manner that creates value for our shareowners.



PERFORMANCE AND OPERATIONAL HIGHLIGHTS-BNTL

NET REVENUE	PROFIT BEFORE TAX	PROFIT AFTER TAX	EPS
2074-75	2074-75	2074-75	2074-75
Rs. 5,658 MILLION	Rs. 911 MILLION	Rs. 741 MILLION	Rs. 613 PER SHARE
Net Revenue grew by 24%	PBT increased by 55% with PBT margins up by 2% from 14% to 16%	PAT increased by 54% with PAT margins up by 2% from 11% to 13%	EPS up by 54%
2073-74 Rs. 4,574 Million	2073-74 Rs. 589 Million	2073-74 Rs. 483 Million	2073-74 Rs. 399 per share





WE REPRESENT

A LEADING BOTTLER

Your Company is the authorized bottler of “The Coca-Cola Company” (“TCCC”) in Nepal and sells more than 16 MM unit cases annually.

It is operating through its bottling plant in Chitwan.

Your Company manages our business responsibly, sustainably and with a passion for creating value for our customers, our shareholders and the consumers and communities we serve.

LEADING BRANDS AND A DIVERSE PORTFOLIO OF BEVERAGES

Your Company produces, sells and distributes the world’s most recognised beverage brands. Coca-Cola, Coke Zero, Sprite, Fanta, Minute Maid, Maaza and Kinley Soda are some of the world’s best-selling non-alcoholic ready-to-drink beverages. Your Company’s overall sparkling volume share in our market was 69% in July 2018. (Source: RSA Nielsen, YTD July, 2018)

The strength of its portfolio of sparkling drinks is complemented by a still drinks portfolio which has grown to 18% of the total volume.

Category	2074-75 (2017-18)	2073-74 (2016-17)
Sparkling	97.49%	99.62%
Water	2.51%	0.38%
Total	100.00%	100.00%

CAPABILITY TO EXECUTE IN THE MARKET

Building and maintaining a successful partnership with the customers, is critical to the success. By working with customers to satisfy their needs and maximise demand for the products, your Company helps grow their business and its own. Your Company does this by segmenting the market and determining the most efficient and effective way to serve each of the outlets. Your Company is looking to generate joint value in every aspect of its business with each of its customers, ranging from logistics and delivery, to market place execution and sustainability programmes.

A SUSTAINABLE BUSINESS

Your Company recognises that creating shared value for shareholders, employees, consumers, customers and communities is critical to its long-term success. Over the last decade, Your Company has integrated corporate responsibility and sustainability into all aspects of business management, with long-term investments that aims to build value over time. Your Company established a business resilience programme that enhances our approach to risk management and our contingency response programmes.

LEAN MANUFACTURING FOOTPRINT

Your Company has been able to cater to the increased market demand through its existing manufacturing plant, by way of efficient manufacturing operations. Your Company believe there is ample of scope to achieve further efficiencies, particularly in Nepales markets.



मस्ती
दरेक
बोतलमा

Orange

Lemon



Rs. 70/-
500ml

Rs. 65/-
500ml



Dear SHAREHOLDERS



“The foundation of our success has been built mainly in our ability to execute a consistent strategy and focus our business in the areas of our strengths.”

- SHUKLA WASSAN
Chairperson



CHAIRPERSON'S REVIEW

At the outset, I would like to extend my warm welcome to all of you on behalf of the Board of Directors of the Company. It is with great pleasure, I report that your Company has yet again maintained its track record of consistent performance and has registered impressive results. The foundation of our success has been built mainly in our ability to execute a consistent strategy and focus our business in the areas of our strengths. It gives me great pleasure to announce that your Company along with its subsidiaries, have succeeded in recording growth of 20.4% in Volume and 53.6% in Net Profit as compared to last year.

This year, your Company has started commercial local production of flagship "Kinley®" brand packaged drinking water in 500 ml and 1 Ltr. PET, at your Company's Bharatpur plant. We are positive that in due course of time, this will do well in the market, leading to an expansion in the existing beverage portfolio and increase in our consumer base.

Your Company is continuously investing in modernization of its infrastructural development and automation in its business operation, results of which will be clearly visible in the times to come. Further, your Company is focusing on strengthening its talent management culture and investing significantly on training and development of its employees. We are also consistently working on addressing the needs of the communities we operate in.

This year, Nepal has also made a good progress on the political front. After its successful completion of the three tier local, provincial and federal elections for implementation of the new Constitution, we remain very hopeful for a stable government, which is expected to bring economic growth and foster our business opportunities in the country. It has provided hope to the Board for a conducive business environment that will allow for long-term growth in the country.

I am sure the years to come will be even more exciting and full of opportunities for your Company. As the Chairman of the Board, I would like to extend my gratitude to the countless number of esteemed customers, all of whom have contributed in successful partnerships to accomplish our achievements.

I would like to take this opportunity to express my sincere appreciation to our stakeholders, business partners, labor unions, statutory and government bodies, bankers and financial institutions, diplomatic officials, media, local community, TCCC representatives, shareholders and the entire team of the Company for their continued support.

With regards,
Shukla Wassan



PROFILE OF BOARD OF DIRECTORS



Mr. Gaurav Khosla
(Director)

Mr. Khosla is a Chartered Accountant from the Institute of Chartered Accountants of India with a total experience of over 24 years. He has been the Director of the Company since 25th April, 2016 and is also a Chairman of Audit Committee of the Company since 2nd May, 2016.



Mr. Prasad Gyawali
(Director)

Mr. Gyawali holds MBA and Msc Degree and has more than 13 years of experience handling various units in the beverage (beer) and noodles/snacks operations in India and Nepal. He is the Director of the Company since 12th January, 2015.



Mr. Gunjan Dhawan
(Director)

Mr. Gunjan Dhawan holds MFC with a total experience of over 20 years. He was appointed as the Director of the Company from 23rd November, 2016.



Mr. Pramod Kumar Karki
(Independent Director)

Mr. Karki holds multiple academic degrees including M.A and LL.M. He has 35 years of working experience in various governmental jobs.. He is Director of the Company since 13th December, 2012

Ms. Shukla Wassan
Chairperson

Ms. Wassan is FCS (Fellow Company Secretary) from the Institute of Company Secretaries of India, LL.B., B. Com (Hons) with a total experience of over 35 years. She has been a Director and Chairperson of the Company since 2nd December, 2014.

Mr. Sundeep Bajoria
(Director)

Mr. Sundeep Bajoria holds B.Com Honors & Chartered Accountant with experience over 20 years. He was appointed as a Director of the Company since 3rd May, 2018.

Mr. Surendra Silwal
(Director)

Mr. Silwal holds a Master Degree in Business Administration with a total experience of over 22 years in various Companies. He was appointed as a Director of the Company from 27th June, 2017. Earlier, he was a Alternate Director to Mr. Soren Lauridsen since 14th September, 2012.



DIRECTOR'S REPORT

Dear Shareholders,

We are delighted to present the Report on your Company's business operations, along with the audited financial statements, for the year ended 32nd Ashad 2075. This has been another remarkable year with success in terms of business growth and value creation for its treasured stakeholders.

FINANCIAL HIGHLIGHTS

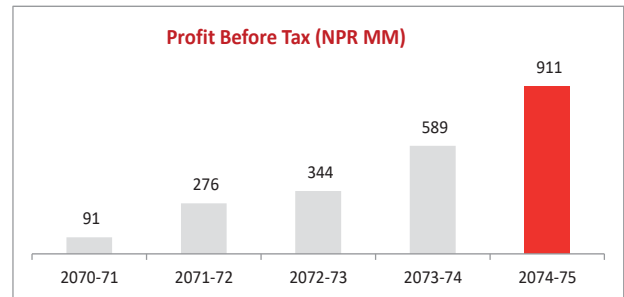
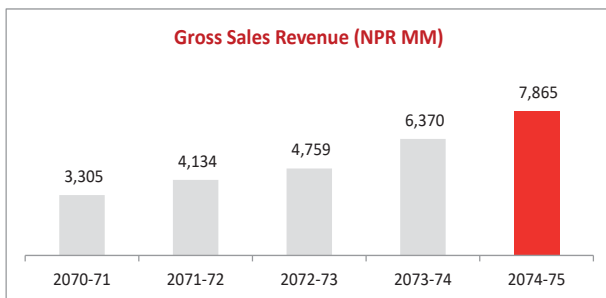
Your Company has made conscious efforts for preparing the financial statements based on the sound business knowledge and generally accepted accounting principles. It has also ensured true that the financial statements of your Company is true and fair.

OVERVIEW

Your Company has made significant progress in the FY 2074/75. The Gross Sales Revenue of your Company has crossed NPR 7,865 Million. Further, the net Profit has increased by NPR 322 Million, which is 55% higher than the previous years.

The summarized financial results of your Company for the year under review are as under:

Particulars	NPR Million		
	2073-74	2074-75	% Change
Gross Sales Revenue	6,370	7,865	23%
Gross Profit	1,462	2,042	40%
Net Profit Before Tax	589	911	55%
Net Profit After Tax	483	741	53%



KEY BUSINESS CHALLENGES

Global:

The global economic scenario continued to remain volatile across different geographies. The Group is presently operating in an increasingly dynamic economic environment. Crude Oil Price internationally is on increasing trend, which has impacted cost of Resin, Preforms, energy and transportation.

Nepal

The Government has recently implemented Finance Bill, 2075. This has consequently increased government taxes & duties twice its current rate, mainly in Import Duty for sugar and has significantly increased excise duty of carbonated soft drinks. Furthermore, the country witnessed high depreciation of the currency against the US dollar, which has impacted sourcing of raw materials and packaging materials.

Dividend

This Year, your Directors recommended a final dividend of NPR 40/- Per share for your approval.

Statutory Auditors.

M/s B. K Agrawal & Co. Chartered Accountants (Firm Registration No. 02), hold office until the conclusion of 32nd Annual General Meeting. Your Directors, with the recommendation of Audit Committee Meeting have proposed to re-appoint M/s B.K Agrawal & Co. Chartered Accountants, as Statutory Auditor for FY 2075-76 with a remuneration of NPR 300,000 (Three Hundred Thousands Only) (excluding VAT and out-of-pocket expenses), alike last year.

Human Resources

The total number of Associates on 32nd Ashad 2075 is 307, as against 282 on 31st Ashad 2074. Your Company believes that today a major HR challenge for your Company is training & development, talent development and Employee Engagement. Your Company continued to work towards these three components through its various initiatives. Some of its initiatives are briefly elaborated in this Annual Report.



Infrastructure

During the year under review, your Company continued to create best-in-class infrastructure facilities to support its growth strategies. Your Company continuously focuses on upgrading its infrastructure. During the year under review, your Company has invested in palletized trucks, which has improved its productivity and efficiency. Further details are elaborated in later part of the Annual Report.

Corporate Governance

Your Company is committed towards the good corporate governance. Its strives to keep the trust of its stakeholders by being ethical, honest and transparent, while doing business. Your Company has a strict Code of Business Conduct (COBC) and Anti Bribery Policy, which guides its business and requires honesty and integrity in all aspects. All of its employees, directors and vendors are required to read and understand the Code and follow its precepts in the workplace and in the larger community. Your Company regularly monitors its business to ensure compliance with the Code and the law. A Report on Corporate Governance is detailed, in later part of the Annual Report, separately.

Corporate Sustainability

Your Company is committed to conduct its business in a socially responsible, ethical and environmental friendly manner, while continuously working towards creating social value. The Corporate Sustainability activities of your Company are implemented in accordance with the core priorities of your Company, whilst protecting stakeholder interest, proactively engaging with the local community and striving towards inclusive development.

Your Company has intensified activities to bring about long term sustainable solutions in your Company's CSR agenda, while pursuing the growth of its business.

The details of some of the initiatives undertaken by your Company during the year, is contained in the Corporate Sustainability report, on the later part of the Annual Report.

Internal Control Framework

Your Company has an efficient and robust system of internal controls, in place. These controls include internal checks and audits, along with financial and other controls, which is required to carry on the business smoothly and lawfully, whilst safeguarding your Company's assets in a secure, practical, accurate and reliable manner.

Future Outlook

After the successful completion of Local, Federal and Provincial election in the country, your Company has geared itself to deliver strong business performance in the years to come.

The key focus for your Company, during the coming years, will be on strengthening its Route to Market (RTM), expansion of new packs and categories, revenue growth management, effective utilization of assets, productivity, effective cost management and building strong capability to deliver medium and long-term goals.

Your Company will continue to invest in its people for their continuous development as to optimize their performance and build relevant professional skills to drive the business. For its communities, your Company will endeavor to make a real and lasting difference through right engagement towards environmental and societal concerns. Your Company will consciously drive and maintain its high level of governance and strive towards providing better returns on its investment.

