

**BOTTLERS NEPAL
LIMITED**

**47TH
ANNUAL REPORT
(2081-2082)**

सतवालिसौं वार्षिक प्रतिवेदन (२०८१-२०८२)



Coca-Cola
Real Magic™

हरेक Bite
Coke. छ Side

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**बोटलर्स नेपाल लिमिटेडका शेयरधनी महानुभावहरुलाई
४७औं वार्षिक साधारण सभाको सूचना**

मिति २०८२ साल मंसिर १० गते, बुधबार (तदनुसार २६ नोभेम्बर, २०२५) बसेको संचालक समितिको बैठकको निर्णय अनुसार यस कम्पनीको ४७औं वार्षिक साधारण सभा निम्न लिखित मिति, स्थान तथा समयमा तपसिलका विषयहरु उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सम्बन्धित सबै शेयरधनी महानुभावहरुलाई जानकारी तथा उपस्थितिको लागि यो सूचना प्रकाशित गरिएको छ ।

मिति, समय र स्थान :

मिति : २०८२ साल पौष २३ गते (तदनुसार ७ जनवरी, २०२६)

समय : दिउसो ३ बजे ।

स्थान : याक एण्ड यति होटल, दरबारमार्ग, काठमाण्डौ ।

छलफलका विषय सूची :

१. सामान्य प्रस्ताव :

- (क) आर्थिक वर्ष २०८१/८२ को संचालक समितिको वार्षिक प्रतिवेदन पारित गर्ने ।
- (ख) प्रबन्ध संचालकको पारिश्रमिक तथा अन्य सुविधा उपर छलफल गरी पारित गर्ने ।
- (ग) संचालक समितिको बैठकबाट निर्णय भएबमोजिम स्वतन्त्र संचालकका रुपमा ४ वर्षका लागि नियुक्त श्री सिद्धान्त राज पाण्डेको नियुक्तिलाई स्वीकृत गर्ने ।
- (घ) सर्वसाधारण शेयरधनीको प्रतिनिधित्व गर्ने सञ्चालक (संख्या १) को निर्वाचन गर्ने ।

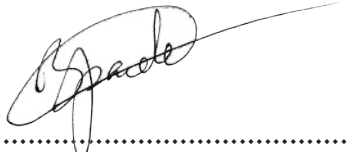
२. विशेष प्रस्ताव :

- (क) यस कम्पनीका सहायक कम्पनीहरु बोटलर्स नेपाल (तराई) लिमिटेड र ट्रोइका ट्रेडर्स प्रा.लि. समेतको सम्बत् २०८२ असार ३२ गते सम्मको वासलात, आ. व २०८१/८२ को आय विवरण, नाफा नोक्सान हिसाब तथा नगद प्रवाह विवरण सहितको लेखापरीक्षण भएको एकिकृत वित्तीय विवरण स्वीकृत गर्ने ।
- (ख) कम्पनी ऐन, २०६३ को दफा १११ बमोजिम आर्थिक वर्ष २०८१/८२ को लेखापरीक्षण गर्न लेखापरीक्षकको नियुक्ती गर्ने र निजको पारिश्रमिक स्वीकृत गर्ने ।
(श्री पि.के.एफ.टि.आर उपाध्याय एण्ड कम्पनी (फर्म रजिष्ट्रेशन नं. ०६) (सुमित्रा रिजाल, पार्टनर)लाई आर्थिक वर्ष २०८१/८२ को लेखापरीक्षण गर्न रु. ६३०,०००/- (अक्षरुपी रु छ लाख तीस हजार मात्र) पारिश्रमिक सहित लेखापरीक्षक नियुक्ति गर्ने प्रस्ताव गरिएको) ।

३. विविध ।

द्रष्टव्य : ४७औं वार्षिक साधारण सभालाई ध्यानमा राखी मिति २०८२/०९/११ (तदनुसार २६ डिसेम्बर, २०२५) गते कम्पनीको शेयर दाखिल खारेज दर्ता बन्द रहने जानकारी समेत यसै सूचनाद्वारा शेयरधनी महानुभावहरुमा सूचित गरिन्छ । नेपाल स्टक एक्सचेन्ज लिमिटेडमा मिति २०८२/०९/१० (तदनुसार २५ डिसेम्बर, २०२५) गते सम्म कारोबार भई म्यादभित्र यस कम्पनीको शेयर रजिष्ट्रार नबिल ईन्भेष्टमेन्ट बैंकिङ्ग लिमिटेडमा प्राप्त हुने शेयरधनीहरुलाई साधारण सभामा सहभागी गराइनेछ ।

संचालक समितिको निर्णयानुसार

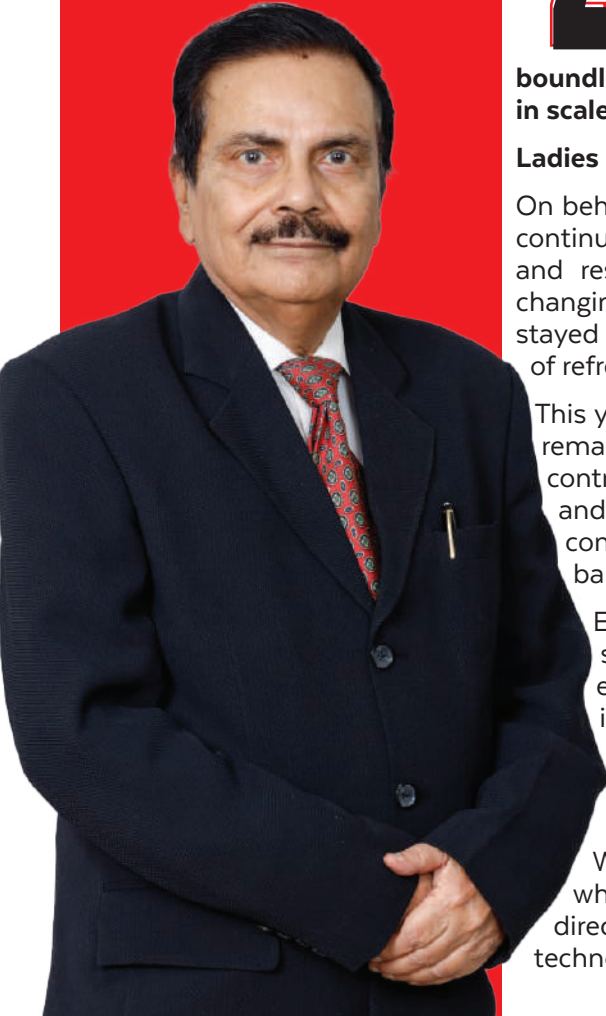


विश्वप्रकाश पौडेल
कम्पनी सचिव

साधारण सभा सम्बन्धी सामान्य जानकारी

- कम्पनीको वार्षिक प्रतिवेदन, प्रतिनिधि (प्रोक्सी) फारम तथा वार्षिक साधारण सभासँग सम्बन्धित अन्य कागजातहरू कम्पनीको अभिलेखमा रहेको शेयरधनी महानुभावहरूको ठेगानामा हुलाकबाट छुट्टै प्रेषित गरिनेछ । कुनै कारणवश कुनै शेयरधनी महानुभावले वार्षिक प्रतिवेदन प्राप्त नगरेको खण्डमा कम्पनीको रजिष्टर्ड कार्यालय, बालाजु औद्योगिक क्षेत्र, बालाजु, काठमाडौंमा सम्पर्क गर्न सक्नुहुनेछ वा उक्त वार्षिक प्रतिवेदन र प्रोक्सी फारम कम्पनीको वेवसाईट www.bnl.com.np बाट अध्ययन गर्न सकिने छ ।
- सभामा भाग लिन चाहने महानुभावहरूले प्रवेश पत्र वा शेयर प्रमाणपत्र/**BOID** (हितग्राही प्रमाण खाता नम्बर) 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 हुन अनुरोध गरिएको छ ।
- सभामा कुनै प्रश्न/सल्लाह/सुझाव राख्न चाहनुहुने शेयरधनी महानुभावले सभा सुरु हुनु भन्दा कम्तीमा ४८ घण्टा अगावै investorrelations@cooca-cola.com.np मा इमेलमा अनुरोध गर्नु पर्नेछ ।
- कुनै अर्को शेयरधनीको प्रतिनिधि (प्रोक्सी) को रूपमा भाग लिन र मतदान गर्न चाहने शेयरधनीले सभा हुनु भन्दा कम्तीमा ४८ घण्टा अगावै प्रोक्सी फारम इमेल मार्फत sumesh.pandey@nabilinvest.com.np वा नविल इन्भेष्टमेन्ट बैंकिङ्ग लिमिटेड, नारायणचौर, नक्साल (कम्पनीको शेयर रजिष्ट्रार) मा पेश गर्नु पर्नेछ ।
- सभामा उपस्थित हुनको लागि कुनै एक शेयरधनीको तर्फबाट एक भन्दा बढी व्यक्तिहरूको नाममा प्रोक्सी नियुक्त भएमा सबैभन्दा पछिल्लो मितिमा नियुक्त गरिएको प्रोक्सीले सभामा उपस्थित हुन र मतदान गर्न पाउने छ । कुनै शेयरधनीले एकै मितिमा एक भन्दा बढी प्रोक्सी नियुक्त गरेमा सबै भन्दा 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 धारण गरेको 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 ।
- अन्य कुनै जानकारीको लागि कृपया कम्पनीको रजिष्टर्ड कार्यालय बालाजु, काठमाडौंमा अथवा फोन नं. ४३५२२९४ वा ४३५२९८८ ext. २१६ वा २१७ वा हाम्रो शेयर रजिष्ट्रार कार्यालय, नविल इन्भेष्टमेन्ट बैंकिङ्ग लिमिटेड, नारायणचौर, नक्साल, फोन नं. ४५११६०४ ext. ११६ वा १४३ मा सम्पर्क गर्नु होला ।

MESSAGE FROM THE CHAIRPERSON



As we reflect on our journey of nearly five decades, I am encouraged not just by how far we have come, but by the boundless opportunities that lie ahead. Bottlers Nepal is not only growing in scale but evolving in purpose, innovation, and responsibility.”

Ladies and gentlemen, esteemed shareholders, and valued stakeholders,

On behalf of the Board of Directors, I extend my sincere gratitude for your continued trust and partnership. Fiscal Year 2081/82 was a year of progress and resilience. Despite economic uncertainty, rising operational costs, changing consumer preferences, and climate-related challenges, our teams stayed resilient and focused on our core vision to make Nepali’s first choice of refreshment available within easy reach.

This year, the Board maintained strong oversight to ensure the company remains ready for the future. We strengthened governance and internal controls, advanced our digital transformation, prioritized sustainability, and drove innovation in our products and consumer engagement. Our commitment remains clear i.e. to achieve responsible growth that balances profitability, sustainability, and community well-being.

Even amid external challenges and supply chain pressures, we sustained our market leadership and improved operational efficiency. We expanded our distribution network, reaching deeper into rural and semi-urban markets through our Mountain-based Projects. We also made meaningful progress in water conservation, energy efficiency, and waste management, reaffirming our promise to “Grow with Purpose.”

We are privileged to work with a strengthened and diverse Board whose insights and experience continue to guide our strategic direction. Their expertise in business, finance, manufacturing, law, and technology has been invaluable in shaping our progress and purpose.

Dividend

After careful consideration, the Board has decided not to declare a dividend this year. This decision enables us to reinvest in capacity expansion, digital transformation, and sustainable initiatives which will create greater long-term value for our shareholders.

Our priorities for the coming year include introducing innovative beverages that meet evolving consumer preferences, strengthening community partnerships with a focus on women’s empowerment and waste management, and enhancing our capabilities through technology, data-driven insights, and talent development.

Our journey ahead will be defined by resilience, responsible leadership, and collaboration.

I extend my heartfelt appreciation to my fellow Board members for their vision and guidance. I also thank our leadership team, employees, partners, distributors, and retailers whose dedication drives our progress each day. Most importantly, I express deep gratitude to our shareholders and consumers for their trust and unwavering support.

Together, we will continue to refresh Nepal and make a lasting difference.

A handwritten signature in black ink, appearing to read 'Narmadeshwar Nayaran Singh'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal dotted line.

Narmadeshwar Nayaran Singh
Chairperson of the Board

MESSAGE FROM THE MANAGING DIRECTOR



To our valued shareholders and esteemed internal and external stakeholders,

As we reflect on the year FY 2081-82, I extend my sincere appreciation for your continued trust, partnership. We appreciate your unwavering support for our cause, to refresh our consumers while creating lasting value for our customers and shareholders. This cause is supported by our core pillars: iconic brands, world-class execution, talented & passionate people, all delivered responsibly and with our commitment to sustainability.

During FY 2081-82, Bottlers Nepal Limited continued to navigate a complex and challenging external environment. Outward migration of youth, lower relative affordability of products driven by higher input costs leading to higher consumer pricing. Unpredictable weather is another challenge that impacted the growth of our business. At the same time we continue to have strong belief in the long-term potential of Nepal as a market, owing to lower per-capita consumption of Non-Alcoholic Ready to Drink (NARTD) products, young population and a stable & growing economy.

In this over-arching context in year FY 2081-82, we have delivered volume growth, despite inclement weather in peak season months, reflecting both the strength of our brands and the trust our consumers place in us. However, this volume growth could not be translated into revenue due to reduced realizations driven by price and promotions which were executed to improve affordability of our products. At the same time we continued our journey of disciplined cost management which helped us offset to a great extent decline in revenue realizations that protected operating profitability. However, profit after tax declined vs prior year as we availed tax amnesty via section 30 of Finance Bill 2025 albeit under protest for subsidiary BNTL.

Looking ahead, we continue to believe in the future of Nepal as a market and are optimistic about the year FY 2082-83 driven by a strengthened brand portfolio, adoption of prudent pack-price and promotional strategies, rapid expansion of our reach, chilled capacity and continued cost optimization across the value chain. People are our key assets and we take pride in having one of the highest sustainable engagement levels in Nepal as per our Employee Insights Survey conducted in September 2025. We will continue investing in our people to boost our capabilities in critical areas that drive disproportionate impact for our business.

We are already seeing strong outcomes with this approach in FY Q1-2082-83 delivering significant improvements in top-line and bottom-line performance.

Our commitment to responsible, transparent, and accountable governance remains at the heart of how we operate. We will continue scaling our community-centered initiatives, investing in water stewardship, and expanding PET- waste collection and recycling efforts that supports our goal of creating circular economy while also empowering over 5000 women retailers through our program Saksham.

Looking to FY 2082-83, we remain focused on listening to our consumers, anticipating market trends, and strengthening our bespoke capabilities even further. With the dedication of our teams and the support of our partners, I am confident that we will scale new heights, open more moments of refreshment, and create an even better shared future for all.

Thank you once again for the trust, commitment, and belief you have put behind our company and our cause.

.....
Ajay Chanbasappa Konale
Managing Director
Bottlers Nepal Limited

SOME GLIMPSE OF 46TH ANNUAL GENERAL MEETING



OUR COMPANY

COMPANY PROFILE

Bottlers Nepal Limited (hereinafter referred to as the “Company” or “BNL”) is a Public Limited Company with a proud legacy of over 47 years of operations in Nepal. The Company’s shares are listed with the Nepal Stock Exchange Limited (NEPSE), and a majority of its shares are held by M/s Coca-Cola Southwest Asia Holdings Limited (formerly known as Coca-Cola SABCO (Asia) Limited). Bottlers Nepal Limited, and its subsidiaries Bottlers Nepal (Terai) Limited (BNTL) and Troika Traders Private Limited (TTPL) (hereinafter referred to as the “Group”), continues to be the authorized bottler and distributor of “The Coca-Cola Company” (TCCC) in Nepal. The Group is engaged in production, manufacture, sale, distribution, and supply of non-alcoholic beverages and packaged drinking water under globally loved brand names as Coca-Cola®, Sprite®, Fanta®, Coke Zero®, and Kinley®.

Over nearly five decades, the Group has built a reputation for excellence, innovation, and sustainability, founded on deep consumer insights and consistent value creation. In FY 2081/82, we continued to strengthen our market position despite a dynamic business environment. Our focus on operational efficiency, digital transformation, sustainability, and community impact allowed us to remain resilient and forward-looking. High standards of Corporate Governance, strong technical credentials, prudent risk management approach, a culture of dedication and a strong distribution network have been the key driving forces of the Group. The Group is considered as one of the most prestigious multinational companies in Nepal

We believe that the success of the Group is guided by a simple but powerful belief: connecting with consumers by offering a choice of refreshing beverages that fit every taste, lifestyle, and occasion. 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.

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



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



STRATEGIC GOALS OF THE COMPANY

Our Strategy to Lead Growth and Sustainability

As one of the most trusted and established FMCG leaders in the country, we continue to embrace our commitment to driving sustainable growth and transformation. Building on our legacy, we are committed to evolving our business model to meet the changing needs of consumers, communities, and the marketplace.

With a forward-looking approach, we are strengthening our foundations to remain competitive, inclusive, and future-ready.

Our people remain at the core of our success. Our employees remain our greatest strength. We invest in their development, encourage open communication, and foster a culture where everyone can grow and contribute to shared success.

We uphold the highest standards of quality and safety. Through operational excellence and world-class manufacturing practices, we strive to set industry benchmarks and consistently deliver superior products to our consumers. We are committed to maintaining excellence in products, safety, and environmental performance.

We focus on efficiency and sustainable growth. Through process improvements and resource optimization, we aim to enhance productivity while minimizing our environmental footprint. Our triple bottom line approach ensures balanced progress for people, planet, and profit.

Digital transformation remains a key pillar of our growth. We are advancing data-driven decision-making, optimizing our supply chain, and building stronger partnerships with our distributors and retailers through technology-enabled insights and real-time connectivity.

We remain committed to our communities and our nation. From supporting local communities to promoting environmental conservation and circular economy initiatives, we aim to create long-term shared value for all our stakeholders.

At the core of our operations is an unwavering commitment to community and sustainability, as we strive to create lasting positive impact and give back to the nation we have proudly served for over 47 years.

CORE VALUES AND ETHICAL PRINCIPLES



Leadership

The courage to shape a better future



Teamwork

Working together to support and inspire each other to win



Empowerment

Decisions are made at the lowest appropriate level



Passion for winning

Committed in heart and mind



Integrity

Be real



Citizenship

Commitment to local stakeholders by consistent engagement and environmental practices



Accountability

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

ETHICAL PRINCIPLES

We have a long-standing commitment to doing business with integrity which means avoiding corruption in any form, including bribery and complying with the anti-bribery corruption laws.

The Code of Business Conduct and Anti- Bribery Policy provide us with guidance on how to conduct business in a fair, ethical and legal manner. All associates of the company are bound to follow the precepts of the Company's Code of Business Conduct, which includes anti-corruption expectations for all employees.



THE COCA-COLA COMPANY
beverages for life

INTEGRITY
the essential ingredient

BOARD OF DIRECTORS



**MR. NARMADESHWAR
NARAYAN SINGH**
(CHAIRPERSON)

Appointed: 12th January, 2022

Nationality: Nepali

Qualifications: Mr. Singh holds the degree of Master of Arts in Political Science from India. He has total experience of over 50 years in various fields. He has been associated with the Company for more than 50 years. He is also the Chairperson in Bottlers Nepal (Terai) Limited, a subsidiary of Bottlers Nepal Limited.



**MR. AJAY CHANBASAPPA
KONALE**
(MANAGING DIRECTOR)

Appointed: 9th July, 2025

Nationality: Indian

Qualifications: Mr. Konale is a highly accomplished professional with a Bachelor's degree in Engineering and a Postgraduate MBA. He brings to the table over 25 years of experience in his field throughout his career. He is the Chief Executive Officer in Bottlers Nepal (Terai) Limited, a subsidiary of Bottlers Nepal Limited.



MS. SHALINI RATWATTE
(DIRECTOR)

Appointed: 18th September, 2024

Nationality: Sri-Lankan

Qualifications: Ms. Shalini Ratwatte holds a Bachelor of Laws and is an Attorney-at-Law graduating from the Sri Lanka Law College. She has over 26 years of experience. She is also a director in Bottlers Nepal (Terai) Limited, a subsidiary of Bottlers Nepal Limited.

“Our Board of Directors serves as the compass that guides the organization forward which is anchored in trust, driven by purpose, and united in our commitment to create enduring value for all stakeholders.”

MR. NARMADESHWAR NARAYAN SINGH
(Chairperson)

BOARD OF DIRECTORS



**MR. KARAN
VIJAYKUMAR
ACHPAL**
(DIRECTOR)

Appointed: 10th
January, 2025

Nationality: Indian

Qualifications:

Mr. Achpal holds a Master of Business Administration (MBA) in Finance and a Bachelor's degree in Mechanical Engineering. He has over 16 years of global experience with The Coca-Cola Company. He is also a Director of Bottlers Nepal (Terai) Limited, a subsidiary of Bottlers Nepal Limited.



MR. SUNIL LOBO
(DIRECTOR)

Appointed: 11th
June, 2025

Nationality: Indian

Qualifications

Mr. Lobo holds an Executive MBA in General Management Post Graduation in Management Studies and Bachelor's degree in Commerce. He has over 25 years of extensive experience. He is also a Director in Bottlers Nepal (Terai) Limited, a subsidiary of Bottlers Nepal Limited.



MR. ARUN ADHIKARY
(DIRECTOR)

Appointed: 10th
January, 2025

Nationality: Nepali

Qualifications:

Mr. Arun Adhikary holds a Master of Advanced Management from the Yale School of Management, an MBA in Finance and a Bachelor of Science in Marketing. He has over 17 years of experience. He is also a Director in Bottlers Nepal (Terai) Limited, its subsidiary Company. He holds the position of Managing Director at Gorkha Brewery Private Limited.



MR. AMAR BAIDYA
(ALTERNATIVE DIRECTOR
TO MR. ARUN ADHIKARY)

Appointed: 10th
January, 2025

Nationality: Nepali

Qualifications:

Mr. Baidya has a MBA from Kathmandu University with over 18 years of experience in the beverage and consumer good industries.

MANAGEMENT COMMITTEE

The overall company management is led by the Managing Director and the Country Leadership Team. The name and designation of the senior Management Team are as detailed as below:



AJAY CHANBASAPPA KONALE
(MANAGING DIRECTOR)



REDWIN A. DUAY
(FINANCE DIRECTOR)



BISHNU BISTA
(HUMAN RESOURCES DIRECTOR)



SANJEEV SHRESTHA
(PLANT HEAD)



SNEH RAJBHANDARI
(PACS DIRECTOR)



UTTAM KARMAKAR
(COMMERCIAL DIRECTOR)

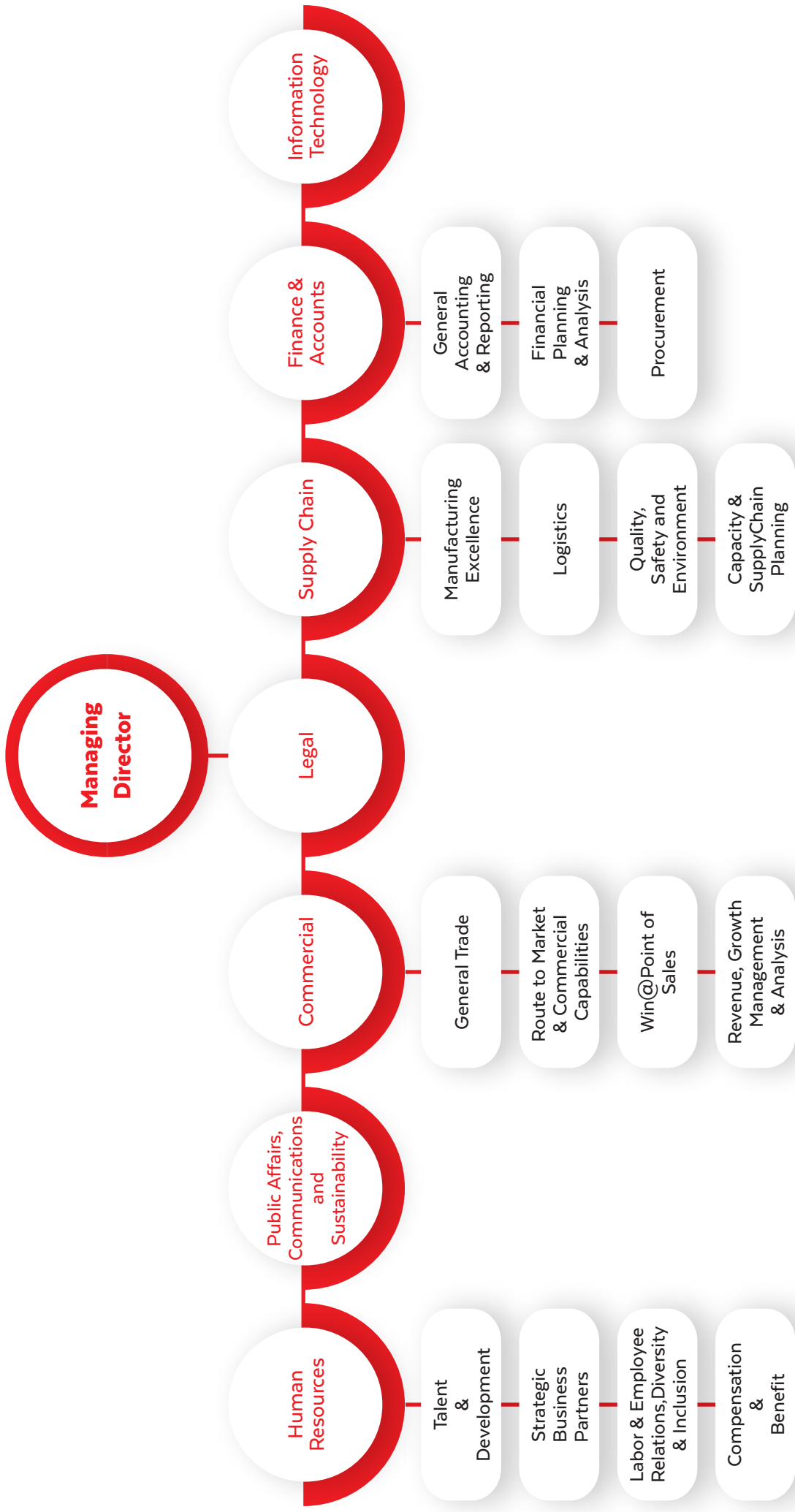


SHYAM CHAND
(HEAD OF IT)



BISHWA PRAKASH POUDEL
(COMPANY SECRETARY/
HEAD OF LEGAL)

ORGANIZATIONAL STRUCTURE



Note: The Organization Structure as depicted above keeps evolving according to the needs and strategies of the organization.

BUSINESS OVERVIEW

We are well-positioned for sustainable growth.

Leading the Transformation of the Non-Alcoholic Ready-to-Drink Category

We are firmly positioned as the forefront leader of Nepal's fast-evolving Non-Alcoholic Ready-to-Drink (NARTD) category. With our bottling facilities strategically located in Kathmandu, we continue to strengthen our leadership by managing operations responsibly, efficiently, and sustainably. We are guided by a clear vision and a deep sense of purpose, we strive to create enduring value for our customers, consumers, shareholders, and the communities we serve. Our focus remains on driving growth through innovation, operational excellence, and responsible business practices. We lead by example, championing quality, sustainability, and shared value creation across every aspect of our business.

The strongest, broadest portfolio of brands, anchored around an exceptional partnership with The Coca-Cola Company

Our success is powered by a diverse and resilient portfolio of world-renowned beverage brands, produced and distributed in close collaboration with The Coca-Cola Company. Through this enduring partnership, we proudly bring some of the most recognized and beloved brands such as Coca-Cola®, Sprite®, Fanta®, Coke Zero®, Fanta Lemon®, Sprite Zero® and Kinley®, to our consumers across Nepal. Our Sparkling portfolio reflects the changing preferences of modern consumers, evolving through innovative zero-sugar variants, single-serve packs, and new flavor introductions designed to offer both choice and refreshment. This spirit of innovation keeps our brands relevant and our market position strong amid shifting consumer trends.

Excellent capability to execute in the market

Our strength lies in our ability to execute with precision and agility in the marketplace. Building and maintaining strong partnerships with our customers remains central to our success. By collaborating closely to understand evolving consumer needs, we create solutions that drive mutual growth, expanding both our business and that of our customers.

We employ strategic market segmentation to identify the most efficient and effective methods of serving each outlet, ensuring optimal distribution and product availability. Our commitment to excellence extends across the value chain from logistics and delivery to marketplace execution and sustainability initiatives.

We continue to build our team capabilities at all levels and, most importantly, we foster a performance growth culture. Additionally, we are accelerating digitization in commercial areas, including distributor management systems, sales force automation, and the development of our eB2B digital platforms.

Creating Shared Value Through Sustainable Business Practices

We recognize that sustainable growth is possible only when it delivers shared value for all our stakeholders, employees, customers, consumers, and the communities we serve. Over the past decade, we have progressively embedded corporate social responsibility and sustainability principles into our operations, ensuring that every decision contributes to long-term resilience and value creation. The company established a business resilience program which further enhances our capacity to anticipate, manage, and mitigate risks, building adaptability and preparedness into our organization. Sustainability, for us, is not a standalone goal but an ongoing commitment integrated into every aspect of our business management.

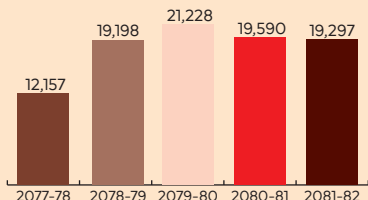
Driving Operational Efficiency Through a Lean Manufacturing Footprint

The company has been able to cater to the increased market demand through its existing manufacturing plants through efficient manufacturing operations. Our commitment to operational excellence allows us to continuously optimize production, reduce waste, and improve energy efficiency. Looking ahead, we see significant potential to further enhance manufacturing capabilities and operational sustainability. With a focus on green industry practices, we are advancing our journey toward becoming a model of environmental responsibility in Nepal's beverage sector. By integrating cleaner technologies and sustainable resource management, we aim to minimize our environmental footprint while delivering consistent product quality and long-term value.

