

Coca-Cola BOTTLEERS NEPAL
(TERAI) LIMITED

(Authorized Bottler of The Coca-Cola Company)

Gondrang, Bharatpur-9 Chitwan, Nepal

Unaudited Financial Results (Quarterly)

As at the end of Second Quarter (13/01/2021) of the Fiscal Year 2077/78 (FY 2020-2021)

NPR in Thousand

S.N	Particulars	As on date 13.01.2021 (Unaudited)		As on date 14.01.2020 (Unaudited)	
A	ASSETS				
	Non-Current Assets				
	Intangible Assets	42,506		56,015	
	Property, Plant and Equipment	6,005,061		6,425,857	
	Financial Assets				
	Advances	11,825		11,148	
	Current Assets				
	Non Financial Assets				
	Inventories	795,622		1,047,023	
	Prepayments	94,482		68,158	
	Advances	354,449		517,151	
	Income Tax Receivable	5,409		-	
	Other Current Assets	24,991		59,557	
	Financial Assets				
	Other Current Assets	2,381		2,018	
	Trade receivables	74,580		100,433	
	Cash and cash equivalents	197,431		259,278	
	Total Assets	7,608,737		8,546,638	
B	EQUITY AND LIABILITIES				
	Equity				
	Equity Share Capital	121,000		121,000	
	Reserve and Surplus	2,068,156		2,387,592	
	Non-current liabilities				
	Retirement Benefit Obligation	527,887		477,030	
	Deferred Tax Liability	154,295		116,346	
	Financial Liabilities				
	Non current Borrowing	1,700,407		2,131,240	
	Current Liabilities				
	Financial Liabilities				
	Borrowings	1,766,172		1,561,247	
	Trade payables	333,270		900,290	
	Other Financial Liabilities	901,041		767,283	
	Non Financial Liabilities	36,509		66,492	
	Income Tax Payable	-		18,118	
	Total Equity and Liabilities	7,608,737		8,546,638	
C	Profit and Loss Account	Current Period		Previous Period	
		17.10.2020 to 13.01.2021 (3 Month)	16.07.2020 to 13.01.2021 (6 Month)	18.10.2019 to 14.01.2020 (3 Month)	17.07.2019 to 14.01.2020 (6 Month)
	Revenue from operations	708,280	2,552,461	658,386	2,717,909
	Cost of sales	(691,359)	(1,807,030)	(628,346)	(1,897,538)
	Gross Profit	16,920	745,432	30,040	820,371
	Other operating income	9,980	29,561	86,939	125,084
	Selling and distribution expenses	(185,467)	(439,132)	(126,918)	(441,336)
	Administrative and operating expenses	(55,320)	(123,772)	(24,752)	(101,616)
	Profit from Operations	(213,887)	212,089	(34,691)	402,503
	Finance Costs	(75,302)	(146,057)	(25,379)	(73,735)
	Finance Income	1,891	5,450	6,123	9,713
	Profit Before Tax	(287,298)	71,482	(53,947)	338,480
	Income Tax Expense				
	Current Tax	-	(11,437)	(17,610)	(42,882)
	Prior period tax adjustments	-	-	-	(10,176)
	Deferred Tax	(21,750)	(37,949)	14,489	(42,203)
	Net Profit	(309,048)	22,095	(57,069)	243,220
D	Major Indicators	16.07.2020 to 13.01.2021 (6 Month)	Annualized	17.07.2019 to 14.01.2020 (6 Month)	Annualized
	1. Earnings per Share (NPR)	18	37	201	402
	2. Market Value Per Share (NPR)	8,976	8,976	6,140	6,140
	3. Price Earnings Ratio	492	246	31	15
	4. Current Ratio	0.51		0.62	
	5 Return on Equity	1%	2%	10%	19%
	6. Return on Total Assets	0.3%	1%	3%	6%
	7. Net Worth Per Share (NPR)	1,809		2,073	

Note:

- Figures are regrouped wherever necessary for consistent presentation and comparison.
- Above presented figures may vary with the audited figures if amended by the external auditors and/or regulator.
- Quarterly earnings per share, Price earning ratio, return on equity, return on total assets and net worth per share are calculated based on quarterly unaudited profits and number of equity shares outstanding at the reporting date and Annualized earnings per share, Price earning ratio, return on equity, return on total assets and net worth per share are calculated based on annualized unaudited profits and number of equity shares outstanding at the reporting date. Annualized ratios are calculated on the basis of accumulated Second Quarter profit (Q2 YTD).

E Related Party Disclosure
During the period, the following related party transactions occurred:

Particulars	NPR in Thousand
Purchase of Concentrate from Pacific Refreshments Pte. Ltd.	414,694
Transfer fee payable to BNL	33,283
Transfer fee receivable from BNL	22,291

F Management Analysis
a) Plant remain closed from 16 August to 16 September for 1 month in compliance with order from local authorities for second lockdown to curb COVID-19 pandemic impact. This resulted in volume drop of 14%. Similarly interest cost has increased with term loan utilization for new line. Consequently the Profit after tax has decreased by NPR 221 MM at the end of Second quarter over previous year same period.
b) The company is continuously working on upgrading IT infrastructure, enhancing transactions security, automating work processes, enhancing productivity.

G Details Related to Legal Proceedings
In relation to the decision of termination of former employee. The case is filed at labor court against Bottlers Nepal (Terai) Limited and Chief Executive Officer (CEO) during the quarter

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	11,440
Minimum Price	6,490
Closing Price	8,976
No. of Trades	23,913
Days of Trading	54

I Risks and Challenges
Internal Problem & Challenges
Rise in cost of operations and reduced efficiency in business due to the Pandemic.
Rural distribution at effective cost.
External Problem & Challenges
Market and economic recovery in progress from COVID 19.
Fluctuation in Foreign Exchange impacting material 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 Board Meeting on 11th November 2020 and 6th January 2021, Audit Committee Meeting on 10th November 2020, Risk Management Committee Meeting on 6th January 2021 and Annual General Meeting on 6th January 2021

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

Pradip Pandey
Chief Executive Officer
Date: 8th February, 2021 (26th Magh, 2077)