Acknowledgement

Your Directors gratefully acknowledge the continued support being received from all investors, customers, vendors, banks and other service providers as well as regulatory and government authorities in the initiatives of your Company. Your Directors specially thank employees of your Company for their focused contributions in realizing the growth strategies of your Company.

Your Directors also places a special thank to the Government of Nepal, particularly Department of Industry, Office of Company Registrar, Securities Board of Nepal, Nepal Stock Exchange, Office of Company Registrar and Income Tax Department.

LEGAL REPORTING & DISCLOSURES

AS PER SEC 109 OF COMPANIES ACT, 2006 (2063)

- (a) **Review of the transactions of the Previous Year:**
As covered above under the "Financial Highlights" sections.
- (b) **Impact, if any, caused on the transactions of the Company from National & International Situations;**
As covered above under the "Key Business Challenges" section.
- (c) **Achievements in the current year as at the date of report & opinions of the Board of Directors on**



matters to be done in the future;

As covered above under “Financial Highlights” and “Future Outlook” section.

(d) Industrial or Professional Relations of the Company;

During the year, the relationship of the Company with its employees was harmonious resulting in no strike.

(e) Alterations in the Board of Directors and the reasons therefore;

During the year under review, the holding Company, Bottlers Nepal Limited had withdrawn their earlier nomination of Mr. Sumanta Datta and in their place nominated Mr. Debabrata Mukherjee w.e.f 22nd August, 2017. Subsequently, Mr. Mukherjee’s nomination was also withdrawn by M/s Bottlers Nepal Limited and in his place Mr. Sundeep Bajoria was appointed w.e.f 14th May, 2018. Bottlers Nepal Limited have nominated Mr. Amar Baidya as Alternate Director to Mr. Surendra Silwal w.e.f 11th December, 2017.

(f) Major things affecting the transactions;

As covered above under “Key Business Challenges”

(g) If there are any remarks in the Audit Report, the comments of the Board of Directors on such remarks;

None

(h) Amount recommended for payment by way of Dividend;

The Board of Directors has proposed NPR 40/- per share as dividend to the shareholders of the Company for the Fiscal Year 2074/75.

(i) In the event of forfeiture of shares, details regarding the number of forfeited shares, face value of such shares, total amount received by the Company for such shares prior to the forfeiture thereof, proceeds of sale of such shares after the forfeiture thereof, and refund of amount, if any, made for such forfeited shares;

NIL

(j) Progress of transactions of the Company and of its subsidiary company(ies) in the previous financial year and, review of the situation existing at the end of that financial year;

As covered above under various Sections.

(k) Major transactions completed by the Company and its holding company(ies) in the financial year and any material changes taken place in the transaction of the Company during that period:

Holding Company	Transactions	NPR
Bottlers Nepal Limited	Sale of Raw Materials	45,468,268/-
Bottlers Nepal Limited	Purchase of Raw Materials	18,332,564/-
Bottlers Nepal Limited	Receipt of Product transfer fee on account of sales made in their respective territories	46,683,707/-
Bottlers Nepal Limited	Payment of Product transfer fee on account of sales made in their respective territories	41,392,222/-

(l) Disclosures made by the substantial shareholders of the Company to the Company in the previous financial year;

None

(m) Details of shareholding taken by the directors and officers of the Company in the previous financial years and, in the event of their involvement in share transaction of the Company, details of information received by the Company from them in that respect;

None

(n) Details of disclosures made about the personal interest of any director and his / her close relative in any agreement related with the Company during the previous financial year;

None.

(o) In the event that the Company has bought its own shares (buy-back), the reasons for such buy-back, number & face value of such shares, and amount paid by the Company for such buy-back;

None

(p) Whether there is an internal control system in place or not and, details of such system, if it is in place;

As covered under the “Internal Control Framework” Section.



(q) Details of total management expenses during the previous financial years;

Particulars(FY 2074/75)	NPR Million
Salaries, wages and other employee costs	47
Administrative expenses	112
Total	159

(r) Name list of the members of Audit Committee, remuneration, Allowances and facilities received by them, details of the functions performed by that committee, and details of suggestions, if any, made by that committee;

Please refer to Audit Committee details under Corporate Governance Section.

(s) Amount, if any, outstanding & payable to the Company by any director, managing director, chief executive, substantial shareholders or, his/her close relative or, by any firm, company, corporate body in which he/she is involved;

None

(t) Amount of remuneration, allowances & facilities paid to the directors, managing director, chief executive & officer;

Remuneration, allowances and facilities given to Directors, Managing Director and Key Managers during the year:

NPR Million

	Remuneration	Allowances	Facilities	Total
Director's fee	-	0.14	-	0.14
Chief Executive Officer	-	-	-	-
Key Managers	10.72	1.53	0.23	12.48
Total	10.72	1.67	0.23	12.62

Notes: All the facilities provided to the Managers are as per the policy of the Company.

(u) Amount of Dividends remaining unclaimed by the shareholders;

Unclaimed dividend that has crossed the period of 5 years is transferred to Investor Protection Fund. During the year under review, we had deposited amount of NPR 5,13,943/- for FY 2068/69 at Investor Protection Fund on 2075.01.16. The Total Unclaimed dividend as on Ashad 32, 2075 (16 July, 2018) for the last 5 years

is NPR 2,980,185.5/-. All these unclaimed dividends are transferred to our Share Registrar, M/s Nabil Investment Banking for distribution to Shareholders.

(v) Details of sale and purchase of properties pursuant to Section-141:

None

(w) Details of transactions carried on between the Associated Companies pursuant to Section-175;

None

(x) Any other matters required to be laid out in the report of Board of directors under this Act and the prevailing laws;

As per page no. 31

(y) Other necessary matters;

- i. Information (if any) regarding existence of any relative of Companies director or official currently working in Office of the Company's Registrar ("OCR"), Securities Board or any other regulatory body concerning the Company in Officer or higher capacity.

We have not received any such information from any of the official or director of your Company.

- ii. Information (if any) regarding any fines paid by any directors, officers or shareholders of the Company to OCR in violation of Sec. 82 of the Act including information about the amount paid.

None

On behalf of the Board of Directors,

Shukla Wassan
Chairperson


Pramod Kumar Karki
Director

Date:



MANAGEMENT STRUCTURE

The overall Company management is led by the Chief Executive Officer and the Country Leadership Team. The names and designations of the Management Team are as detailed below.



Hari Sharma Neupane
Regional General Manager -BNTL



Pradip Pandey
Incoming Chief Executive Officer



Rajnish Sharma
Country Commercial Manager



Sachin Shrestha
Country Manager- Key Accounts



Sumit Goyal
Country Finance Manager

Note: Mr. Pradip Pandey has been appointed as Managing Director with effective from 1st September, 2018 subject to obtaining necessary work permit/approval required as per the prevailing laws of Nepal.



Puneet Varshney
Outgoing Chief
Executive Officer

Shambhu Koirala
Country Human
Resource Manager



K. Durai Murugan
Country Supply
Chain Manager



**Irina Karki
Gurung**
Manager - Public
Affairs &
Communication

Abhishek Singh
Country Sales
Manager





CORPORATE GOVERNANCE

We believe that sound corporate governance practices are essential to create sustainable value and to safeguard the interest of the stakeholders. The commitment to best practices in Corporate Governance plays a key role in managing the risks and opportunities and maintaining the trust of the stakeholders. Over the years, your company has strengthened the governance structure, practices and processes to meet the evolving governance need propelled by the rapid changes in the business environment.

In compliance with Good Governance Directives, 2074, your Company has appointed Ms. Pratima Burma, who is also the Company Secretary as Compliance Officer of the Company.

BOARD OF THE COMPANY

The Board of the Company has ultimate responsibility for direction, performance and long-term success of your business as a whole. The Board of Directors comprises such number of directors as the Board deems appropriate to function efficiently as a body, subject to the Company's Article of Association. The Board is made up of a substantial independent, non-executive directors and executive director and the Board considers this is to be the appropriate structure.

During the year, the Board continued with its strength of 7 (seven) Members comprising of 6 (six) Non-executive Directors, who essentially have a supervisory role and, 1 (one) Independent Director. A list of your current Directors and their date of appointments is set out on page 12-13.

BOARD'S INDEPENDENCE

Non-Executive Directors (NEDs)	6
Independent (Non-executive)	1
Managing Director (Executive Director)	0
Total	7

BOARD MEETINGS

During the year under review, a total of six (6) meetings of the Members of the Board were convened. The notice, agenda and other relevant documents were circulated to the Members well ahead of the meetings to ensure adequate and active discussion on the agenda(s) before arriving at decisions. The attendance of the Directors in the Board meetings convened

Board Members	Designation	Meeting Attended
Ms. Shukla Wassan	Chairperson	6(out of 6)
Mr. Debabrata Mukherjee*	Director	3 (out of 4)
Mr. Sundeep Bajoria	Director	2(out of 2)
Mr. Gaurav Khosla	Director	5(out of 6)
Mr. Surendra Silwal	Director	5(out of 6)
Mr. Gunjan Dhawan	Director	5(out of 6)
Mr. Prasad Gyawali	Director	6(out of 6)
Mr. Pramod Kumar Karki	Independent Director	5 (out of 6)

**Debabrata Mukherjee's nomination was withdrawn on 14th May, 2018 and in his place Mr. Sundeep Bajoria was nominated as Director on 14th May, 2018.*

AUDIT COMMITTEE

The Board has formed an Audit Committee with defined terms of reference. The duties and responsibilities of Audit Committee are in congruence with the framework defined by the Companies Act 2063 (2006) and Good Governance Directives for Listed Companies, 2074. The Audit Committee is constituted with Non-Executive Directors and hence, all the Members of the Committee, including the Chairman, are Non-Executive which ensures complete independence. The composition of the Audit Committee as at the end of the fiscal year 2074-75 was as below:

- Mr. Gaurav Khosla –Chairman
- Mr. Sundeep Bajoria- Member
- Mr. Surendra Silwal –Member
- Mr. Pramod Kumar Karki- Member (Independent Director)
- Mr. Prasad Gyawali- (Director Representing Public Shareholder)

In compliance with Good Governance Directives for Listed Companies, 2074, your Company has appointed a Director representing Public Shareholder and an Independent Director as Audit Committee Member on 5th July, 2018

Below are the term of reference of Audit Committee Meeting

- To review the accounts and financial statements of the company and ascertain the truth of the facts mentioned in such statements;



- To review the internal financial control system and the risk management system of the company;
- To supervise and review the internal auditing activity or the company;
- To recommend the names of potential auditors for the appointment of the auditor of the company, fix the remuneration and terms and conditions of appointment of the auditor and present the same in the general meeting for the ratification thereof;
- To review and supervise as to whether the auditor of the company has observed such conduct, standards and directives determined by the competent body pursuant to the prevailing law as required to be observed in the course of doing auditing work;
- Based on the conduct, standard and directives determined by the competent body pursuant to the prevailing law, to formulate the policies required to be observed by the company in respect of the appointment and selection of the auditor;
- To prepare the accounts related policy of the company and enforce, or cause to be enforced, the same;
- Where any regulator body has provided for the long term audit report to be set out in the audit report of the company, to comply with the terms required to prepare such report;
- To perform such other terms as prescribed by the Board of Directors in respect of the accounts, financial management and audit of the company.
- To ensure that the accounts book, audit report, balance sheet or financial statement of accounts are maintained according to prevailing laws and as per the directive issued by the governing authority or as per the rules and regulation of the institution or not,
- To review the financial details of the Company and thereafter, to ensure that the evidences mentioned in the details are true and fact,
- To ensure that the work of internal auditing is effective and is executed and accomplished in an independent way.
- To monitor and ensure that the accounts, budget, internal control systems are properly and regularly maintained.
- To ensure that the accounts book, documents of internal audit record system or electrical record auditing are kept in proper way,
- To provide opinion on the subject instructed by Board of Directors
- To ensure that the Company has followed the direction given by the governing authority or not.
- To inspect, monitor and ensure the purchasing system of the Company are appropriate and economical.
- To perform such other additional duties and responsibilities that may be ancillary to the aforementioned duties.

During the Fiscal year 2074-75, the Members of the Audit Committee met three times i.e., on 22nd August, 2017, 6th November, 2017 and on 20th February, 2018 for reviewing the financial statement of the Company including Internal Financial Control and Risk Management and other financial issues. The following table indicates the attendance of Audit Committee meeting held during the FY 2074-75:

Names	Designation	Meetings Attended
Mr. Gaurav Khosla	Chairperson	3 (out of 3)
Mr Debabrata Mukherjee	Member	2 (out of 3)
Mr. Surendra Silwal	Member	2 (out of 3)

**Mr. Debabrata Mukherjee's nomination was withdrawn and in his place, Mr Sundeep Bajoria was appointed as Member of Audit Committee w.e.f 5th July, 2018.*

None of the Members received any remuneration/sitting fees for serving on the Audit Committee Meeting in FY 2074/75.