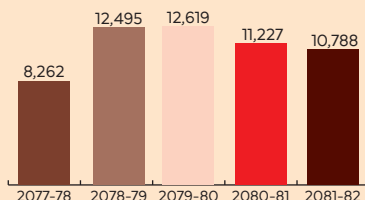
PERFORMANCE HIGHLIGHTS



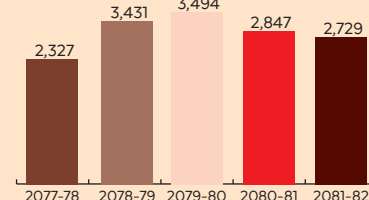
GROSS SALES REVENUE
(NPR in MM)



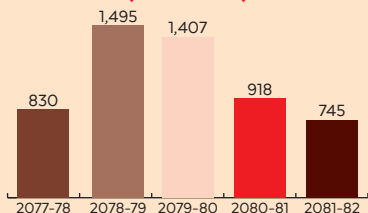
NET REVENUE
(NPR in MM)



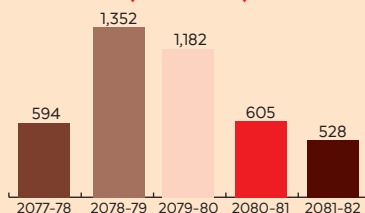
GROSS PROFIT
(NPR in MM)



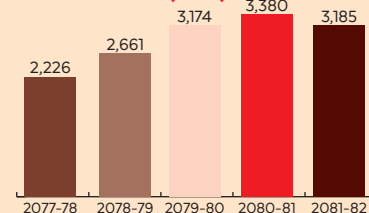
OPERATING PROFIT
(NPR in MM)



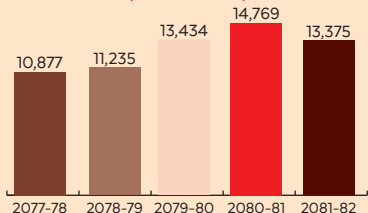
PROFIT BEFORE TAX
(NPR in MM)



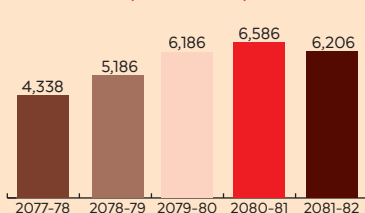
NET WORTH PER SHARE
(NPR)



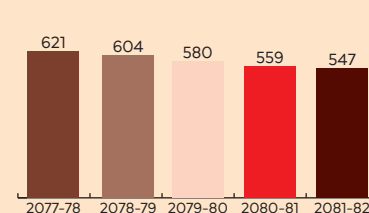
TOTAL ASSETS
(NPR in MM)



SHAREHOLDERS' EQUITY/NET ASSETS
(NPR in MM)



NO. OF EMPLOYEES



FINANCIAL ANALYSIS

Figures in NPR

Profit or Loss Items					
Particulars	For the year 2081-82	For the year 2080-81	For the year 2079-80	For the year 2078-79	For the year 2077-78
Revenue	10,787,541,013	11,227,148,346	12,619,245,618	12,494,945,922	8,261,507,604
Gross Profit	2,728,699,283	2,847,376,562	3,493,625,896	3,430,743,419	2,326,617,815
Earning before Interest, Depreciation and Tax (EBIDT)	1,632,083,186	1,805,423,862	2,256,154,965	2,373,010,315	1,654,621,173
Operating Profit	744,888,012	918,229,202	1,406,777,824	1,494,895,313	829,623,995
Profit Before Tax	528,174,817	604,975,863	1,181,698,101	1,351,882,683	593,845,262
Profit After Tax	(400,169,389)	383,006,713	978,109,837	822,994,284	478,928,403
Earning Per Share	(176)	180	472	393	226

Figures in NPR

Balance Sheet Items					
Particulars	Year Ended 2082	Year Ended 2081	Year Ended 2080	Year Ended 2079	Year Ended 2078
No. of Shares	1,948,887	1,948,887	1,948,887	1,948,887	1,948,887
Total Assets	13,374,654,115	14,769,129,947	13,433,505,962	11,235,028,941	10,876,679,267
Plant Property and Equipment	6,814,433,091	7,222,555,883	6,945,121,639	7,007,391,670	7,215,128,703
Current Assets	6,539,150,358	7,516,826,249	6,468,755,714	4,193,130,404	3,516,927,325
Net Current Assets	423,611,598	382,898,933	380,139,323	(93,061,092)	(850,675,283)
Long Term Liabilities	1,052,756,183	1,048,783,679	1,158,457,073	1,762,915,264	2,170,986,882
Current Liabilities	6,115,538,760	7,133,927,316	6,088,616,391	4,286,191,496	4,367,602,608
Long Term Borrowings	-	-	-	560,407,009	1,130,407,009
Debt	2,676,869,584	3,147,195,104	2,935,262,230	1,180,291,062	1,814,688,522
Shareholder Equity/ Net Assets	6,206,359,172	6,586,418,951	6,186,432,498	5,185,922,181	4,338,089,777
Capital Employed	7,259,115,355	7,635,202,630	7,344,889,571	6,948,837,445	6,509,076,659
Market Capitalization	34,101,624,726	30,607,270,335	4,505,826,744	3,784,543,665	3,566,463,210

Figures in NPR

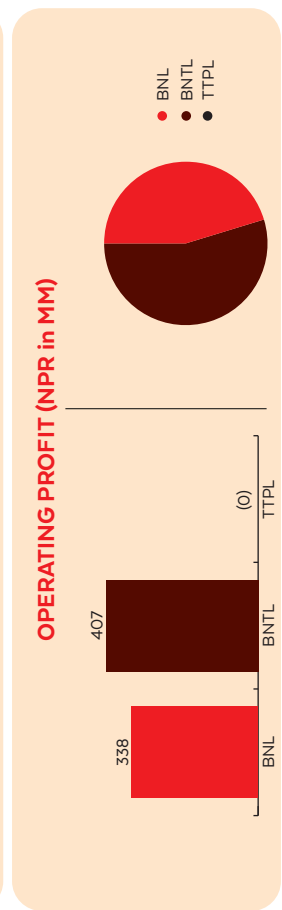
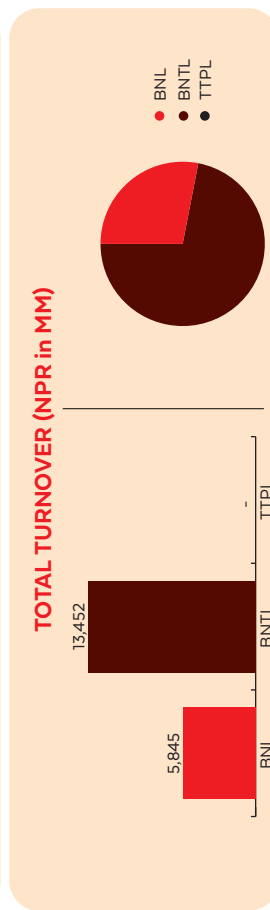
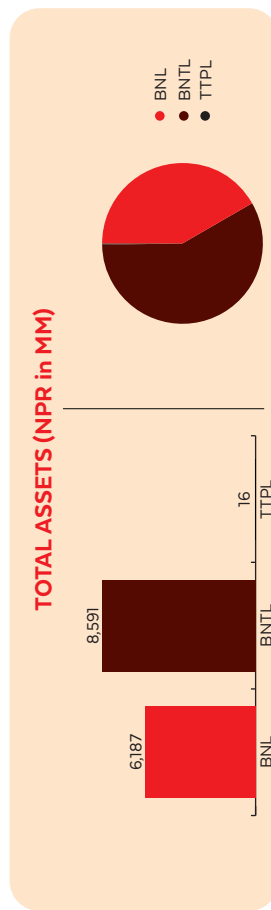
Ratio Analysis					
Particulars	Year Ended 2082	Year Ended 2081	Year Ended 2080	Year Ended 2079	Year Ended 2078
Gross Profit Ratio	25.3%	25.4%	27.7%	27.5%	28.2%
EBIDT Ratio	15.1%	16.1%	17.9%	19.0%	20.0%
Operating Profit Ratio	6.9%	8.2%	11.1%	12.0%	10.0%
Profit Before Tax Ratio	4.9%	5.4%	9.4%	10.8%	7.2%
Current Ratio	1.1	1.1	1.1	1.0	0.8
Debt Equity Ratio	0.4	0.5	0.5	0.2	0.4
Assets Turnover Ratio	0.8	0.8	0.9	1.1	0.8
Return on Equity	-6.4%	5.8%	15.8%	15.9%	11.0%
Return on Total Assets	-3.0%	2.6%	7.3%	7.3%	4.4%
Earning Per Share	-176	180	472	393	226
Market Value Per Share (NPR)	17,498	15,705	2,312	1,942	1,830
Price Earning Ratio	(99.3)	87.0	4.9	4.9	8.1
Net Worth Per Share/Return on Shareholders' Fund (NPR)	3,185	3,380	3,174	2,661	2,226
Return on Capital Employed	10.3%	12.0%	19.2%	21.5%	12.7%

SEGMENT REPORTING

FY 2081/82

Figures in NPR

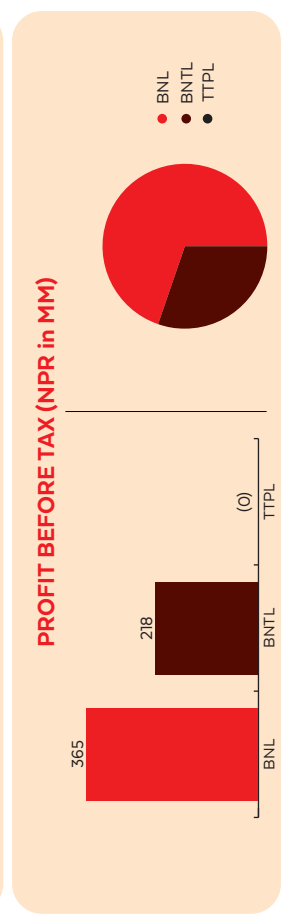
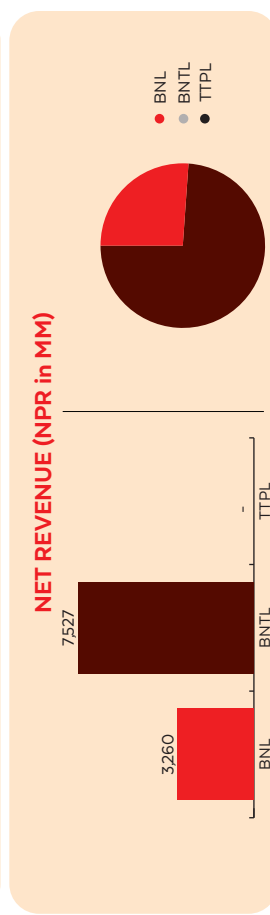
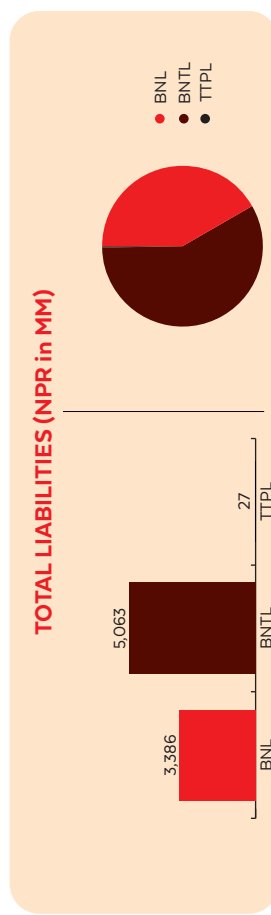
Particulars	BNL	BNTL	TTPL
Total Assets	6,187,375,944	8,590,887,936	15,991,436
Total Liabilities	3,386,063,449	5,063,115,964	27,508,797
Total Turnover	5,844,694,731	13,452,193,684	-
Total Revenue	3,260,153,029	7,527,387,984	-
Total Expenditure	2,991,290,684	8,141,326,118	170,000
Profit before Tax	364,846,146	218,422,271	(170,000)
Profit after Tax	268,862,345	(613,938,134)	(170,000)
Operating Profit	337,698,934	407,359,078	(170,000)



FY 2080/81

Figures in NPR

Particulars	BNL	BNTL	TTPL
Total Assets	6,146,341,012	10,096,512,669	15,981,036
Total Liabilities	3,614,839,381	5,919,606,773	27,328,397
Total Turnover	4,570,764,707	15,018,781,452	-
Total Revenue	2,455,850,922	8,771,297,424	-
Total Expenditure	2,337,093,054	8,431,615,798	86,160
Profit before Tax	231,969,403	448,439,241	(86,160)
Profit after Tax	118,757,868	339,681,626	(86,160)
Operating Profit	206,643,955	721,109,708	(86,160)



HORIZONTAL ANALYSIS OF BALANCE SHEET

Bottlers Nepal Limited (Group)

STATEMENT OF FINANCIAL POSITION

As at 31st Ashad, 2081 (15th July, 2024)

Financial Year	As at 32nd Ashad 2082		As at 31st Ashad 2081		As at 32nd Ashad 2079		As at 31st Ashad 2078	
	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage
Particulars								
ASSETS								
Non-current assets:								
Non Financial								
Intangible Assets	8,018,140	13%	15,180,637	24%	14,151,906	23%	62,514,990	100%
Property, Plant and Equipment	6,814,433,091	94%	7,222,555,883	100%	6,945,121,639	96%	7,215,128,703	100%
Deferred Tax Assets	-	0%	-	0%	-	0%	48,693,545	100%
Prepayments	-	0%	-	0%	-	0%	26,471,639	100%
Financial Assets								
Advances	13,052,525	188%	14,567,178	210%	5,476,703	79%	6,943,065	100%
Current Assets:								
Non Financial Assets								
Inventories	2,932,854,203	185%	3,620,055,622	228%	2,459,100,160	155%	1,585,860,277	100%
Prepayments	104,040,915	154%	83,245,952	123%	70,913,178	105%	67,565,967	100%
Advances	2,385,101,275	289%	2,480,344,751	301%	2,856,656,974	346%	825,394,151	100%
Other Current Assets	24,678,632		45,385,785		-		-	
Income Tax Receivable	53,416,011	350%	76,653,830	502%	112,668,011	738%	15,262,103	100%
Financial Assets								
Other Current Assets	84,311,002	317%	120,825,605	455%	124,872,161	470%	26,559,509	100%
Trade Receivables	909,833,798	183%	1,057,209,788	213%	779,497,088	157%	496,232,874	100%
Cash and Cash Equivalents	44,914,523	9%	33,104,915	7%	65,048,142	13%	500,052,444	100%
Total Assets	13,374,654,115	123%	14,769,129,947	136%	13,433,505,962	124%	10,876,679,267	100%
EQUITY AND LIABILITIES								
Equity:								
Equity Share Capital	194,888,700	100%	194,888,700	100%	194,888,700	100%	194,888,700	100%
Reserve and Surplus	5,682,125,623	146%	6,002,353,041	154%	5,629,165,620	145%	3,892,921,650	100%
Non Controlling Interest	329,344,484	132%	389,177,210	155%	362,378,179	145%	250,279,427	100%
Non-current Liabilities:								
Retirement Benefit Obligation		0%	63,288,008	0%	984,096,150	95%	1,040,579,873	100%
Deferred Tax Liability	63,777,660				80,836,143		-	
Financial Liabilities								
Non current Borrowing	907,637,290	80%	871,647,690	77%	-	0%	1,130,407,009	100%
Lease Liabilities	81,341,233		113,847,981		93,524,780		-	
Current Liabilities:								
Financial Liabilities								
Retirement Benefit Obligation	37,828,000	24%	99,238,000	62%	124,871,000	78%	160,381,000	100%
Borrowings	2,676,869,584	148%	3,147,195,104	173%	2,935,262,230	162%	1,814,688,522	100%
Trade Payables	1,517,828,271	220%	1,823,815,707	265%	1,025,403,486	149%	688,496,990	100%
Lease Liabilities	32,533,259		29,350,252		9,347,383		18,061,554	
Other Financial Liabilities	1,837,725,047	116%	1,962,373,327	124%	1,981,419,422	126%	1,578,352,583	100%
Non Financial Liabilities	12,754,599	11%	71,954,927	60%	12,312,869	10%	119,747,555	100%
Income Tax Payable	-	0%	-	0%	-	0%	5,935,958	100%
Total Equity and Liabilities	13,374,654,115	123%	14,769,129,947	136%	13,433,505,962	124%	10,876,679,267	100%

Figures in NPR

Elements are a percent of Base Year. Base Year is considered 31st Ashad 2078

HORIZONTAL ANALYSIS OF PROFIT OR LOSS

Bottlers Nepal Limited (Group)

STATEMENT OF PROFIT OR LOSS

For the year ended 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Financial Year	For the Year 2081-82		For the Year 2080-81		For the Year 2079-80		For the Year 2078-79		For the Year 2077-78	
	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage
Revenue from operations	10,787,541,013	131%	11,227,148,346	136%	12,619,245,618	153%	12,494,945,922	151%	8,261,507,604	100%
Cost of goods sold	(8,058,841,730)	136%	(8,379,771,784)	141%	(9,125,619,722)	154%	(9,064,202,503)	153%	(5,934,889,789)	100%
Gross Profit	2,728,699,283	117%	2,847,376,562	122%	3,493,625,896	150%	3,430,743,419	147%	2,326,617,815	100%
Other operating income	25,252,401	78%	151,277,734	469%	21,569,900	67%	29,046,117	90%	32,289,216	100%
Selling and distribution expenses	(1,479,440,730)	129%	(1,569,454,978)	137%	(1,623,440,980)	141%	(1,511,270,420)	132%	(1,148,910,793)	100%
Administrative and operating expenses	(529,622,942)	139%	(510,970,116)	134%	(484,976,992)	128%	(453,623,808)	119%	(380,372,243)	100%
Profit from Operations	744,888,012	90%	918,229,202	111%	1,406,777,824	170%	1,494,895,308	180%	829,623,995	100%
Finance Costs	(218,245,887)	85%	(315,971,904)	123%	(239,888,035)	93%	(169,485,273)	66%	(257,123,928)	100%
Finance Income	1,532,692	7%	2,718,565	13%	14,808,312	69%	26,472,648	124%	21,345,195	100%
Profit Before Tax	528,174,817	89%	604,975,863	102%	1,181,698,101	199%	1,351,882,683	228%	593,845,262	100%
Income Tax Expense										
Income Tax	(166,765,423)	188%	(213,075,943)	240%	(181,110,460)	204%	(170,057,211)	192%	(88,686,410)	100%
Prior period tax adjustments	(766,350,121)	9287%	(31,267,922)	379%	(11,443,260)	139%	(259,014,022)	3139%	(8,252,000)	100%
Deferred Tax	4,771,338	-27%	22,374,715	-124%	(11,034,544)	61%	(99,817,166)	555%	(17,978,449)	100%
Net Profit for the year	(400,169,389)	-84%	383,006,713	80%	978,109,837	204%	822,994,284	172%	478,928,403	100%
Owners of the Company	(343,581,091)	-78%	351,697,841	80%	919,253,585	209%	765,318,109	174%	439,888,870	100%
Non Controlling Interest	(56,588,298)	-145%	31,308,871	80%	58,856,252	151%	57,676,175	148%	39,039,533	100%

Elements are a percent of Base Year. Base Year is considered 2077-2078

VERTICAL ANALYSIS OF BALANCE SHEET

Bottlers Nepal Limited (Group)

STATEMENT OF FINANCIAL POSITION

As at 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Particulars	Financial Year		As at 32nd Ashad 2082		As at 31st Ashad 2081		As at 32nd Ashad 2080		As at 31st Ashad 2079		As at 31st Ashad 2078	
	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage
ASSETS												
Non-current assets:												
Non Financial												
Intangible Assets	8,018,140	0.1%	15,180,637	0.1%	14,151,906	0.1%	28,548,489	0.3%	62,514,990	0.6%	7,215,128,703	66.3%
Property, Plant and Equipment	6,814,433,091	51.0%	7,222,555,883	48.9%	6,945,121,639	51.7%	7,007,391,670	62.4%	48,693,545	0.4%	26,471,639	0.2%
Deferred Tax Assets	-		-		-		-		-		-	
Prepayments	-		-		-		-		-		-	
Financial Assets												
Advances	13,052,525	0.1%	14,567,178	0.1%	5,476,703	0.0%	5,958,378	0.1%	6,943,065	0.1%	-	
Current Assets:												
Non Financial Assets												
Inventories	2,932,854,203	21.9%	3,620,055,622	24.5%	2,459,100,160	18.3%	2,014,699,607	17.9%	1,585,860,277	14.6%	1,585,860,277	14.6%
Prepayments	104,040,915	0.8%	83,245,952	0.6%	70,913,178	0.5%	68,437,365	0.6%	67,565,967	0.6%	67,565,967	0.6%
Advances	2,385,101,275	17.8%	2,480,344,751	16.8%	2,856,656,974	21.3%	909,607,321	8.1%	825,394,151	7.6%	825,394,151	7.6%
Other Current Assets	24,678,632	0.2%	45,385,785	0.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Income Tax Receivable	53,416,011	0.4%	76,653,830	0.5%	112,668,011	0.8%	15,598,618	0.1%	15,262,103	0.1%	15,262,103	0.1%
Financial Assets												
Other Current Assets	84,311,002	0.6%	120,825,605	0.8%	124,872,161	0.9%	500,280,703	4.5%	26,559,509	0.2%	26,559,509	0.2%
Trade Receivables	909,833,798	6.8%	1,057,209,789	7.2%	779,497,088	5.8%	583,098,211	5.2%	496,232,874	4.6%	496,232,874	4.6%
Cash and Cash Equivalents	44,914,523	0.3%	33,104,915	0.2%	65,048,142	0.5%	101,408,579	0.9%	500,052,444	4.6%	500,052,444	4.6%
Total Assets	13,374,654,115		14,769,129,947	100.0%	13,433,505,962	100.0%	11,235,028,941	100.0%	10,876,679,267	100.0%	10,876,679,267	100.0%
EQUITY AND LIABILITIES												
Equity:												
Equity Share Capital	194,888,700	1.5%	194,888,700	1.3%	194,888,700	1.5%	194,888,700	1.7%	194,888,700	1.8%	194,888,700	1.8%
Reserve and Surplus	5,682,125,623	42.5%	6,002,353,041	40.6%	5,629,165,620	41.9%	4,683,132,850	41.7%	3,892,921,650	35.8%	3,892,921,650	35.8%
Non Controlling Interest	329,344,849	2.5%	389,177,210	2.6%	362,378,179	2.7%	307,900,631	2.7%	250,279,427	2.3%	250,279,427	2.3%
Non-current Liabilities:												
Retirement Benefit Obligation	63,777,660	0.5%	63,288,008	0.4%	984,096,150	7.3%	1,043,416,590	9.3%	1,040,579,873	9.6%	1,040,579,873	9.6%
Deferred Tax Liability	-		-		80,836,143	0.6%	56,219,501	0.6%	-	0.0%	-	0.0%
Financial Liabilities												
Non current Borrowing	907,637,290	6.8%	871,647,690	5.9%	-	0.0%	560,407,009	5.0%	1,130,407,009	10.4%	1,130,407,009	10.4%
Lease Liabilities	81,341,233	0.6%	113,847,981	0.8%	93,524,780	0.7%	102,872,164	0.7%	102,872,164	0.7%	102,872,164	0.7%
Current Liabilities:												
Financial Liabilities												
Retirement Benefit Obligation	37,828,000	0.3%	99,238,000	0.7%	124,871,000	0.9%	195,403,000	1.7%	160,381,000	1.5%	160,381,000	1.5%
Borrowings	2,676,869,584	20.0%	3,147,195,104	21.3%	2,935,262,230	21.9%	1,180,291,062	10.5%	1,814,688,522	16.7%	1,814,688,522	16.7%
Trade Payables	1,517,828,271	11.3%	1,823,815,707	12.3%	1,025,403,486	7.6%	1,144,431,039	10.2%	688,496,990	6.3%	688,496,990	6.3%
Lease Liabilities	32,533,259	0.2%	29,350,252	0.2%	9,347,383	0.1%	18,061,554	0.1%	18,061,554	0.1%	18,061,554	0.1%
Other Financial Liabilities	1,837,725,047	13.7%	1,962,373,327	13.3%	1,981,419,422	14.7%	1,672,614,879	14.9%	1,578,352,583	14.5%	1,578,352,583	14.5%
Non Financial Liabilities	12,754,599	0.1%	71,954,927	0.5%	12,312,869	0.1%	73,022,862	0.6%	119,747,555	1.1%	119,747,555	1.1%
Income Tax Payable	-		-		-		2,367,100	0.0%	5,935,958	0.1%	5,935,958	0.1%
Total Equity and Liabilities	13,374,654,115		14,769,129,947	100.0%	13,433,505,962	100.0%	11,235,028,941	100.0%	10,876,679,267	100.0%	10,876,679,267	100.0%

Elements are a percent of Total Assets.

VERTICAL ANALYSIS OF PROFIT OR LOSS

Bottlers Nepal Limited (Group)

STATEMENT OF PROFIT OR LOSS

As at 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Financial Year	As at 32nd Ashad 2082		As at 31st Ashad 2081		As at 32nd Ashad 2080		As at 31st Ashad 2079		As at 31st Ashad 2078	
	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage
Revenue from operations	10,787,541,013	100%	11,227,148,346	100%	12,619,245,618	100%	12,494,945,922	100%	8,261,507,604	100%
Cost of goods sold	(8,058,841,730)	-75%	(8,379,771,784)	-75%	(9,125,619,722)	-72%	(9,064,202,503)	-73%	(5,934,889,789)	-72%
Gross Profit	2,728,699,283	25%	2,847,376,562	25%	3,493,625,896	28%	3,430,743,419	27%	2,326,617,815	28%
Other operating income	25,252,401	0%	151,277,734	1%	21,569,900	0%	29,046,117	0%	32,289,216	0%
Selling and distribution expenses	(1,479,440,730)	-14%	(1,569,454,978)	-14%	(1,623,440,980)	-13%	(1,511,270,420)	-12%	(1,148,910,793)	-14%
Administrative and operating expenses	(529,622,942)	-5%	(510,970,116)	-5%	(484,976,992)	-4%	(453,623,808)	-4%	(380,372,243)	-5%
Profit from Operations	744,888,012	7%	918,229,202	8%	1,406,777,824	11%	1,494,895,308	12%	829,623,995	10%
Finance Costs	(218,245,887)	-2%	(315,971,904)	-3%	(239,888,035)	-2%	(169,485,273)	-1%	(257,123,928)	-3%
Finance Income	1,532,692	0%	2,718,565	0%	14,808,312	0%	26,472,648	0%	21,345,195	0%
Profit Before Tax	528,174,817	5%	604,975,863	5%	1,181,698,101	9%	1,351,882,683	11%	593,845,262	7%
Income Tax Expense										
Income Tax	(166,765,423)	-2%	(213,075,943)	-2%	(181,110,460)	-1%	(170,057,211)	-1%	(88,686,410)	-1%
Prior period tax adjustments	(766,350,121)	-7%	(31,267,922)	0%	(11,443,260)	0%	(259,014,022)	-2%	(8,252,000)	0%
Deferred Tax	4,771,338	0%	22,374,715	0%	(11,034,544)	0%	(99,817,166)	-1%	(17,978,449)	0%
Net Profit for the year	(400,169,389)	-4%	383,006,713	3%	978,109,837	8%	822,994,284	7%	478,928,403	6%
Owners of the Company	(343,581,091)	-3%	351,697,841	3%	919,253,585	7%	765,318,109	6%	439,888,870	5%
Non Controlling Interest	(56,588,298)	-1%	31,308,871	0%	58,856,252	0%	57,676,175	0%	39,039,533	0%

Elements are a percent of Net Revenue

MARKETING CAMPAIGNS

The Bottlers Nepal Limited (BNL) remains firmly committed to Responsible Marketing of its brands since establishment.

In 2081-82 as well, we continued to uphold our longstanding Global Responsible Marketing policy, which ensures that none of our brand marketing is directed towards children under the age of 13. This policy applies across various modes of communication/media such as television, or print, or social media or SMS/email marketing. In addition to responsible media placement, we also refrain from creating marketing materials that are designed to appeal to children under the age of 13, regardless of the platform.

Some of the major marketing campaigns we carried out during this FY are as per below:

“DRINK N WIN 2.0” CAMPAIGN (21ST JULY 2024-31ST OCTOBER 2024)

Building on the tremendous success of **DRINK N WIN 1.0**, the Company launched **DRINK N WIN 2.0** to further strengthen consumer engagement and brand affinity. This exciting promotion invites consumers to participate by checking under the crown of Coca-Cola returnable glass bottles to discover instant prizes. The concept is simple where consumers need to see the prize beneath the bottle cap and claim their reward on the spot. With prize amounts ranging from NPR 5 to a staggering NPR 1000, the campaign ensures that every sip brings a chance for instant gratification. Available on 175 ml and 250 ml RGB bottles, the campaign reinforced Coca-Cola’s commitment to delivering joyful and rewarding experiences for consumers across Nepal.



“250ML FREE WITH 2 LTR” BISHESH OFFER

The Company launched a promotional campaign offering a free 250ml pack with the purchase of every 2 ltr pack of Coca Cola with the theme “joy and togetherness”. This promotion aims to elevate ordinary moments into celebrations by pairing them with Coca-Cola beverages.



DASHAIN DHAMAKA OFFER

The Company launched a festive promotional campaign offering a free 250ml pack with every purchase of 2ltr & 2.25ltr pack of Coca Cola with the theme 'joy and togetherness' on the auspicious occasion of our biggest festival-Dashain. This promotion aims to elevate joy & excitement into festival celebrations by pairing them with Coca-Cola beverages.



NEW PRODUCT LAUNCHED: FANTA LEMON

The Company launched new product FANTA LEMON since 31st March 2025. This new flavor was introduced as an extension of our existing Fanta portfolio and is available in **250 ml**, **2 Liter**, and **2.25 Liter** pack sizes. It's a strategic addition to our product portfolio aimed at enhancing the on-the-go and at home dining experience for our consumers with new flavor. Further, this new flavor was introduced with attractive introductory offer price just Rs.199 and Rs. 250 for 2ltr & 2.25ltr pack size respectively i.e. positioned below the regular MRP for the same pack sizes.



175ML UPLIFT CAMPAIGN

The Company launched an extraordinary consumer campaign for the 175 ml RGB bottle, titled "FEELING BORED? भयापै Coke". This innovative campaign reflects the Company's ongoing commitment to **uplifting everyday moments** and delivering **exceptional refreshment and joy** to consumers.



