

Coca-Cola BOTTLEERS NEPAL (TERAI) LIMITED

(Authorized Bottler of The Coca-Cola Company)

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

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

NPR in Thousand

S.N	Particulars	As on date 16.07.2018 (Unaudited)		As on date 15.07.2017 (Unaudited)	
A	ASSETS				
	Non-Current Assets				
	Intangible Assets		60,292		72,275
	Property, Plant and Equipment		2,898,689		2,776,232
	Current Assets				
	Inventories		884,567		858,817
	Non Financial Current Assets				
	Prepayments		21,506		19,328
	Financial Assets				
	Advances		-		10,630
	Other Current Assets		113,408		87,620
	Trade receivables		127,633		69,390
	Cash and cash equivalents		24,596		309,554
	Total Assets		4,130,691		4,203,846
B	EQUITY AND LIABILITIES				
	Equity				
	Equity Share Capital		121,000		121,000
	Reserve and Surplus		1,840,130		1,145,779
	Non-current liabilities				
	Retirement Benefit Obligation		327,711		306,985
	Deferred Tax Liability		79,584		41,385
	Current Liabilities				
	Financial Liabilities				
	Borrowings		496,609		810,575
	Trade payables		697,617		1,275,820
	Other Financial Liabilities		568,040		502,302
	Total Equity and Liabilities		4,130,691		4,203,846
C	Profit and Loss Account	Current Period		Previous Period	
		14.04.2018 to 16.07.2018 (3 Month)	16.07.2017 to 16.07.2018 (12 Month)	14.04.2017 to 15.07.2017 (3 Month)	16.07.2016 to 15.07.2017 (12 Month)
	Revenue from operations	2,006,891	5,658,416	1,685,484	4,574,001
	Cost of sales	(1,248,898)	(3,604,443)	(1,096,134)	(3,112,055)
	Gross Profit	757,993	2,053,973	589,350	1,461,946
	Other operating income	32,074	59,799	38,388	65,136
	Selling and distribution expenses	(254,226)	(1,001,109)	(290,084)	(722,893)
	Administrative and operating expenses	(38,255)	(159,522)	(35,104)	(154,290)
	Profit from Operations	497,586	953,141	302,550	649,899
	Finance Costs	(14,042)	(40,174)	(13,254)	(62,074)
	Finance Income	-	9,808	1,306	1,482
	Profit Before Tax	483,544	922,775	290,602	589,307
	Income Tax Expense				
	Current Tax	(91,757)	(167,885)	(39,966)	(88,351)
	Deferred Tax	612	(39,465)	(20,234)	(18,333)
	Net Profit	392,399	715,425	230,402	482,623
D	Major Indicators	Current Period		Previous Period	
		16.07.2017 to 16.07.2018 (12 Month)		16.07.2016 to 15.07.2017 (12 Month)	
	1. Earnings per Share (NPR)	591		399	
	2. Market Value Per Share (NPR)	6,813		4,010	
	3. Price Earnings Ratio	12		10	
	4. Current Ratio	0.66		0.52	
	5. Return on Equity	36%		38%	
	6. Return on Total Assets	17%		11%	
	7. Net Worth Per Share (NPR)	1,621		1,047	

Note:

- 1 Figures are regrouped wherever necessary for consistent presentation and comparison.
- 2 Above presented figures may vary with the audited figures if amended by the external auditors and/or regulator
- 3 Annualized earnings per share, Price earning ratio, Return on equity, Return on total assets and Net worth per share are calculated based on Annualized unaudited profits and number of equity shares outstanding at the reporting date.

E Related Party Disclosure

During the period, the following related party transactions occurred:

Particulars	NPR in Thousand
Purchase of Concentrate from Atlantic Industries	1,220,451
Transfer fee payable to BNL	41,392
Transfer fee receivable from BNL	46,684

F Management Analysis

- a) The Profit after tax has increased by NPR 233 MM at the end of fourth quarter over previous year same period due to improved volume and pack mix, cost saving initiative, better working capital management etc
- b) The company is continuously working on upgrading IT infrastructure, enhancing transactions security, automating work processes, enhancing productivity.
- c) One day more in this quarter as compared to same quarter in the previous year.

G Details Related to Legal Proceedings

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

Remedies Sought:

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

H Analysis of Share Transactions

i) Management's view on the performance of the stocks of the body corporate

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

ii) High, Low and Closing Price of the stocks of the company during each quarter of the preceding year along with total volume of trading of shares and number of days traded

Particulars	NPR
Maximum Price	6,813
Minimum Price	5,490
Closing Price	5,872
No. of Trades	4,518
Days of Trading	49

I Risks and Challenges

Internal Problem & Challenges

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

External Problem & Challenges

Unstable tax regime under federal state.
Fluctuation in international fuel prices impacting packaging material cost and transportation cost.

Strategy

Proactively monitor the internal and external environmental changes
Develop cost effective distribution models for upcountry areas.

J Corporate Governance

The Company follows prudent Corporate Governance Practices in all business transactions. During the Quarter under review, the Company had convened two Board Meetings on 14th May, 2018 and 5th July, 2018.

K Declaration by Chief Executive Officer on the Truthfulness and accuracy of Information

I, as at the date, hereby individually accept responsibility for the accuracy of the information and details contained in this report. I hereby declare that to the best of my knowledge and belief, the information contained in this report is true, accurate and complete and there are no other matters concealed the omission of which shall adversely affect the informed investment decision by the investors.

Puneet Varshney

Chief Executive Officer

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