INTERNAL CONTROLS

The Audit Committee of your company has been instrumental in ensuring that the Company has all adequate systems of financial control in place. The Audit Committee periodically conducts review of the effectiveness of Risk Management and Internal Control Systems and oversees the design of the Internal Control Systems along with the effectiveness of the Internal Audit Function throughout the year.

The Audit Committee of your Company reviews the Internal Audit reports containing details of the audit coverage, compliance to the laws, regulations, established policies and procedures.

The Group has adopted a "Chart of Authority (COA)" defining financial and other authorisation limits and setting-up procedures for approving capital and investment expenditures. The Group has a strong internal control framework which is supported by risk & control matrix, Standard Operating Procedures, Policies, Guidelines, Governance Capsules and Self-Assessment exercised. These internal control frameworks are routinely tested by Statutory Auditors, Internal Auditors, Lawyers as well as Internal Assurance Team. Significant audit observations and follow up actions thereon are reported to the Management and Board of Directors.



CODE OF BUSINESS CONDUCT

Your company conducts its business with integrity and high standards of ethical behaviour, and in compliance with the laws and regulations that governs its business. Your Company has well established Code of Business Conduct that expects all employees to act transparently and with integrity. Mandatory training, availability of Ethics Line to report issues and robust

mechanism to investigate and take appropriate action ensures that values of Code of Business Conduct are put into practice. Your Company has Anti-Bribery Training Program designed and trainings are imparted to the associates in compliance with the principles laid down under Prevention of Corruption Act, 1988, The Foreign Corrupt Practices Act (FCPA), 1977 and UK Bribery Act, 2010.



Shareholders Participating in 31st Annual General Meeting of the Company.



BEING CONSUMER CENTRIC - MARKETING CAMPAIGNS

The Coca-Cola Company (TCCC) is committed to the Responsible Marketing of its brands.

TCCC's Responsible Marketing Policy sets forth our guidelines in this regard. The Policy states that your Company respect the role of parents and caregivers by not designing our marketing communications directly appealing to children nor do we advertise in any media which directly targets children under the age of 12. Also, as a global business, we respect and recognize the unique learning environment of schools and therefore believe in commercial- free classrooms and do not advertise there as well.

Carbonated beverages of your Company continue to be the most preferred beverages in Nepal resulting in a strong market presence during the FY 2074/75 as well. Some of the important marketing initiatives during the year under review, are as detailed below:

“COKE KHAM, RUSSIA JAAM” - The COCA-COLA FIFA WORLD CUP 2018 Campaign

(15th February, 2018 to 15 April, 2018)



Your Company conducted the biggest promotional campaign of the last 4 years - “Coke Kham, Russia Jaam” where 40 lucky winners were announced to watch the FIFA World Cup 2018, Live in Russia. There was huge participation in the Campaign and as per the commitment; your Company sent 40 consumers

along with our key stakeholders to watch Live football game in two groups. The first group got to see the FIFA World Cup Match between Argentina & Iceland at Spartak Stadium, Moscow (Russia) on 16 June 2018 and the second group got to see the FIFA World Cup Match between Argentina & Nigeria live at Saint Petersburg Stadium, St. Petersburg (Russia) on 27 June 2018.

Coca-Cola MomoUtsav 2018

(22nd January,2018- 25th February, 2018)



The campaign has become an annual festival of celebrating the consumption of the two most loved food items – MO:MO's & COKE. This time, your Company made it bigger and better through outlet engagement to execution to celebrity visit to volume generation. The campaign was spread in 6 major town of Nepal i.e. Kathmandu, Pokhara, Bharatpur, Hetauda, Nepalgunj and Biratnagar where 4000 outlets enrolled, Popular celebrities like Priyanka Karki, Swastima Khadka and Barsa Shiwakoti endorsed the campaign.





MINUTE MAID INTRODUCTION:

(31st May, 2018)



Your Company with the objective of providing choice to consumers offering different types of beverages humbly introduced Minute Maid Pulp Orange, Minute Maid Mixed Fruit and Minute Maid Apple in a unique 250ml Pet bottle.

Kinley Water Launch:

(28th November, 2017)



It is a great honour for the company to introduce a new Locally Manufactured brand in Nepal. Your Company launched its Processed Drinking Water brand, Kinley. What is unique about the Kinley is that the Manufacturing process is untouched by hand and the water is processed through 8 steps of purification before its packed. Its based on 'state-of-the-art technology'. Along with the Country Leadership, the brand was launched by the renowned Actor - Mr. Rajesh Hamal, who is also the brand ambassador for Kinley.

Sprite Refresh & Recharge Campaign:

(21st July, 2018 to 31st August, 2018)



With a view of refreshing every Nepali, Sprite, the country's largest Lime and Lemon brand launched 'Refresh n' Recharge Offer' with a tagline of 'Refresh Banayo, Recharge Garayo', meaning Sprite not only refreshes you, but will recharge you as well. As a consumer offer, consumer could win talk time worth more than 4 crore nepali rupees. Based on the code behind the label, the consumer could win a talktime recharge starting form Rs. 10 upto Rs. 5,000. The offer was valid from 21st July, 2018 to 31st August, 2018. The technology provider for the campaign was e-Sewa.

Maha Shivratri Mela

Coca-Cola partnered with the local body for the 'Mela' that happens in the Pashupatinath Temple premises, with your brand Maaza by working on permanent branding of the peripheral outlets, and large activation throughout the complex. In the Mela areas multiple kiosks were set up to sell products manufactured by your company.

HUMAN CAPITAL

Your Company is committed to attract, develop and retain talented team members and to create a workplace that allows each team member to contribute to the collective success of the Company. Therefore, your Company endeavours in developing and creating talented and skilled work force with modern knowledge and competencies along with a proper mind set to cope up with the emerging business challenges and to gain a competitive advantage. Your Company believes that team work is the key factor for all of the Company's achievements and the credit goes to all those employees, who see their own future in the future of the Company and are dedicated to make a positive change. Your Company has been maintaining employee turnover of less than 2%, which proves the level of employee satisfaction in the Company. Furthermore, your Company continuously assess areas to enhance overall performance of its employees and provide necessary training.

Your Company encourages a learning environment by stimulating integrated thinking, personal mastery and team learning. Simultaneously, the employees are encouraged and motivated to point out the areas where they require training to enhance their overall performance.

Your Company strives for development of its employees at all levels. The learning and development goals are aimed at providing world class individual and organizational capability development growth and opportunities to staff, regardless of their employment level and gender. Your Company has extended various trainings and exposure trips to its employees from various departments at all levels.

EQUAL EMPLOYMENT OPPORTUNITY

It is the Company's policy to recruit candidates as per the manpower requirements derived through a focused and organized Human Resource Plan. All candidates are impartially assessed on objective criterion notwithstanding race, gender, ethnicity, religion, language, or civil status as an Equal Employment Opportunity provider with a vision to attract, develop and retain a group of talented team Members and to create a workplace that allows each Team Member to contribute to the collective success of your Company. The programs and initiatives related to employment practices, compensation and benefits, talent management, diversity and inclusion and Team Member relations are important to fulfil the commitment, especially in today's challenging economic climate.

The multi-cultural environment of your Company is warm and equitable, ensuring that each member of the team is valued for their capabilities and respected for who they are. Your Company strives to create a happy and focused work atmosphere that celebrates the team and encourages innovation.

Your Company's goal is to provide a workplace where all employees can thrive and grow- A workplace where all employees feel included, safe and are given the opportunities to make valuable contribution to your Company.

FREEDOM OF ASSOCIATION

Your Company does not curtail the freedom of association of employees. Management is committed for discussions and negotiations with the employees who are unionized. Further, an open door policy is encouraged. There are three unions in function in the Group which represents the interests of 307 employees.

CHILD LABOUR

As a part of the ongoing commitment, your Company advocates and upholds decent work practices and human rights. Your Company does not engage child labour and does not employ any person under the age of 18 years at the workplaces. This is inbuilt into policies and procedures of the Group. There is no direct risk of child labour deployment in any operation within the Company.

WORKPLACE RIGHTS POLICY

Your Company's Workplace Rights Policy is designed to provide all stakeholders with clear guidelines and internally accepted standards for the way in which we treat our employees. The adherence to our workplace policies is audited on a regular basis. The Workplace Rights Policy is guided by the Labor Act of the Country and also by the International Human Rights Standards. An inclusive workplace in which all members of the community has equal opportunities for employment and development regardless of race, gender, religion or disability is ensured at your Company

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY

Your Company is committed to provide a work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. Your Company is also committed to promote a work environment that is conducive to the professional growth of its employees and encourages equality of opportunity. Your Company will not tolerate any form of sexual harassment and is committed to take all necessary steps to ensure that its employees are not subjected to any form of harassment. Sexual Harassment at Work Place Policy has been framed w.e.f 1st December, 2017 in accordance with the provisions of The Sexual Harassment at Workplace Prevention Act, 2015 (2017).



EMPLOYEE ENGAGEMENT ACTIVITIES



Annual Employee Tour, 2074 at Far-Western part of Nepal.



Coca-Cola Corporate Indoor Cricket Cup, 2017



Employees celebrating Tihar



Female associates celebrating Teej, a festival of Women.



Celebrating Employee Annual Day at Shantikunj, Ratnanagar, Chitwan.



INFRASTRUCTURAL DEVELOPMENT

Achieving the business growth objectives depends in part on the ability to evolve and improve through innovation. Sustainable economic development is not possible without a properly functioning and accessible infrastructure. Inappropriate systems or failure of key systems could have a significant impact on the business of the Company. Therefore, realizing the risk and to mitigate such jeopardy, your Company is continuously focusing on its infrastructural development.

Construction of Distribution Centre:



In order to increase its storage capacity and widespread distribution across the country, your Company constructed a new Distribution Centre at Pithuwa, Chitwan District, Nepal with a capacity to store 350,000 cases of finished goods.

CCTV Surveillance

Your Company has always considered the security of the employees and its property as the key responsibility. The highly advanced technology of modern security cameras allow businesses to lower cost and risk by protecting their assets with continuous and seamless monitoring of their facilities. Therefore, your Company has installed CCTV system with 360 degree visibility so that the associates and the properties of your Company are secured 24/7.

ENVIRONMENT AND SUSTAINABILITY

Water Stewardship: Restoring Beeshazare and associate lake system

Various water replenishment projects are being conducted as a responsibility towards conservation of Environment and as an initiation towards balancing the water usage ratio. The concept of Rainwater harvesting and Ground water recharge, both started with the global commitment of the company to return the amount of water used in its finished beverage by the end of 2020 AD.

Your Company is efficiently taking responsibility and managing water resources through rainwater harvesting, ground water recharge, lakes, and ponds restoration by patterning with local NGO's in the country. The Coca-Cola Foundation has supported this integrated water resource management project in Beeshazari, collaborating with WWF as an INGO partner to restore Beeshazari and associated lake system to enhance the water based livelihood of the local community.



Effluent Treatment Plant (ETP)



Your Company has a high standard Effluent Treatment Plant (ETP) which is designed for treating industrial waste water for its reuse or safe disposal to the environment. Considering its increased volume demand of the market and the need for safe disposal of waste water, your Company had upgraded its Effluent Treatment Plant capacity of 500m³/day to 800m³/day.



CORPORATE SOCIAL RESPONSIBILITY

Women Empowerment: Teach a woman; to teach a nation:

In an attempt towards empowering the female talent in the country, your company has been imparting business skills training and assets in various parts of the country, through its 5by20 initiative. 5by20 is The Coca-Cola Company's global commitment to economically empower 5million women retailers across our global value chain by the end of 2020, with specific targets in different countries.

This initiative aims to provide Nepalese women retailers with the skills, techniques and tools required to succeed in the dynamic retail setup of Nepal and offers women with connections with peers - along with the confidence that comes in building a successful business.

In Nepal, we have been able to empower approximately 4,200 women with this initiative, whilst increasing footprints through the far-flung markets of the mid and far western regions.



Supporting Community Schools

As your company believes in inclusive growth, this year, with an aim to create a learning environment in schools, it

has extended its collaboration with a NGO partner; Splash (Prabhav) Nepal, to provide WASH facilities to government schools within the vicinity of our plant and install recharge systems for water management in the school area.

This initiation focuses on uplifting schools with the believe that Safe water, Sanitation and hygiene (WASH) in schools improve health, boost educational achievements and assist young children become agents of change in our society. This initiative aids to benefit approximately 700 students, individuals and households form the nearby community.



Access to Health: Preventative Health Check-up Clinic

Your company has been providing free health check-ups in the community of Bharatpur for more than a decade now. In continuity to this effort, your Company has collaborated with a local private hospital, to provide fortnightly preventive health check-up to the Community members. Through this initiation, your company also provides health camps on a quarterly basis. Further, this initiation has been able to benefit over 1,000 individuals in the year gone.