"At Coca-Cola Beverages Nepal, our marketing and sales strategies are not just about refreshing beverages; they are about creating meaningful connections that elevate everyday moments into extraordinary experiences."- Uttam Karmakar



DIGITAL TRANSFORMATION

EB2B ORDERING SYSTEM

The Company has successfully launched a game-changing Chatbot eB2B ordering system, enrolling all active outlets on its platform. Retailers can now conveniently place orders through familiar digital platforms such as WhatsApp, Viber, and Messenger through this system. To further enhance customer experience, the Company is preparing to introduce the “Coke Buddy Nepal” mobile application, which is a one-stop digital platform offering 24/7 ordering, real-time purchase tracking, promotional alerts, and direct communication with the Company’s support team.

INTEGRATED DISTRIBUTOR MANAGEMENT SYSTEM (DMS)

The Company is in the process of revamping its existing Distributor Management System, with the enhanced capabilities of Sales force automation Mobile App integrated with DMS System with the belief that it will bring more operational convenience, accelerate business, and enhance productivity for the Company sales officer and PSR. This new system will also replace all the manual intervention and is a step towards the digital transformation that the Company has envisioned for future.

AUTOMATION AND ROBOTICS

The Company is advancing automation across its operations through the adoption of Robotic Process Automation platform. This transformation is part of a strategic initiative aims to streamline repetitive tasks, minimize errors, and enable employees to focus on higher-value, strategic work.

Bottlers Nepal has made significant progress in integrating Automation and Robotics across various facets of our operations. These technologies have become integral to our strategy, enabling us to enhance efficiency, reduce operational costs, and deliver superior products. These technologies are transforming how we operate and innovate, positioning the Company to stay competitive and agile in an increasingly digital and dynamic business environment.

DIGITIZED SUPPLY CHAIN

Our company continued to advance its supply chain capabilities through strategic investments in digital technologies. As part of our ongoing commitment to operational excellence, Quality control and customer satisfaction, we have successfully implemented a Digitized Supply Chain eFlow System that leverages cutting-edge tools and technologies. This transformation has not only streamlined our operations but also positioned us for integration to respond more effectively to market demands and disruptions.

The digitization of our supply chain has delivered significant benefits, including enhanced visibility, efficiency, and responsiveness, ensuring that the Company remains agile and well-positioned to meet customer demands. We are excited about the future and remain dedicated to driving continuous improvement through digital innovation.

SHUTTLE RACKING SYSTEM

We are proud to announce the successful installation of Shuttle Racking System in Kathmandu plant, a major leap toward warehouse automation and efficiency. The new system boosts storage capacity by 90%, cuts material handling time, and enhances safety and accuracy across operations. By replacing traditional storage with a semi-automated, high-density setup, we’ve optimized both space and manpower, setting a new standard for smart warehousing.



“We didn’t just build racks - we built speed, space, and a smarter way to move,” said Saurav Thapa, Project Manager, summing up the spirit of accomplishment with a smile.



HUMAN CAPITAL

Our Company remains committed to building a best-in-class organization by attracting, developing, and retaining high-caliber talent. We continue to focus on developing future-ready capabilities and fostering a growth mindset that enables our people to adapt to evolving business challenges and contribute meaningfully to the Company's success. We value teamwork and collaboration as key drivers of our achievements, and our success is built upon employees who align their personal aspirations with the Company's long-term vision.

We continuously strengthen our efforts in talent acquisition, retention, and capability development. Our learning and development approach encourages continuous learning, cross-functional exposure, and leadership readiness while empowering employees to identify and address their own development needs. We remain committed to nurturing a culture that promotes both individual excellence and collective performance.

We also prioritize the physical, mental, and emotional well-being of our employees. Through regular engagement initiatives, recognition programs, and structured development opportunities, we strive to create an environment where employees feel valued, motivated, and inspired to perform at their best. The Company continues to invest in diverse training and career development programs across all levels to build capabilities for the future.



EQUAL EMPLOYMENT OPPORTUNITY

Our Company remains committed to fair and merit-based recruitment guided by a structured Human Resource Plan that aligns with organizational needs. As an Equal Employment Opportunity employer, we ensure all candidates are evaluated objectively without bias related to race, gender, ethnicity, religion, language, or marital status. Our vision is to attract, nurture, and retain capable individuals, fostering a workplace where every team member can thrive and contribute collectively to shared success.

We take pride in our inclusive and multicultural workplace, where every employee is valued for their talent and respected for their individuality. We strive to sustain a positive, collaborative, and innovative-driven work culture that encourages mutual respect and teamwork.

Our ongoing focus is to provide a safe, inclusive, and empowering environment where all employees can grow, perform to their potential, and make meaningful contributions to the Company success.

CHILD LABOR

Our Company remains passionately committed to upholding human rights and promoting decent work practices across all operations. We have a zero-tolerance policy toward child labor and strictly prohibit the employment of individuals below 18 years of age in any of our workplaces. This principle is deeply embedded in our policies, procedures, and business practices across the Group. We continuously watch and assess our operations to ensure that there is no direct or indirect risk of child labor within our value chain.

FREEDOM OF ASSOCIATION

Our Company fully respects the freedom of association of all employees. Management is committed to engaging in constructive discussions and negotiations with employees who are unionized, ensuring their voices are heard and interests are represented. We actively promote an open-door policy to encourage transparent communication and collaboration across all levels. Currently, there are three unions operating collectively representing the interests of the employees, reinforcing our commitment to fair and participative employee relations.

WORKPLACE RIGHTS POLICY

Our Company's Workplace Rights Policy outlines clear principles and standards that define how we engage with and support our employees. It serves as a guiding framework to ensure fairness, respect, and equality in all aspects of employment. Regular audits are conducted to monitor adherence and reinforce compliance across our operations. The policy is aligned with the provisions of the national Labor Act, as well as internationally recognized human rights standards. We remain committed to maintaining an inclusive and respectful workplace that provides equal opportunities for employment, growth, and development—irrespective of race, gender, religion, or disability.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY

Our Company is committed to maintaining a workplace where every employee is treated with dignity, respect, and fairness. We strive to create an environment that enables professional growth, ensures equal opportunity, and upholds the highest standards of conduct. We have a strict zero-tolerance policy toward any form of sexual harassment and are dedicated to taking prompt and appropriate action to prevent and address any such incidents. Through awareness programs, training, and effective grievance mechanisms, we ensure that all employees feel safe, supported, and empowered to work in a harassment-free environment.

TALENT AND DEVELOPMENT

Our continued focus on nurturing talent and fostering professional growth remains central to building a best-in-class organization that supports the Company's growth agenda. We are strategically investing in developing future capabilities, improving people's productivity, and strengthening our talent pipeline to ensure organizational readiness for the years ahead.

PERFORMANCE MANAGEMENT

In line with our commitment to driving a performance differentiation culture, we continue to strengthen our performance framework through the implementation of the PMS 123 philosophy across the organization. This approach enables clear goal alignment, transparent performance differentiation, and differential rewards. The implementation of Work That Matters Most (WTMMs) has helped us to bring more clarity of expectations and accountability. Regular performance-focused refreshing conversations between leaders and their teams have been institutionalized and these discussions will now be formally recorded on a quarterly basis to promote structured, continuous feedback and development.

LEADERSHIP DEVELOPMENT

In alignment with our Talent Factory objective, we actively invest in leadership development to identify, prepare, and empower future leaders. Through structured programs, Growth and Leadership Behavior initiatives, and cross-functional exposure, we aim to accelerate succession readiness and strengthen leadership depth within the organization.

LEARNING AND DEVELOPMENT

Our HR team collaborates closely with business functions to identify evolving skill needs and deliver targeted learning solutions. By leveraging classroom training, functional workshops, and e-learning platforms, we continue to build capabilities that drive efficiency, innovation, and long-term organizational growth.

REFRESHING CONVERSATIONS

We have introduced refreshing conversations, enabling open, constructive dialogue between employees and managers. These conversations go beyond formal appraisals, fostering continuous feedback, personal development, and alignment with organizational goals. They reinforce a culture of accountability, learning, and mutual growth.

EMPLOYEE WELL-BEING

Aligned with our People-First Culture, we remain committed to the holistic well-being of our employees, ensuring their physical, mental, and social wellness is supported at every level. Our goal is to create a workplace where employees feel engaged, recognized, and empowered to perform at their best.



PHYSICAL WELL-BEING

Our Health and Wellness Programs focus on promoting active and healthy lifestyles through periodic health screenings, fitness initiatives, and wellness challenges, helping employees maintain physical vitality and balance.

MENTAL WELL-BEING

To strengthen mental health support, we have introduced “Happy Minds,” a confidential counseling and mindfulness platform accessible to all employees. This initiative underscores our commitment to providing a safe and supportive environment that promotes emotional resilience.

SOCIAL WELL-BEING

We continue to cultivate a culture of inclusion, recognition, and collaboration through initiatives such as “Celebrating You,” which honors contributions across all levels. These efforts

enhance employee engagement and reinforce a sense of belonging, directly contributing to improved employee experience and organizational harmony.



HR SYSTEM DIGITIZATION

As part of our ongoing Digital Transformation journey, the Human Resources function continues to advance toward a smarter and more connected workplace. Through the implementation of cloud based Human Resource Information System (HRIS), Web login platforms and other digital tools, we are streamlining HR operations and enhancing employee experience.

Key processes such as attendance tracking, leave management, performance documentation, and learning programs are now managed digitally, reducing administrative workload and improving data accuracy. This digital integration provides employees with real-time access to HR services and supports efficient decision-making. These initiatives not only promote operational excellence and transparency but also contribute to our broader goals of efficiency, sustainability, and a modern, future-ready workplace.

EMPLOYEE INSIGHTS SURVEY



To measure and enhance employee experience, we conducted the Employee Insight Survey (EIS) during the year. The survey achieved a 98% response rate, reflecting high engagement and involvement from our workforce. The overall EIS score of 93% underscores the keen sense of belonging, satisfaction, and commitment among employees, validating our people’s strategies and initiative.

FOOD SAFETY, QUALITY, OCCUPATIONAL HEALTH, AND SAFETY

The Company operates in a World Class Supply Chain Organization where Quality, Food Safety, Occupational Health & Safety, Route to Market Safety and Environment plays a paramount importance.

As a part of ISO Management System, the Company has been successfully certified to the latest revisions of all four system standards i.e. ISO 9001:2015- Quality Management System, ISO 14001:2015- Environment Management System, FSSC 22000 Version 6.0- Food Safety System Certification and ISO 45001:2018- Occupational Health and Safety Management Systems.



The Company is committed to manufacture Highest Quality Soft Drinks under the strict requirements of cleaning and sanitation, hygiene and food safety requirements using The Coca Cola Company approved ingredients, standard packaging, best manufacturing, storage and distribution practices to comply with the applicable statutory and regulatory requirements to exceed the consumer expectation of safe and refreshing beverages. Also, aligning with the Sustainable Development Goals (SDGs) 12.3 to ensure to reduce food waste & food losses along the production & supply chain processes, The Company is committed to quantify & investigate the root cause as well as establish targets to reduce the food waste & food loss through stringent process controls. The Company has taken a step forward towards digitization through state-of art software & instrument for testing & measuring through competent professionals.

We believe in our “Safety First” culture in all our routine tasks. People’s safety is our top priority in this system operation. With a constant attempt to enhance Occupational Health and Safety, the Company periodically conducts pre-work risk assessments, orientations, On-the-Job Training, in-house and external training to all relevant staff

& contractors. It also follows scientific approach in safety management system comprising HIRA (Hazard Identification and Risk Assessment). On top of it, the Company has been emphasizing **Life Saving Rules** to ensure safety of all employees, contractors & visitors. The Company has been providing all relevant personal protective equipment based on the job nature to all its associates.



In line with the ongoing initiatives to strengthen your Safety programs to improve safety culture across operations, the Company has implemented **Behavior Based Safety (BBS)** with an objective to increase the participation of employees of all levels in the safety process and provide feedback on behaviors that affect safety. BBS goes beyond compliance by engaging and inspiring associates

at all levels to personally take responsibility in daily efforts. Starting September, the Company has introduced **Safegram**, which is a step towards digitization in Safety.



With the objective of creating “ZERO ACCIDENT,” the Company has focused on Zero Hand and Foot Injury through teamwork and active participation of shop floor employees. The Company has also adopted the practices of “Measuring Total Safety Index,” “Toolbox Talk” and “Gemba Walk,” “Life Saving Rules,” “Call to Action Communication” which in turn contribute to improved safety culture in the plant.

ENVIRONMENT

The Company believes that profitable growth and sustainability go hand-in-hand, which is the reason ‘sustainability-minded’ innovations are woven into every aspect of our operation. In our manufacturing facilities, we are improving efficiency in usage of natural resources, promoting green building, and increasing alternative energy.

Water risk management, improving water use efficiency, wastewater treatment and returning water to communities and nature through our replenishment programs, are all engraved in our regular activities. The Company facility has effluent treatment plant, which ensures that wastewater generated at our unit is treated prior to discharge to municipal drain complying with our internal and Government of Nepal requirement. Such treated

water is also effectively reused for general cleaning purposes within the plant premises. The Company is the only plant with an Effluent treatment facility in the entire Industrial District, as acknowledged by the Government and Industrial Management Board.

Supporting The Coca-Cola Company’s World Without Waste commitment, the Company has continuously worked towards making all our packaging more sustainable. From light weighting and using recyclable materials to manufacturing refillable glass bottles, the Company endeavors

to reuse and recycle packaging materials to minimize environmental impacts. The Company has a robust solid waste management system in place. The Company has always focused on the basic approach to managing solid waste by trying to avoid generating such waste in the first place through resource optimization and technological transformation. All the generated waste is further categorized as commercial and non-commercial waste. Commercial waste is directed for recycling initiatives, while non-commercial waste is managed and disposed of by Government-approved Waste Management vendors.

Energy efficiency and usage is an integral part of our manufacturing process, where we set ambitious targets for our energy requirements at the Plant through green or renewable energy. The Company has been achieving this by investing in modern technologies and through other initiatives such as improvement of heating, repair leaks, etc.

With the employment of Science Based Target Tool, the Company has meticulously looked into processes, requirements, strategy planning and details of key interventions with an aim of enabling your system to accelerate the sustainability journey and to achieve 2030 goals taking scientific approach- A commitment to work towards goals of WWW, Carbon and Water by focusing on “What we should do” for sustainable environment.

CORPORATE GOVERNANCE

The company believes that sound corporate governance practices are essential to create sustainable value and to safeguard the interest of stakeholders. Our commitment to best practices in Corporate Governance plays a key role in managing our risks and opportunities and maintaining the trust of our stakeholders. Over the years, the company has strengthened the governance structure, practices and processes to meet.

Board of Directors

The Board of Directors has been appointed by Shareholders to oversee the interest in the long-term health and overall success of the business and its financial strength. The Board of the Company has ultimate responsibility for direction, performance, and long-term success of our business. The Board appoints the Managing Director, who is charged by the Board with conducting the business of the Company. The Management Committee of the Company is headed by Managing Director and has function heads as its members, which looks after the management of the day-to-day affairs of the Company.

Compliance with Good Governance Directives for Public Listed Companies 2074

As required under the Directives, the Board has designated Mr. Bishwa Prakash Poudel as a Company Secretary, who is also a Compliance

Officer. The company has prepared the Annual Corporate Governance Report for FY 2081-82 as per the prescribed format of Securities Board of Nepal (SEBON) and submitted to SEBON.

Composition

The Board of Directors comprises several directors as the Board deems it appropriate to function efficiently as a body, subject to the Company's Article of Association. The Board comprises Independent Directors, Non-Executive Directors (including representation from public shareholders) and Executive Director and the Board considers this 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) Managing Director. The details of each member of the Board along with the date of joining the Board are provided herein table below.

Board Independence

Name	Date of Joining the Board	No. of Shares held in the Company
Executive Director		
Mr. Ajay Chanbasappa Konale	July 9, 2025	Representing Coca-Cola Southwest Asia Holdings Ltd.
Non-Executive Director		
Mr. Narmadeshwar Narayan Singh (Chairman)	Re-appointed on January 12, 2022	5,000 units shares individually owned and 3,730 units shares owned by his relatives.
Mr. Karan Vijaykumar Achpal	January 10, 2025	Representing Coca-Cola Southwest Asia Holdings Ltd.
Ms. Shalini Ratwatte	September 18, 2024	Representing Coca-Cola Southwest Asia Holdings Ltd.
Mr. Sunil Lobo	June 11, 2025	Representing Coca-Cola Southwest Asia Holdings Ltd.
Mr. Arun Adhikari (Alternate Director: Mr. Amar Baidya)	January 10, 2025	Representing Gorkha Brewery Private Ltd.
Independent Director		
Mr. Siddhant Raj Pandey	January 1, 2026	N/A

[Note: Mr. Kishor Kumar Maharjan, Independent Director resigned from the position of director and same was approved by the board of director held on 9th July, 2025]

Board Meeting

The Board meets at regular intervals to discuss and decide on various transactions of the company. The notice of the Board Meeting is given well in advance to all the Directors. The agenda and other relevant documents were circulated ten (10) days prior to the date of the meeting to ensure adequate and active discussion on the agenda(s) before arriving at the decisions. During the year under review, a total of six (6) meetings of the Members of the Board were convened. The maximum interval between any two meetings was well within the maximum allowed gap of three months.

Board Evaluation

In terms of the requirement of Good Governance Directives for Public Listed Company, 2074, annual

performance evaluation of the Board is undertaken where the Board assesses its own performance in order to improve the effectiveness of Board and Committees. The Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole and Self-evaluation of the Directors. The exercise was led by the Chairman. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as improving Board effectiveness, performance of Board Committees, Board knowledge session etc. Separate exercise was carried out to evaluate the self-performance of individual Directors on parameters such as contribution, knowledge, skills etc. Annual Directors' Refresher Training was also conducted on July 9, 2025.

Committees of the Board

The Board Committees play a crucial role in the governance structure of the Company. The Board has three Committees evaluating every activity of the Company.

AUDIT COMMITTEE

The duties and responsibilities of the 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; hence, all the Members of the Committee, including the Chairman, are non-executive, ensuring complete independence of the Committee. The Audit Committee comprises three members. The composition of the Audit Committee as at the end of the Fiscal Year 2081-82 was as below:



MR. KARAN VIJAYKUMAR ACHPAL
(Chairperson)



MR. SUNIL LOBO
(Member)



MR. ARUN ADHIKARY
(Member)

Below are the terms of reference of Audit Committee Meeting:

- a. To review the accounts and financial statements of the Company and ascertain the truth of the facts mentioned in such statements.
- b. To review the internal financial control system and the risk management system of the Company.
- c. To supervise and review the internal auditing activity of the Company.
- d. 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.
- e. 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.
- f. 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.

- g. To prepare the accounts related policy of the Company and enforce, or cause to be enforced, the same.
- h. 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.
- i. To perform such other terms as prescribed by the Board of Directors in respect of the accounts, financial management and audit of the Company.
- j. 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.
- k. To review the financial details of the Company and thereafter, to ensure that the evidence mentioned in the details are true and fact.
- l. To ensure that the work of internal auditing is effective and is executed and accomplished in an independent way.

- m. To monitor and ensure that the accounts, budget, internal control systems are properly and regularly maintained.
- n. To ensure that the accounts book, documents of internal audit record system or electronic record of auditing are kept in proper way.
- o. To provide opinion on the subject instructed by Board of Directors
- p. To ensure that the Company has followed the direction given by the governing authority or not.
- q. To inspect, monitor and ensure the purchasing system of the Company are appropriate and economical.
- r. To perform such or any other additional duties and responsibilities that may be ancillary and have financial implication on the Company to the aforementioned duties.

During the Fiscal year 2081-82, the Members of the Audit Committee met three times i.e., on September 18, 2024, November 20, 2024, and June 11, 2025, for reviewing the financial statement of the Company including Internal Financial Control and Risk Management and other financial issues.

RISK MANAGEMENT COMMITTEE

The Board has formed a Risk Management Committee with defined terms of reference. The duties and responsibilities of the Risk Management Committee are in congruence with the framework defined by Good Governance Directives for Listed Companies, 2074. The composition of Risk Management Committee at the end of the Fiscal year 2081-82 was as below:



MR. SUNIL LOBO
(Director)



MR. KARAN VIJAYKUMAR ACHPAL
(Member)

Below are the terms of reference of Risk Management Committee Meeting:

- a. To oversee the implementation of Risk management Systems and Framework;
- b. To assess risk and procedures to minimize the same;
- c. To frame, implementing and monitoring the

risk management plan for the Company

During the Fiscal year 2081-82, the Members of Risk Management Committee met Two (2) Times i.e., on November 21, 2024, and on July 9, 2025.

Note: Mr. Kishor Kumar Maharjan resigned form the position of director and same was approved by board of director held on 9th July, 2025

PROPERTY AND LIABILITY COMMITTEE

The Board has formed a Property and Liability Committee with defined terms of reference. The duties and responsibilities of the Property and Liability Committee are in congruence with the framework defined by Good Governance Directives for Listed Companies, 2074. The composition of the Property and Liability Committee as at the end of the Fiscal Year 2081-82 was as below:



MR. KARAN VIJAYKUMAR ACHPAL
(Chairperson)



MR. SUNIL LOBO
(Member)



MS. SHALINI RATWATTE
(Member)

Below is the term of reference for the Property & Liability Committee Meeting:

- To review the ownership documents of the property of the Company.
- To conduct due diligence of whether those properties are duly registered and the statutory dues in the form of duties and taxes has been paid to the concerned authorities.

- To ensure that the properties of the company are adequately insured.
- To review whether there is any pending litigation on the property of the company.
- To review contingent liabilities of the Company.

During the Fiscal year 2081-82, the Members of Property and Liability Committee met once on April 4, 2025.

Attendance of Director at Board and Committee Meetings

The attendance of the Board and Committee Members are as per below:

Board Members	Designation	Board Meeting	Audit Committee Meeting	Risk Management Committee	Property & Liability Committee
Mr. Narmadeshwar Narayan Singh	Chairperson	6 (out of 6)	N/A	N/A	N/A
Mr. Deepak Senthil Nath Gunalan (Replaced by Mr. Ajay Chanbasappa Konale)	Managing Director	5 (out of 6)	N/A	N/A	N/A
Mr. Lukas Zapletal (Replaced by Mr. Karan Vijaykumar Achpal)	Director	2 (out of 6)	2 (out of 3)	1 (out of 2)	N/A
Mr. Karan Vijaykumar Achpal	Director	4 (out of 6)	1 (out of 3)	1 (out of 2)	1 (out of 1)
Ms. Shalini Ratwatte	Director	2 (out of 6)	N/A	N/A	N/A
Mr. Mohit Vinodkumar Budhwar (Replaced by Mr. Gunjan Dhawan)	Director	1 (out of 6)	1 (out of 3)	N/A	N/A
Mr. Surendra Silwal (Replaced by Mr. Arun Adhikary)	Director	N/A	1 (out of 3)	N/A	N/A
Mr. Arun Adhikary	Director	2 (out of 6)	N/A	N/A	N/A
Mr. Gunjan Dhawan (Replaced by Mr. Sunil Lobo)	Director	4 (out of 6)	2 (out of 3)	1 (out of 2)	1 (out of 1)

Board Members	Designation	Board Meeting	Audit Committee Meeting	Risk Management Committee	Property & Liability Committee
Mr. Sunil Lobo	Director	2 (out of 6)	N/A	1 (out of 2)	N/A
Mr. Ajay Chanbasappa Konale	Director	1 (out of 6)	N/A	N/A	N/A
Mr. Kishore Kumar Maharjan	Independent Director	3 (out of 6)	N/A	1 (out of 2)	N/A

Note:

- On January 10, 2025, the Board of Directors replaced Mr. Lukas Zapletal and Mr. Surendra Silwal with Mr. Karan Vijaykumar Achpal and Mr. Arun Adhikary respectively.
- On 11th June 2025, the Board of Directors replaced Mr. Gunjan Dhawan and Mr. Deepak Senthil Nath Gunalan with Mr. Sunil Lobo and Mr. Redwin Antonio Duay respectively.
- On 9th July 2025, the Board of Directors replaced Mr. Redwin Antonio Duay with Mr. Ajay Chanbasappa Konale.

BUILDING THE RIGHT BOARD FOR THE BOTTLERS NEPAL LIMITED

85% Non-Executive Director
 100% Independent Audit Committee
 1 out of 3 Committees led by Independent Director

Director Attributes and Skills**THE RIGHT ATTRIBUTES TO OVERSEE THE BUSINESS**

All Directors exhibit:

- High integrity
- An appreciation of multiple cultures
- A commitment to sustainability and to dealing responsibly with social issues
- Innovating thinking
- A proven record of success
- Knowledge of corporate governance requirements and practices

THE RIGHT SKILLS TO GUIDE OUR BUSINESS STRATEGY AND CONSTRUCTIVELY CHALLENGE MANAGEMENT

High Level of Strategic and Financial Experience



Governmental or Geopolitical Expertise



Broad International Exposure/ Emerging Market Experience



Extensive Knowledge of the Company's Business and/or Industry



Risk Oversight/ Management Expertise



Relevant Senior Leadership/ Chief Executive Officer Experience

- On 8th October 2025, the Board of Director replaced Mr. Kishor Kumar Maharjan with Mr. Siddhant Raj Pandey. To be effective from 1st Jan, 2026.

Details of Remuneration to the Executive Director

Figures in MM

Salary and Allowances	Facilities	Total
72.1	6	78.1

Details of Remuneration to the Non-Executive Director

Figures in NPR

Name	Sitting Fee
Mr. Narmadeshwar Narayan Singh	1,80,000
Mr. Kishore Kumar Maharjan	1,20,000

Note:

- Except Independent Director and Chairperson, all other Directors have waived their sitting fees.
- The sitting fees for serving on Committee and Board Meeting is NPR 30,000 (Thirty Thousand) per sitting as decided by the Annual General Meeting of the Company held on January 12, 2023.

INTERNAL CONTROLS

The Company has a robust system for Internal Control and Risk Assessment. The Audit Committee of the 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 Internal Control Systems and oversees the design of our Internal Control Systems along with the effectiveness of the Internal Audit Function throughout the year. The Audit Committee of the 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 authorization 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.

ENTERPRISE RISK MANAGEMENT

The Company has implemented the Enterprise Risk Management System (ERM) as per prescribed guidelines from The Coca-Cola Company and is managing risks through the process of thorough risks identification along with identify proper risk owner plus supporting owner, detailed assessment

considering severity of risks and provide ranking based on likelihood and consequences of identified risks, mitigation through right approach and periodic monitoring the risks associated with the activities being carried out by the different business units across the Company and also assesses the hygiene/health of actions/approach to mitigate the risks. Risk Tracker has been maintained with risk categories based on risk weightage, updated if needful with detailed action taken/considered and situation changes based on work done and monitored on a periodic basis and flag out/report to Committee. A Risk Management Committee has been formed at Board level for monitoring the risk management activities flagged out for effective risk management in the Company.

The assets of the Company are adequately insured against Operation Risk (covering Fire and allied perils, Company Assets, Transit, Money, Fidelity, Burglary etc.) and Revenue Risk (covering Loss of Profit, 3rd party liability through Combined General Liability Policy and also covers Directors & Officers Liability). The repair and maintenance work of power plants and distribution lines have been carried out timely as per the maintenance schedule. Good relations have been maintained with the local people in the project vicinity.

COMPANY POLICIES

CODE OF BUSINESS CONDUCT (COBC)

The company conducts its business with integrity and high standards of ethical behavior, and in compliance with the laws and regulations that govern its business. The 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. The company has Code of Business Conduct Training Program designed and trainings are imparted to the employees in person and web-based training in compliance with the principles laid down under The Prevention of Corruption Act, 2059 (2002 AD), The Foreign Corrupt Practices Act (FCPA), 1977, a US Federal Law and UK Bribery Act, 2010.

GLOBAL ANTI-BRIBERY POLICY

Our Global Anti-Bribery Policy establishes the limitations we must adhere to when interacting with officials of various governments around the world. The policy provides information about anti-bribery laws to avoid inadvertent violations. Our Code of Business Conduct for Suppliers also includes similar expectations regarding bribery to business partners. The Company conducts periodic anti-bribery assessments and audits of our business to raise overall awareness, detect potential misconduct and monitor compliance with anti-corruption laws and policy.

The company aims to lead by example and to learn from experience. The company sets high standards for its people at all levels and strives to consistently meet them. The company's sound business principles and practices foster its strong, innovative and collaborative culture, which is committed to ethical behavior, accountability and transparency.

The company is guided by its established standards of corporate governance and ethics. The company reviews its systems to ensure to achieve the best international practices in terms of transparency and accountability.

ETHICS CODES AND PRINCIPLES FOR NON-EMPLOYEE DIRECTORS AND SUPPLIERS

Non-employee directors are bound by a Code of Business Conduct for Non-Employee Directors that reflects the same principles and values as our employee Code but focuses on matters of most relevance to non-employee directors. Our Supplier Code of Business Conduct and Supplier Guiding Principles set baseline expectations for how our suppliers conduct their business.

DOCUMENT RETENTION POLICY

The company has a Document Retention Policy which lays ground rules for how the company will manage documents and records from creation to destruction, including both physical and digital records. The said policy also provides a guideline regarding the retention period and custody of various records and documents that need to be stored.

AWARDS & RECOGNITION

The Company was awarded Certificate of Merit for the Best Presented Annual Report (BPA) 2024 under the Manufacturing Sector category in an event organized by the Institute of Chartered Accountants of Nepal (ICAN). The award was presented to the Company for its outstanding presentation, detailed disclosure, and transparency of information presented in the annual accounts for the fiscal year 2081/82.



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY EFFORTS

FOR A BETTER SHARED FUTURE

At Coca-Cola Beverages Nepal, we believe that meaningful change happens when we work together by keeping sustainability at the heart of our business. Guided by our vision of Refreshing the world and making a difference and uplifting communities, we carry out much of our sustainability and social impact work through strong partnerships with government bodies, NGOs, and local organizations. From water stewardship and waste management to women's empowerment and community development, our collaborations ensure that every initiative reaches deeper and lasts longer. Together with our partners, we are building a more sustainable future, one that refreshes not only the people we serve but also the planet we share.