Access to Education: Support Plant Community Students

As a responsible corporate citizen, your company makes sure to support the community in various activities they



conduct, by building a platform to optimize the use of our contribution. This year, your company, in alignment with the community extended its support to 10 academically excellent yet financially unstable students by providing education materials, school bags and uniform for a year.



Disaster relief support:

After the flood that severely affected lives of millions in Nepal, The Coca-Cola Foundation extended rehabilitation support in the Banke District of Nepal recognizing the need to support within these communities. In partnership with ‘Save the Children’, aid support was extended in addressing children’s quick return to schools by assisting with repairs and renovations at damaged schools; provided shelters for families; restored WASH facilities and created awareness of disaster relief for children in the region.

Engaging with Youth



Your Company has been continuously working towards enhancing youth engagements, as it passionately believes in youth ambassadorship. Your company has been organizing

friendly football matches between local Youth clubs and company employees. Moreover, the company has extended its support in various social activities that youth in Bharatpur conduct.

Support ‘Go Green’ Community Initiatives:



In the process of making the environment clean and green, your company has been supporting local communities within the vicinity of the plant and central bus park of Bharatpur, by providing over 200 dustbins for waste management. Furthermore, supported and participated in drainage, road and community cleaning activities in collaboration with the community members in Bharatpur. Likewise, your company marked the celebration of World Environment Day and World Water Day by conducting various cleaning activities in the immediate community where it operates.



STATEMENT OF VALUE ADDED

Value Created: Your Company creates value for its stakeholders and business by carefully managing the use of and return on all capitals, or inputs.

NET PROFIT

NPR 741 MM (PY NPR 483 MM)

Direct Employment

307

CONTRIBUTION TO NATIONAL TREASURY

NPR 2,262,884,417/-

Value Shared with: By running a sustainable and responsible business, we create value which is subsequently retained by our business, making it stronger, and shared with all of our stakeholders.

Shareholders	Through the process of managing all inputs to our business well, we create profits which benefit shareholders through dividend payments and share value.
Suppliers	As we create value, we support businesses throughout our value chains, and support job creation beyond our business.
Customers	Our efforts to produce products efficiently and responsibly builds value for our customers' businesses.
Communities	When our business is sustainable and responsible, the communities where we operate, benefit through job creation, tax payments to governments, useful products and services and minimisation of environmental impact.
Consumers	We offer a range of beverages to satisfy evolving consumer preferences and active, healthy lifestyles.
Employees	Developing, recognizing and rewarding our people secures a skilled and motivated workforce.

OTHER INFORMATION

Stakeholder Relationship

The Board values the Company's stakeholders and strives to take their concerns and interests into account when making business decisions. This not only enables it to anticipate and manage risk effectively, but also helps it identify new business opportunities and improve Company's relationship with its stakeholders.

The shareholders are given the opportunity at the AGM to get updates from the Chairperson and to ask questions, and to express a view and vote on the various matters of Company's

Business on the agenda. Shareholders may also ask questions to the Company's external auditors at the meeting. The Company encourages its shareholders to attend its AGM and is committed to dealing with shareholder queries in a respectful and timely manner whenever they are received by the Company.

In order to strengthen our relation with shareholders and provide efficient services to the shareholders, Nabil Investment Banking Limited has been re-appointed as "Registrar to Shares".

Share prices

Year	Maximum (In NPR)	Minimum (In NPR)	Closing (In NPR)	Number of Trades	Trading days
2015-2016	5,936	2,160	5,936	85	30
2016-2017	9,999	3,382	6,085	21,856	44
2017-2018	8,287	5,336	5,872	27,431	166



ADDITIONAL DISCLOSURES

(As per Rule 26(2) of Securities Registration and Issue Regulation, 2073)

Information to be disclosed in the Annual Report

1. Report of the Board of Directors:

Refer page no 14 to 17 of this report.

2. Auditor's Report

Refer page no. 35-36 of this report.

3. Audited Financial Reports

Refer page no. 37-67 of this report.

4. Legal Proceedings:

Date filed:	25th May, 2018 (2075-02-11)
Dispute:	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. The Company had filed a case against respondent.
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.

5. Analysis of Stock Performance of the Body Corporate

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

Quarter	Maximum Price	Minimum Price	Closing Price	No. of trades	Days of trading
Q1	8,000	6,205	6,550	5,079	39
Q2	8,287	5,800	7,081	10,175	34
Q3	7,424	5,336	6,046	7,659	44
Q4	6,813	5,490	5,872	4,518	49

6. Problems and Challenges

INTERNAL

- Rise in cost of operations with Inflation.
- Rural distribution at effective cost

EXTERNAL

- 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.

7. Corporate Governance

Incorporated in detail under "Corporate Governance" section (page no 20 to 22) in this Annual Report.



FINANCIAL ANALYSIS

Vertical Analysis

Particulars	For the year 2074-75	For the year 2073-74	For the year 2072-73
Revenue	5,658,415,620	4,574,001,380	3,525,802,032
Gross Profit	2,042,011,123	1,461,946,129	1,043,437,612
Operating Profit	941,708,646	649,898,602	446,940,032
Profit Before Tax	911,342,615	589,306,378	343,582,201
Profit After Tax	741,329,079	482,622,709	276,708,392

Horizontal Analysis

Particulars	Year Ended 2075	Year Ended 2074	Year Ended 2073
No. of Shares	1,210,000	1,210,000	1,210,000
Total Assets	4,249,163,646	4,203,845,356	3,749,916,910
Plant Property and Equipment	2,887,897,469	2,776,232,218	2,611,062,810
Current Assets	1,303,361,022	1,355,337,901	1,137,027,955
Current Liabilities	1,889,639,986	2,588,696,537	2,244,911,573
Debt	496,608,770	810,574,979	1,354,743,136
Shareholder equity	1,987,033,423	1,266,778,572	860,206,200

Ratio Analysis

Particulars	Year Ended 2075	Year Ended 2074	Year Ended 2073
Gross Profit Ratio	36%	32%	30%
Profit Before Tax Ratio	16%	13%	10%
Current Ratio	0.7	0.5	0.5
Debt Equity Ratio	0.2	0.6	1.6
Assets Turnover Ratio	0.8	0.9	1.1
Return on Equity	37%	38%	32%
Return on Total Assets	17%	11%	7%
Earning Per Share	613	399	229
Market Value Per Share	5,872	6,085	5,936
Price Earning Ratio	9.6	15.3	26.0
Net Worth Per Share	1,642	1,047	711



**FINANCIAL STATEMENT OF
BOTTLERS NEPAL (TERAI) LIMITED
2074-75 (2017-18)**



'Sprite' is the registered trademark of The Coca-Cola Company. Contains added flavours. Contains no fruit.



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Independent Auditors' Report to the Shareholders' of Bottlers Nepal (Terai) Limited

Report on the Financial Statements

We have audited the accompanying Statement of Financial Position of M/s Bottlers Nepal (Terai) Limited as of Ashad 32, 2075 (July 16, 2018) and Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity attached thereto, for the year ended on that date and a summary of Significant Accounting Policies and other Explanatory Notes.

Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Report on requirement of Companies Act, 2063 and other regulatory matters

- a. We have obtained information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
- c. In our opinion, the Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity with Explanatory Notes dealt with by this report are in compliance with the provisions of the Company Act, 2063 and are in agreement with the books of account maintained by the company;



Contd.

- d. In our opinion, so far as appeared from our examination of the books, the business of the Company has been conducted satisfactorily; and
- e. To the best of our information and according to the explanations given to us and from our examination of the books of accounts of the Company necessary for the purposes of the audit, we have not come across cases where the Board of Directors or any employees of the Company have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused loss or damage to the company.

Auditors' Opinion

In our opinion, the Financial Statements, read together with Significant Accounting Policies and Explanatory Notes forming part of the accounts, give a true and fair view of the financial position of the Company as at Ashad 32, 2075 (July 16, 2018) and the financial performance, changes in equity and cash flows for the year then ended in accordance with Nepal Financial Reporting Standards and comply with provisions of the Companies Act, 2063.

Kathmandu
Date: 10th Bhadra, 2075 (26th August, 2018)


B.K. Agrawal, FCA
Managing Partner
For: B.K. Agrawal & Co.
Chartered Accountants





BOTTLERS NEPAL (TERAI) LIMITED

STATEMENT OF FINANCIAL POSITION

As at Ashad 32nd, 2075 (July 16th, 2018)

Figures in NPR

Particulars	Note	As at 32nd Ashad 2075	As at 31st Ashad 2074
ASSETS			
Non-current assets			
Intangible Assets	3	57,905,155	72,275,237
Property, Plant and Equipment	4	2,887,897,469	2,776,232,218
Current Assets			
Inventories	6	884,929,294	858,816,554
Non Financial Current Assets			
Prepayments	7.1	21,505,927	19,327,718
Financial Assets			
Loan and Advances	7.2	961,992	10,629,584
Other Current Assets	7.3	211,869,237	87,619,952
Trade Receivables	8	159,498,307	69,389,872
Cash and Cash Equivalents	9	24,596,265	309,554,222
Total Assets		4,249,163,646	4,203,845,357
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	121,000,000	121,000,000
Reserve and Surplus	11	1,866,033,423	1,145,778,679
Non-Current Liabilities			
Retirement Benefit Obligation	12.1	327,710,533	306,985,197
Deferred Tax Liability	5.3	44,779,704	41,385,048
Financial Liabilities			
Borrowings	13.1	-	-
Current Liabilities			
Financial Liabilities			
Borrowings	13.2	496,608,770	810,574,979
Trade Payables	13.3	796,998,943	1,275,819,518
Other Financial Liabilities	14	596,032,273	502,301,935
Total Equity and Liabilities		4,249,163,646	4,203,845,357

Notes 1 to 28 form integral part of this Financial Statements.

For & on behalf of Board

Shukla Wassan
Chairperson

Sundeep Bajoria
Director

Prasad Gyawali
Director

Gunjan Dhawan
Director

Gaurav Khosla
Director

Surendra Silwal
Director

Pramod Kumar Karki
Independent Director

Puneet Varshney
Chief Executive Officer

As per our attached report of even date

Ashok Mandal
Finance Controller

B.K. Agrawal, FCA
Managing Partner
B.K. Agrawal & Co.
Chartered Accountants
26th August, 2018

Place: Kathmandu, Nepal
Date: 5th Bhadra, 2075 (21st August, 2018)



BOTTLERS NEPAL (TERAI) LIMITED

STATEMENT OF PROFIT OR LOSS

For the year ended Ashad 32nd, 2075 (July 16th, 2018)

Figures in NPR

Particulars	Note	For the Year 2074-75	For the Year 2073-74
Revenue from Operations	15	5,658,415,620	4,574,001,380
Cost of Sales	16	(3,616,404,497)	(3,112,055,251)
Gross Profit		2,042,011,123	1,461,946,129
Other Operating Income	17	59,798,834	65,135,751
Selling and Distribution Expenses	18	(1,001,184,057)	(722,892,893)
Administrative and Operating Expenses	19	(158,917,255)	(154,290,384)
Profit from Operations		941,708,646	649,898,603
Finance Costs	20	(40,174,267)	(62,074,247)
Finance Income	21	9,808,237	1,482,023
Profit Before Tax		911,342,615	589,306,379
Income Tax Expense			
Current Tax	5.1	(167,884,545)	(88,351,068)
Deferred Tax	5.2	(2,128,991)	(18,332,602)
Net Profit for the year		741,329,079	482,622,709
Basic/Diluted Earnings per share	22	613	399

Notes 1 to 28 form integral part of this Financial Statements.