OUR EFFORTS IN WASTE MANAGEMENT

As one of the key pillars of our sustainability priorities, both Bottlers Nepal Limited and Bottlers Nepal Terai Limited, have been working in building a golden triangle of partnerships to address collection and recycling of post-consumption PET bottles. Through our initiatives, we not only collect our own, but equivalent PET waste through our partners Doko Recyclers and Khaalisisi including a pilot initiative with the KMC & CIUD with the Baba Program.

WOW (Well-being Out of Waste) Project with Khaalisisi

This Project has significantly contributed to sustainable development, women's empowerment, and waste management in Nepal. Launched in February 2024, the initiative has successfully collected 144,000 kg of PET bottles that would have otherwise ended up in landfills. A Material Recovery Facility (MRF) has been established in Budhanilkantha Municipality to sort and collect these bottles from various sources,



MRF at Budhanilkantha in partnership with Khaalisisi

with a baling machine capable of processing 1 ton per day. The sorted PET bottles are then sent for recycling in Nawalparasi. Additionally, 20 Collection hubs have been placed in public spaces like colleges and sports centers to raise awareness on the importance of segregating waste.



Through the WOW project, we have also set up specially designed hubs on college campuses, like Techspire College, to improve waste segregation and recycling practices on campus.

Refresh & Recycle Project with Doko Recyclers



Coca-Cola Nepal, in collaboration with Doko Recyclers has been in partnership for "Refresh & Recycle" initiative to promote responsible

plastic waste management and support a circular economy. The project installs informative PET-bottle collection bins in public spaces across Kathmandu and Bharatpur, encouraging people to deposit clean, used bottles for recycling instead of discarding them as waste. Doko Recyclers then collects, sorts and sends it out for further recycling. This year, we have placed 2 bins each in Til Ganga Eye Hospital and Nepal Eye Hospital each, where a lot PET bottles are consumed and discarded.

OUR FIRST UPCYCLING INITIATIVE

We have started our Upcycling initiative by making coasters from Coke Bottle caps in partnership with Kleanit Upcyclers. 12 Coca-Cola bottle caps (HDPE plastic) are given another life to make 1 coaster.



Celebrating World Environment Day: Clean-Up Campaign with the community at Balaju Park

On 5th June 2025, marking World Environment Day and Siti Nakha, the team at BNL along with partner CIUD and community members in the presence of our Ward 16 Chairperson Rojina Shrestha and the local youth club gathered with the aim to clean up the established underground water systems that were installed at Balaju Park in 2023 by BNL. A total of 40 people came together to participate in the clean up.



BABA Project: Establishment of Material Recovery Pilot Program in 2 Public Schools

Material Recovery Facilities (MRFs) have been successfully established in two local schools, empowering students to effectively segregate waste while earning incentives by selling recyclable materials to waste collectors. The funds generated from these efforts will be reinvested into the schools' BABA (Balbalika ra Batabaran) program initiatives, enhancing educational resources and activities.

The project was officially completed and handed over to the schools in a ceremony attended by key stakeholders, including KMC Deputy Mayor Ms. Sunita Dangol, City Planning Commission Educational Expert Mr. Shailendra Jha, local ward members, and school management teams. The schools benefiting from this initiative are Shree Mahendra Saraswoti Sewa Basic School in Ward 12 and Himalaya Secondary School in Ward 22.



SUSTAINABLE ACCESS TO WATER

Water is not just an ingredient for us, it's a vital shared resource and a core part of our sustainability commitment. Through our "Water Stewardship" programme, the company has set an ambitious goal of giving back more water than we use in beverage production. Since launching our major replenishment efforts in 2014, we have undertaken more than 17 active water-replenishment projects across Nepal. These initiatives include rain-water harvesting, groundwater recharge, lake and watershed restoration in both urban and rural settings.

Groundwater Recharge Systems installed in Ward 22 and 25 of Kathmandu

To promote sustainable urban water management, Bottlers Nepal Limited, in partnership with the Centre for Integrated Urban Development (CIUD), implemented a groundwater recharge project in wards 22 and 25 of Kathmandu Metropolitan City in May 2025. As part of this public-private partnership, 11 recharge systems were installed to raise groundwater levels, demonstrate low-cost recharge technology, and inspire local governments and communities to replicate similar initiatives. The project was handed over to the local community in the presence of Ms. Sunita Dangol, Deputy Mayor, of the Kathmandu Metropolitan City, ward members and community groups.



SAKSHAM: EMPOWERED WOMEN EMPOWER MORE



At CCBN, we believe in creating value for the large network of women who are part of our value chain, and since 2012, we have been running programs to proactively empower our women retailers through programs like STAR (Shopkeeper Training & Retailers) and Saksham. We engaged with more

than 6800 women through the STAR program. After covid-19, we revamped the curriculum, and rebranded it as Saksham in partnership with Atelier platform- an effort to further deep dive into the evolving ecosystem, and have empowered more than 3000 women retailers in the last 3 years, with 1023 participation in 2024 with a goal to reach more than 5000 women retailers across Nepal by 2026.

YOUTH ENGAGEMENTS

Coca-Cola in Nepal has been collaborating with different youth-led organizations and programs related to leadership, entrepreneurship, networking, and personality development. With an aim of expanding such initiatives and encouraging more dialogue around youth leaderships, this year our support reached local youth groups across different parts of Nepal connecting with over 10,000 young people in campuses.



Republica- Shaping Economy and a Greener Tomorrow with more than a 1000 students at Butwal Kalika Campus.



Collaboration with Nepal Youth Council for Provincial Youth Conference



Coca-Cola Presents Youth Dialogue- Participation on a Panel session on the occasion of World Environment Day



NIPORE event on NEPAL PROVINCIAL COMPETITIVE INDEX| ONLY PRIVATE SECTOR REPRESENTATION ON THE PANELS

CSR

Greening Initiative: Madan Bhandari Park

We have an ongoing green initiative support for Madan Bhandari Park, located at Tinkune, Kathmandu in ward 32 - a park that provides a green public space to the community. Given the importance of green spaces to combat pollution and beautify the city, our support goes towards the upkeep and greenery of the park that general public can access and enjoy.



Say we care: Relief Support towards the Kathmandu Flood Disaster

In response to the devastating floods that struck Kathmandu during 26th September 2024, 2,000 cases of Kinley water were distributed to key frontline organizations, including the Kathmandu Municipality Office and the Armed Police Force (APF) teams actively engaged in rescue operations in affected areas. Additionally, NGOs such as Karmayog and Hami Nepal, which are dedicated to providing assistance to victims, also distributed clean bottled drinking water in the aftermath of the disaster.

The relief support covers several regions, including Kathmandu, Godavari, Kavre, Khurkot Mulkot, and the Roshi Khola area, ensuring that those in need have access to essential resources during this critical time.



STATEMENT OF VALUE ADDED

FINANCIAL RESOURCES

Strong balance sheet supporting our growth plans

* Shareholders Fund: 6206 MM



TECHNOLOGY AND INNOVATION

Robust digital infrastructure and strong capabilities

* Investment for future-readiness in Information Technology: 178 MM



EMPLOYEES

Protecting and nurturing our employees:

* Employee Attribution: 7.3%

* Training Hours: 6,299 Manhours.



MANUFACTURING CAPABILITIES

State-of-the-art manufacturing facilities securing high level of productivity and product excellence through continuous improvement

Property, Plant and Equipment:

* Manufacturing Line: 3

* Manufacturing facilities: 1

* Warehouse: 2

PEOPLE AND CAPABILITIES

Talented, diverse team of 250+ people

* Total Employees: 257

* Investment in Learning and Development: NPR. 33,91,372/-

BUSINESS PARTNERS

Creating an inclusive ecosystem for partners

* Over 250+ Distributors

* Over 120,000 Retailers

* 35% Procurement of materials from local supplier:



MAKING A DIFFERENCE

Empowering communities through our CSR & sustainability initiatives:

* Water Replenishment: Over 19+ ongoing projects

* Women Empowerment: 1023+



OUR DECARBONIZATION AGENDA

* Utilization of Green energy: 46.1%

* Water usage ratio: 2.07

* Reduction in carbon emissions: 667.4 Co2e - MT



GOVERNMENT AND REGULATORY BODIES

Maximize our positive direct and indirect impact on the economy

* Contribution to National Treasury in FY2081/82: 8167 MM



INVESTORS

Optimal resource utilization leads to higher investor returns

* Net Worth per Share: NPR. 3185/-

* Return on Capital Employed: 10%



DIRECTOR'S REPORT

(For the Year 2081-82)

Dear Shareholders,

We are pleased to present the Directors' Report for the fiscal year ending 32nd Asad 2082. As we look back on FY 2081-82, we approach the ongoing economic slowdown in Nepal with a mix of caution and determination. This report details our financial performance, the external factors affecting our outcomes, and our strategic efforts to steer through these challenging times.

BUSINESS OVERVIEW

FINANCIAL PERFORMANCE OF GROUP

In FY 2081/82, the Revenue from Operations of the Company is NPR 10,788 million. The Company has made a net profit before tax of NPR 528 million.

The summarized financial results of the company for the year are as follows:

Particulars	NPR in MM	
	2081-82	2080-81
Revenue from Operations	10,788	11,227
Gross Profit	2,729	2,847
Net Profit Before Tax	528	605
Net Profit After Tax	(400)	383

STANDALONE PERFORMANCE (ALONG WITH ITS SUBSIDIARIES)

Bottlers Nepal Limited (BNL)

In FY 2081/82, your Company made profit before tax of NPR 365 million. Further, the gross sales revenue of the company during the year under review was NPR 3,958 million. For further details, the financials of BNL are enclosed along with this report.

Bottlers Nepal (Terai) Limited (BNTL)

In FY 2081/82, BNTL made a profit before tax of NPR 218 million. Further, the gross sales revenue of BNTL during the year under review was NPR 9,305 million. For further details, the financials of BNTL are enclosed along with this report.

Troika Traders Private Ltd (TTPL)

During the year under review, the Company has made a loss before tax NPR of 0.16 million. There was no business transaction in the company during the year under review. For further details, the financials of Troika are enclosed along with this report.

KEY BUSINESS CHALLENGES

Several macroeconomic and socio-political factors are the catalyst for the adverse financial outcome mentioned in this report.

External Factors

1. **Rising Cost Burden:** Market and economic slowdown due to external factors resulting in upward trend of operational costs for manufacturing sector. Devaluation of Nepalese Rupees against the Foreign Exchange Currencies resulting in higher material cost.
2. **Natural Calamities:** During the monsoon season in Ashoj of the fiscal year 2081/82 (2024/25), severe flooding and landslides significantly disrupted life in Nepal. These natural calamities impacted businesses, including Coca-Cola, as damaged distribution networks hindered supply chains and led to retail closures. Consequently, Coca-Cola faced decreased sales and operational challenges, underscoring the vulnerability of businesses to such extreme weather events.

3. **Youth Migration Impact:** The migration of young individuals, who make up a significant portion of our target customers, has had a substantial effect on our business. This movement has resulted in a shrinking core market, leading to reduced sales and a negative impact on overall revenue.

Overcoming Challenges

In response to these challenges, we are committed to implementing strategic measures aimed at revitalizing our business and positioning ourselves for future success.

1. **Market Presence and Availability:** To make our products more visible and fresher, we placed more coolers in the market. We also expanded our distribution network to reach rural and mountain areas so that customers in remote places can easily get our products. By working closely with new hubs, spokes, and wholesalers, we improved product supply and market coverage. These actions helped us make our products available to more people and strengthen our market presence.
2. **Cost and Resource Optimization:** We worked on using our resources more wisely to lower costs and improve productivity. The Company switched to furnace oil, which is more energy-efficient and cost-effective. We also introduced the Suttle Racking System to organize storage better and make warehouse operations smoother. These steps helped us save money and improve overall efficiency.
3. **Financial Discipline:** Managing our finances carefully was one of our main goals this year. We cut unnecessary expenses and focused on spending only on important business needs. By talking to suppliers early and buying key materials in advance, we were able to avoid sudden price increases. These smart financial steps helped protect our profits and keep the Company financially strong.
4. **Digital Transformation:** We continued to improve our digital systems to make work faster and easier. Tools like the Distributor Management System (DMS), Sales Force Automation (SFA), and Robotic Process Automation (RPA) helped us reduce manual work, avoid mistakes, and save time. We also launched Coke Buddy®, an online platform that allows customers to place orders easily and quickly. These digital improvements are helping us build a smarter and more efficient business.
5. **People and Performance:** We focused on building a work culture where everyone is responsible, skilled, and motivated. The Company used feedback tools and digital training programs to help employees learn and grow. These efforts encourage teamwork, creativity, and ownership among staff. As a result, our employees are more productive and aligned with the Company's goals.
6. **Product Portfolio Expansion:** We continued to add new products to meet changing customer tastes. Offering new variants helps attract new customers and keep existing ones interested. This expansion makes our product range stronger and more competitive in the market.

DIVIDEND

We believe that reinvesting the profits into the company is a wise decision to fuel future growth. Therefore, we are not recommending a dividend for the year ended 32nd Ashad, 2082, as we focus on strengthening the company's long-term success.

STATUTORY AUDITORS

M/s PKF T.R Upadhaya & Co. Chartered Accountants (Firm Registration No. 06) will hold office until the conclusion of the 47th Annual General Meeting and being eligible to be re-appointed, your Board of Directors, upon recommendation of the Audit Committee Meeting have proposed to re-appoint M/s PKF T.R Upadhaya & Co. Chartered Accountant (Firm Registration No. 06) (Ms. Sumitra Rijal, Partner), as Statutory Auditor for FY 2082-83 with a remuneration of NPR 6,30,000/- (In Words Six Lakhs Thirty Thousand Only) (excluding VAT and out-of-pocket expenses).

HUMAN RESOURCES

The Company remains committed to a People-First Culture, emphasizing inclusion, capability building and performance excellence. During the year, we strengthened our focus on talent development and leadership readiness to align with evolving business priorities.

We continued to embed a culture of performance differentiation through the PMS 123 philosophy and Work That Matters Most (WTMM) framework. Regular Refreshing Conversations between managers and team members have reinforced continuous feedback and accountability, driving higher engagement and productivity.

Aligned with our Talent Factory objective, we invested in leadership and functional development through targeted learning programs and the Growth & Leadership Behavior framework. Our well-being initiatives—health and wellness programs, and the “Celebrating You” platform—further strengthened employee experience and recognition.

In line with our Digital Transformation journey, the HR function advanced digitization through SuccessFactors, cloudbased HRIS and other digitisation initiatives ensuring more efficient and data-driven people processes.

These initiatives collectively reinforce our commitment to building a high-performing and future-ready organization that supports both people and business growth. We have also highlighted key initiatives undertaken this year in Annual Report.

CORPORATE GOVERNANCE

The Company remains deeply committed to upholding the highest standards of corporate governance. We continue to earn the trust of our stakeholders by conducting business with integrity, transparency, and accountability. Our strict Code of Business Conduct and Anti-Bribery Policy serve as guiding principles, ensuring that every aspect of our operations is governed by honesty and ethical practices.

All employees, directors, and business partners are required to adhere to these standards both within the workplace and in their external engagements. The Company continuously monitors compliance with its Code of Conduct and the laws of the country to maintain ethical excellence. Furthermore, the Board of Directors participates in Annual Refresher Training programs to stay updated on evolving legal frameworks and governance practices.

CORPORATE SUSTAINABILITY

The Coca-Cola system places sustainability at the heart of the business and seeks to make a difference and create a better future for all the lives we touch across our value chain. The Company offers responsible beverage consumption choices with a variety of packaging sizes, and endeavors to craft a sustainable value chain so all our partners can grow with us, and to mitigate the impact of our business on the environment. With a history of over 50 years in the country, we strive to lead by example in making a difference while ensuring that our community-driven, customer-oriented business is profitable and socially responsible. We contextualize our global sustainability agenda to the needs of the country, and focus on leveraging the golden triangle of empowerment, bringing the private sector, government, and non-profits together to help the Government of Nepal achieve the Sustainable Development Goals (SDGs) and efforts to graduate from a least developed country. Details of the contribution in executing the sustainability vision are in the Corporate Sustainability report, in the later part of this Annual Report

INTERNAL CONTROL FRAMEWORK

The Company has an efficient and robust system of internal controls in place. These controls include internal checks and audits, along with financial and other control, which is required to carry on the business smoothly and lawfully, whilst safeguarding the Company’s assets in a secure, practical, accurate, and reliable manner. The Company has re-appointed M/s B.K. Agrawal & Co. as an Internal Auditor for the year 2025.

THE ROAD AHEAD

The Company remains committed to strengthening profitability and driving sustainable growth. Our focus is on creating long-term value for all stakeholders from customers and consumers to partners and shareholders. We are confident that our continued investments in supply chain efficiency, manufacturing infrastructure, market execution, and product portfolio development will position us to capture emerging opportunities and accelerate future growth.

Our people remain the foundation of our success. We will continue to invest in their development, nurturing skills, leadership, and innovation. By fostering an inclusive, supportive, and performance-driven culture, we aim to empower our teams to deliver excellence and contribute meaningfully to our strategic goals.

Alongside our focus on people, we see significant opportunities ahead and are confident that our strategic investments in supply chain improvements, manufacturing infrastructure, market execution, and product portfolio development will enable us to seize these opportunities. We will also strive to make a positive impact on our communities by addressing environmental and societal concerns.

Our efforts to strengthen brand demand will be driven by optimizing our Route-to-Market (RTM) strategies, expanding product categories and packaging options, managing revenue growth effectively, and maximizing asset utilization through automation. By seamlessly integrating our functions and business services into a coordinated, disciplined network, we aim to uphold the highest standards of governance, operational excellence and while delivering stronger returns on investment for years to come.

ACKNOWLEDGEMENT

The Board of Directors extends its sincere gratitude to all our investors, business partners, customers, vendors, banks, service providers, regulatory and government authorities for their ongoing support of our company's initiatives. We offer special recognition to our associates and the trade union for their steadfast determination, perseverance, and unwavering commitment.

Additionally, the Board of Directors expresses heartfelt appreciation to the Government of Nepal, particularly the Ministry of Industry, Commerce & Supplies, the Department of Industry, the Department of Commerce and Supply Management, Nepal Police, Armed Police Force, District Administration Office, Securities Board of Nepal, Nepal Stock Exchange, Office of the Company Registrar, and the Inland Revenue Department for their valuable support and cooperation.

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 "Business Overview" section

(b) Impact, if any, caused on the transactions of the Company from National & International situation;

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 "Business Overview", "Key Business Challenges" and "The Road Ahead" section.

(d) Industrial or Professional Relations of the Company:

During the year under review, the relationship of the Company with its employees was harmonious resulting in no strike through deepened and pro-active communication with the stakeholders, strong liaison with different stakeholder and local authorities and driving purposeful engagement activities.

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

During FY 2081/82, following alteration in the BOD took place:

- On 10th January 2025, the Board of Directors replaced Mr. Lukas Zapletal and Mr. Surendra Silwal with Mr. Karan Vijaykumar Achpal and Mr. Arun Adhikary respectively.
- On 11th June 2025, the Board of Directors replaced Mr. Gunjan Dhawan and Mr. Deepak Senthil Nath Gunalan with Mr. Sunil Lobo and Mr. Redwin Antonio Duay respectively.
- On 9th July 2025, the Board of Directors replaced Mr. Redwin Antonio Duay with Mr. Ajay Chanbasappa Konale.

(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 not proposed any dividend to the Shareholders of the Company for the Fiscal Year 2080/81.

(i) In the event of forfeiture of shares, details regarding the number of forfeited shares, face value of such shares, total amount received by your 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 subsidiary company(ies) in the financial year and any material changes taken place in the transaction of the Company during that period:

Subsidiary Company	Transactions	NPR MM
Bottlers Nepal (Terai) Limited	Recovery of Manpower Cost	192.7
Bottlers Nepal (Terai) Limited	Sale of Raw Materials	4.8
Bottlers Nepal (Terai) Limited	Purchase of Raw Materials	17.4
Bottlers Nepal (Terai) Limited	Payment of Product transfer fee on account of sales made in their respective territories	62.5
Bottlers Nepal (Terai) Limited	Receipt of Product transfer fee on account of sales made in our respective territories	159.3

(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	NPR MM
Salaries, wages and other employee cost	162
Administrative Expenses	112
Total	274

- (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:

Particulars	Remuneration	Allowances	Facilities	Total NPR MM
Director's Fees & facilities	-	0.30	-	0.30
Managing Director	29.7	42.4	6	78.1
Key Managers	50	50.8	5.4	106.2
Total	79.7	93.5	11.4	184.6

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;**

The unclaimed dividend that has crossed the period of 5 years is transferred to Investor Protection Fund. The Total Unclaimed dividend as on Ashad 32, 2082 (16 July, 2025) for the last 5 years is NPR 59,565/-. These unclaimed dividends have been transferred to the Company's Share Registrar, M/s Nabil Investment Banking Limited for distribution to Shareholders. The dividend amounts payable to M/s Coca-Cola Southwest Asia Holdings Limited as on Ashad 32, 2082 is NPR 56,403,440/ which the Company is in the process of obtaining approval from the Central Bank for repatriation.

- (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. 42

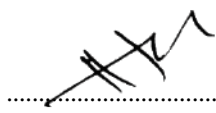
- (y) Other necessary matters;**

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.

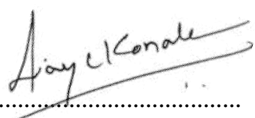
We have not received any such information from any of the officials or director of the Company.

ii. Information (if any) regarding any fines paid by any directors, officers or shareholders of the Company to OCR in violation of Sec. 81 of the Act including information about the amount paid.

None


.....
Narmadeshwar Narayan Singh
Chairperson

On behalf of the Board of Directors,


.....
Ajay Chanbasappa Konale
Managing Director

Date: 26th November 2025

DISCLOSURE UNDER RULE 26(2) OF SECURITIES REGISTRATION AND ISSUE REGULATION, 2073

1. Report of the Board of Directors:

Covered in Directors Report of this Annual Report

2. Auditor's Report:

Included in Annual Report

3. Audited Financial Reports:

Included in Annual Report

4. Legal Proceedings:

Other than cases that are ongoing in the ordinary course of business, there's an ongoing case filed by the Department of Revenue Investigation against the Company at Patan High Court and a sub judice case filed in the Supreme Court related to tax dispute.

5. Analysis of Stock Performance of the Body Corporate:

i) 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. 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:

Quarter	Maximum Price	Minimum Price	Closing Price	No. of trades	Days of trading
Q1	21,351	15,800	17,442	5,071	54
Q2	17,780	14,900	14,900	1,592	36
Q3	22,500	15,198	17,602	6,462	34
Q4	18,450	15,580	16,700	1,243	26

6. Problems and Challenges

INTERNAL

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

EXTERNAL

1. Rising Cost Burden
2. Natural Calamities
3. Youth Migration Impact.

STRATEGY

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

7. Corporate Governance

Incorporated in detail under Corporate Governance section in this Annual Report.

DISCLOSURE UNDER RULE 20(4) OF DIRECTIVES RELATED TO CORPORATE GOVERNANCE FOR LISTED COMPANIES, 2074

The Board of Directors had approved the Corporate Governance Report as per the prescribed format on 26th November 2025 and the signed copy of same has been sent to Securities Board of Nepal for recording..

Brief Excerpts of the Corporate Governance Report

1	Compliance with the Directions and Directives issued by the regulatory body from time to time and all the requirements of prevailing Acts and Regulations including Directions:	Complied
2	Compliance with the terms and conditions prescribed by the regulator at the time of issuing license.	Complied
3	Compliance with the directions given by the regulatory body during review, inspection and supervision:	Complied

Certified By:


.....
Bishwa Prakash Poudel
Compliance Officer

SHAREHOLDER INFORMATION

GROUP STRUCTURE

- **Bottlers Nepal Limited** (Parent Company) – Paid-up share capital of NPR 194,888,700, with the majority shares (i.e. 76.15%) held by M/s Coca-Cola Southwest Asia Holdings Limited.

Representation of Coca-Cola Southwest Asia Holdings Limited

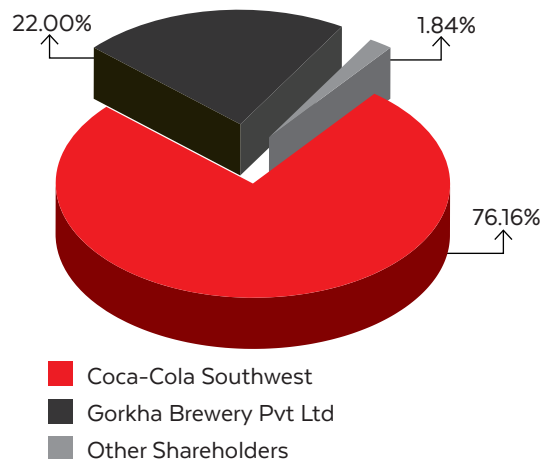
1. Mr. Ajay Chanbasappa Konale
2. Mr. Karan Vijaykumar Achpal
3. Mr. Sunil Lobo
4. Ms. Shalini Ratwatte

Representation of Gorkha Brewery Private Limited

1. Mr. Arun Adhikary
(Alternative Director – Mr. Amar Baidya)

Representation of Public Shareholders

1. Mr. Narmadeshwar Narayan Singh



- **Bottlers Nepal (Terai) Limited** (Subsidiary Company) – Paid-up share capital of NPR 121,000,000, with the majority shares (i.e. 90.78%) held by its' Parent Company, M/s Bottlers Nepal Limited.

Representation of Bottlers Nepal Limited

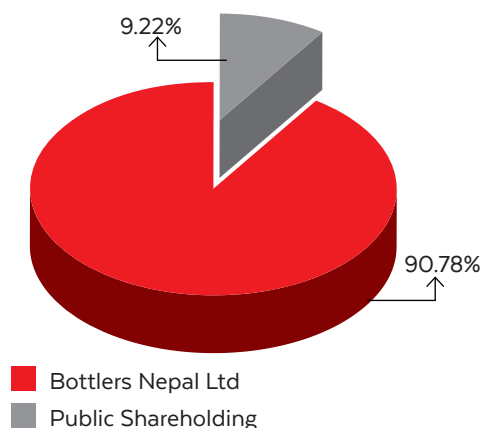
1. Mr. Narmadeshwar Narayan Singh
2. Mr. Karan Vijaykumar Achpal
3. Mr. Arun Adhikary
4. Ms. Shalini Ratwatte
5. Mr. Sunil Lobo

Representation of Public Shareholders

1. Mr. Ajay Kumar Shrestha
(Resigned on 8th October, 2025)

Independent Director

1. Mr. Pramod Kumar Karki



- **Troika Traders Private Limited**

(Subsidiary Company) – A majority-owned subsidiary of M/s Bottlers Nepal Limited, with Paid-up share capital of NPR 750,000.

Representation from Bottlers Nepal Limited

1. Mr. Ashok Kumar Mandal
2. Mr. Bishnu Bahadur Bista

UNCLAIMED DIVIDEND/ UNPAID DIVIDEND

In accordance with the provisions of Companies Act, 2006 (including amendment) and Investor Protection Fund Operation and Management Procedures, 2016, dividend not encashed/claimed within 5 years from the date of declaration is to be transferred to Investor Protection Fund.

The Total Unclaimed dividend as on Ashad 32, 2082 (July 16, 2025) for the last 5 years is NPR 59,565/-. All these Unclaimed dividends are transferred to our Share Registrar, M/s Nabil Investment Banking Limited for distribution to Shareholders. The details of unclaimed dividends can be obtained from our Share Registrar, M/s Nabil Investment Banking Limited.

CATEGORIES OF SHAREHOLDERS

Category	No. of Shareholders	No. of Shareholding
Demat Account Holders	285	25,976
Physical Account Holders	88	1,922,911
Total Shareholders	373	1,948,887

SHARE PRICES

• Bottlers Nepal Limited

Year	Maximum (In NPR)	Minimum (In NPR)	Closing (In NPR)	Number of Trades	Trading days
2076-77	1,830	1,795	1,830	N/A	1
2077-78	-	-	-	N/A	0
2078-79	1,941	1,866	1,941	N/A	2
2079-80	2,311	1,941	2,311	N/A	4
2080-81	23,765	2,358	15,705	6,090	99
2081-82	22,500	14,900	17,498	1,112	170

(Note- 98.16% of the Shares are held by two institutional Shareholders. The rest 1.84% shares held by the public is rarely traded thus market price is not readily available)

• Bottlers Nepal (Terai) Limited

Year	Maximum (In NPR)	Minimum (In NPR)	Closing (In NPR)	Number of Trades	Trading days
2076-77	9,274	5,847	6,200	N/A	98
2077-78	12,178	6,099	10,262	N/A	230
2078-79	17,670	9,750	13,000	N/A	236
2079-80	14,880	11,152	13,800	N/A	225
2080-81	17,508	10,500	13,000	84,476	223
2081-82	18,100	12,050	12,800	5,701	231

SHAREHOLDER 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 relationship with the shareholders and provide efficient services to the shareholders, Nabil Investment Banking Limited has been re-appointed as "Registrar to Shares".

Communication to Shareholder

Effective communication of information is an essential component of Corporate Governance. With this the company regularly interacts with shareholders through multiple modes of communication.

The Quarterly Report of the Company's performance is published in national daily newspaper complying with the Legal Provisions of Nepal as well as the official website of the Company (bnl.com.np) .

The Quarterly and Annual Financial Reports are reported to regulatory authorities like Office of Company Registrar (OCR), Department of Industry (DOI), Securities Board of Nepal (SEBON) and Nepal Stock Exchange (NEPSE) complying with the Legislative Provision of Nepal.

Address for Correspondence

All shareholders' correspondence should be forwarded to Nabil Investment Banking Limited, the share registrar of the Company at the address mentioned below:

Nabil Investment Banking Limited

3rd Floor, Central Plaza
Narayanchaur, Naxal, Kathmandu
Email:- info@nabilinvest.com.np
Phone Numbers: - +977-01-4411604, 4411733
RTS/RTA: Ext. 140, 152

OR

Company Secretary/Compliance Officer

Mr. Bishwa Prakash Poudel
Legal Head & Company Secretary
E-mail: investorrelations@coke-cola.com.np
Phone: +977-1-4352294 or 435288, Ext 216, 217



PKF T. R. Upadhy & Co.
124 Lal Colony Marg, Lal Durbar
Kathmandu, Nepal

977 01 4510927, 4520026
trunco@ntc.net.np
www.pkf.trunco.com.np

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF BOTTLERS NEPAL LIMITED (GROUP)**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Bottlers Nepal Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 32 Ashad 2082 (16 July 2025), and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 32 Ashad 2082 (16 July 2025), and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with ICAN's Handbook of Code of Ethics for Professional Accountants (including International Independence Standards) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2063 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of matter on contingent liabilities

We draw attention to Note 27.1.3 of the accompanying consolidated financial statements, which describes the status of two ongoing litigations involving the Group in connection with the acquisition of Coca-Cola SABCO (Asia) Limited (now Coca-Cola Southwest Asia) by European Refreshment in 2014. This acquisition included a 100% stake in Coca-Cola SABCO (Asia) Limited, the majority shareholder (76.16%) of the Group, previously owned by Coca-Cola SABCO (Pty) Ltd.

The first case concerns an unfavorable judgment by the Revenue Tribunal on a tax assessment issued by the Large Taxpayers Office (LTPO) in relation to the Share Purchase Transaction. The Group filed a Leave Petition with the Supreme Court on 26 September 2024 seeking to appeal the decision rendered by the Revenue Tribunal. A hearing was held on 15 August 2025, during which the Supreme Court admitted the case for further judicial review.

The second case was filed by the Department of Revenue Investigation (DRI) before the Patan High Court on 11 March 2022, alleging revenue leakage arising from the same Share Purchase Transaction. At the request of the Group's legal representatives, the High Court has placed the matter under suspension/postponement (Multabi) through its order dated



PKF T. R. Upadhy & Co. is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

27 January 2025. The case will remain suspended until the Supreme Court concludes its review of the Revenue Tribunal matter.

However, based on management's assessment, supported by external legal counsel's opinion that the outcomes of both these cases are "less likely than not" to be unfavorable, no provision has been recognized in these consolidated financial statements. Instead, these matters are disclosed as contingent liabilities in line with NAS 37.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue recognition (Refer Note 19 "Revenue from Operations" of the consolidated financial statements)</p>	
<p>Revenue from Operations (hereinafter referred to as "Revenue") is recognized when the Group performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable.</p> <p>The timing of Revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure of evaluation of performance.</p> <p>There is a risk that revenue will be recorded before the performance obligation is completed by the Group.</p> <p>The cut-off is the key assertion insofar as revenue recognition is concerned since an inappropriate cut-off can result in a material misstatement of the results for the year.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▪ Assessed the appropriateness of the Group's revenue recognition accounting policies in line with NFRS 15 (Revenue) and tested thereof. ▪ Evaluated the integrity of the Group's general information and technology control environment and tested the operating effectiveness of IT application controls over Revenue recognition, the detailed process flow of sales, segregation of duties for the process followed, automated steps and manually intervened processes. ▪ Performed detailed analysis of revenue, analytical testing with monthly sales information filed with tax authorities, testing the timing of its recognition and accuracy of the amounts recognized and verification of the supporting information of the revenue transactions. ▪ Tested the supporting documentation for a selected sample of sales transactions recorded during the period closer to the year-end and subsequent to the year-end to evaluate whether revenue was recognized in the correct period as part of cut-off procedures. ▪ We assessed the adequacy of disclosure in respect of revenue as per NFRS 15.



Litigations – Contingencies (refer Note 27.1.3 of the consolidated financial statements)	
<p>The Group is involved in multiple ongoing litigations with tax authorities, including an appeal in the Supreme Court following an unfavorable decision by the Revenue Tribunal, and a separate pending case in the High Court alleging concealment of information and underreported income. These cases could have a material impact on the Group's financial position if outcomes are unfavorable. The assessment of the likelihood and the adequacy of disclosures for these litigations requires significant judgment by management, supported by external legal opinions.</p> <p>We have identified tax litigations and contingencies as key audit matters due to the significant judgment required to assess the likelihood of an unfavorable outcome, the potential for a substantial financial impact on the Group, and the need for comprehensive disclosures to inform users of the consolidated financial statements about these uncertainties.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> ▪ Assessed whether accounting policies applied by the Group for provisions and contingencies are in line with NAS 37 or not. ▪ Reviewed management's assessments and obtained external legal opinions regarding the likelihood of unfavorable outcomes in these cases. ▪ Assessed the design and implementation of the Group's controls over the assessment of litigations and completeness of disclosures. Supporting documentation was tested for the positions taken by the management and meetings were conducted. ▪ Evaluating the adequacy of disclosures in the consolidated financial statements regarding the nature, status, and potential financial impact of these pending litigations.

Information other than the consolidated financial statements and auditors' report thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with NFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all



relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We have obtained the information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, the statement of financial position as at 32 Ashad 2082 (16 July 2025), the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended have been prepared in accordance with the requirements of the Company Act, 2063 and are in agreement with the books of account of the Group and proper books of account as required by law have been kept by the Group.

To the best of our information and according to explanations given to us and so far appeared from our examination of the books of account of the Group necessary for the purpose of our audit, we have not come across cases where the Board of Directors or any employees of the Group have acted contrary to the provisions of law relating to the accounts or committed any misappropriation or caused loss or damage to the Group relating to the accounts in the Group.


Sumitra Rijal
Partner



PKF T. R. Upadhya & Co.
Chartered Accountants

Date: 26 November 2025
Place: Kathmandu

UDIN: 251128CA00718frgZ4

Bottlers Nepal Limited (Group)

STATEMENT OF FINANCIAL POSITION

As at 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Particulars	Notes	As at 32nd Ashad 2082	As at 31st Ashad 2081
ASSETS			
Non-Current Assets			
Non Financial Assets			
Intangible Assets	3	8,018,140	15,180,637
Property, Plant and Equipment	4	6,814,433,091	7,222,555,883
Financial Assets			
Advances	6.2.1	13,052,525	14,567,178
Current Assets			
Non Financial Assets			
Inventories	7	2,932,854,203	3,620,055,622
Prepayments	6.1	104,040,915	83,245,952
Advances	6.2.2	2,385,101,275	2,480,344,751
Other Current Assets	6.2.4	24,678,632	45,385,785
Income Tax Receivable	8	53,416,011	76,653,830
Financial Assets			
Other Current Assets	6.2.3	84,311,002	120,825,605
Trade Receivables	9	909,833,798	1,057,209,789
Cash and Cash Equivalents	10	44,914,523	33,104,915
Total Assets		13,374,654,115	14,769,129,947
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	194,888,700	194,888,700
Reserve and Surplus	12	5,682,125,623	6,002,353,041
Non Controlling Interest	13	329,344,849	389,177,210
Non-current Liabilities			
Non Financial Liabilities			
Deferred Tax Liability	5.3	63,777,660	63,288,008
Financial Liabilities			
Retirement Benefit Obligation	14.1	907,637,290	871,647,690
Lease Liabilities	16	81,341,233	113,847,981
Current liabilities			
Retirement Benefit Obligation	14.1	37,828,000	99,238,000
Borrowings	15.2	2,676,869,584	3,147,195,104
Trade Payables	15.3	1,517,828,271	1,823,815,707
Lease Liabilities	16	32,533,259	29,350,252
Other Financial Liabilities	17	1,837,725,047	1,962,373,327
Non Financial Liabilities	18	12,754,599	71,954,927
Total Equity and Liabilities		13,374,654,115	14,769,129,947

Notes 1 to 31 form an integral part of this consolidated Financial Statement

As per our attached report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

Ajay Chanbasappa Konale
Managing Director

Sunil Lobo
Director

Sumitra Rijal
Partner
PKF T R Upadhyaya & Co.
Chartered Accountants

Karan Vijaykumar Achpal
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal Limited (Group)
STATEMENT OF PROFIT OR LOSS
For the year ended 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Particulars	Notes	For the Year 2081-82	For the Year 2080-81
Revenue from Operations	19	10,787,541,013	11,227,148,346
Cost of Sales	20	(8,058,841,730)	(8,379,771,784)
Gross Profit		2,728,699,283	2,847,376,562
Other Operating Income	21	25,252,401	151,277,734
Selling and Distribution Expenses	22	(1,479,440,730)	(1,569,454,978)
Administrative and Operating Expenses	23	(529,622,942)	(510,970,116)
Profit from Operations		744,888,012	918,229,202
Finance Costs	24	(218,245,887)	(315,971,904)
Finance Income	25	1,532,692	2,718,565
Profit Before Tax		528,174,817	604,975,863
Income Tax Expense			
Current Tax	5.1	(166,765,423)	(213,075,943)
Prior Period Tax Adjustments	5.1	(766,350,121)	(31,267,922)
Deferred Tax	5.2	4,771,338	22,374,715
Net Profit for the year		(400,169,389)	383,006,713
Basic/Diluted Earning Per Share		(176)	180
Owners of the Company (Net Profit)		(343,581,091)	351,697,841
Non Controlling Interest (Net profit)		(56,588,298)	31,308,871

Notes 1 to 31 form an integral part of this consolidated Financial Statement

As per our attached
report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

Ajay Chanbasappa Konale
Managing Director

Sunil Lobo
Director

Sumitra Rijal
Partner
PKF T R Upadhyya & Co.
Chartered Accountants

Karan Vijaykumar Achpal
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal Limited (Group)
STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Net Profit/(Loss) for the year as per Statement of Profit or Loss	(400,169,389)	383,006,713
Items that will not be reclassified to Statement of Profit or Loss		
Actuarial Gain/(Loss) on defined benefit plan schemes	30,947,000	28,498,000
Deferred Tax on Actuarial Gain/(Loss)	(5,260,990)	(4,826,580)
Other Comprehensive gain/(loss) for the year, Net of Tax	25,686,010	23,671,420
Total Comprehensive Gain/(loss) for the year, Net of Tax	(374,483,379)	406,678,133
Owners of the Company	(320,227,418)	345,949,472
Non Controlling Interest	(54,255,961)	60,728,661

Notes 1 to 31 form an integral part of this consolidated Financial Statement

As per our attached
report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

Ajay Chanbasappa Konale
Managing Director

Sunil Lobo
Director

Sumitra Rijal
Partner
PKF T R Upadhyaya & Co.
Chartered Accountants

Karan Vijaykumar Achpal
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal Limited (Group)
STATEMENT OF CHANGES IN EQUITY
For the year ended 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Particulars	Share Capital	Securities Premium Reserve	Actuarial Reserve	Retained Earnings	Total
Balance as at 1st Shrawan 2080	194,888,700	165,087,020	(88,885,561)	5,552,964,161	5,824,054,320
Profit for the year	-	-	-	351,697,841	351,697,841
Other comprehensive income	-	-	21,489,580	-	21,489,580
Balance as at 31st Ashad 2081	194,888,700	165,087,020	(67,395,981)	5,904,662,002	6,197,241,741
Profit for the year	-	-	-	(343,581,091)	(343,581,091)
Other comprehensive income	-	-	23,353,673	-	23,353,673
Balance as at 32nd Ashad 2082	194,888,700	165,087,020	(44,042,308)	5,561,080,911	5,877,014,323

Notes 1 to 31 form an integral part of this consolidated Financial Statement

As per our attached
report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

Ajay Chanbasappa Konale
Managing Director

Sunil Lobo
Director

Sumitra Rijal
Partner
PKF T R Upadhy & Co.
Chartered Accountants

Karan Vijaykumar Achpal
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal Limited (Group)

STATEMENT OF CASH FLOWS

For the year ended 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	528,174,817	604,975,863
Adjustments for Non Cash and Non Operating:		
Depreciation on Property, Plant and Equipment	884,900,320	865,194,185
Amortization of Intangible Assets	7,162,497	22,000,476
Loss/ (gain) on sale/write off of Property, Plant and Equipment	6,000,690	44,674,282
Finance Income	(1,532,692)	(2,718,565)
Finance Costs	218,245,887	315,971,904
Modification of Lease liability	-	(3,046,316)
Working capital adjustments:		
Increase / (Decrease) in trade payable and other liabilities	(518,143,584)	882,746,485
Increase / (Decrease) in provisions	30,947,000	28,498,000
Increase / (Decrease) in provision of retirement benefit obligations	(25,420,402)	(138,081,460)
Decrease / (Increase) in trade and other receivables	147,375,991	(277,712,701)
Decrease / (Increase) in loans and advances	179,604,932	385,381,636
Decrease / (Increase) in inventories	687,201,420	(1,160,955,462)
Cash generated from operations	2,144,516,876	1,566,928,326
Direct taxes paid (Net of Refunds)	(956,353,365)	(280,358,048)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	1,188,163,511	1,286,570,278
(B) CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Acquisition of Property, Plant and Equipment	(495,157,661)	(1,194,313,727)
Purchase of Intangibles	-	(18,368,352)
Proceeds from sale of Property, Plant and Equipment	12,379,444	5,396,479
Interest Received	1,588,322	2,915,037
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)	(481,189,895)	(1,204,370,563)
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	(470,325,520)	211,932,874
Interest Paid	(219,262,089)	(319,384,136)
Dividend paid	(5,576,400)	(6,691,680)
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)	(695,164,008)	(114,142,942)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	11,809,608	(31,943,227)
CASH AND CASH EQUIVALENTS,		
Beginning of Year	33,104,915	65,048,142
CASH AND CASH EQUIVALENTS, End of Period	44,914,523	33,104,915

Notes 1 to 31 form an integral part of this consolidated Financial Statement

As per our attached
report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
ChairmanAjay Chanbasappa Konale
Managing DirectorSunil Lobo
DirectorSumitra Rijal
Partner
PKF T R Upadhyaya & Co.
Chartered AccountantsKaran Vijaykumar Achpal
DirectorShalini Ratwatee
DirectorRedwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

1. CORPORATE INFORMATION

The consolidated financial statements of Bottlers Nepal Limited (Group), which includes Statement of Financial Position as at 32nd Ashad 2082 (16th July 2025) and Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 32nd Ashad 2082 (16th July 2025) and related Significant Account Policies and Notes were authorized for issue in accordance with a resolution of the Board of Directors dated on 10th Mangsir, 2082 (26th November 2025).

Bottlers Nepal Limited (Group), hereinafter referred to as “group”, comprises of Bottlers Nepal Limited (the parent company) and two subsidiary companies namely Bottlers Nepal (Terai) limited and Troika Traders Private Limited.

Bottlers Nepal 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 and the principal place of business is located at Balaju Industrial District, Balaju, Kathmandu, Nepal. Bottlers Nepal Ltd is a licensed bottler, marketer, and distributor of non-alcoholic beverages products of The Coca-Cola Company, Atlanta.

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.

Troika Traders Private Ltd. (“Company”) is a private limited Company incorporated under the Companies Act of Nepal. The registered office of the Company and the principal place of business is located at Balaju Industrial District, Balaju, Kathmandu, Nepal. Troika Traders Private Ltd is a licensed distributor of non-alcoholic beverages products of The Coca-Cola Company, Atlanta.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) as issued by the Accounting Standards Board. These conform, 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.

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, are 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. The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Company Act, 2063 of Nepal.

2.2 Accounting Convention

The financial statements are prepared on a historical cost except for certain material items that have been measured at fair value as required by the relevant NFRS and explained in the ensuing policies below.

2.3 Going Concern

The financial statements are prepared on the assumption that the Company is a going concern.

2.4 Presentations

The figures for previous years are rearranged and reclassified wherever necessary for the purpose of facilitating comparison to the extent permitted by the NFRS. 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 be 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:

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

- 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 are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets/liabilities.

The company operating cycle has been defined as a 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.

2.5 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 item of financial statements which requires disclosures of accounting policies or changes in accounting policies. Effect and nature of the changes have been disclosed.

2.7 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, 2082	16th July, 2025
Current Reporting Period	1st Shrawan 2081- 32nd Ashad 2082	16th July 2024 - 16th July 2025
Comparative SFP* Date	31st Ashad, 2081	15th July, 2024
Comparative reporting period	1st Shrawan 2080- 31st Ashad 2081	17th July 2023 - 15th July 2024

*Statement of Financial Position

2.5.1 Change in Accounting Policies

The preparation of financial statements is in line with applicable NFRS. The policies have been consistently applied to all years presented, unless otherwise stated and there is no change in Accounting policies during the current year.

2.6 Accounting Estimates

The preparation of financial statements in line with applicable 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.

2.6.1 Change in Accounting Estimates

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.

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

2.8 Presentation currency

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

2.9 Foreign Currency Translations

Transactions entered by the Company in a currency other than the currency of primary economic environment in which it operates are recorded at the rates prevailing when the transactions occur. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit or Loss. Unsettled foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized in statement of profit or loss.

Principle of Consolidation

Financial statements of the parent company Bottlers Nepal Limited (BNL) and subsidiaries Bottlers Nepal (Terai) Limited (BNTL) and Troika Traders Private Ltd. (TTPL) has been consolidated in accordance with NFRS 3 and NFRS 10. The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the parent and its subsidiaries have been combined on a line-by-line basis by adding together the carrying values of assets, liabilities, revenues and expenses after eliminating intra-Group balances / transactions and resulting profits in full. Unrealized profit / losses resulting from intra-Group transactions has also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.
- b. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Companies' separate financial statements. Differences in accounting policies, if any, has been disclosed separately.
- c. Non-Controlling Interest's share in net profit of consolidated subsidiary's result for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to the group and non-controlling interest.
- d. Non-Controlling Interest's share in net assets of 'the Group' is identified and presented in the consolidated statement of financial position separate from liabilities and the equity of the Company's shareholders as Non-Controlling Interest (NCI).
- e. The extent of the group's control on the subsidiaries is reflected by the shareholding in the subsidiaries. The details of which is as under.

Name	Country of Incorporation	As at 32nd Ashad 2082	As at 31st Ashad 2081
Bottlers Nepal (Terai) Ltd.	Nepal	90.78%	90.78%
Troika Traders Private Ltd.	Nepal	99.73%	99.73%

- f. The financial statements of the subsidiary used for consolidation are drawn for the same reporting period as that of the parent Company i.e. year ended 32nd Ashad, 2082.
- g. The parent Company has acquired the shares in the subsidiaries in fair values at the date of acquisition therefore no goodwill is recognized.

Non-Controlling Interest

Non-controlling interest in the BNL (Group) pertains to the other shareholding in BNTL and TTPL. Non-controlling interest is presented in accordance with the provision of NFRS 3 and NFRS 10 by allocating the net assets in the respective company in proportion to the shares held by other shareholders other than BNL (the parent).

Details of Non-Controlling interest are:

For the year ended 32nd Ashad 2082 (July 16, 2025)

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Share Capital	11,154,800	11,154,800
Opening Reserve	378,022,410	351,223,379
Profit for the year	(56,588,298)	31,308,871
Other Comprehensive Income for the year	2,332,337	2,181,840
Dividend	(5,576,400)	(6,691,680)
Total	329,344,849	389,177,210

3. OTHER INTANGIBLE ASSETS

Figures in NPR

Particulars	Computer Software	Intangible assets under development	Total
Cost			
Opening balance at 1st Shrawan 2080	237,046,049	-	237,046,049
Adjustment (ReClassification)	-	-	-
Additions	18,368,352	-	18,368,352
Disposals/Adjustments	-	-	-
Closing balance at 31st Ashad 2081	255,414,401	-	255,414,401
Additions	-	-	-
Disposals/Adjustments	-	-	-
Closing balance at 32nd Ashad 2082	255,414,401	-	255,414,401
Accumulated Amortisation			
Opening balance at 1st Shrawan 2080	222,894,144	-	222,894,144
Adjustment (ReClassification)	-	-	-
Charge for the year	17,339,620	-	17,339,620
Disposals	-	-	-
Adjustments	-	-	-
Closing balance at 31st Ashad 2081	240,233,764	-	240,233,764
Charge for the year	7,162,497	-	7,162,497
Disposals	-	-	-
Adjustments	-	-	-
Closing balance at 32nd Ashad 2082	247,396,261	-	247,396,261
Net Block			
Closing balance at 32nd Ashad 2082	8,018,140	-	8,018,140
Closing balance at 31st Ashad 2081	15,180,638	-	15,180,638

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 cost 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 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 are 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. On our assessment certain assets' carrying value had to be written down. Consequently, the carrying gross value and the relevant accumulated depreciation has been adjusted in specific assets classification wherever required. After completion of appropriate approval procedures these amounts will be written off.

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

4. PROPERTY PLANT AND EQUIPMENT

Figures in NPR

Particulars	Land	Buildings	Plant & Machinery	Office Equipment	Coolers	Containers	Other Assets	Right of Use Assets	Capital work-in-progress	Total
Cost										
Opening balance at 1st Shrawan 2080	47,041,037	1,584,436,354	6,497,538,876	145,758,688	2,054,560,941	2,438,745,381	33,761,306	208,411,309	16,213,784	13,026,467,676
Additions	-	8,126,255	653,991,806	1,170,001	313,298,788	88,057,215	-	60,023,007	1,134,290,718	2,258,957,791
Transfer to asset block	-	-	-	-	-	-	-	-	(1,064,644,064)	(1,064,644,064)
Disposals	-	-	(229,138,004)	-	(8,105,516)	(5,389,083)	-	-	-	(242,632,603)
Adjustments	-	-	-	-	170,256	-	-	3,397,250	-	3,567,506
Closing balance at 31st Ashad 2081	47,041,037	1,592,562,609	6,922,392,678	146,928,689	2,359,924,468	2,521,413,513	33,761,306	271,831,567	85,860,440	13,981,716,306
Additions	-	161,459,004	136,484,929	1	169,287,809	74,796,257	-	-	495,157,659	1,037,185,659
Transfer to Assets Block	-	-	-	-	-	-	-	-	(542,028,000)	(542,028,000)
Disposals	-	(34,696,120)	(3,800,228)	(1,911,277)	(4,067,216)	(6,720,503)	-	-	-	(51,195,344)
Adjustments	-	-	-	-	(13,946,029)	-	-	-	-	(13,946,029)
Closing balance at 32nd Ashad 2082	47,041,037	1,719,325,494	7,055,077,378	145,017,413	2,511,199,032	2,589,489,267	33,761,306	271,831,567	38,990,100	14,411,732,593
Depreciation and Impairment Losses										
Opening balance at 1st Shrawan 2080	-	362,010,885	2,589,225,337	94,641,481	1,099,987,751	1,836,586,908	26,168,969	72,724,706	-	6,081,346,037
Charge for the year	-	53,542,198	338,536,472	6,656,943	210,630,643	221,388,759	1,455,866	37,644,673	-	869,855,554
Disposals	-	-	(178,426,603)	-	(5,691,684)	(5,389,083)	-	-	-	(189,507,370)
Adjustments	-	-	-	-	(2,884,732)	-	-	350,934	-	(2,533,798)
Closing balance at 31st Ashad 2081	-	415,553,083	2,749,335,205	101,298,424	1,302,041,978	2,052,586,584	27,624,835	110,720,313	-	6,759,160,423
Charge for the year	-	51,735,545	361,303,348	13,474,671	250,178,584	191,455,617	1,455,866	35,296,687	-	884,900,319
Disposals	-	(14,402,204)	(3,560,922)	(1,802,677)	(3,663,936)	(6,720,503)	-	-	-	(30,150,241)
Adjustments	-	-	-	-	(16,610,998)	-	-	-	-	(16,610,998)
Closing balance at 32nd Ashad 2082	-	452,886,425	3,107,077,632	112,970,419	1,511,945,628	2,237,321,698	29,080,701	146,017,000	-	7,597,299,502
Net Block										
Closing balance at 32nd Ashad 2082	47,041,037	1,266,439,069	3,947,999,746	32,046,994	999,253,404	352,167,569	4,680,605	125,814,567	38,990,100	6,814,433,091
Closing balance at 31st Ashad 2081	47,041,037	1,177,009,526	4,173,057,472	45,630,264	1,057,882,490	468,826,929	6,136,471	161,111,253	85,860,440	7,222,555,883

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
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Property, plant and equipment are initially measured at cost in the statement of financial position. These are inclusive of all cost excluding any recoverable taxes 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 Group 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 Group 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 costs are 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 group has made a provision for missing/obsolescent assets in the financial statement and the carrying gross value and the relevant accumulated depreciation has been adjusted in specific block of assets wherever required. Post appropriate approval, the individual item of assets is written off from Fixed Assets Register (FAR). Refer "Adjustments" row of the above table for the movement in such provisions during the year. As on 32nd Ashad 2082 the net provision for missing/obsolescence assets is NPR 5,339,473 (As on 31st Ashad 2081 was NPR 5,959,397).

The company has registered first legal mortgage covering all fixed assets including the land and building owned by the company at Plot No. 22, 97, 99, 341, 335, 337 339, 999, 1001 and 1003 at ward No. 9 Bharatpur Municipality, Chitwan, Nepal to avail banking facilities including term loan, Overdraft, Letter of credit etc. Also, the company has provided hypothecation of specific charge over plant and machineries to bank.

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.

Bottlers Nepal Limited (Group)
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4.2 Right of Use (ROU) Assets

Bottlers Nepal Limited

The Company has leased 3 plots of land for 40 years from Balaju Industrial District (BID). 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 BID has right to review the lease payment each 5 years. Similarly, the company has entered into sub lease agreement with Bottlers Nepal (Terai) Limited for period till 2028.

Party	Asset	From	To	Annual Lease payment (F.Y 2081/82)
Bottlers Nepal (Terai) Limited	Godown (Buildings)	01.03.2018	29.02.2028	596,080

Bottlers Nepal (Terai) Limited

The company has entered into a lease agreement for the use of godowns for a term of 2 years to 10 years. Details of leased assets are provided below:

Party	Asset	Agreement No.	From	To	Annual Lease Payment
Greenhand Pithuwa	Godown (Buildings)	1	1st Mar, 2018	30th Apr, 2024	11,344,270
		1	1st May, 2024	29th Fe, 2028	3,000,000
		2	15th Aug, 2018	30th Apr, 2024	3,177,570
		2	1st May, 2024	29th Feb, 2028	848,800
		3	15th Jan, 2019	15th Jan, 2024	8,447,330
		3	16th Jan, 2024	29th Feb, 2028	8,779,200
		4	15th Sept, 2019	14th Sept, 2024	1,889,262
		5	1st Mar, 2020	28th Feb 2030	6,557,519
Total					44,063,951

Accordingly, at the date of commencement the company has recognized the right of use of assets and corresponding lease liability at present value of the future lease payment discounted at rate of 10% over the lease period. The interest rate has been assumed to be the effective rate of interest implicit in the lease for the purpose of discounting.

Subsequently the company has charged the depreciation on ROU over the lease period and interest expense on lease liability, being a component of finance cost is presented separately as a charge in the statement of Profit or Loss

4.3 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.

4.4 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 2082	As at 31st Ashad 2081
Machinery	38,831,398	85,860,440
Coolers	158,700	-
Total	38,990,098	85,860,440

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

4.5 Borrowing Cost

FY 2081-82

The company has not capitalized any borrowing costs during the year.

FY 2080-81

The company has not capitalized any borrowing costs during the year.

5. INCOME TAX

5.1 Current Income Tax

Each consolidated company is a separate assessable unit for income taxes. The company's tax liabilities, advance taxes and tax expenses for the period is calculated as individual units.

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Current tax on profit for the year	166,765,423	213,075,943
Adjustment for prior periods		
- Prior Period Tax in respect of F.Y. 2071-72*	780,668,000	
- Other adjustment for prior periods	(14,317,879)	31,267,922
Total	933,115,544	244,343,865

* During the year, the Company received an additional tax assessment for F.Y. 2071-72 from the Income Tax Authorities amounting to NPR 2.77 Billion, which was settled following the tax amnesty via Section 30 of Finance bill 2025. The amount has been recognized within income tax expense for the year and the liability has been fully settled. No further obligations remain in respect of this matter.

5.2 Deferred Taxes

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Origination and reversal of temporary differences	(4,771,338)	(22,374,715)
Effect of change in the tax rates	-	-
Total	(4,771,338)	(22,374,715)

5.3 Deferred tax Assets

Deferred tax is calculated on temporary differences at future effective rate tax rate of 17% for Bottlers Nepal Limited and 17% for Bottlers Nepal (Terai) Limited (PY - 17% for Bottlers Nepal Limited and 16% for Bottlers Nepal (Terai) Limited). Deferred tax has been recognized in respect of all tax gain/loss and other temporary differences giving rise to deferred tax liability (net) where the management believe it is probable that this liability will be adjusted.