For & on behalf of Board

Shukla Wassan
Chairperson

Sundeep Bajoria
Director

Prasad Gyawali
Director

Gunjan Dhawan
Director

Gaurav Khosla
Director

Surendra Silwal
Director

Pramod Kumar Karki
Independent Director

Puneet Varshney
Chief Executive Officer

As per our attached report of even date

Ashok Mandal
Finance Controller

B.K. Agrawal, FCA
Managing Partner
B.K. Agrawal & Co.
Chartered Accountants
26th August, 2018

Place: Kathmandu, Nepal

Date: 5th Bhadra, 2075 (21st August, 2018)



BOTTLERS NEPAL (TERAI) LIMITED

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended Ashad 32nd, 2075 (July 16th, 2018)

Figures in NPR

Particulars	For the year 2074-75	For the year 2073-74
Net Profit for the year as per Statement of Profit or Loss	741,329,079	482,622,709
Items that will not be reclassified to Statement of Profit or Loss		
Actuarial Gain/(Loss) on defined benefit plan schemes	7,910,000	(55,181,000)
Deferred Tax on Actuarial Gain	1,265,665	9,380,770
Other comprehensive gain/(loss) for the year, net of tax	9,175,665	(45,800,230)
Total Comprehensive gain/(loss) for the year, net of tax	750,504,744	436,822,479

For & on behalf of Board

Shukla Wassan
Chairperson

Sundeep Bajoria
Director

Prasad Gyawali
Director

Gunjan Dhawan
Director

Gaurav Khosla
Director

Surendra Silwal
Director

Pramod Kumar Karki
Independent Director

Puneet Varshney
Chief Executive Officer

As per our attached report of even date

Ashok Mandal
Finance Controller

B.K. Agrawal, FCA
Managing Partner
B.K. Agrawal & Co.
Chartered Accountants
26th August, 2018

Place: Kathmandu, Nepal

Date: 5th Bhadra, 2075 (21st August, 2018)



BOTTLERS NEPAL (TERAI) LIMITED

STATEMENT OF CASH FLOWS

For the year ended Ashad 32nd, 2075 (July 16th, 2018)

Figures in NPR

Particulars	For the year 2074-75	For the year 2073-74
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	911,342,615	589,306,379
Depreciation on property, plant and equipment	284,917,786	269,024,887
Amortization of Intangible Assets	18,081,676	7,816,357
Loss/ (gain) on sale/write off of Property, plant and Equipment	8,423,389	802,246
Finance income	(9,808,237)	(1,482,023)
Finance costs	40,174,267	62,074,247
Gain on sales proceeds from Property, plant and Equipment	-	(5,393,622)
Working capital adjustments:		
Increase / (Decrease) in trade payable and other liabilities	(370,360,008)	500,610,083
Increase / (Decrease) in provisions	28,635,221	15,438,163
Decrease / (Increase) in trade and other receivables	(215,111,830)	77,370,111
Decrease / (Increase) in loans and advances	7,489,383	(2,638,407)
Decrease / (Increase) in inventories	(26,112,740)	(3,562,185)
Cash generated from operations	677,671,523	1,509,366,235
Direct taxes paid (net of refunds)	(180,022,990)	(71,117,934)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	497,648,533	1,438,248,301
(B) CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Acquisition of Property, plant and Equipment	(405,006,438)	(434,996,530)
Purchase of Intangibles	(3,711,593)	(78,265,449)
Proceeds from sale of Property, Plant and Equipment	-	5,393,622
Interest Received	10,562,347	727,913
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)	(398,155,686)	(507,140,445)
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(313,966,208)	(544,168,157)
Interest paid	(40,234,596)	(63,893,487)
Dividend paid	(30,250,000)	(34,320,855)
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)	(384,450,805)	(642,382,500)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(284,957,957)	288,725,355
CASH AND CASH EQUIVALENTS,		
Beginning of Year	309,554,222	20,828,867
CASH AND CASH EQUIVALENTS, End of Period	24,596,265	309,554,222

For & on behalf of Board

Shukla Wassan
Chairperson

Sundeep Bajoria
Director

Prasad Gyawali
Director

Gunjan Dhawan
Director

Gaurav Khosla
Director

Surendra Silwal
Director

Pramod Kumar Karki
Independent Director

Puneet Varshney
Chief Executive Officer

As per our attached report of even date

Ashok Mandal
Finance Controller

B.K. Agrawal, FCA
Managing Partner
B.K. Agrawal & Co.
Chartered Accountants
26th August, 2018

Place: Kathmandu, Nepal
Date: 5th Bhadra, 2075 (21st August, 2018)



BOTTLERS NEPAL (TERAI) LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended Ashad 32nd, 2075 (July 16th, 2018)

Figures in NPR

Particulars	Share Capital	Securities Premium Reserve	Retained Earnings	Total
Balance as at 31st Ashad 2074	121,000,000	952,000	1,144,826,679	1,266,778,679
Restated Balance	121,000,000	952,000	1,144,826,679	1,266,778,679
Profit for the year			741,329,079	741,329,079
Other comprehensive income			9,175,665	9,175,665
Dividends	-	-	(30,250,000)	(30,250,000)
Balance as at 32nd Ashad 2075	121,000,000	952,000	1,865,081,423	1,987,033,423

For & on behalf of Board

Shukla Wassan
Chairperson

Sundeep Bajoria
Director

Prasad Gyawali
Director

Gunjan Dhawan
Director

Gaurav Khosla
Director

Surendra Silwal
Director

Pramod Kumar Karki
Independent Director

Puneet Varshney
Chief Executive Officer

As per our attached report of even date

Ashok Mandal
Finance Controller

B.K. Agrawal, FCA
Managing Partner
B.K. Agrawal & Co.
Chartered Accountants
26th August, 2018

Place: Kathmandu, Nepal

Date: 5th Bhadra, 2075 (21st August, 2018)



1. CORPORATE INFORMATION

Bottlers Nepal (Terai) Limited (“Company”) is a public limited Company listed on the Nepal Stock Exchange Ltd incorporated under the Companies Act of Nepal. The registered office of the Company is located at Balaju Industrial District, Balaju, Kathmandu, Nepal and regional office is located at Bharatpur, Chitwan, Nepal.

Bottlers Nepal (Terai) Limited is a licensed bottler, marketer and distributor of non-alcoholic beverages products of The Coca-Cola Company, Atlanta. The Board of Directors has approved the financial statements for issue on its meeting held on 21st August 2018 (05th Bhadra 2075) and has recommended for approval of shareholders in the Annual General Meeting.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Accounting Standards Board Nepal. These confirm, in material respect, to International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB). The financial statements have been prepared on a going concern basis. The term NFRS, which includes all the standards and the related interpretations is consistently used.

This section describes the critical accounting judgement that the company has identified as having potentially material impact on the company’s financial statements and sets out our significant accounting policies that relate to the financial statements as a whole. Accounting policies along with explanatory notes, wherever such explanation is required, is described in specific relevant sections. The company’s accounting policies require the management to exercise judgement in making accounting estimates.

2.1 Accounting Pronouncements

The company for its preparation of financial statement has adopted accounting policies to comply with the pronouncements made by The Institute of Chartered Accountants of Nepal.

2.2 Accounting Convention

The financial statements are prepared on a historical cost basis except for certain financial and equity instruments that are measured at fair value.

2.3 Presentations

The financial statements are prepared in Nepalese Rupees and rounded off to the nearest rupee. The figures for previous years are rearranged and reclassified wherever necessary for the purpose of facilitating comparison. Appropriate disclosures are made wherever necessary.

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. The Company classifies an asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

The Company classifies a liability as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets/liabilities. Net defined benefit obligation is also classified as not current liabilities.

The company operating cycle has been defined as twelve-month period.

The statement of profit or loss has been prepared using classification “by function” method.

The statement of cash flows has been prepared using indirect method. Cash flows from operating activities, in addition to the adjustments from profit for non-cash and non-operating activities, movements in working capital, interest and taxes, separately include cash flows relating to employee bonus and retirement benefits.



2.4 Accounting Policies

NFRS requires adoption of accounting policies that are most appropriate to the company's circumstances determining and applying accounting policies. Directors and management are required to make judgement in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the company's reported financial position, results or cash flows.

Specific accounting policies have been included in the specific section of the notes for each items of financial statements which requires disclosures of accounting policies or changes in accounting policies. Effect and nature of the changes have been disclosed wherever required.

2.5 Accounting Estimates

The preparation of financial statements in line with NFRS which requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements.

The estimates and the underlying assumptions are reviewed on ongoing basis. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods. The estimates are reviewed periodically by the management.

Specific accounting estimates have been included in the relevant section of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

2.6 Financial periods

The company prepares financial statements in accordance with the Nepalese financial year using Nepalese calendar. The corresponding dates for Gregorian calendar are as follows:

Particulars	Nepalese Calendar Date/Period	Gregorian Calendar Date/Period
SFP* Date	32nd Ashad 2075	16th July 2018
Current Reporting Period	1st Shrawan 2074 – 32nd Ashad 2075	16th July 2017 – 16th July 2018
Comparative SFP* Date	31st Ashad 2074	15th July 2017
Comparative reporting period	1st Shrawan 2073 – 31st Ashad 2074	16th July 2016 – 15th July 2017

*Statement of Financial Position

2.7 Presentation currency

The company's financial statement is presented in Nepalese Rupees which is also the company's functional currency.

2.8 Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

When all the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the profit or loss statement over the lease term. The Company has leased 1 plot of Godown for 10 years from Green Hand Nepal Pvt. Ltd., Kathmandu. These lease agreements are renewal with mutual consent after the expiry of the initial lease term. There is no purchase option and no fixed escalation clause, however both party has right to review the lease term after the end lease period.

Future minimum lease payable under non-cancellable operating leases as at balance sheet date are as follows:

Figures in NPR

Period	As at 32nd Ashad 2075	As at 31st Ashad 2074
Less Than One Year	12,528,000	-
One Year to Five Years	65,656,868	-
More Than Five Years	76,180,898	-
Total	154,365,766	-



3. INTANGIBLE ASSETS

Figures in NPR

Particulars	Computer Software	Intangible assets under development	Total
Cost			
Opening balance at 31st Ashad 2074	83,703,228	-	83,703,228
Additions	3,711,593	3,711,594	7,423,187
Disposals/Adjustments	-	(3,711,594)	(3,711,594)
Closing balance at 32nd Ashad 2075	87,414,821	-	87,414,821
Accumulated Amortisation			
Opening balance at 31st Ashad 2074	11,427,990	-	11,427,990
Charge for the year	18,081,676	-	18,081,676
Closing balance at 32nd Ashad 2075	29,509,666	-	29,509,666
Balance at 32nd Ashad 2075	57,905,155	-	57,905,155
Balance at 31st Ashad 2074	72,275,237	-	72,275,237

Intangible assets are recognized on the basis of costs incurred to acquire and bring to use the specific intangible assets such as, software, where it is probable that such asset will generate future economic benefits in excess of its cost.

Computer software costs are amortized on the basis of expected useful life which is estimated as 5 years (the estimate is being reviewed periodically). Costs associated with maintaining software are recognized as expenses as and when incurred. At each statement of financial position date, these assets are assessed for indication of impairment. In the event that an asset's carrying amount being greater than its recoverable amount, the assets is considered to be impaired and is written down immediately.

The expenditure incurred in acquisition and installation of new software till the date of commissioning is recognized as intangible under development. Software is capitalized upon successful test run and after meeting recognition criteria.

The company has made a provision for missing/obsolesce assets during previous financial years and its carrying gross value together with the relevant accumulated depreciation has been adjusted in the opening specific block of assets wherever required. Post appropriate approval, the individual item of assets is/will be written off from Fixed Assets Register (FAR).



4. PROPERTY PLANT AND EQUIPMENT

Figures in NPR

Particulars	Buildings	Plant & Machinery	Office Equipment	Coolers	Containers	Other Assets	Capital work-in-progress	Total
Cost								
Balance at 31st Ashad 2074	642,709,215	2,100,330,746	24,798,457	409,817,266	730,578,608	15,512,533	59,658,055	3,983,404,881
Adjustment (ReClassification)	-	-	-	-	-	-	-	-
Additions	20,755,612	72,909,978	29,657,680	80,829,510	154,030,420	3,066,536	405,006,438	766,256,174
Disposals/Adjustments	(465,740)	(523,427)	-	(71,529,424)	(20,540,237)	(38,000)	(361,249,739)	(454,346,567)
Balance at 32nd Ashad 2075	662,999,087	2,172,717,297	54,456,137	419,117,352	864,068,791	18,541,069	103,414,754	4,295,314,489
Depreciation and impairment losses								
Balance at 31st Ashad 2074	65,037,396	631,392,595	17,361,128	154,767,367	327,191,301	11,422,886	-	1,207,172,673
Adjustment (ReClassification)	-	-	-	-	-	-	-	-
Charge for the year	17,020,428	109,622,754	3,681,573	45,432,788	108,039,575	1,120,668	-	284,917,86
Disposals/Adjustments	(465,740)	(523,427)	-	(65,234,914)	(18,411,358)	(38,000)	-	(84,673,439)
Balance at 32nd Ashad 2075	81,592,084	740,491,922	21,042,701	134,965,241	416,819,518	12,505,554	-	1,407,417,020
Net Block								
Balance at 32nd Ashad 2075	581,407,003	1,432,225,375	33,413,436	284,152,111	447,249,273	6,035,515	103,414,754	2,887,897,469
Balance at 31st Ashad 2074	577,671,818	1,468,938,151	7,437,329	255,049,899	403,387,307	4,089,647	59,658,055	2,776,232,218



Property, plant and equipment are initially measured at cost in the statement of financial position. These are inclusive of all cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if applicable for each class of assets. Property, plant and equipment are recognized as an asset, if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Cost includes the purchase price and other directly attributable costs of property, plant and equipment. Cost also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. If an item of property, plant and equipment consists of several components with different estimated useful lives, those components that are significant are depreciated over their individual useful lives. Subsequent costs that do not qualify the recognition criteria under NFRS are expensed as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use is considered for determination of cost of the respective asset if the recognition criteria under NAS 16 and IFRIC 1. Management determines that such cost is not material thus are not considered.

Assets in the course of construction are carried at cost, less any recognized impairment loss, if any. Depreciation on these assets will commence when these assets are ready for their intended use and classified under specific asset category.

The company has made a provision for missing/obsolesce assets during previous financial years and its carrying gross value together with the relevant accumulated depreciation has been adjusted in the opening specific block of assets wherever required. Post appropriate approval, the individual item of assets is/will be written off from FAR.

4.1 Depreciation

Depreciation on items of property plant and equipment is calculated on the straight-line method based on the useful life of the assets estimated by the management. Depreciation on additions to property plant and equipment is provided on pro-rata basis in the year of purchase when the asset is ready to use. The residual values, useful lives and the depreciation methods of assets are reviewed at least at each financial year end and, if expectations differ from previous estimates are accounted for as a change in accounting estimates in accordance with NAS 8. If an item of property plant and equipment consist of several components with different useful lives, those components that are significant are depreciated over their individual useful life

Particulars	Clubbed under following class of Assets	Useful Life (Years)
Building	Building	40
Plant and Machinery	Plant and Machinery	20
Cooler	Cooler	9
Office Equipment	Office Equipment	5
Computer Accessories	Office Equipment	4
Bottles	Containers	5
Crates	Containers	8
Plastic Pallets	Other Assets	5
Furniture and Fixtures	Other Assets	10
Motor Vehicles	Other Assets	5
Other Assets*	Other Assets	10

*Other assets majorly includes transformers, electrical installations and soft drink analyzer.

4.1.1 Change in Accounting Estimate

Change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and accordingly, are not corrections of errors.



4.2 De-recognition

An item of property plant and equipment is de-recognized on disposal or when no future economic benefits are expected from the use of that asset. The gain or loss arising from the disposal of an item of property, plant and equipment is the difference between net disposal proceeds, if any, and the carrying amount of that item and is recognized in the statement of profit and loss.

4.3 Capital Work in Progress

The expenditure incurred in acquisition and installation of new systems and equipment till the date of commissioning or civil works under construction till the date of completion is recognized as Capital works-in-progress. Equipment are capitalized upon commissioning and civil works are capitalized upon handing over after being capable of being used.

Figures in NPR

Particulars	As at 32nd Ashad 2075	As at 31st Ashad 2074
ETP Upgradation	-	15,193,213
DG Accessories	-	7,010,952
CIP	-	9,435,504
Laptops	-	380,000
Coolers	40,035,579	27,367,228
Shed	-	271,158
Bottles	8,769,913	-
Furniture & Fixtures	265,090	-
IT Equipments	1,591,608	-
Machinery	52,752,564	-
Total	103,414,754	59,658,055

5. INCOME TAXES

5.1 Current Income Tax

Figures in NPR

Particulars	For the Year 2074-75	For the Year 2073-74
Current tax on profits for the year	167,733,545	84,975,300
Adjustment for under provision in prior periods	151,000	3,375,768
Total	167,884,545	88,351,068

5.2 Deferred Income Taxes

Figures in NPR

Particulars	For the Year 2074-75	For the Year 2073-74
Origination and reversal of temporary differences	2,128,991	18,332,602
Effect of Change in Tax Rate	-	-
Total	2,128,991	18,332,602



5.3 Deferred tax Liability

Deferred tax is calculated on temporary differences using the effective tax rate of 16% (PY 17%). Deferred tax assets have been recognized in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the management believe it is probable that these assets will be recovered.

FY : 74/75

Figures in NPR

Particulars	Carrying Amount	Tax Base	Temporary Diff
1 Property, Plant & Equipment	2,716,574,164	2,063,508,762	(653,065,401)
2 Provisions for Expenses	(378,332,916)	-	378,332,916
3 Intangible Assets	60,291,613	55,150,949	(5,140,663)
Total Amount			(279,873,148)
Tax Rate		16%	(44,779,704)
Opening Deferred tax Assets/(Liability)			(41,385,048)
Deferred tax provision recognised in profit or loss			(3,394,656)
Closing Deferred tax Assets/(Liability)			(44,779,704)
Charge/(Credit) to OCI			(1,265,665)
Charge/(Credit) to PL			(2,128,991)

FY : 73/74

Figures in NPR

Particulars	Carrying Amount	Tax Base	Temporary Diff
1 Property, Plant & Equipment	2,695,440,805	2,113,608,474	(581,832,331)
2 Provisions for Expenses	(341,447,559)	-	341,447,559
3 Intangible Assets	72,275,237	69,218,552	(3,056,685)
Total Amount			(243,441,457)
Tax Rate		17%	(41,385,048)
Opening Deferred tax Assets/(Liability)			(32,433,216)
Deferred tax provision recognised in profit or loss			(8,951,832)
Closing Deferred tax Assets/(Liability)			(41,385,048)
Charge/(Credit) to OCI			(9,380,770)
Charge/(Credit) to PL			18,332,602

5.4 Reconciliation

Reconciliation of tax profit and the accounting profit: -

Figures in NPR

Particulars	For the Year 2074-75	For the Year 2073-74
Accounting profit before income tax	911,342,615	589,306,378
Adjustment as per Income Tax Act 2058	75,325,298	(89,451,674)
Total Profit as per Income Tax	986,667,913	499,854,704
Tax Rate	17%	17%
Total Tax as per Income Tax	167,733,545	84,975,300



6. INVENTORIES

Figures in NPR

Particulars	As at 32nd Ashad 2075	As at 31st Ashad 2074
Raw materials	480,621,674	560,035,700
Work-in-process	6,250,417	4,987,466
Finished goods	79,454,252	100,429,490
Consumables	318,602,951	193,363,898
Total	884,929,294	858,816,554

Inventories are carried at the lower of cost or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the necessary estimated expenses. The cost of obsolescence and other anticipated losses are also considered for determining the net realizable values.

In determining the cost of raw materials and packing materials, First In First Out (FIFO) method is used. Cost of inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities), cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost of consumables, stores and spares weighted average cost method is used.

Cost of finished goods includes the cost of raw materials, packing materials, direct labor and appropriate proportion of fixed and variable production overheads incurred in bringing the inventory to their present location and condition.

Inventories are presented net of allowance for obsolescence and other possible depletion in value or other losses. Allowance adjustments are made for those inventories identified by management as obsolete on the basis of 10 Year Aging or technical evaluation whichever is earlier.

Inventories have been pledged as lien for the purpose of availing bank overdraft facilities.

7. OTHER ASSETS

7.1 Prepayments

These are expenses paid for the period beyond the financial period covered under the financial statement. These will be charged off as expenses in the respective period for which such expenses pertain to.

Figures in NPR

Particulars	As at 32nd Ashad 2075	As at 31st Ashad 2074
Prepaid Expenses	21,505,927	19,327,718
Total	21,505,927	19,327,718

7.2 Advances

Figures in NPR

Particulars	As at 32nd Ashad 2075	As at 31st Ashad 2074
Capital Advances	-	9,542,092
Advances to Employees	961,992	1,087,492
Total	961,992	10,629,584

These advances are non-interest bearing and are expected to be settled in the normal course of operations.



7.3 Other Current Assets

Figures in NPR

Particulars	As at 32nd Ashad 2075	As at 31st Ashad 2074
Security Deposits	116,050	108,300
Advance to suppliers	99,423,509	12,368,939
Advances to Employees	7,226,190	4,416,014
Balances with statutory/government authorities	65,948,000	40,964,000
VAT Receivable (Net)	27,017,044	29,762,699
Advance Income Tax (Net)	12,138,444	-
Total	211,869,237	87,619,952

Financial Instruments: Financial Assets

Financial asset is any asset that is:

- (a) cash
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - i) to receive cash or another financial asset from another entity; or
 - ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets are classified under four categories as required by NAS 39, namely,

- Fair Value through Profit or Loss,
- Held to Maturity,
- Loans & Receivables and
- Available for Sale.

The company only holds financial assets meeting the recognition criteria of Loans & Receivables classification. These instruments are to be recognized at amortized cost using effective interest rate.

Financial assets of the company comprise of advances, other current assets, Trade Receivables and cash & cash equivalents. These instruments are mostly non-interest bearing and where interest component is present the implicit interest rate approximates effective interest rate. These instruments are expected to be settled or recovered within a year. Therefore, it is assumed that the carrying amount represents the amortized cost of the assets.

Risks associated with Financial Instrument - Financial Assets

The company has a risk management framework to monitor, access, mitigate and manage risks this risk management framework is given is Note 28.



8. TRADE RECEIVABLE

Figures in NPR

Particulars	As at 32nd Ashad 2075	As at 31st Ashad 2074
Trade receivables		
Secured, considered good	92,087,120	55,252,626
Unsecured considered good	56,810,648	13,157,968
Receivables from other related parties	10,600,539	-
Interest Income Receivables	-	754,110
Other receivables	-	225,169
Total	159,498,307	69,389,872

Bank overdrafts are secured against all receivables.

8.1 Trade Receivables

Trade receivables comprises of amount receivable from our customers and are non-interest bearing and are generally on terms of 15 to 90 days.

Secured trade receivable are against Bank Guarantee provided by the customers.

8.2 Other Receivables

Other receivables are receivable from insurance companies against unsettled claims.

8.3 Related Parties Transaction

It includes transactions with group companies and key management personnel which are disclosed in Note 27.

8.4 Impairment

For allowances, assets with a potential need for a write-down are grouped together on the basis of similar credit risk characteristics, tested collectively for impairment, and written-down, if necessary. Estimated irrecoverable amounts are based on the ageing of the receivable balances, taking previous cases of default into consideration and historical experiences.

9. CASH AND CASH EQUIVALENTS

Figures in NPR

Particulars	As at 32nd Ashad 2075	As at 31st Ashad 2074
Balances with Banks		
- On current accounts	24,525,330	39,340,287
- Deposits accounts	-	270,000,000
Cash on hand	70,935	213,935
Total	24,596,265	309,554,222
Balances with banks comprises of amount held by the banks as margin money deposits against Letter of Credits	-	258,156
Balances with banks comprises of amount held as Fixed Deposit	-	270,000,000

Cash at banks earns interest at floating rates based on daily balances.

Short-term deposits are made for varying from one day to Six months, depending on the cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The above balances are also considered as the cash & cash equivalents for Statement of Cash Flow purposes.



10. SHARE CAPITAL

Figures in NPR

Particulars	As at 32nd Ashad 2075		As at 31st Ashad 2074	
	Number	NPR	Number	NPR
Authorized				
Ordinary shares of Rs. 100 each	31,210,000	3,121,000,000	31,210,000	3,121,000,000
Issued and Fully paid				
Ordinary shares of Rs. 100 each	1,210,000	121,000,000	1,210,000	121,000,000
At the beginning of the year	1,210,000	121,000,000	1,210,000	121,000,000
At the end of the year	1,210,000	121,000,000	1,210,000	121,000,000

The shareholding pattern on the company is as follows

Shareholder Category	As at 32nd Ashad 2075		As at 31st Ashad 2074	
	No. of Shares	% of holding	No. of Shares	% of holding
Bottler's Nepal Limited	1,098,472	90.78%	1,098,472	90.78%
Other Shareholders	111,528	9.22%	111,528	9.22%
Total	1,210,000	100.00%	1,210,000	100.00%

Share issue expenses have not been netted off against the capital collected as these pertain to periods of initial establishment of the company and such expenses have been charged off during those periods. The management considers that the cost of obtaining information is more than the benefits derived and the effect of such the amounts to be immaterial.

11. RESERVE AND SURPLUS

Figures in NPR

Particulars	As at 32nd Ashad 2075	As at 31st Ashad 2074
Share Premium	952,000	952,000
Retained earnings (As per Statement of Changes in Equity)	1,865,081,423	1,144,826,679
Total	1,866,033,423	1,145,778,679

Share premium is used to record the premium on issue of equity shares. These can only be utilized in accordance with the provision of the Companies Act.

- i) Premium of Rs. 20 each on 47,600 ordinary shares.



12. EMPLOYEE BENEFITS

Current Employment Benefits

Figures in NPR

Particulars	For the year 2074-75	For the year 2073-74
Salaries, wages and other employee cost		
Cost of sales	313,975,382	265,877,882
Selling and distribution expenses	148,852,134	127,623,048
Administrative and operating expenses	47,105,549	42,826,714
Defined Contribution Plan Expenses		
Cost of sales	3,926,679	3,494,051
Selling and distribution expenses	2,039,338	1,521,772
Administrative and operating expenses	159,661	228,854
Defined Benefit Plan Cost		
Cost of sales	27,561,079	18,868,896
Selling and distribution expenses	4,048,351	9,955,348
Administrative and operating expenses	3,248,571	7,422,011
Total Employee Cost for the Period	550,916,744	477,818,576

12.1 Post-Employment Benefits

The company operates number of defined benefit and defined contribution plans for its employees of the company. The defined benefit plan of the company includes leave encashment expenses, expenses pertaining to gratuity and other retirement benefits.