FY 2081/82

Figures in NPR

Particulars	Carrying Amount	Tax Base	Temporary Diff
1. Property, Plant & Equipment	6,627,738,380	4,289,581,912	1,695,618,712
2. Intangible Assets	8,018,140	11,021,011	(3,126,559)
3. Retirement benefit provision	65,547,410	-	65,547,410
4. Provision for Expenses to be claimed on actual expenditure	(16,430,656)	-	(16,430,656)
5. ROU Assets	100,663,586	-	100,663,586
6. Lease Liability	(110,935,098)	-	(110,935,098)
7. Income tax business loss carry forward		584,704,689	584,704,687
Total Amount			(1,180,627,643)
Tax Amount			(63,777,660)
Opening Deferred tax Assets/(Liability)			(63,288,008)
Deferred tax provision recognised			(489,652)
Closing Deferred tax Assets/(Liability)			(63,777,660)
Charge/(Credit) to OCI			5,260,990
Charge/(Credit) to PL			(4,771,338)

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

FY 2080/81

Figures in NPR

Particulars	Carrying Amount	Tax Base	Temporary Diff
1. Property, Plant & Equipment	6,953,330,697	4,649,634,746	(2,303,695,950)
2. Intangible Assets	15,180,637	14,219,383	(961,254)
3. Retirement benefit provision	40,812,090	-	(40,812,090)
4. Provision for Expenses to be claimed on actual expenditure	(10,092,131)	-	10,092,131
5. ROU Assets	134,706,747	-	(134,706,747)
6. Lease Liability	(139,407,837)	-	139,407,837
7. Income tax business loss carry forward		389,854,072	389,854,072
Total Amount			(1,940,822,001)
Tax Amount			(63,288,007)
Opening Deferred tax Assets/(Liability)			(80,836,143)
Deferred tax provision recognised			17,548,135
Closing Deferred tax Assets/(Liability)			(63,288,008)
Charge/(Credit) to OCI			4,826,580
Charge/(Credit) to PL			(22,374,715)

5.4 Reconciliation

Reconciliation of taxable profit and accounting profit:

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Accounting profit before income tax	528,174,817	604,975,863
Tax calculated at statutory rate applicable	89,789,719	96,796,138
Tax effect of Income that are not Taxable (Final withholding) for Tax purpose	(8,316,894)	(3,576,719)
Tax effect of Expenses that are not deductible for Tax purpose (net)	(19,218,899)	11,666,325
Effect of Higher Tax Rates for Non-Manufacturing Income	104,915,871	108,190,198
Current Tax Expenses	166,765,423	213,075,943

6. OTHER ASSETS**6.1 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 2082	As at 31st Ashad 2081
Prepayments	104,040,915	83,245,952
Total	104,040,915	83,245,952
Current	104,040,915	83,245,952
Non Current	-	-

6.2 Advances

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

6.2.1 Non-Current Financial Advances

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advances to Employees	13,052,525	14,567,178
Total	13,052,525	14,567,178

Bottlers Nepal Limited (Group)
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6.2.2 Advances

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Capital Advances	7,392,959	11,586,914
Advance to suppliers	497,193,737	592,166,109
Less: Provision for Doubtful Advances	(4,197,046)	(4,197,046)
Balances with statutory/government authorities	1,884,711,625	1,880,788,775
Total	2,385,101,275	2,480,344,751

6.2.3 Other Current Assets (Financial Assets)

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advances to Employees	6,962,430	5,142,454
Security Deposits	1,761,954	2,058,954
Short Term Deposits	28,201,720	28,201,720
Interest Income Receivables	147,190	202,820
LC Margin Receivable	7,524,633	47,804,715
Duty Refundable	26,234,917	17,164,787
Other Receivables	13,478,158	20,250,155
Total	84,311,002	120,825,605

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

6.2.4 Non - Financial Other Current Assets

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
VAT Receivable (Net)	24,678,632	45,385,785
Total	24,678,632	45,385,785

Financial Instruments: Financial Assets**a) Financial assets at amortized cost**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Group on an instrument-by-instrument basis at the time of initial recognition of such equity investments. Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Financial assets of the group 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.

Bottlers Nepal Limited (Group)
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c) Impairment of financial assets

The Company recognizes impairment of financial assets in accordance with NFRS 9 – Financial Instruments, using the Expected Credit Loss (ECL) model. Financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income are assessed for impairment at each reporting date.

The Company evaluates expected credit losses based on:

- i. the probability of default,
- ii. the expected timing of recoveries, and
- iii. the estimated amount of loss in the event of default

Using information available without undue cost or effort, including past collection experience, customer-specific risk assessments, current economic conditions and forward-looking internal estimates.

For trade receivables, the Company applies the simplified approach, recognizing lifetime expected credit losses from initial recognition.

For other financial assets, the Company recognizes 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case lifetime ECL is recognized.

Loss allowances are recognized in profit or loss and reduce the carrying amount of the related financial asset. Financial assets are written off when there is no reasonable expectation of recovery.

d) De-recognition of financial assets

The Group de-recognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset, and the transfer qualifies for de-recognition under NFRS 9.

If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in statement of profit or loss.

e) Risks associated with Financial Instrument- Financial Assets

The group has a risk management framework to monitor, assess, mitigate and manage risks. This risk management framework is given in Note 31.

7. INVENTORIES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Raw materials	1,793,381,517	2,512,228,818
Work-in-process	11,017,566	1,583,790
Finished goods	300,989,526	263,230,738
Consumables	827,465,594	843,012,276
Total	2,932,854,203	3,620,055,622

Inventories are carried at a 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

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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. Weighted average method is used for valuation of finished goods in Bottlers Nepal Limited and Bottlers Nepal (Terai) Limited, and FIFO method is used in Troika Trading Private Limited (TTPL).

Inventories are presented net of allowance for obsolescence and other possible depletion in value or other losses. Those allowances are estimated to approximate the net realizable value of such items. Allowance adjustments are made for those inventories identified by management as obsolete based on 10 Year Aging or technical evaluation whichever is earlier.

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

8. INCOME TAX RECEIVABLE/PAYABLE

Income Tax Receivable (Net)

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advance Income Tax	(83,250,453)	(87,285,453)
Less: Income Tax Payable	136,666,464	163,939,283
Total	53,416,011	76,653,830

9. TRADE RECEIVABLES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Trade receivables:		
Secured, considered good	260,227,228	259,327,505
Unsecured considered good	583,142,198	732,333,038
Receivables from other related parties	70,579,992	69,664,865
Less: Allowance for Impairment Loss on Trade Receivables	(4,115,620)	(4,115,620)
Total	909,833,798	1,057,209,789

Bank overdrafts are secured against all receivables.

9.1 Trade Receivables

Trade receivables comprise of amount receivable from our customers and are non-interest bearing and are generally on terms of 30 to 90 days.

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

9.2 Other Receivables

Other receivables are receivable from insurance companies against unsettled claims.

9.3 Related Parties Transaction

It includes transactions with group companies and key management personnel which are disclosed in Note 30.

9.4 Impairment of Financial Assets

For allowances, assets with a potential need for a write-down are assessed individually on the basis of credit risk characteristics, tested for impairment, and written down, if necessary. Estimated irrecoverable amounts are based on the ageing of the individual receivable balances, any available collateral or bank guarantees, taking previous cases of default into consideration and historical experiences.

Risks associated with Financial Instrument- Financial Assets

The company has a risk management framework to monitor, access, mitigate and manage risks. The risk management framework given in Note 31.

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
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10. CASH AND CASH EQUIVALENTS

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Balances with Banks - On current accounts	44,914,520	33,104,915
Cash on hand		
Total	44,914,520	33,104,915

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

Short-term deposits are made for varying periods of between one day and three months, depending on the cash requirements of the group, and earn interest at the respective short-term deposit rates.

Deposit with banks as margin against Letter of Credits have tenure of three months on an average and are included in Balances with Bank and considered as cash and cash equivalents.

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

11. EQUITY SHARE CAPITAL

Particulars	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	Number	NPR	Number	NPR
Authorized				
Ordinary shares of Rs. 100 each	4,300,000	430,000,000	4,300,000	430,000,000
Subscribed and Paid Up				
Ordinary shares of Rs. 100 each	1,948,887	194,888,700	1,948,887	194,888,700
At the beginning of the year	1,948,887	194,888,700	1,948,887	194,888,700
At the end of the year	1,948,887	194,888,700	1,948,887	194,888,700

The shareholding pattern of the company is as follows:

Shareholder Category	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	No. of Shares	% of holding	No. of Shares	% of holding
Coca-Cola South West Asia Holding Limited	1,484,301	76.16%	1,484,301	76.16%
Gorkha Brewery Private Limited	428,755	22.00%	428,755	22.00%
Other Shareholders	35,831	1.84%	35,831	1.84%
Total	1,948,887	100.00%	1,948,887	100.00%

Share issue expenses have not been netted off against the capital collected as these pertain to periods of initial establishment of the Group 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.

12. RESERVE AND SURPLUS

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Share Premium	165,087,020	165,087,020
Retained earnings	5,561,080,911	5,904,662,002
Actuarial Reserve	(44,042,308)	(67,395,981)
(As per Statement of Changes in Equity)		
Total	5,682,125,623	6,002,353,041

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, 2063.

i) Premium of NPR.100 each on 264,995 ordinary shares.

ii) Premium of NPR.160 each on 866,172 ordinary shares issued as rights shares at the rate of 4 shares for 5 shares held

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13. NON-CONTROLLING INTEREST

For the year ended 32nd Ashad 2082 (July 16, 2025)

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Share Capital	11,154,800	11,154,800
Opening Reserve	378,022,410	351,223,379
Profit for the year	(56,588,298)	31,308,871
Other Comprehensive Income for the year	2,332,337	2,181,840
Dividend	(5,576,400)	(6,691,680)
Total	329,344,849	389,177,210

14. EMPLOYEE BENEFITS

Current Employment Benefits

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Salaries, wages and other employee cost		
Cost of goods sold	575,790,521	628,353,062
Selling and distribution expenses	324,629,446	357,210,298
Administrative and operating expenses	206,024,323	230,057,994
Employee Bonus (As per Bonus Act 2074)	64,807,602	75,600,828
Defined Contribution Plan Expenses		
Cost of goods sold	13,015,221	18,329,864
Selling and distribution expenses	7,523,557	10,854,490
Administrative and operating expenses	4,980,454	7,373,428
Defined Benefit Plan Cost		
Cost of goods sold	80,768,422	89,294,352
Selling and distribution expenses	14,090,512	15,544,379
Administrative and operating expenses	10,983,664	12,215,809
Other Long Term Benefit Cost		
Cost of sales	3,856,959	3,968,000
Selling and distribution expenses	1,140,179	1,233,000
Administrative and operating expenses	2,496,860	2,853,000
Total Employee Cost charged to SoPL for the Period	1,310,107,721	1,452,888,503
Actuarial loss on defined benefit plan schemes charged to SoOCI for the Period	(30,947,000)	(28,498,000)
Total Employee Cost for the Period	1,279,160,721	1,424,390,503

14.1 Post-Employment Benefits

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

The cost of the defined benefit plans, other long-term employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds. The mortality rate is based on publicly available Nepal Assured Lives Mortality Table 2009 for the country. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

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The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

FY 2081-82

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
Opening Liability	511,857,000	39,792,000	419,236,690	551,649,000
Current Service cost	-	4,506,000	33,716,600	4,506,000
Past Service Cost	13,764,000	945,000	(9,630,000)	14,709,000
Interest Charge	37,809,000	3,009,000	30,183,000	40,818,000
Actuarial (gain)/loss during the year	13,838,000	(966,000)	(44,785,000)	12,872,000
Paid	(78,483,000)	(4,370,000)	(24,957,000)	(82,853,000)
Closing Liability	498,785,000	42,916,000	403,764,290	945,465,290
Current Liability	28,063,000	2,499,000	7,266,000	37,828,000
Non Current Liability	470,722,000	40,417,000	396,498,290	907,637,290
Charge for the period to SoPL	51,573,000	7,494,000	54,269,600	113,336,600
Charge to SoCI	13,838,000	-	(44,785,000)	(30,947,000)
Net Liability as at 32nd Ashadh 2082	498,785,000	42,916,000	403,764,290	945,465,290

FY 2080-81

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
Opening Liability	604,196,000	38,536,000	466,235,150	1,108,967,150
Current Service cost	-	4,161,000	33,454,540	37,615,540
Interest Charge	46,737,000	3,163,000	36,863,000	86,763,000
Actuarial (gain)/loss during the year	30,705,000	730,000	(59,203,000)	(27,768,000)
Paid	(169,781,000)	(6,798,000)	(58,113,000)	(234,692,000)
Closing Liability	511,857,000	39,792,000	419,236,690	970,885,690
Current Liability	68,615,000	3,146,000	27,477,000	99,238,000
Non Current Liability	443,242,000	36,646,000	391,759,690	871,647,690
Charge for the period to SoPL	46,737,000	8,054,000	70,317,540	125,108,540
Charge to SoCI	30,705,000	-	(59,203,000)	(28,498,000)
Net Liability as at 31st Ashadh 2081	511,857,000	39,792,000	419,236,690	970,885,690

Breakup of Current and Non-current liability:**FY 2081-82**

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit	Total
Current Liability	28,063,000	2,499,000	7,266,000	37,828,000
Non Current (Asset)/ Liability	470,722,000	40,417,000	396,498,290	907,637,290
Net (Asset)/Liability as at 31st Ashadh 2082	498,785,000	42,916,000	403,764,290	945,465,290

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FY 2080-81

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit	Total
Current Liability	68,615,000	3,146,000	27,477,000	99,238,000
Non Current (Asset)/ Liability	443,242,000	36,646,000	391,759,690	871,647,690
Net (Asset)/Liability as at 31st Ashad 2081	511,857,000	39,792,000	419,236,690	970,885,690

14.2 Defined Benefit Plans

The defined benefit plans of the group include Gratuity and Other Retirement benefits.

14.2.1 Gratuity

Gratuity for existing employees has 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 period	3 years
Normal Retirement Age	60 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 period	No vesting applicable
Normal Retirement Age	60 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

C. Gratuity Benefit on or after 31st October 2022:

Effective 01st November 2022, the Gratuity scheme is a Defined Contribution scheme where a monthly contribution is being made to the Social Security Fund (SSF). Hence the valuation will only be done for service rendered till

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31st October 2022. However, the Gratuity for service till 31st October 2022 will be paid on the last drawn salary. Employees joining on or after 01st November 2022 are not entitled to 5 days of additional benefit **on completion** of 15 years of service. Employees joining on or after 01st November 2022 are not entitled to reimbursement of tax on Gratuity benefit. However, employees who have joined prior to 01st November 2022 will continue to get the tax reimbursement.

As per Section 53 of Labour Act 2074, minimum 8.33% of basic salary shall be provided to employees as gratuity after 3rd September 2017 from date of service. As per Collective Bargaining Agreement (CBA) entered by the company with its employees, any employee completing 15 years of service at the time of retirement (20 years in case of withdrawal) will be eligible for 35 days of benefit. Employees falling under these criteria will receive benefit as per CBA, which is beneficial over the benefit provided as per Labour Act 2074. The company has provided for entire gratuity provision based on actuarial valuation.

14.2.2 Other Retirement Benefits

Other retirement benefits include three days' basic salary computed based on completion of 15 years 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 past experience and discounting the long-term obligations at the end of each reporting period.

14.2.3 Sensitivity Analysis

FY 2081-82

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit
Effect on DBO due to 0.5% increase in discount rate	(20,083,000)	(1,970,000)	(17,462,000)
Effect on DBO due to 0.5% decrease in discount rate	21,354,000	2,131,000	18,837,000
Effect on DBO due to 0.5% increase in salary escalation rate	20,784,000	2,074,000	18,327,000
Effect on DBO due to 0.5% decrease in salary escalation rate	(19,655,000)	(1,938,000)	(17,173,000)

FY 2080-81

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit
Effect on DBO due to 0.5% increase in discount rate	(19,648,000)	(1,912,000)	(18,228,000)
Effect on DBO due to 0.5% decrease in discount rate	21,094,000	2,075,000	19,744,000
Effect on DBO due to 0.5% increase in salary escalation rate	20,616,000	2,029,000	19,290,000
Effect on DBO due to 0.5% decrease in salary escalation rate	(19,403,000)	(1,887,000)	(17,999,000)

The above sensitivity analysis is based on a change in an assumption while holding all other assumption constant. In practice, this is 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 while calculating the defined benefit liability recognized in the date of Statement of Financial Position.

Particulars	For the Year 2081-82	For the Year 2080-81
Financial Assumptions		
Discount rate (%)	7.50%	8.00%
Salary escalation rate	10.00%	10.00%
Future service	Expected average remaining working life of the employees based on withdrawal rate and retirement age taken as 60 years	Expected average remaining working life of the employees based on withdrawal rate and retirement age taken as 58 years
Demographic Assumptions		
Mortality	In accordance with the standard table, Nepal Assured Lives Mortality (2009) (modified) Ultimate Rates	In accordance with the standard table, Nepal Assured Lives Mortality (2009) (modified) Ultimate Rates
Withdrawal rate	6.00%	3.50%

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14.2.4 Actuarial Assumptions

14.2.5 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 obligation.

14.3 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.

14.4 Other Long-Term Benefits - Leave Encashment

Leave encashment has been computed using actuarial assumptions. The assumptions made are the growth rate derived from 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.

15. FINANCIAL INSTRUMENTS - FINANCIAL LIABILITIES

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade payables and borrowings.

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

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 their impact on effective interest rate is considered not material and the carrying value is considered to approximate the amortized cost.

Risks associated with Financial Instrument- Financial Liabilities

The company has a risk management framework to monitor, access, mitigate and manage risk. The risk management framework is given in Note 31.

15.1 Non-Current Borrowings

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Secured Bank Loan	2,406,485,000	1,568,000,000
Less; Current Maturity Portion	(2,406,485,000)	(1,568,000,000)
Total	-	-

15.2 Current Borrowings

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Bank Overdrafts	270,384,584	667,195,104
Current Portion of Term Loan	2,406,485,000	2,480,000,000
Total	2,676,869,584	3,147,195,104

Short-term bank overdraft carries interest at the rate 6.75% to 7.6% P.a. during the year and repayable on demand.

Bank Overdraft are secured against all movable properties/Current assets including inventory stocks & trade Receivables.

Secured Bank Loan carries interest at the rate 6.75% to 7.6% p.a. during the year & repayable on due date. Term loan of Bottlers Nepal (Terai) Limited is secured against Property, Plant and Equipment.

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15.3 Trade Payables

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Trade Payable	745,490,878	754,885,708
Trade Payable to related parties	772,337,393	1,068,929,999
Total	1,517,828,271	1,823,815,707

16. LEASE LIABILITIES

At the date of commencement, the company recognized the right of use of assets and corresponding lease liability at present value of the future lease payment discounted at rate of 10.00% over the lease period. The interest rate has been assumed to be the effective rate of interest implicit in the lease for the purpose of discounting. Interest expense accrued on lease liability, being a component of finance cost is presented separately as a charge in the statement of Profit or Loss.

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Opening Balance	143,198,233	102,872,165
Recognition of lease liability	-	59,531,679
Lease modification	-	(2,658,920)
Interest Accrued on Lease Liability (Charged to PL - Refer Note 24)	13,000,355	12,565,492
Actual Lease Payment during the year	(42,324,096)	(29,112,182)
Total	113,874,492	143,198,233

Current Lease Liability	32,533,259	29,350,252
Non- Current Lease Liability	81,341,233	113,847,981

17. OTHER FINANCIAL LIABILITIES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Container deposit liability	804,106,338	810,476,896
Corporate Social Responsibility	22,173,818	25,426,558
Trade Deposits	2,563,600	4,263,600
Employee related accruals	121,997,338	137,482,916
Bonus Payable	64,807,603	75,600,829
Provision for Expenses	394,436,196	461,380,609
Provision for AR Bad Debts	6,232,499	2,505,891
Dividend payable	56,403,440	56,403,440
Statutory dues payable	356,832,343	379,644,515
Interest Payables	8,171,872	9,188,073
Total	1,837,725,047	1,962,373,327

Breakup of Provision for Expenses

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Provision_General	107,634,815	80,004,781
Provision_Freight	871,605	584,412
Provision_Discount	149,584,602	257,912,773
Provision_DME	25,595,552	22,913,532
Provision_Leakage & BBD (Including Deferred Revenue)	110,749,622	99,965,111
Total	394,436,196	461,380,609

Provisions are recognized when the group 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.

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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 2020 (2076 BS) (the "Act") has been introduced with effect from February 11, 2020, repealing the Industrial Enterprises Act 2016 (2073 BS) (the "Previous Act").

Section 54 of Industrial Enterprises Act 2020 (2076 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 based on annual plans and programs in the sectors that are prescribed under the Act. The progress report of the utilization of the fund collected for CSR is required to be submitted to the Department of Industries registered within six months from expiry of the financial year.

The group has provided provision for CSR at the rate of 1 % of profit before tax amounting to Rs 6,546,222 for FY 2081-82.

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.

18. NON-FINANCIAL LIABILITIES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advance received from distributors	12,754,599	34,186,926
Advance received from Related Parties	-	37,768,001
Total	12,754,599	71,954,927

19. REVENUE FROM OPERATION

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Sale of goods	13,262,524,592	13,500,576,268
Less: Discount	(2,169,297,064)	(2,039,311,140)
Less: Deferred Revenue	(305,686,515)	(234,116,782)
Total	10,787,541,013	11,227,148,346

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Domestic	13,262,524,592	13,500,576,268
Export	-	-
Total	13,262,524,592	13,500,576,268

19.1 Sale of Goods

The entity has applied NFRS 15- Revenue from Contracts with Customers using the cumulative effect method.

19.2 Significant Accounting Policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue when it transfers control over a product or service to a customer.

19.3 Nature of Goods and Services

The group is engaged in the production, manufacture and sale of soft drinks being carbonated non-alcoholic beverages under the brand names- Coca-Cola, Sprite and Fanta.

19.4 Timing of Revenue Recognition

The group recognizes revenue at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

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19.5 Sales Channel

The group does not sale goods directly. It sales only through intermediaries' through its distributors.

19.6 Transaction price related to remaining performance obligations

Some of sales made to customers comprise a right of return, trade discounts or volume rebates, incentive, reimbursement of expense. Currently, the entity recognizes revenue from the sale of goods upon delivery measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the entity defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under NFRS 15 and will be required to be estimated at contract inception and updated thereafter.

(i) Rights of return

When a contract with a customer provides a right to return the good within the specified period. However, the amount of returns being immaterial, the entity currently does not account for the right of return and does not anticipate significant impact on revenue recognition under the expected value method under NFRS 15. However, the entity recognizes obligations which may arise due to expiry of products and such obligation is measured based on previous year trends.

(ii) Volume rebates

The entity provides retrospective volume rebates to its customers on all products purchased by the customer once the quantity of products purchased and liquidated at secondary level during the period under scheme in force exceeds a threshold specified in the scheme under constructive obligation as evidenced in sales and marketing policy of the company.

Under its existing accounting policy, the entity estimates the expected volume rebates using the probability-weighted average amount of rebates approach and includes them in other Liabilities. These amounts may subsequently be repaid in cash to the customer or are offset against amounts payable by customer. Under NFRS 15, retrospective volume rebates give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the entity considered that the most likely amount method better predicts the amount of variable consideration for contracts with only a single volume threshold while for contracts with more than one volume threshold it would apply either the expected value method or the most likely amount method, depending on which of them better predicts the amount of variable consideration for the particular type of contract.

20. COST OF GOODS SOLD

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Material consumed		
Raw materials		
Opening Stock	2,512,228,818	1,265,860,305
Purchase	5,336,770,994	7,209,359,460
Less: Transfer to Bottlers Nepal (Terai) Ltd.	11,445,091	-
Closing Stock	(1,793,381,517)	(2,512,228,818)
Total raw material consumed	6,067,063,386	5,962,990,947
Work in process		
Opening Stock	1,583,790	11,668,567
Closing Stock	(1,017,566)	(1,583,790)
Net change in work-in-process	(9,433,776)	10,084,777
Production and manufacturing overheads	2,038,970,908	2,235,843,552
Finished goods		
Opening Stock	263,230,738	434,083,246
Closing Stock	(300,989,526)	(263,230,738)
Net change in finished goods	(37,758,788)	170,852,508
Cost of goods sold	8,058,841,730	8,379,771,784

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20.1 Production and Manufacturing Overheads

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Salaries, wages and other employee cost	619,889,796	687,434,082
Sick Leave	3,856,959	3,968,000
Gratuity	38,523,548	34,893,000
Other retirement benefits	42,244,874	54,401,352
Travel and transport costs	10,298,045	11,037,556
Repair and maintenance	204,085,596	256,208,818
Office expenses	53,778,613	48,940,468
Consumables	91,696,542	83,936,582
Loss on sale/write off of Property plant equipment (net)	-	53,745,774
Loss on Stock of Raw Material Destroyed	-	999,731
Power & Fuel	222,344,678	217,090,878
Legal and other professional fees	9,214,667	8,388,409
Depreciation on property, plant and equipment	724,229,085	708,845,625
Amortization of Intangible Assets	5,738,655	17,639,570
Exchange (Gain)/Loss	13,069,850	48,313,707
Total	2,038,970,908	2,235,843,552

21. OTHER OPERATING INCOME

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Sale of Scrap	23,804,267	21,459,548
Reversal of Accrued Expense	-	129,478,745
Miscellaneous Income	1,448,134	339,442
Total	25,252,401	151,277,734

21.1 Sale of Scrap

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

21.2 Reversal of Accrued Expense

The reversal relates to amount payable to Hindustan Coca-Cola Beverages Pvt. Ltd.

21.3 Miscellaneous Income

Miscellaneous income includes charges recovered from customer on account of handling loss of Glass bottles, Container deposit liability Write-off amount and Liquidated damages received from vendor. The company generates revenue from sale of goods in the ordinary course of business.

22. SELLING AND DISTRIBUTION EXPENSES

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Salaries, wages and other employee cost	351,528,896	390,053,250
Sick Leave	1,140,179	1,233,000
Gratuity	7,549,366	6,845,000
Other retirement benefits	6,541,147	8,699,379
Travel and transport costs	58,378,663	62,783,164
Repair and maintenance	36,929,550	46,902,803
Office expenses	36,072,213	32,928,514
Communication expenses	71,156,105	65,859,833
Utilities	26,992,726	22,500,022
Freight Charges	619,673,003	670,165,242
Liquid leakages and damages	5,747,425	4,004,175
Sales promotion expenses	104,836,691	124,006,385
Other miscellaneous expenses	2,591,868	1,273,468
Depreciation on property, plant and equipment	143,803,780	139,746,845
Amortization of Intangible Assets	498,426	1,525,392
Loss on sale/write off of Property plant equipment (net)	6,000,692	(9,071,492)
Total	1,479,440,730	1,569,454,978

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23. ADMINISTRATIVE AND OPERATING EXPENSES

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Salaries, wages and other employee cost	225,352,432	250,292,632
Sick Leave	2,496,860	2,853,000
Gratuity	5,500,087	4,999,000
Other retirement benefits	5,483,578	7,216,809
Travel and transport costs	17,619,416	20,364,631
Repair and maintenance	8,534,044	10,719,554
Office expenses	59,551,774	54,116,039
Bank charges	8,348,284	5,127,851
Audit fees	1,310,000	1,050,000
Legal and other professional fees	42,126,815	21,261,219
Communication expenses	107,340,727	63,394,354
Utilities	11,165,246	13,772,033
Depreciation on Property, plant and equipment	16,867,455	16,601,715
Amortization of Intangible Assets	925,416	2,835,514
Corporate Social Responsibility	6,546,222	7,636,447
Security Expenses	26,932,725	26,124,786
Board and AGM expenses	870,000	960,000
Exchange (Gain)/Loss	(19,411,479)	-
Other miscellaneous expenses	2,063,340	1,644,532
Total	529,622,942	510,970,116

23.1 Audit Fees Disclosure

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Statutory Audit Fees	1,310,000	1,050,000
Allowances	-	11,600
Total	1,310,000	1,061,600

24. FINANCE COST

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

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Interest on Term Loan	-	162,490,657
Interest on Overdraft	205,245,532	140,915,755
Interest on Lease Liabilities	13,000,355	12,565,492
Total	218,245,887	315,971,904

* Interest on Lease Liabilities has been recognized with adoption of NFRS 16 "Leases".

25. FINANCE INCOME

25.1 Interest Incomes

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

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Interest income	1,532,692	2,718,565
Total	1,532,692	2,718,565

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26. EARNING PER SHARE

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Numerator		
Profit for the year and earnings used in basic EPS	(343,581,091)	351,697,841
Denominator		
Weighted average number of shares used in basic EPS	1,948,887	1,948,887
Basic and Diluted Earning Per Share	(176)	180

Basic EPS is calculated by dividing the profit attributable to ordinary equity holders of the group 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 has 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.

27. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

27.1 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.

27.1.1 Bank Guarantee

Bank Guarantee has been provided to the Department of Customs for obtaining EXIM Code. As at the reporting date the guaranteed amount is NPR 600,000. Also, bank guarantee has been provided to customs department regarding export of goods amounting to NPR 38,323,607.

Other Bank guarantee has been provided to Revenue Tribunal amounting to NPR 1,356,201,000 in respect of Note 27.1.3 and NPR 6,441,000 in respect of Note 27.1.2 for FY 2070-71 for BNL.