2074-75

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
Opening Liability	180,234,721	10,386,317	116,364,090	306,985,128
Current Service cost	4,200,000	1,503,000	6,673,260	12,376,260
Interest Charge	13,367,000	777,000	8,269,000	22,413,000
Paid	(4,011,538)	(61,317)	(2,081,000)	(6,153,855)
Actuarial (gain)/loss during the year (recognised in OCI)	(4,858,000)	(2,860,000)	(192,000)	(7,910,000)
Closing Liability	188,932,183	9,745,000	129,033,350	327,710,533
Charge for the period to SoPL	17,567,000	2,280,000	14,942,260	34,789,260
Charge to SoCl	(4,858,000)	(2,860,000)	(192,000)	(7,910,000)



2073-74

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
Opening Liability	152,532,145	7,193,042	76,640,732	236,365,919
Current Service cost	9,826,000	885,000	7,734,255	18,445,255
Interest Charge	11,684,000	567,000	5,550,000	17,801,000
Paid	(12,953,424)	(218,725)	(7,635,828)	(20,807,977)
Actuarial (gain)/loss during the year (recognised in OCI)	19,146,000	1,960,000	34,075,000	55,181,000
Closing Liability	180,234,721	10,386,317	116,364,159	306,985,197
Charge for the period to SoPL	21,510,000	1,452,000	13,284,255	36,246,255
Charge to SoCI	19,146,000	1,960,000	34,075,000	55,181,000

Defined Plan Benefit

The defined benefit plans of the group include Gratuity, Leave Encashment Entitlements and Other Retirement benefits.

12.1.1 Gratuity

Gratuity for existing and retired employees have been provided as per the actuarial assessment. The assessed amounts have been recognized as liabilities. The gratuity scheme is computed on below basis: -

A. Gratuity Benefit till 3rd September 2017:

Plan Service Definition	Number of years of service rounded to the nearest integer.
Salary Definition	Last drawn Basic Salary
Vesting Schedule	3 years
Normal Retirement Age	58 years
Benefit on normal retirement/ early retirement/death/ disability in service	Nil for each year of service up to 3 years 1/2 months' salary of each year of service up to 7 years. 2/3 months' salary for each year of service for service between 7 and 15 years. 1 month salary for each year of service for service between 15 and 17 years. 1 month 5 days' salary for each year of service for the service over 17 years.
Benefit on withdrawal	Nil for each year of service up to 3 years 1/2 months' salary of each year of service up to 7 years. 2/3 months' salary for each year of service for service between 7 and 15 years. 1 month salary for each year of service for service between 15 and 17 years. 1 month 5 days' salary for each year of service for the service over 17 years.
Maximum Limit	No Limit
Tax on Gratuity*	15%, borne by the company

*The tax under gratuity scheme is applicable to the accrued service post 31st March 2002 and is payable at a flat rate of 15% of the benefit using gross up approach. Hence, any service prior to 31st March 2002 does not attract any tax.



B. Gratuity Benefit on or after 4th September 2017:

Plan Service Definition	Number of years of service rounded to the nearest integer.
Salary Definition	Last drawn Basic Salary
Vesting Schedule	No vesting available
Normal Retirement Age	58 years
Benefit on normal retirement/ early retirement/death/ disability in service	8.33 % of Basic Salary per month for each year of service
Benefit on withdrawal	8.33 % of Basic Salary per month for each year of service
Maximum Limit	Accumulated Corpus

No actuarial valuation has been carried out for benefit accruing after 3rd September 2017, as it will be Defined Contribution Scheme.

12.1.2 Leave Encashment

Leave encashment has been computed using actuarial assumptions. The assumptions made are the growth rate derived from the past experience and discounting the long term obligations at the end of each reporting period. Sick leave of 1.5 times the last drawn monthly basic salary is paid to employee. The maximum accumulation allowed is 30 days.

12.1.3 Other Retirement Benefits

Other retirement benefits include three days' basic salary computed based on completion of 17 yrs. compulsory retirement or 20 years of completion of service for withdrawal and gold coin at compulsory retirement. Other retirement benefits have been computed using actuarial assumptions. The assumptions made are the growth rate derived from the past experience and discounting the long term obligations at the end of each reporting period.

12.1.4 Sensitivity Analysis

Figures in NPR

Particulars	Gratuity	Retirement Benefits	Sick Leave
Effect on DBO due to 0.5% increase in discount rate	(5,510,000)	(5,605,000)	(416,000)
Effect on DBO due to 0.5% decrease in discount rate	5,807,000	6,069,000	449,000
Effect on DBO due to 0.5% increase in salary escalation rate	5,224,000	5,605,000	414,000
Effect on DBO due to 0.5% decrease in salary escalation rate	(5,013,000)	(5,237,000)	(387,000)

The above sensitivity analysis is based on a change in an assumption while holding all other assumption constant. In practice, this unlikely to occur and changes in some of the assumption is correlated. When calculating sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.



12.1.5 Actuarial Assumptions

Particulars	As at 32nd Ashad 2075	As at 31st Ashad 2074
Financial Assumptions		
Discount rate (%)	7.50%	7.50%
Salary escalation rate	10.00%	10.00%
Expected return on Plan Assets	Nil	Nil
Future service	Expected average remaining working life of the employees based on withdrawal rate and retirement age taken as 8 years	Expected average remaining working life of the employees based on withdrawal rate and retirement age taken as 8 years
Demographic Assumptions		
Mortality	In accordance with the standard table, Indian Assured Lives Mortality (2006-2008) (modified) Ultimate Rates	In accordance with the standard table, Indian Assured Lives Mortality (2006-2008) (modified) Ultimate Rates
Withdrawal rate	3.50%	3.50%

12.1.6 Defined Benefit Plan Assets

Defined benefit obligations are not funded and there are no Defined Benefit Plan Assets. The company is in the process of creating a separate fund for meeting the defined benefit obligations.

12.2 Defined Contribution Plan

The defined contribution expenses include employer's contribution to provident fund. These amounts have been deposited in Employee Provident Fund, a 100% Government of Nepal undertaking.

13. FINANCIAL INSTRUMENTS - FINANCIAL LIABILITIES

A financial liability is any liability that is:

- a) contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

The company classifies financial liabilities as Fair Value through Profit or Loss and those Held at Amortized Cost. All financial liabilities held by the company are classified as financial liabilities held at amortized cost using effective interest rate.

Financial liabilities held by the company are both interest bearing and non-interest bearing.

The non-interest bearing instruments' carrying value represents the amortized cost.

For interest bearing financial liabilities which comprises of the bank loans, interest charged by the bank approximates effective interest rate and the rate is considered for calculation of amortized cost of liability and the finance cost. The effect of initial charges and its impact on effective interest rate is considered not material and the carrying value is considered to approximate the amortized cost.



13.1 Non-Current Borrowings

Figures in NPR

Particulars	Rate of Interest (%)	Maturity	As at 32nd Ashad 2075	As at 31st Ashad 2074
Term Loan				
From Bank				
Secured bank loan			-	-
Total			-	-

13.2 Current Borrowings

Figures in NPR

Particulars	Rate of Interest (%)	Maturity	As at 32nd Ashad 2075	As at 31st Ashad 2074
Bank overdrafts	8.30%	On demand	496,608,770	434,574,979
Secured bank loan	8.30%		-	376,000,000
Total			496,608,770	810,574,979

Short term bank overdraft carries interest at the rate 7.25 % to 9.20% p.a. during the year and repayable on demand.

Bank overdrafts are secured against all movable properties/current assets including inventory stocks & trade receivables whereas Term Loan has been secured against immovable properties, with Standard Chartered Bank Limited, Nepal.

13.3 Trade Payables

Figures in NPR

Particulars	As at 32nd Ashad 2075	As at 31st Ashad 2074
Trade Payable	705,910,443	702,780,635
Trade Payable to related parties (Note 27.2)	91,088,500	573,038,883
Total	796,998,943	1,275,819,518

Risks associated with Financial Instrument- Financial Liabilities

The company has a risk management framework to monitor, access, mitigate and manage risks. The risk management framework is given in Note 28.



14. OTHER FINANCIAL LIABILITIES

Figures in NPR

Particulars	As at 32nd Ashad 2075	As at 31st Ashad 2074
Interest payables	1,560,095	1,620,424
Container deposit liability	461,976,026	404,540,922
Corporate Social Responsibility	16,739,469	6,962,093
Trade Deposits	1,659,430	1,759,430
Advance received from distributors	21,156,996	12,772,126
Employee related accruals	1,944,550	826,892
Statutory dues payable	83,964,224	59,782,419
Advance against unsettled Claims	7,031,483	6,355,221
Income tax payable (Net)	-	7,682,408
Total	596,032,273	502,301,935

Provisions are recognized when the company has a present obligation, legal or constructive, as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and when reliable estimate can be made of the amount of obligation. If these conditions are not met, no provision is recognized.

The amount of provision recognized is the management's best estimate of expenditure required to settle the present obligation at the reporting date.

Corporate Social Responsibility

CSR Provision is accounted as per Industrial Enterprises Act 2016 (2073 BS) (the "Act") has been introduced with effect from November 22, 2016 repealing the Industrial Enterprises Act 1992 (2049 BS) (the "Previous Act").

Section 48 Industrial Enterprises Act 2016 (2073 BS) makes it mandatory to allocate 1% of the annual profit to be utilized towards corporate social responsibility (the "CSR Requirement").

The fund created for CSR is to be utilized on the basis of annual plans and programs but in the sectors that are prescribed under the Act however, such sectors are yet to be specified by the Act. The progress report of the utilization of the fund collected for CSR is required to be submitted to the relevant government authorities registered within three months from expiry of the financial year.

Changes in provision

Management reviews provisions at each reporting date and is adjusted to reflect the best estimate. If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision is reversed.

15. REVENUE

Figures in NPR

Particulars	For the year 2074-75	For the year 2073-74
Sale of goods	6,320,143,060	5,106,141,738
Less: Discount	(661,727,440)	(532,140,358)
Total	5,658,415,620	4,574,001,380

15.1 Sale of Goods

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured and when recognition criteria related to sale of goods activities i.e. when the significant risks and rewards of ownership of the goods have transferred to the buyer, with the Company retaining neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.



Revenue is measured at the fair value of the consideration received or receivable net of trade discounts. Revenue include all revenue from ordinary activities of the company that are recorded net off Value Added Taxes and Excise Duty collected from the customer that are remitted or are to be remitted to the government authorities.

The company generates revenue from sale of goods in the ordinary course of business.

16. COST OF SALES

Particulars	Figures in NPR	
	For the year 2074-75	For the year 2073-74
Material consumed		
Raw materials		
At 1st Shrawan	560,035,700	604,803,739
Purchase	2,627,618,395	2,369,752,842
Less: Transfer to Bottlers Nepal Ltd.	(45,468,268)	(4,483,360)
At 32nd Ashad	(480,621,674)	(560,035,700)
Raw material consumed total	2,661,564,153	2,410,037,521
Work in process		
At 1st Shrawan	4,987,466	589,550
At 32nd Ashad	(6,250,417)	(4,987,466)
Net change in work-in-process	(1,262,951)	(4,397,917)
Production and manufacturing overheads	935,128,058	711,983,246
Finished goods stock		
At 1st Shrawan	100,429,490	94,861,891
At 32nd Ashad	(79,454,252)	(100,429,490)
Net change in finished goods stock	20,975,238	(5,567,599)
Cost of sales	3,616,404,497	3,112,055,251

16.1 Production and Manufacturing Overheads

Particulars	Figures in NPR	
	For the year 2074-75	For the year 2073-74
Salaries, wages and other employee cost	313,975,382	265,877,882
Sick Leave	1,483,000	913,000
Provident fund	3,926,679	3,494,051
Gratuity	11,991,000	15,152,000
Other retirement benefits	14,087,079	2,803,896
Travel and transport costs	7,738,646	5,699,880
Repair and maintainence	111,745,556	70,721,874
Communication expenses	93,653	84,281
Consumables	48,675,785	34,841,183
Loss on sale/write off of Property plant equipment (net)	8,423,389	(4,591,376)
Stock Adjustment	1,012,155	2,999,396
Office expenses	16,163,686	8,565,899
Power & Fuel	107,828,180	97,500,633
Legal and other professional fees	1,610,748	1,683,698
Depreciation on property, plant and equipment	237,394,895	222,652,406
Amortization of Intangible Assets	17,234,026	2,735,725
Testing & Sampling	9,523	1,870,919
Exchange Gain/Loss	31,734,676	(21,022,101)
Total	935,128,058	711,983,246



17. OTHER OPERATING INCOME

Figures in NPR

Particulars	For the year 2074-75	For the year 2073-74
Product transfer fee	46,683,707	53,294,183
Sale of Scrap	11,317,193	10,784,047
Miscellaneous Income	1,797,934	1,057,521
Total	59,798,834	65,135,751

17.1 Product Transfer Fee

The Company and Bottlers Nepal Ltd, its Parent Company, can sell their products in their respective market territories only. In respect of sales made by the Company and its holding, in market territory of the other Company, a product transfer fee (gross) at the rate of 12 % (Previous year 12 %) of net liquid sales revenue is recovered/ paid. Product transfer service fee is recognized/ charged to income statement as and when sale of goods is effected as per above clause.

17.2 Sale of Scrap

Items included under this income are towards sale amount realized from sale of scraps.

17.3 Miscellaneous Income

Income includes charges recovered from customer on account of handling loss of Glass Bottles. The company generates revenue from sale of goods in the ordinary course of business.

18. SELLING AND DISTRIBUTION EXPENSES

Figures in NPR

Particulars	For the year 2074-75	For the year 2073-74
Salaries, wages and other employee cost	148,852,134	127,623,048
Sick Leave	451,000	239,000
Provident fund	2,039,338	1,521,772
Gratuity	2,999,000	3,060,000
Other retirement benefits	598,351	6,656,348
Travel and transport costs	13,399,426	10,904,504
Office expenses	14,103,911	2,623,155
Repair and maintainence	10,622,038	11,405,732
Communication expenses	620,707	601,726
Utilities	29,345,556	24,144,185
Freight Charges	393,553,746	294,530,231
Liquid leakages and damages	71,179,216	101,070,560
Sales promotion expenses	215,032,297	35,433,581
Other miscellaneous expenses	15,483,671	23,279,369
Depreciation on property, plant and equipment	41,470,735	40,466,887
Amortization of Intangible Assets	40,709	4,689,814
Product transfer fees	41,392,222	34,642,981
Total	1,001,184,057	722,892,893



19. ADMINISTRATIVE AND OPERATING EXPENSES

Figures in NPR

Particulars	For the year 2074-75	For the year 2073-74
Salaries, wages and other employee cost	47,105,549	42,826,714
Sick Leave	346,000	300,000
Provident fund	159,661	228,854
Gratuity	2,577,000	3,298,000
Other retirement benefits	325,571	3,824,011
Travel and transport costs	3,582,630	13,541,984
Office expenses	30,518,183	25,825,542
Repair and maintainence	6,217,039	3,076,064
Bank charges	6,037,731	3,299,750
Audit fees	300,000	300,000
Legal and other professional fees	11,942,557	4,850,930
Communication expenses	21,441,109	27,139,384
Utilities	441,679	2,444,441
Depreciation on property, plant and equipment	6,052,157	5,905,657
Amortization of Intangible Assets	806,942	390,818
Corprate Social Responsilbity	9,777,376	6,962,093
Public Affairs and Communication (PAC) expenses	1,505,546	2,400,410
Security Expenses	9,221,672	7,442,562
Board and AGM expenses	135,000	119,000
Other miscellaneous expenses	423,853	114,170
Total	158,917,255	154,290,384

19.1 Audit Fees Disclosure

Figures in NPR

Particulars	For the year 2074-75	For the year 2073-74
Statutory Audit Fee	300,000	300,000
Other Allowances	416,000	416,000
Total	716,000	716,000

20. FINANCE COST

Finance costs comprises of interest on Term Loan and interest on short term borrowings in the form of bank overdrafts. All these costs are carried at amortized cost using effective interest rate as required by NAS 39.

Figures in NPR

Particulars	For the year 2074-75	For the year 2073-74
Interest on Overdraft	40,174,267	18,031,693
Interest on Term Loan	-	44,042,554
Total	40,174,267	62,074,247

21. FINANCE INCOME

Figures in NPR

Particulars	For the year 2074-75	For the year 2073-74
Interest income	9,808,237	1,482,023
Total	9,808,237	1,482,023



21.1 Interest Income

Interest income has been recognized using effective interest method as required by NAS 39.

22. EARNINGS PER SHARE

Figures in NPR

Particulars	For the year 2074-75	For the year 2073-74
Numerator		
Profit for the year and earnings used in basic EPS and diluted EPS	741,329,079	482,622,709
Denominator		
Weighted average number of shares used in basic EPS	1,210,000	1,210,000
Basic and diluted earnings per share (NPR)	613	399

Basic EPS is calculated by dividing the profit attributable to ordinary equity holders of the company for the period by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares. Number of shares have not changed over the reported periods. There are no potential ordinary shares that would dilute basic earnings per share, hence diluted EPS is same as basic EPS

23. DIVIDEND PAID AND PROPOSED

Figures in NPR

Particulars	As at 32nd Ashad 2075	As at 31st Ashad 2074
Declared and paid during the year:		
Dividends on ordinary shares: Final dividend for 2073-74: Rs. 25 per share for 72-73: Rs 25 Per Share	30,250,000	30,250,000
Proposed for approval at the annual general meeting (not recognised as a liability as at balance sheet date):		
Dividends on ordinary shares:		
2073-74: Rs 25 per Share		30,250,000
2074-75: Rs 40 per Share	48,400,000	

24. CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

24.1 Contingent Liabilities

Contingent liabilities are potential future cash out flows, where the likelihood of payment is considered more than remote, but is not considered probable or cannot be measured reliably.

24.2 Corporate Tax Matters

- LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2066-67. For the unaccepted amount, the company has filed the case for Administrative Review. Pending decision from the Director General, additional liabilities have not been recognized in the financial statements and have been disclosed as contingent liabilities as below: -



Figures in NPR

Particulars	Additional Demand	Accepted Amount	Appeal against demand
Income-Tax	5,393,862	14,164	5,379,697
TDS	4,510,857	255,194	4,255,663
VAT	20,397,706	12,172,084	8,225,621

- ii. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2067-68. For the unaccepted amount, the company has filed the case for Administrative Review. Pending decision from the Director General, additional liabilities have not been recognized in the financial statements and have been disclosed as contingent liabilities as below: -

Figures in NPR

Particulars	Additional Demand	Accepted Amount	Appeal against demand
Income-Tax	11,469,425	-	11,469,425
TDS	24,018,811	121,490	23,897,321
VAT	3,869,900	-	3,869,900

- iii. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2068-69. For the unaccepted amount, the company has filed the case for Administrative Review. Pending decision from the Director General, additional liabilities have not been recognized in the financial statements and have been disclosed as contingent liabilities as below: -

Figures in NPR

Particulars	Additional Demand	Accepted Amount	Appeal against demand
Income-Tax	30,782,794	238,286	30,544,508
TDS	39,993,762	100,687	39,893,075
VAT	830,566	830,566	-

- iv. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2069-70. For the unaccepted amount, the company has filed the case for Administrative Review. Pending decision from the Director General, additional liabilities have not been recognized in the financial statements and have been disclosed as contingent liabilities as below-

Figures in NPR

Particulars	Additional Demand	Accepted Amount	Appeal against demand
Income-Tax	66,361,558	-	66,361,558
TDS	75,154,450	123,929	75,030,521
VAT	26,523	26,523	-

- v. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2070-71. For the unaccepted amount, the company has been preparing to file the case for Administrative Review. Pending decision from the Director General, additional liabilities have not been recognized in the financial statements and have been disclosed as contingent liabilities as below-



Figures in NPR

Particulars	Additional Demand	Accepted Amount	Appeal against demand
Income-Tax	47,213,938	22,776,663	24,437,275
TDS	9,238,997	482,726	8,756,271
VAT	35,661,144	2,109,057	33,552,087

24.3 Commitment

A commitment is a contractual obligation to make a payment in the future, mainly in relation to leases and agreements to buy assets. These amounts are not recorded in the statement of financial position since the company has not yet received the goods or services from the supplier. The amounts below are the minimum amounts that we are committed to pay.

At the end of Current FY 2074/75, the Company had capital commitments of NPR 111,199,740 (Previous FY 2073/74 NPR 43,614,442) relating to various small projects.

25. INTERIM REPORTING

Interim reports have been publicly reported in accordance with the requirement of SEBON and NEPSE. These requirements are materially aligned with the requirements of NAS 34.

26. SEGMENT REPORTING

The Company has only one “business segment” i.e. dealing in “non-alcoholic beverage”. The non-alcoholic beverage business mainly consists of products like carbonated soft drinks in different flavors. All these products have similar risks and returns because of similar nature of products, common consumer segments, similar production processes and common distribution channel. Further, internal organizational and management structure and its system of internal financial reporting of the Company is not based on product or geographical differentiation.

27. RELATED PARTY TRANSACTIONS

Relationship

The company identified related parties on the following lines

1. Part of the Group
 - a. Parent company, ultimate parent
 - b. Other Subsidiaries of the parent / ultimate parent
 - c. Subsidiaries of the company
2. Directors and their relatives
3. Key management personnel and their relatives
4. Employee benefit plan

The obligations are carried in the financial statements which the group is considering to fund separately.

27.1 Transactions with Directors & Key Management Personnel

During the year neither any directors nor any key management personnel nor any associate or family member (relative) of the directors and key management personnel was indebted to the company.

There have no material transactions or proposed transactions with directors and key management personnel or their relatives and associates except for the compensations and/or remuneration paid under the company's regulations.

Figures in NPR

Particulars	Remuneration	Allowances	Facilities
Director's Fees & Facilities	-	135,000	-
CEO	-	-	-
Key Managers	10,721,518	1,525,703	230,000
Total	10,721,518	1,660,703	230,000



Additional Information

- a) Key management personnel are also provided with following benefits:
- All Manager of the Company are provided vehicle allowance as per Company Policy
 - Performance bonus based on individual, overall Country and Division performance.
- b) The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel. Also, the liabilities for defined benefit plans (i.e. gratuity and other retirement benefits) and leave encashment are provided on an actuarial basis for the company as a whole, so the amounts pertaining to the key management personnel are not included above.

27.2 Other Related Party Transaction and Balances

Figures in NPR

RELATED PARTY TRANSACTIONS	For the year 2074-75	For the year 2073-74
Sale to related parties:		
Sale of various materials to Bottlers Nepal Limited (at cost)	45,468,268	4,483,360
Purchases from related parties:		
Purchase of various materials from Bottlers Nepal Limited (at Cost)	18,332,564	-
Purchase of concentrate from Atlantic Industries	1,117,231,357	923,601,509
Product transfer fee:		
Received from Bottlers Nepal Limited	46,683,707	53,294,183
Paid to Bottlers Nepal Limited	41,392,222	34,642,979
Management Fee Paid to Bottlers Nepal Limited	114,871,021	62,221,803
Dividend paid to Bottlers Nepal Limited	27,461,800	27,461,800
Bad Debts Recongnised in respect of Receivables from Related Parties:		
- Atlantic Industries-Other related party	-	-
Amounts owed by related Parties:		
Bottlers Nepal Limited-Parent company	10,600,539	-
Troika Traders Pvt. Ltd.-Other related party	-	-
Amounts owed to related Parties:		
Bottlers Nepal Limited-Parent company	-	45,206,992
Troika Traders Pvt. Ltd.-Other related party	527,087	9,839,329
Atlantic Industries-Other related party	52,695,483	517,992,563
Pacific Refreshment-Other related party	37,865,929	-

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets comprise trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

28.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

28.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's bank overdraft and short term deposits.

The Company manages its interest rate risk by negotiating with highly reputed commercial banks.

28.1.2 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The Company manages its foreign currency risk by not holding the receivables and payables in foreign currencies for long durations.

28.1.3 Commodity Price Risk

The Company is affected by the volatility of certain commodities. Its operating activities require the ongoing purchase of raw materials and therefore require a continuous supply of the same.

The Company manages this risk by purchasing materials and supplies from the suppliers identified by the group and the Company has long term relation with the suppliers.

28.2 Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions.

28.2.1 Trade Receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and shipments to major customers are generally covered by bank guarantees.

28.2.2 Cash Deposits

Credit risk from balances with banks and financial institutions are managed by maintaining the balances with highly reputed Commercial banks only.



28.3 Liquidity risk

The Company monitors its risk to a shortage of funds on a regular basis through cash forecast.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. Access to sources of funding is sufficient.

For & on behalf of Board

Shukla Wassan
Chairperson

Sundeep Bajoria
Director

Prasad Gyawali
Director

Gunjan Dhawan
Director

Gaurav Khosla
Director

Surendra Silwal
Director

Pramod Kumar Karki
Independent Director

Puneet Varshney
Chief Executive Officer

As per our attached report of even date

Ashok Mandal
Finance Controller

B.K. Agrawal, FCA
Managing Partner
B.K. Agrawal & Co.
Chartered Accountants
26th August, 2018

Place: Kathmandu, Nepal

Date: 5th Bhadra, 2075 (21st August, 2018)

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