27.1.2. Corporate Tax Matters

- i. 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. With pending decision, additional liabilities have not been recognized in the financial statements and have been disclosed as contingent liabilities as below:

Bottlers Nepal Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	17,850,617	-	17,850,617	4,630,380
TDS	26,531,605	444,027	26,087,578	5,550,164
Total	44,382,222	444,027	43,938,195	10,180,544

- ii. 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. With pending decision, additional liabilities have not been recognized in the financial statements and have been disclosed as contingent liabilities as below:

Bottlers Nepal Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	20,947,018	273,157	20,673,861	5,141,075
TDS	44,307,639	680,651	43,626,988	7,472,987
Total	65,254,657	953,808	64,300,849	12,614,062

Bottlers Nepal (Terai) Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
TDS	75,154,450	123,929	75,030,521	12,839,365
Total	75,154,450	123,929	75,030,521	12,839,365

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Troika Traders Pvt. Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	4,684,602	-	4,684,602	1,741,638
VAT	1,974,572	-	1,974,572	477,178
Total	6,659,174	-	6,659,174	2,218,816

iii. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2070-71. For the unaccepted amount, the company has filed the case at Supreme Court. With pending decision, additional liabilities have not been recognized in the financial statements and have been disclosed as contingent liabilities as below:

Bottlers Nepal Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	41,888,912	810,000	41,078,912	1,450,012
Total	41,888,912	810,000	41,078,912	1,450,012

Bottlers Nepal (Terai) Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	47,213,938	22,776,663	24,437,275	25,185,783
TDS	9,238,997	483,000	8,755,997	8,877
VAT	35,661,144	2,109,057	33,552,087	-
Total	92,114,079	25,368,720	66,745,359	25,194,660

iv. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2071-72. For the unaccepted amount, the company has filed the case for Administrative Review. With pending decision, additional liabilities have not been recognized in the financial statements and have been disclosed as contingent liabilities as below:

Bottlers Nepal Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	77,141,879	1,146,446	75,995,433	13,325,041
TDS	85,433,388	813,238	84,620,150	16,009,209
VAT	4,389,106	773,407	3,615,699	1,448,308
Total	166,964,373	2,733,091	164,231,282	30,782,558

Bottlers Nepal (Terai) Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	159,844,396	5,254,246	154,590,150	35,986,872
TDS	68,550,836	24,213	68,526,623	13,229,916
VAT	43,900,619	4,895,328	39,005,291	7,130,336
Total	272,295,851	10,173,787	262,122,064	56,347,124

v. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2072-73. For the unaccepted amount, the company has filed the case for Administrative Review. With pending decision, additional liabilities have not been recognized in the financial statements and have been disclosed as contingent liabilities as below:

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Bottlers Nepal Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	68,532,810	2,872,835	65,659,975	9,104,746
TDS	65,205,250	110,990	65,094,260	8,891,621
VAT	4,481,883	3,470,144	1,011,739	163,543
Total	138,219,943	6,453,969	131,765,974	18,159,910

Bottlers Nepal (Terai) Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	85,849,957	593,328	85,256,629	11,256,318
TDS	71,517,670	-	71,517,670	9,633,687
VAT	38,289,325	1,202,613	37,086,712	4,985,531
Total	195,656,952	1,795,941	193,861,011	25,875,536

Troika Traders Pvt. Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	8,855,217	1,079,917	7,775,300	1,556,678
Total	8,855,217	1,079,917	7,775,300	1,556,678

vi. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2073-74. For the unaccepted amount, the company has filed the case for Administrative Review. With pending decision, additional liabilities have not been recognized in the financial statements and have been disclosed as contingent liabilities as below:

Bottlers Nepal Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	80,069,716	7,934,807	72,134,909	7,409,785
TDS	47,499,206	200,161	47,299,046	5,508,029
VAT	6,498,646	5,217,221	1,281,425	308,884
Total	134,067,568	13,352,189	120,715,380	13,226,699

Bottlers Nepal (Terai) Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	123,252,989	2,554,060	120,698,929	14,360,383
TDS	93,547,558	-	93,547,558	10,743,748
VAT	1,354,914	1,190,834	164,080	50,183
Total	218,155,462	3,744,894	214,410,567	25,154,315

vii. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2074-75. For the unaccepted amount, the company has filed the case for Administrative Review. Pending decision from the Director General, additional liability has not been recognized in the financial statements and is disclosed as contingent liabilities as below:

Bottlers Nepal Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	214,059,926	1,852,693	212,207,234	13,055,244
VAT	6,837,501	-	6,837,501	894,395
Total	220,897,427	1,852,693	219,044,734	13,949,639

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Troika Traders Pvt. Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	33,907,264	7,634,608	26,272,656	3,815,196
VAT	11,042,390	-	11,042,390	1,279,521
Total	44,949,654	7,634,608	37,315,046	5,094,717

viii. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2075-76. For the unaccepted amount, the company has filed the case for Administrative Review. Pending decision from the Director General, additional liability has not been recognized in the financial statements and is disclosed as contingent liabilities as below:

Bottlers Nepal Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	120,761,518	965,500	119,796,018	4,760,610
VAT	9,618,722	781,637	8,837,085	236,350
Total	130,380,240	1,747,137	128,633,103	4,996,960

ix. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2076-77. For the unaccepted amount, the company has filed the case for Administrative Review. Pending decision from the Director General, additional liability has not been recognized in the financial statements and is disclosed as contingent liabilities as below:

Bottlers Nepal Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	1,072,174	-	1,072,174	60,795
VAT	13,298,924	-	13,298,924	167,748
Total	14,371,098	-	14,371,098	228,543

x. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2077-78. For the unaccepted amount, the company has filed the case for Administrative Review after the reporting period. Pending decision from the Director General, additional liability has not been recognized in the financial statements and is disclosed as contingent liabilities as below:

Bottlers Nepal Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	19,322,262	-	19,322,262	-
TDS	27,281,721	-	27,281,721	-
VAT	19,975,565	-	19,975,565	-
Total	66,579,548	-	66,579,548	-

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
BNL	1,023,005,987	28,346,914	994,659,074	105,588,928
BNTL	853,376,793	41,207,271	812,169,522	145,410,999
TTPL	60,464,045	8,714,525	51,749,521	8,870,211
Total	1,936,846,826	78,268,710	1,858,578,117	259,870,138

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27.1.3 Case filed against the Revenue Tribunal Decision and Case filed by Department of Revenue Investigation (DRI)

Background of Litigations

In 2014, European Refreshment acquired a 100% stake in Coca-Cola SABCO (Asia) Limited (n.k.a. Coca-Cola Southwest Asia), which is the majority owned shareholder of BNL (76.16%) from Coca-Cola SABCO (Pty) Ltd (“Share Purchase Transaction”). Owing to the said Share Purchase Transaction, there are two litigations that are ongoing and BNTL case has been closed under amnesty.

1. Case filed against the Revenue Tribunal Decision:

The Company received unfavorable judgment from the Revenue Tribunal regarding a tax assessment for FY 2071-72 related to demand raised by the Large Taxpayers Office on the assessed tax on the said Share Purchase Transaction. The case relates to applicability of section 57 of Income Tax Act, 2058 - Change in Control owing to said Share Purchase Transaction. The Company filed a Leave Petition with the Supreme Court on 26th September 2024, seeking to appeal the decision rendered by the Revenue Tribunal. A hearing was held on 15th August 2025, during which the Supreme Court ruled in our favor, admitting the case for further review. The Court will now conduct a thorough examination of the legal and judicial aspects of the Revenue Tribunal’s decision. Based on the advice of external legal counsels, management has assessed the likelihood of an adverse outcome in this case as “less likely than not”.

2. Case filed by Department of Revenue Investigation (DRI)

The DRI filed a Revenue Leakage case against BNL and others at Patan High Court, Kathmandu Nepal on 11th March, 2022, in relation to the said Share Purchase Transaction. The case is ongoing and till this reporting period ends, the court has taken statement from various individuals as well as company. In the meantime, the High Court has completed the recording of witness statement of the auditor. The Company is working with Panel of Lawyers and Tax experts to represent both the cases. The Company denies any wrongdoing and will continue to represent in relevant forums and use appropriate legal remedies. In the meanwhile, the High Court has put the case in Multabi (animated suspension / post-ponement) at the request of the lawyers representing BNL. The ground for keeping the case in Multabi is because the decision of Revenue Tribunal on tax liability of the Company has been challenged in the Supreme Court, which has been admitted to the Supreme Court on 15th August 2025 for further review. Thus, based on the order of the High Court on 27th January 2025, the case remains postponed until the ongoing (above stated) Supreme Court case is closed. Management has consulted with legal counsel, who have advised that there is a “less likely than not” chance of an unfavorable outcome.

Financial Impact and Accounting Treatment

If the judgments in these cases are ultimately unfavorable, the Company could be liable for an estimated amount of NPR 4.71 billion. (Including estimated interest liabilities up to balance sheet date of NPR 99.5 million) However, based on management’s assessment, supported by external legal counsel’s opinion that the outcomes are “less likely than not” to be unfavorable, no provision has been recognized in these financial statements. Instead, these matters are disclosed as contingent liabilities in line with NAS 37.

Management’s Assessment and Key Assumptions

Management has assessed these cases individually and in aggregate, concluding that the likelihood of a significant outflow of resources is not probable at this time. This assessment is based on:

- Legal counsel’s opinion that both cases have a “less likely than not” chance of an unfavorable outcome.
- The postponement of the High Court case and the ongoing Supreme Court review.

Uncertainties and Risks

While the Company believes the outcomes will not result in material liabilities, the final resolutions are uncertain and could differ from management’s expectations. The Company will continue to monitor these cases and adjust its assessment as needed based on developments.

27.1.4 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 Group has not yet received the goods or services from the supplier. The amounts below are the minimum amounts that we are committed to pay.

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At end of financial year 2081/82, the Company had capital commitments of NPR. 40,980,945 (Previous Year 2080/81 NPR 44,685,155) relating to various small projects.

28. INTERIM REPORTING

Interim reports have been publicly reported for each public company in the group, in accordance with the requirement of SEBON and NEPSE. These requirements are materially aligned with the requirements of NAS 34. Consolidated interim results have not been published.

29. SEGMENT REPORTING

The group has only one “business segment” i.e. dealing in “non-alcoholic ready to drink beverage (NARTD)”. The NARTD beverage business mainly consists of products like carbonated soft drinks in different flavors, fruit pulp-based beverages and water. 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 group is not based on geographical differentiation.

FY 2081-82

Figures in NPR

Particulars	BNL	BNTL	TTPL	Total
Total Assets	6,187,375,944	8,590,887,936	15,991,436	14,794,255,316
Total Equity & Liabilities	6,187,375,944	8,590,887,936	15,991,436	14,794,255,316
Total Revenue	3,260,153,029	7,527,387,984	-	10,787,541,013
Profit After Tax	268,862,345	(613,938,134)	(170,000)	(345,245,789)

FY 2080-81

Figures in NPR

Particulars	BNL	BNTL	TTPL	Total
Total Assets	6,146,341,012	10,096,512,669	15,981,036	16,258,834,717
Total Equity & Liabilities	6,146,341,012	10,096,512,669	15,981,036	16,258,834,717
Total Revenue	2,455,850,922	8,771,297,424	-	11,227,148,346
Profit After Tax	118,757,868	339,681,626	(86,160)	458,353,334

30. RELATED PARTY TRANSACTIONS

Relationship

The group 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
2. Directors and their relatives
3. Key management personnel and their relatives

30.1 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 Group.

There is 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 Group’s regulations.

FY 2081-82

Figures in NPR

Particulars	Fees	Remuneration	Allowances	Facilities	Total
Director’s Fees & facilities	870,000	-	-	-	870,000
Managing Director		29,664,819	42,352,397	6,028,935	78,046,151
Key Managers		50,020,143	50,778,497	5,403,094	106,201,734
Total	870,000	79,684,962	93,130,894	11,432,029	185,117,885

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FY 2080-81

Figures in NPR

Particulars	Fees	Remuneration	Allowances	Facilities	Total
Director's Fees & facilities	960,000	-	-	-	960,000
Managing Director		27,514,786	46,902,915	6,437,382	80,855,083
Key Managers		58,525,270	108,120,255	6,565,927	173,211,452
Total	960,000	86,040,056	155,023,171	13,003,309	255,026,536

Additional Information

- a. Key management personnel consist of 4 expatriate staffs including Managing Director and 3 National staffs.
- b. Key management personnel are also provided with following benefits:
 - i. All Managers of the group are provided vehicle allowance as per each respective Companies Policy
 - ii. Furnished apartments are provided to all expatriate staffs.
 - iii. Performance bonus based on individual, overall Division and Country performance.
- c. 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 excluding expatriates staff (i.e. gratuity and other retirement benefits) and leave encashment are provided on an actuarial basis for the group as a whole, so the amounts pertaining to the key management personnel are not included above.

30.2 Other Related Party Transaction and Balances

Figures in NPR

Particulars	For the Year 2081-82	For the Year 80-81
Purchase of concentrate from Pacific Refreshments Pte. Ltd.	2,829,125,697	3,913,705,934
Amounts owed by related parties:	-	-
Coca-Cola India Pvt. Ltd.	4,513,016	19,785,319
Coca-Cola Pinya Beverages Myanmar	8,879,337	-
Amounts owed to related parties:	-	-
Hindustan CCBPL-other related party	-	37,768,000
Soft Drink International Inc-other related party	403,562,967	282,001,002
Refreshment Product Service	16,020,506	14,868,930
Coca Cola Asia Pacific Pvt. Ltd.	30,822	3,160,172
Coca-Cola South West Asia (Other)	-	1,123,670
Coca-Cola South West Asia (Dividend)	56,403,440	56,403,440
Pacific Refreshments Pte. Ltd.	261,824,809	729,030,515
Coca Cola Bottlers(Malaysia) Sdn Bhd	20,318,298	17,764,949

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.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

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31.1 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.

31.1.1 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank overdraft and short-term deposits.

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

31.1.2 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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

The Group manages its foreign currency risk by not holding the receivables and payables in foreign currencies for longer duration.

31.1.3 Commodity price risk

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

31.2 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 Group 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.

31.2.1 Trade receivables

Customer credit risk is managed by the Group'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.

31.2.2 Cash deposits

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

31.3 Liquidity risk

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

The Group'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.

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31.4 Risk Management Framework

Contractual maturities of undiscounted cash flows of financial assets and financial liabilities are provided below.

FY 2081-82

Figures in NPR

Particulars	Within 1 Year	1-5 Years	More than 5 Years	No stated Maturity	Total
Financial assets					
Advances to Employees	6,962,430	13,052,525	-	-	20,014,955
Security Deposits	1,761,954	-	-	-	1,761,954
Short Term Deposits	28,201,720	-	-	-	28,201,720
Interest Receivable	147,190	-	-	-	147,190
Trade receivables	909,833,798	-	-	-	909,833,798
LC Margin Receivables	7,524,633	-	-	-	7,524,633
Duty Refundable	26,234,917	-	-	-	26,234,917
Other Receivables	13,478,158	-	-	-	13,478,158
Cash and Cash Equivalents	44,914,523	-	-	-	44,914,523
Total	1,039,059,323	13,052,525	-	-	1,052,111,848
Financial liabilities					
Financial liabilities			-		
Bank overdrafts	-	-	-	270,384,584	270,384,584
Secured Bank Loan	2,406,485,000	-	-	-	2,406,485,000
Trade Payable	1,517,828,271	-	-	-	1,517,828,271
Container deposit liability	-	-	-	804,106,338	804,106,338
Corporate Social Responsibility	22,173,818	-	-	-	22,173,818
Trade Deposits	-	-	-	2,563,600	2,563,600
Lease Liabilities	32,533,259	81,341,233	-	-	113,874,492
Employee related accruals	121,997,338	-	-	-	121,997,338
Bonus Payable	64,807,603	-	-	-	64,807,603
Provision for Expenses	394,436,196	-	-	-	394,436,196
Provision for AR Bad Debts	6,232,499	-	-	-	6,232,499
Dividend payable	56,403,440	-	-	-	56,403,440
Statutory dues payable	356,832,343	-	-	-	356,832,343
Interest Payables	8,171,872	-	-	-	8,171,872
VAT Payable (Net)	-	-	-	-	-
Gratuity	28,063,000	-	-	470,722,000	498,785,000
Leave Encashment	2,499,000	-	-	40,417,000	42,916,000
Other Retirement Benefits	7,266,000	-	-	396,498,290	403,764,290
Total	5,025,729,639	81,341,233	-	1,984,691,812	7,091,762,685
Net Financial Assets	(3,986,670,317)	(68,288,708)	-	(1,984,691,812)	(6,039,650,837)

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

FY 2080-81

Figures in NPR

Particulars	Within 1 Year	1-5 Years	More than 5 Years	No stated Maturity	Total
Financial assets					
Advances to Employees	3,241,069	14,567,178	-	-	17,808,247
Security Deposits	2,058,954	-	-	-	2,058,954
Short Term Deposits	28,201,720	-	-	-	28,201,720
Interest Receivable(FD)	202,820	-	-	-	202,820
Trade receivables	1,057,209,789	-	-	-	1,057,209,789
LC Margin Receivable	47,804,715	-	-	-	47,804,715
Duty Refundable	17,164,787	-	-	-	17,164,787
Other Receivables	20,250,155	-	-	-	20,250,155
Cash and Cash Equivalents	33,104,915	-	-	-	33,104,915
Total	1,209,238,923	14,567,178	-	-	1,223,806,101
Financial liabilities					
Bank overdrafts	-	-	-	667,195,104	667,195,104
Secured Bank Loan	2,480,000,000	-	-	-	2,480,000,000
Trade Payable	1,823,815,707	-	-	-	1,823,815,707
Container deposit liability	-	-	-	810,476,896	810,476,896
Corporate Social Responsibility	25,426,558	-	-	-	25,426,558
Trade Deposits	-	-	-	4,263,600	4,263,600
Lease Liabilities	29,350,252	113,847,981	-	-	143,198,233
Employee related accruals	137,482,916	-	-	-	137,482,916
Bonus Payable	75,600,829	-	-	-	75,600,829
Provision for Expenses	461,380,609	-	-	-	461,380,609
Provision for AR Bad Debts	2,505,891	-	-	-	2,505,891
Dividend payable	56,403,440	-	-	-	56,403,440
Statutory dues payable	379,644,515	-	-	-	379,644,515
Interest Payables	9,188,073	-	-	-	9,188,073
Gratuity	68,615,000	-	-	443,242,000	511,857,000
Leave Encashment	3,146,000	-	-	36,646,000	39,792,000
Other Retirement Benefits	27,477,000	-	-	391,759,690	419,236,690
Total	5,580,036,790	113,847,981	-	2,353,583,289	8,047,468,060
Net Financial Assets	(4,370,797,867)	(99,280,803)	-	(2,353,583,289)	(6,823,661,959)

For & on behalf of the Board

As per our attached
report of even dateNarmadeshwar Narayan Singh
ChairmanAjay Chanbasappa Konale
Managing DirectorSunil Lobo
DirectorSumitra Rijal
Partner
PKF T R Upadhyaya & Co.
Chartered AccountantsKaran Vijaykumar Achpal
DirectorShalini Ratwatee
DirectorRedwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)



PKF T. R. Upadhya & Co.
124 Lal Colony Marg, Lal Durbar
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**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF BOTTLERS NEPAL LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bottlers Nepal Limited (the Company), which comprise the statement of financial position as at 32 Ashad 2082 (16 July 2025), and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 32 Ashad 2082 (16 July 2025), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ICAN's Handbook of Code of Ethics for Professional Accountants (including International Independence Standards) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2063 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of matter on contingent liabilities

We draw attention to Note 29.1.3 of the accompanying financial statements, which describes the status of two ongoing litigations involving the Company in connection with the acquisition of Coca-Cola SABCO (Asia) Limited (now Coca-Cola Southwest Asia) by European Refreshment in 2014. This acquisition included a 100% stake in Coca-Cola SABCO (Asia) Limited, the majority shareholder (76.16%) of the Company, previously owned by Coca-Cola SABCO (Pty) Ltd.

The first case concerns an unfavorable judgment by the Revenue Tribunal on a tax assessment issued by the Large Taxpayers Office (LTPO) in relation to the Share Purchase Transaction. The Company filed a Leave Petition with the Supreme Court on 26 September 2024 seeking to appeal the decision rendered by the Revenue Tribunal. A hearing was held on 15 August 2025, during which the Supreme Court admitted the case for further judicial review.

The second case was filed by the Department of Revenue Investigation (DRI) before the Patan High Court on 11 March 2022, alleging revenue leakage arising from the same Share Purchase Transaction. At the request of the Company's legal representatives, the High Court has placed the matter under suspension/postponement (Multabi) through its order dated



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27 January 2025. The case will remain suspended until the Supreme Court concludes its review of the Revenue Tribunal matter.

However, based on management's assessment, supported by external legal counsel's opinion that the outcomes of both these cases are "less likely than not" to be unfavorable, no provision has been recognized in these financial statements. Instead, these matters are disclosed as contingent liabilities in line with NAS 37.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue recognition (Refer Note 20 "Revenue from Operations")</p> <p>Revenue from Operations (hereinafter referred to as "Revenue") is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable.</p> <p>The timing of Revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure of evaluation of performance.</p> <p>There is a risk that revenue will be recorded before the performance obligation is completed by the Company.</p> <p>The cut-off is the key assertion insofar as revenue recognition is concerned since an inappropriate cut-off can result in a material misstatement of the results for the year.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▪ Assessed the appropriateness of the Company's revenue recognition accounting policies in line with NFRS 15 (Revenue) and tested thereof. ▪ Evaluated the integrity of the Company's general information and technology control environment and tested the operating effectiveness of IT application controls over Revenue recognition, the detailed process flow of sales, segregation of duties for the process followed, automated steps and manually intervened processes. ▪ Performed detailed analysis of revenue, analytical testing with monthly sales information filed with tax authorities, testing the timing of its recognition and accuracy of the amounts recognized and verification of the supporting information of the revenue transactions. ▪ Tested the supporting documentation for a selected sample of sales transactions recorded during the period closer to the year-end and subsequent to the year-end to evaluate whether revenue was recognized in the correct period as part of cut-off procedures. ▪ We assessed the adequacy of disclosure in respect of revenue as per NFRS 15.



<p>Litigations – Contingencies (refer Note 29.1.3 of the financial statements)</p>	
<p>The Company is involved in multiple ongoing litigations with tax authorities, including an appeal in the Supreme Court following an unfavorable decision by the Revenue Tribunal, and a separate pending case in the High Court alleging concealment of information and underreported income. These cases could have a material impact on the Company's financial position if outcomes are unfavorable. The assessment of the likelihood and the adequacy of disclosures for these litigations requires significant judgment by management, supported by external legal opinions.</p> <p>We have identified tax litigations and contingencies as key audit matters due to the significant judgment required to assess the likelihood of an unfavorable outcome, the potential for a substantial financial impact on the Company, and the need for comprehensive disclosures to inform users of the financial statements about these uncertainties.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> ▪ Assessed whether accounting policies applied by the Company for provisions and contingencies are in line with NAS 37 or not. ▪ Reviewed management's assessments and obtained external legal opinions regarding the likelihood of unfavorable outcomes in these cases. ▪ Assessed the design and implementation of the Company's controls over the assessment of litigations and completeness of disclosures. Supporting documentation was tested for the positions taken by the management and meetings were conducted. ▪ Evaluating the adequacy of disclosures in the financial statements regarding the nature, status, and potential financial impact of these pending litigations.

Information other than the financial statements and auditors' report thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We have obtained the information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, the statement of financial position as at 32 Ashad 2082 (16 July 2025), the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended have been prepared in accordance with the requirements of the Company Act, 2063 and are in agreement with the books of account of the Company and proper books of account as required by law have been kept by the Company.

To the best of our information and according to explanations given to us and so far appeared from our examination of the books of account of the Company necessary for the purpose of our audit, we have not come across cases where the Board of Directors or any employees of the Company have acted contrary to the provisions of law relating to the accounts or committed any misappropriation or caused loss or damage to the Company relating to the accounts in the Company.


Sumitra Rijal
Partner

PKF T. R. Upadhyia & Co.
Chartered Accountants

Date: 26 November 2025
Place: Kathmandu

UDIN: 251128CA00718HScqh

Bottlers Nepal Limited

STATEMENT OF FINANCIAL POSITION

As at 32nd Ashadh, 2082 (16th July, 2025)

Figures in NPR

Particulars	Notes	As at 32nd Ashadh 2082	As at 31st Ashadh 2081
ASSETS			
Non-current assets			
Non Financial			
Intangible Assets	3	2,288,257	4,620,814
Property, Plant and Equipment	4	1,734,392,851	1,696,068,745
Deferred Tax Assets	5.3	164,974,748	144,346,995
Financial Assets			
Investments	7	110,641,200	110,641,200
Advances	6.2.1	10,562,899	9,428,622
Current Assets			
Non Financial Assets			
Inventories	8	798,788,491	909,856,557
Prepayments	6.1	34,870,710	27,219,917
Advances	6.2.2	1,861,467,618	1,805,788,827
Other Current Assets	6.2.4	612,302	3,241,069
Financial Assets			
Other Current Assets	6.2.3	1,162,902,335	1,254,145,930
Trade Receivables	9	297,491,988	167,973,902
Cash and Cash Equivalents	10	8,382,545	13,008,434
Total Assets		6,187,375,944	6,146,341,012
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	194,888,700	194,888,700
Reserve and Surplus	12	2,605,857,075	2,336,612,930
Non-Current Liabilities			
Retirement Benefit Obligation	13.1	486,108,350	458,115,890
Lease Liabilities	16	979,373	1,443,186
Current liabilities			
Financial Liabilities			
Retirement Benefit Obligation	13.1	19,398,000	47,733,000
Borrowings	14	1,448,688,832	1,757,479,609
Trade Payables	15	738,474,040	610,189,142
Lease Liabilities	16	490,324	452,012
Other Financial Liabilities	17	690,949,671	737,092,890
Non Financial Liabilities	18	974,859	1,765,595
Income Tax Payable	19	566,719	568,058
Total Equity and Liabilities		6,187,375,944	6,146,341,012

Notes 1 to 33 form an integral part of this consolidated Financial Statement

As per our attached report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

Ajay Chanbasappa Konale
Managing Director

Sunil Lobo
Director

Sumitra Rijal
Partner
PKF T R Upadhyya & Co.
Chartered Accountants

Karan Vijaykumar Achpal
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal Limited
STATEMENT OF PROFIT OR LOSS
For the Year ended 32nd Ashadh, 2082 (16th July, 2025)

Figures in NPR

Particulars	Notes	For the Year 2081-82	For the Year 2080-81
Revenue from operations	20	3,260,153,029	2,455,850,922
Cost of Goods Sold	21	(2,231,908,401)	(1,778,996,536)
Gross Profit		1,028,244,628	676,854,386
Other Operating Income	22	165,661,470	343,672,785
Selling and Distribution Expenses	23	(582,418,533)	(513,151,616)
Administrative and Operating Expenses	24	(273,788,631)	(300,731,600)
Profit from Operations		337,698,934	206,643,955
Finance Costs	25	(112,057,345)	(146,549,643)
Finance Income	26	139,204,557	171,875,091
Profit Before Tax		364,846,146	231,969,403
Income Tax Expense			
Current Tax	5.1	(113,394,338)	(124,473,529)
Prior Period Tax Adjustments	5.1	(3,295,416)	(1,909,950)
Deferred Tax	5.2	20,705,953	13,171,944
Net Profit for the year		268,862,345	118,757,868
Basic/Diluted Earning Per Share	27	138	61

Notes 1 to 33 form an integral part of this consolidated Financial Statement

As per our attached
report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

Ajay Chanbasappa Konale
Managing Director

Sunil Lobo
Director

Sumitra Rijal
Partner
PKF T R Upadhyaya & Co.
Chartered Accountants

Karan Vijaykumar Achpal
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal Limited
STATEMENT OF OTHER COMPREHENSIVE INCOME
For the Year ended 32nd Ashadh, 2082 (16th July, 2025)

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Net Profit/(Loss) for the year as per Statement of Profit or Loss	268,862,345	118,757,868
Items that will not be reclassified to Statement of Profit or Loss		
Actuarial Gain/(Loss) on defined benefit plan schemes	460,000	26,690,000
Deferred Tax on Actuarial Gain/(Loss)	(78,200)	(4,537,300)
Other comprehensive gain/(loss) for the year, net of tax	381,800	22,152,700
Total Comprehensive gain/(loss) for the year, net of tax	269,244,145	140,910,568

Notes 1 to 31 form an integral part of this consolidated Financial Statement

As per our attached report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

Ajay Chanbasappa Konale
Managing Director

Sunil Lobo
Director

Sumitra Rijal
Partner
PKF T R Upadhy & Co.
Chartered Accountants

Karan Vijaykumar Achpal
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal Limited
STATEMENT OF CHANGES IN EQUITY
For the Year ended 32nd Ashadh, 2082 (16th July, 2025)

Figures in NPR

Particulars	Share Capital	Securities Premium Reserve	Actuarial Reserve	Retained Earnings	Total
Balance as at 1st Shrawan 2080	194,888,700	165,087,020	(55,149,979)	2,085,765,321	2,390,591,062
Profit for the year	-	-	-	118,757,868	118,757,868
Other comprehensive income	-	-	22,152,700	-	22,152,700
Balance as at 31st Ashadh 2081	194,888,700	165,087,020	(32,997,279)	2,204,523,189	2,531,501,630
Profit for the year	-	-	-	268,862,345	268,862,345
Other comprehensive income	-	-	381,800	-	381,800
Dividends	-	-	-	-	-
Balance as at 32nd Ashad 2082	194,888,700	165,087,020	(32,615,479)	2,473,385,534	2,800,745,775

Notes 1 to 33 form an integral part of this consolidated Financial Statement

As per our attached
report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

Ajay Chanbasappa Konale
Managing Director

Sunil Lobo
Director

Sumitra Rijal
Partner
PKF T R Upadhy & Co.
Chartered Accountants

Karan Vijaykumar Achpal
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal Limited

STATEMENT OF CASH FLOWS

For the Year ended 32nd Ashadh, 2082 (16th July, 2025)

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	364,846,146	231,969,403
Adjustments for non cash and non operating:		
Depreciation on property, plant and equipment	238,858,660	219,935,353
Amortization of Intangible Assets	2,332,557	7,137,728
Loss/ (gain) on sale/write off of Property, plant and equipment	12,764,597	47,981,068
Finance income	(139,204,557)	(171,875,091)
Finance costs	112,057,345	146,549,643
Working capital adjustments:		
Increase / (Decrease) in trade payable and other liabilities	81,867,327	32,496,584
Increase / (Decrease) in provisions	117,461	(57,610,789)
Decrease / (Increase) in trade and other receivables	(129,518,086)	188,286,546
Decrease / (Increase) in loans and advances	29,352,871	79,497,881
Decrease / (Increase) in inventories	111,068,066	(337,832,683)
Cash generated from operations	684,542,387	386,535,643
Direct taxes paid (net of refunds)	(116,691,093)	(107,335,460)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	567,851,294	279,200,183
(B) CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Acquisition of Property, plant and Equipment	(297,635,479)	(735,206,430)
Purchase of Intangibles	-	(3,710,688)
Proceeds from sale of Property, Plant and Equipment	7,688,115	3,727,540
Interest Received	84,336,587	106,163,243
Dividends Received	54,923,600	65,908,320
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)	(150,687,177)	(563,118,015)
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Borrowings	(308,790,777)	398,625,360
Interest paid	(112,999,229)	(147,716,820)
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)	(421,790,006)	250,908,539
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(4,625,889)	(33,009,293)
CASH AND CASH EQUIVALENTS, Beginning of Year	13,008,434	46,017,727
CASH AND CASH EQUIVALENTS, End of Year	8,382,545	13,008,434

Notes 1 to 33 form an integral part of this consolidated Financial Statement

As per our attached report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

Ajay Chanbasappa Konale
Managing Director

Sunil Lobo
Director

Sumitra Rijal
Partner
PKF T R Upadhyaya & Co.
Chartered Accountants

Karan Vijaykumar Achpal
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

1. CORPORATE INFORMATION

Bottlers Nepal 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 and the principal place of business is located at Balaju Industrial District, Balaju, Kathmandu, Nepal.

Bottlers Nepal Ltd 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 10th Mangsir, 2082 (26th November 2025) and has recommended for approval of shareholders in the forthcoming Annual General Meeting.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) as issued by the Accounting Standards Board. These conform, 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.

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, are 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. The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Company Act, 2063 of Nepal.

2.2 Accounting Convention

The financial statements are prepared on a historical cost except for certain material items that have been measured at fair value as required by the relevant NFRS and explained in the ensuing policies below.

2.3 Going Concern

The financial statements are prepared on the assumption that the Company is a going concern.

2.4 Presentations

The figures for previous years are rearranged and reclassified wherever necessary for the purpose of facilitating comparison to the extent permitted by the NFRS. 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 be 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 are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets/liabilities.

The company operating cycle has been defined as a 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.

2.5 Accounting Policies

NFRS requires adoption of accounting policies that are most appropriate to the company’s circumstances determining and applying accounting policies. Directors

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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 item of financial statements which requires disclosures of accounting policies or changes in accounting policies. Effect and nature of the changes have been disclosed.

2.5.1 Change in Accounting Policies

The preparation of financial statements is in line with applicable NFRS. The policies have been consistently applied to all years presented, unless otherwise stated and there is no change in Accounting policies during the current year.

2.6 Accounting Estimates

The preparation of financial statements in line with applicable 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.

2.7 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, 2082	16th July, 2025
Current Reporting Period	1st Shrawan 2081- 32nd Ashad 2082	16th July 2024 - 16th July 2025
Comparative SFP* Date	31st Ashad, 2081	15th July, 2024
Comparative reporting period	1st Shrawan 2080- 31st Ashad 2081	17th July 2023 - 15th July 2024

*Statement of Financial Position

2.8 Presentation currency

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

2.9 Foreign Currency Translations

Transactions entered by the Company in a currency other than the currency of primary economic environment in which it operates are recorded at the rates prevailing when the transactions occur. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit or Loss. Unsettled foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized in statement of profit or loss.

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.

2.6.1 Change in Accounting Estimates

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.

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3. INTANGIBLE ASSETS

Figures in NPR

Particulars	Computer Software	Intangible assets under development	Total
Cost			
Opening balance at 1st Shrawan 2080	119,953,204	-	119,953,204
Additions	3,710,688	-	3,710,688
Disposals/Adjustments	-	-	-
Closing balance at 31st Ashad 2081	123,663,892	-	123,663,892
Additions	-	-	-
Disposals/Adjustments	-	-	-
Closing balance at 32nd Ashad 2082	123,663,892	-	123,663,892
Accumulated Amortisation			
Opening balance at 1st Shrawan 2080	111,905,350	-	111,905,350
Additions	7,137,728	-	7,137,728
Disposals/Adjustments	-	-	-
Closing balance at 31st Ashad 2081	119,043,078	-	119,043,078
Additions	2,332,557	-	2,332,557
Disposals/Adjustments	-	-	-
Closing balance at 32nd Ashad 2082	121,375,635	-	121,375,635
Net Block			
Closing balance at 32nd Ashad 2082	2,288,257	-	2,288,257
Closing balance at 31st Ashad 2081	4,620,814	-	4,620,814

Intangible assets are recognized based on 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 cost are amortized based on expected useful life which is estimated as 5 years (the estimate is being reviewed periodically). Residual Values of intangibles are estimated to be NIL. 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 are considered to be impaired and are 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.

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4. PROPERTY PLANT AND EQUIPMENT

Figures in NPR

Particulars	Buildings	Plant & Machinery	Office Equipment	Coolers	Containers	Other Assets	ROU Assets	Capital work-in-progress	Total
Cost									
Opening balance at 1st Shrawan 2080	243,019,379	1,300,044,319	72,929,961	832,507,872	872,709,643	16,170,295	30,165,080	13,305,868	3,380,852,417
Additions	-	598,737,912	1,170,000	129,431,353				735,206,428	1,464,545,693
Transfer to asset block		(229,138,004)		(7,443,524)	(1,052,818)			(729,339,265)	(729,339,265)
Disposals				170,256					(237,634,346)
Adjustments									170,256
Closing balance at 31st Ashad 2081	243,019,379	1,669,644,227	74,099,961	954,665,957	871,656,825	16,170,295	30,165,080	19,173,031	3,878,594,755
Additions	161,459,004	72,213,668	-	59,898,074	-	-	-	297,635,476	591,206,222
Transfer to asset block								(293,570,745)	(293,570,745)
Disposals	(34,696,120)	(3,800,228)	(1,404,077)	(3,577,843)	(6,720,503)	-	-		(50,198,770)
Adjustments				(4,724,918)					(4,724,918)
Closing balance at 32nd Ashad 2082	369,782,263	1,738,057,667	72,695,884	1,006,261,270	864,936,322	16,170,295	30,165,080	23,237,762	4,121,306,544
Depreciation and Impairment Losses									
Opening balance at 1st Shrawan 2080	86,087,623	799,602,470	59,525,116	506,770,040	685,275,884	8,577,958	2,507,048	-	2,148,346,139
Additions	7,785,684	61,055,653	3,384,874	77,602,060	67,397,690	1,455,866	1,253,526	-	219,935,353
Disposals	-	(178,426,603)	-	(5,691,684)	(1,052,818)	-	-	-	(185,171,105)
Adjustments				(584,377)					(584,377)
Closing balance at 31st Ashad 2081	93,873,307	682,231,520	62,909,990	578,096,038	751,620,756	10,033,824	3,760,574	-	2,182,526,010
Additions	7,926,002	88,531,377	2,265,162	82,707,797	54,715,930	1,455,866	1,253,526	-	238,858,660
Transfer to asset block									-
Disposals	(14,402,204)	(3,560,922)	(1,404,077)	(3,577,843)	(6,720,503)	-	-	-	(29,665,549)
Adjustments				(4,805,428)					(4,805,428)
Closing balance at 32nd Ashad 2082	87,397,105	767,201,975	63,771,075	652,423,564	799,616,183	11,489,690	5,014,100	-	2,386,913,693
Net Block									
Closing balance at 32nd Ashad 2082	282,385,158	970,855,692	8,924,809	353,837,706	65,320,139	4,680,605	25,150,980	23,237,762	1,734,392,851
Closing balance at 31st Ashad 2081	149,146,072	987,412,707	11,189,971	376,569,919	120,036,069	6,136,471	26,404,506	19,173,031	1,696,068,745

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Property, Plant and Equipment are initially measured at cost in the statement of financial position. These are inclusive of all cost less excluding any recoverable taxes 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 is not considered.

Assets not ready for intended use on the reporting date are disclosed under "Capital Work in Progress." Capital Work in Progress 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/obsolescent assets in the financial statement and the carrying gross value and the relevant accumulated depreciation has been adjusted in specific block of assets wherever required. Post appropriate approval, the individual item of assets is written off from Fixed Assets Register (FAR). Refer "Adjustments" row of the above table for the movement in such provisions during the year. As on 32nd Ashad 2082 the net provision for missing/obsolescence assets is NPR 2,095,907 (As on 31st Ashad 2081 was NPR 4,594,018).

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 addition to Property, Plant and Equipment is provided on pro-rata basis in the year of purchase when the asset is ready for its intended 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.

4.2 Right of Use (ROU) Assets

The Company has leased 3 plots of land for 40 years from Balaju Industrial District (BID). 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 BID has right to review the lease payment each 5 years. The lease rentals have

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been prepaid at the time of renewal of initial lease contracts and payments currently being made for maintenance expenses are not material. Similarly, the company has entered into sub-lease agreement with Bottlers Nepal (Terai) Limited for period till 2028.

Party	Asset	From	To	Annual Lease payment (F.Y 2081/82)
Bottlers Nepal (Terai) Limited	Godown (Buidling)	01.03.2018	29.02.2028	596,080

4.3 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.

4.4 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 is capitalized upon commissioning and civil works are capitalized upon handing over after being capable of being used.

Coolers and glass bottles purchased by the company is capitalized in books only after the asset is put to use by the entity for its operations.

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Machineries	23,079,062	19,173,033
Coolers	158,700	-
Total	23,237,762	19,173,033

5. INCOME TAX

Income Tax on profit or loss for the year comprises of current taxes and deferred taxes. Income tax is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly to equity.

5.1 Current Income Tax

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Current tax on profit for the years	113,394,338	124,473,529
Adjustments for prior periods	3,295,416	1,909,950
Total	116,689,754	126,383,479

5.2 Deferred Taxes

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Origination and reversal of temporary differences	(20,705,953)	(13,171,944)
Effect of charge in the tax rates	-	-
Total	(20,705,953)	(13,171,944)

5.3 Deferred Tax Assets

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes at the tax rate of 17% (P.Y. 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off

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current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

FY : 2081/82

Figures in NPR

Particulars	Carrying Amount	Tax Base	Temporary Diff
1. Property, Plant & Equipment	1,711,155,087	1,389,886,209	(321,268,878)
2. Intangible Assets	2,288,257	2,226,413	(61,844)
3. Retirement benefit provision	505,506,350	-	505,506,350
4. Provision for Expenses to be claimed on actual expenditure	200,089,679	-	200,089,679
5. Lease Liability	1,469,697		1,469,697
6. Income tax business loss carry forward		584,704,689	584,704,689
Total Amount			970,439,693
Tax Rate		17%	164,974,747
Opening Deferred tax Assets/(Liability)			144,346,995
Deferred tax provision recognised			20,627,753
Closing Deferred tax Assets/(Liability)			164,974,748
Charge/(Credit) to OCI			78,200
Charge/(Credit) to PL			(20,705,953)

FY : 2080/81

Figures in NPR

Particulars	Carrying Amount	Tax Base	Temporary Diff
1. Property, Plant & Equipment	1,675,278,741	1,393,043,847	(282,234,894)
2. Intangible Assets	4,620,814	-	(4,620,814)
3. Retirement benefit provision	505,848,890	-	505,848,890
4. Provision for Expenses to be claimed on actual expenditure	238,357,518	-	238,357,518
5. Lease Liability	1,895,198		1,895,198
6. Income tax business loss carry forward		389,854,072	389,854,072
Total Amount			849,099,970
Tax Rate		17%	144,346,995
Opening Deferred tax Assets/(Liability)			135,712,351
Deferred tax provision recognised			8,634,644
Closing Deferred tax Assets/(Liability)			144,346,995
Charge/(Credit) to OCI			4,537,300
Charge/(Credit) to PL			(13,171,944)

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5.4 Reconciliation

Reconciliation of current tax expense and the accounting profit multiplied by Company's effective tax rate for the year.

Particulars	For the Year 2081-82	For the Year 2080-81
Accounting profit before income tax	364,846,146	231,969,403
Tax calculated at statutory rate applicable	62,023,845	39,434,799
Tax effect of Income that are not Taxable(Final withholding) for Tax purpose	(7,167,030)	(3,047,633)
Tax effect of Expenses that are not deductible for Tax purpose (net)	(16,214,919)	(2,831,198)
Effect of Higher Tax Rates for Non-Manufacturing Income	74,752,442	90,917,561
Current tax expenses	113,394,338	124,473,529

The company is special industry as defined u/s 11 of Income Tax Act 2058, the normal applicable tax rate for which is 20%. Company has further availed rebate of 15% provided to Listed manufacturing entities u/s 11(3g). Therefore tax rate applicable for income from special industry is 17%. However, income tax rate for income from other than special industry is applicable for 25%.

During the current year, the entity has incurred loss from special industries and income from non special industry. As per Section 20(1) of Income Tax Act 2058, loss from one business can be set off against income from another business. However, the company has opted to offer income from non special industry at the rate of 25% and carry forward loss from special industry which shall be set off against income from special industry in next financial year/s.

6. OTHER ASSETS

6.1 Current Non- Financial 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 2082	As at 31st Ashad 2081
Prepayments	34,870,710	27,219,917
Total	34,870,710	27,219,917
Current	34,870,710	27,219,917
Non Current	-	-

6.2.1 Non Current Financial Advances

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advances to Employees	10,562,899	9,428,622
Total	10,562,899	9,428,622

6.2.2 Current Non Financial Advances

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Capital Advances	7,392,959	11,586,914
Advance to suppliers	204,598,731	148,648,835
Balances with statutory/government authorities	1,649,475,928	1,645,553,078
Total	1,861,467,618	1,805,788,827

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6.2.3 Other Current Assets- Financial Assets

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advances to Employees	2,251,215	1,005,373
Loan To BNTL	1,116,286,031	1,200,000,000
Security Deposits	1,659,070	1,955,070
Short Term Deposits	28,201,720	28,201,720
Interest Income Receivables	147,190	202,820
LC Margin Receivables	964,756	3,583,947
Other Receivables from related parties	13,392,353	19,197,000
Total	1,162,902,335	1,254,145,930

6.2.4 Other Current Assets - Non Financial Assets

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
VAT Receivable (Net)	612,302	3,241,069
Total	612,302	3,241,069

Financial Instruments: Financial Assets

a) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument-by-instrument basis at the time of initial recognition of such equity investments. Financial asset not measured at amortized cost or at fair value through other comprehensive income are carried at fair value through the statement of profit and loss.

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.

c) Impairment of financial assets

The Company recognizes impairment of financial assets in accordance with NFRS 9 – Financial Instruments, using the Expected Credit Loss (ECL) model. Financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income are assessed for impairment at each reporting date

The Company evaluates expected credit losses based on:

- i. the probability of default,
- ii. the expected timing of recoveries, and
- iii. the estimated amount of loss in the event of default

Using information available without undue cost or effort, including past collection experience, customer-specific risk assessments, current economic conditions and forward-looking internal estimates.

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For trade receivables, the Company applies the simplified approach, recognizing lifetime expected credit losses from initial recognition.

For other financial assets, the Company recognizes 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case lifetime ECL is recognized.

Loss allowances are recognized in profit or loss and reduce the carrying amount of the related financial asset. Financial assets are written off when there is no reasonable expectation of recovery.

d) De-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset, and the transfer qualifies for de-recognition under NFRS 9.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in statement of profit or loss.

e) 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 in Note 33.

7. INVESTMENT

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Bottlers Nepal (Terai) Ltd., a subsidiary company 1,098,472 (previous year 1,098,472) ordinary shares of NPR 100 each fully paid up. (including premium on 2,299 shares of NPR 0.46 lakhs)	109,893,200	109,893,200
Troika Traders Pvt. Ltd., subsidiary company 7,480 (previous year 7,480) ordinary shares of NPR 100 each fully paid up.	748,000	748,000
Total	110,641,200	110,641,200

The Company has made an equity investment in M/s Bottlers Nepal (Terai) Ltd. (BNTL) and Troika Traders Pvt. Ltd., a subsidiary company and the Company has invested 90.78 percent of the equity in M/s Bottlers Nepal (Terai) Ltd. (BNTL) and majority holding of 99.73% in Troika Traders Pvt. Ltd. respectively as promoter investor. Investment in subsidiaries is recognized at cost for the purpose of separate financial statements prepared under NAS 27. The subsidiaries are consolidated as per NFRS 3 and NFRS 10, as the company holds controlling interest in those companies.

The company holds controlling investment in the investees with regards to the representation on the board and the voting power at the AGM of those companies and these companies are treated as subsidiaries.

7.1 Investment in Subsidiaries

Investment in subsidiary is not tested for impairment as these are consolidated and assets of subsidiaries have been subject to impairment testing at the entity level.

7.2 Risks

Investment in subsidiaries is a long-term investment. The risks associated with beverage industry in Nepal and long-term investments returns are relevant for these investments.

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8. INVENTORIES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Raw materials	592,036,468	716,881,727
Work-in-process	2,745,255	-
Finished goods	53,223,810	43,952,258
Consumables	150,782,958	149,022,572
Total	798,788,491	909,856,557

Inventories are carried at a 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 & 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 its present location and condition. Finished goods are valued based on weighted average method.

Inventories are presented net of allowance for obsolescence and other possible depletion in value or other losses. Those allowances are estimated to approximate the net realizable value of such items. Allowance adjustments are made for those inventories identified by management as obsolete based on 10 Year Aging or technical evaluation, whichever is earlier.

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

9. TRADE RECEIVABLES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Trade receivables:		
Secured, considered good	86,043,453	75,992,612
Unsecured considered good	117,883,504	77,061,187
Receivables from other related parties	97,680,651	19,035,723
Less: Allowance for Impairment Loss on Trade Receivables	(4,115,620)	(4,115,620)
Total	297,491,988	167,973,902

Bank overdrafts are secured against all receivables.

9.1 Trade Receivables

Trade receivables comprise of amount receivable from our customers and are non-interest bearing and are generally on terms of 30 to 90 days.

Secured trade receivable are against Bank Guarantee provided by the customers

9.2 Related Parties Transaction

It includes transactions with group companies and key management personnel which are disclosed in Note 32.

9.3 Impairment of financial assets

For allowances, assets with a potential need for a write-down are assessed individually on the basis of credit risk characteristics, tested for impairment, and written down, if necessary. Estimated irrecoverable amounts are based

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on the ageing of the individual receivable balances, any available collateral or bank guarantees, taking previous cases of default into consideration and historical experiences.

Risks associated with Financial Instrument- Financial Assets

The company has a risk management framework to monitor, access, mitigate and manage risks. The risk management framework given in Note 33.

10. CASH AND CASH EQUIVALENTS

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Balances with Banks On current accounts	8,382,545	13,008,434
Total	8,382,545	13,008,434

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

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

Short-term deposits are made for varying periods of between one day and three 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.

11. EQUITY SHARE CAPITAL

Particulars	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	Number	NPR	Number	NPR
Authorized				
Ordinary shares of Rs. 100 each	4,300,000	430,000,000	4,300,000	430,000,000
Issued and Paid Up				
Ordinary shares of Rs. 100 each	1,948,887	194,888,700	1,948,887	194,888,700
At the beginning of the year	1,948,887	194,888,700	1,948,887	194,888,700
At the end of the year	1,948,887	194,888,700	1,948,887	194,888,700

The Share holding Pattern of the company is as follow:

Shareholder Category	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	No. of Shares	% of holding	No. of Shares	% of holding
Coca-Cola South West Asia Holding Limited	1,484,301	76.16%	1,484,301	76.16%
Gorkha Brewery Private Limited	428,755	22.00%	428,755	22.00%
Other Shareholders	35,831	1.84%	35,831	1.84%
Total	1,948,887	100.00%	1,948,887	100.00%

Share issue expenses have not been netted off against 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 amounts to be immaterial.

12. RESERVE & SURPLUS

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Share Premium	165,087,020	165,087,020
Retained earnings	2,473,385,534	2,204,523,189
Actuarial Reserve	(32,615,479)	(32,997,279)
(As per Statement of Changes in Equity)		
Total	2,605,857,075	2,336,612,930

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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, 2063.

- i. Premium of Rs. 100 each on 264,995 ordinary shares.
- ii. Premium of Rs.160 each on 866,172 ordinary shares issued as rights shares at the rate of 4 shares for 5 shares held.

13. EMPLOYMENT BENEFITS

Current Employment benefits

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Salaries, wages and other employee cost		
Cost of Goods Sold	191,106,416	217,976,732
Selling and Distribution Expenses	147,402,739	168,147,001
Administrative and Operating Expenses	137,492,879	156,949,483
Employee Bonus (As per Bonus Act 2074)	40,538,461	25,774,244
Defined Contribution Plan Expenses		
Cost of goods sold	4,917,343	7,819,082
Selling and distribution expenses	3,792,807	6,012,098
Administrative and operating expenses	3,537,818	5,500,933
Defined Benefit Plan Cost		
Cost of goods sold	38,107,299	43,492,191
Selling and distribution expenses	9,314,506	10,851,304
Administrative and operating expenses	7,404,654	8,453,715
Other Long Term Benefit Cost		
Cost of sales	1,288,954	1,531,000
Selling and distribution expenses	632,269	751,000
Administrative and operating expenses	2,024,777	2,405,000
Total Employee Cost charged to SoPL for the Period	587,560,923	655,663,783
Actuarial loss on defined benefit plan schemes charged to SoOCI for the Period	(460,000)	(26,690,000)
Total Employee Cost for the Period	587,100,923	628,973,783

13.1 Retirement Benefit

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.

The cost of the defined benefit plans, other long-term employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds. The mortality rate is based on publicly available Nepal Assured Lives Mortality Table 2009 for the country. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no

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deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

FY 2081-82

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
Opening Liability	260,900,000	21,501,000	223,447,890	505,848,890
Current Service cost	-	2,562,000	18,090,460	20,652,460
Past Service Cost	6,882,000	500,000	(5,513,000)	1,869,000
Interest Charge	19,106,000	1,609,000	16,261,000	36,976,000
Acturial (gain)/loss during the year (recognised in OCI)	16,923,000	(725,000)	(17,383,000)	(1,185,000)
Paid	(44,135,000)	(2,793,000)	(11,727,000)	(58,655,000)
Closing Liability	259,676,000	22,654,000	223,176,350	505,506,350
Current Liability	14,242,000	1,357,000	3,799,000	19,398,000
Non Current Liability	245,434,000	21,297,000	219,377,350	486,108,350
Charge for the period to SoPL	25,988,000	3,946,000	28,838,460	58,772,460
Charge to SoCI	16,923,000	-	(17,383,000)	(460,000)

FY 2080-81

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
Opening Liability	310,399,000	20,693,000	259,057,680	590,149,680
Current Service cost	-	2,575,000	18,209,210	20,784,210
Interest Charge	23,787,000	1,689,000	20,801,000	46,277,000
Acturial (gain)/loss during the year (recognised in OCI)	18,911,000	423,000	(45,601,000)	(26,267,000)
Paid	(92,197,000)	(3,879,000)	(29,019,000)	(125,095,000)
Closing Liability	260,900,000	21,501,000	223,447,890	505,848,890
Current Liability	33,101,000	1,546,000	13,086,000	47,733,000
Non Current Liability	227,799,000	19,955,000	210,361,890	458,115,890
Charge for the period to SoPL	23,787,000	4,687,000	39,010,210	67,484,210
Charge to SoCI	18,911,000	-	(45,601,000)	(26,690,000)

Current and Non Current Liability Breakup**FY 2081-82**

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit	Total
Current Liability	14,242,000	1,357,000	3,799,000	19,398,000
Non Current Liability	245,434,000	21,297,000	219,377,350	486,108,350
Net (Asset)/Liability as at 32nd Ashad 2082	259,676,000	22,654,000	223,176,350	505,506,350

FY 2080-81

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit	Total
Current Liability	33,101,000	1,546,000	13,086,000	47,733,000
Non Current Liability	227,799,000	19,955,000	210,361,890	458,115,890
Net (Asset)/Liability as at 31st Ashad 2081	260,900,000	21,501,000	223,447,890	505,848,890

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13.2 Defined benefit plan

The defined benefit plan of the company includes Gratuity and Other Retirement benefits.

13.2.1 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 period	3 years
Normal Retirement Age	60 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 20 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 period	No vesting applicable
Normal Retirement Age	60 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

C. Gratuity Benefit on or after 31st October 2022:

Effective 01st November 2022, the Gratuity scheme is a Defined Contribution scheme where a monthly contribution is being made to the Social Security Fund (SSF). Hence the valuation will only be done for service rendered till 31st October 2022. However, the Gratuity for service till 31st October 2022 will be paid on the last drawn salary. Employees joining on or after 01st November 2022 are not entitled to 5 days of additional benefit on completion of 15 years of service. Employees joining on or after 01st November 2022 are not entitled to reimbursement of tax on Gratuity benefit. However, employees who have joined prior to 01st November 2022 will continue to get the tax reimbursement.

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As per Section 53 of Labour Act 2074, minimum 8.33% of basic salary shall be provided to employees as gratuity after 3rd September 2017 from date of service. As per Collective Bargaining Agreement (CBA) entered by the company with its employees, any employee completing 15 years of service at the time of retirement (20 years in case of withdrawal) will be eligible for 35 days of benefit. Employees falling under these criteria will receive benefit as per CBA, which is beneficial over the benefit provided as per Labour Act 2074. The company has provided for entire gratuity provision based on actuarial valuation.

13.2.2 Other retirement benefits:

Other retirement benefits include three days' basic salary computed based on completion of 15 years 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 past experience and discounting the long-term obligations at the end of each reporting period.

13.2.3 Sensitivity analysis

FY 2081-82

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit
Effect on DBO due to 0.5% increase in discount rate	(11,222,000)	(1,034,000)	(9,730,000)
Effect on DBO due to 0.5% decrease in discount rate	11,887,000	1,116,000	10,473,000
Effect on DBO due to 0.5% increase in salary escalation rate	11,569,000	1,086,000	10,191,000
Effect on DBO due to 0.5% decrease in salary escalation rate	(10,940,000)	(1,017,000)	(9,570,000)

FY 2080-81

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit
Effect on DBO due to 0.5% increase in discount rate	(10,972,000)	(1,033,000)	(9,907,000)
Effect on DBO due to 0.5% decrease in discount rate	11,772,000	1,116,000	10,700,000
Effect on DBO due to 0.5% increase in salary escalation rate	11,506,000	1,091,000	10,455,000
Effect on DBO due to 0.5% decrease in salary escalation rate	(10,836,000)	(1,019,000)	(9,782,000)

The above sensitivity analysis is based on a change in an assumption while holding all other assumption constant. In practice, this is unlikely to occur and changes in some of the assumptions are 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 while calculating the defined benefit liability recognized in the balance sheet.

13.2.4 Actuarial Assumptions

Particulars	For the Year 2081-82	For the Year 2080-81
Financial Assumptions		
Discount rate (%)	7.50%	8.00%
Salary escalation rate	10.00%	10.00%
Future service	Expected average remaining working life of the employees based on withdrawal rate and retirement age taken as 60 years	Expected average remaining working life of the employees based on withdrawal rate and retirement age taken as 58 years
Demographic Assumptions		
Mortality	In accordance with the standard table, Nepal Assured Lives Mortality (2009) (modified) Ultimate Rates	In accordance with the standard table, Nepal Assured Lives Mortality (2009) (modified) Ultimate Rates
Withdrawal rate	6.00%	3.50%

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13.2.5 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 obligation.

13.3 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.

13.4 Other Long-Term Benefits - Leave Encashment

Leave encashment has been computed using actuarial assumptions. The assumptions made are the growth rate derived from 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.

14. BORROWINGS

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Bank Overdrafts	160,688,832	189,479,609
Secured Bank Loan	1,288,000,000	1,568,000,000
Total	1,448,688,832	1,757,479,609

Short-term bank overdraft carries interest at the rate 6.75% to 7.6% Pa. during the year and repayable on demand. Bank Overdraft are secured against all movable properties/current assets including inventories & trade receivables.

15. TRADE PAYABLES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Trade Payable	332,291,222	185,871,109
Trade Payable to related parties	406,182,818	424,318,033
Total	738,474,040	610,189,142

FINANCIAL INSTRUMENTS- FINANCIAL LIABILITIES

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade payables and borrowings.

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

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 their impact on effective interest rate is considered not material and the carrying value is considered to approximate the amortized cost.

The company has a risk management framework to monitor, access, mitigate and manage risk. The risk management framework is given in Note 33.

16. LEASE LIABILITY

At the date of commencement, the company has recognized the right of use of assets and corresponding lease liability at present value of the future lease payment discounted at rate of 10.00% over the lease period. The interest rate has been assumed to be the effective rate of interest implicit in the lease for the purpose of discounting. Interest expense accrued on lease liability, being a component of finance cost is presented separately as a charge in the statement of Profit or Loss.

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Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Opening Balance	1,895,198	2,262,630
Recognition of lease liability	-	-
Lease modification	-	-
Interest Accrued on Lease Liability (Charged to PL - Refer Note 25t)	170,579	209,928
Actual Lease Payment during the year	(596,080)	(577,360)
Total	1,469,697	1,895,198
Current Lease Liability	490,324	452,012
Non- Current Lease Liability	979,373	1,443,186

17. OTHER FINANCIAL LIABILITIES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Container deposit liability	202,583,108	199,152,113
Corporate Social Responsibility	5,443,007	7,305,883
Trade Deposits	840,000	1,940,000
Employee related accruals	79,595,871	93,455,257
Bonus Payable	40,538,461	25,774,245
Provision for Expenses	194,646,672	231,051,635
Dividend payable	56,403,440	56,403,440
Statutory dues payable	106,543,219	116,712,540
Interest Payables	4,355,893	5,297,777
Total	690,949,671	737,092,890

Breakup of provision for expenses:

Provision for Expenses

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Provision_General	49,636,268	39,889,132
Provision_Discount	79,864,837	143,634,815
Provision_DME	16,439,910	12,125,072
Provision_Leakage & BBD	48,705,657	35,402,617
Total	194,646,672	231,051,635

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 2020 (2076 BS) (the "Act") has been introduced with effect from February 11, 2020, superseding the Industrial Enterprises Act 2016 (2073 BS) (the "Previous Act").

Section 54 of Industrial Enterprises Act 2020 (2076 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 based on annual plans and programs in the sectors that are prescribed under the Act. The progress report of the utilization of the fund collected for CSR is required to be submitted to the Department of Industries registered within six months from expiry of the financial year.

The company has provided provision for CSR at the rate of 1 % of profit before tax amounting to NPR 4,094,794 for FY 81-82.

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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.

18. NON FINANCIAL LIABILITIES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advance received from distributors	974,859	1,765,595
Total	974,859	1,765,595

19. INCOME TAX (RECEIVABLE)/PAYABLE

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Income tax payable	782,435,416	786,474,533
Less: Advance Income Tax	(781,868,697)	(785,906,475)
Total	566,719	568,058

20. REVENUE FROM CONTRACTS WITH CUSTOMER

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Sale of goods	3,957,806,683	3,114,752,129
Less: Discount	(646,689,776)	(615,910,828)
Less: Deferred Revenue	(50,963,878)	(42,990,379)
Total	3,260,153,029	2,455,850,922

20.1 Sale of Goods

The entity has applied NFRS 15- Revenue from Contracts with Customers using the cumulative effect method.

20.2 Significant Accounting Policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue when it transfers control over a product or service to a customer.

20.3 Nature of Goods and Services

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 and Fanta.

20.4 Timing of Revenue Recognition

The entity recognizes revenue at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

20.5 Sales Channel

The entity does not sale goods directly. It sales only through intermediaries i.e. through its distributors.

20.6 Transaction price related to remaining performance obligations

Some of sales made to customers comprise a right of return, trade discounts or volume rebates, incentive, reimbursement of expense. Currently, the entity recognizes revenue from the sale of goods upon delivery measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the entity defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under NFRS 15 and will be required to be estimated at contract inception and updated thereafter. Contract assets and liabilities are included in receivables and other financial liabilities disclosed in notes 9 and 17.

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(i) Rights of return

When a contract with a customer provides a right to return the good within the specified period. However, the amount of returns being immaterial, the entity currently does not account for the right of return and does not anticipate significant impact on revenue recognition under the expected value method under NFRS 15. However, the entity recognizes obligations which may arise due to expiry of products and such obligation is measured based on previous year trends.

(ii) Volume rebates

The entity provides retrospective volume rebates to its customers on all products purchased by the customer once the quantity of products purchased and liquidated at secondary level during the period under scheme in force exceeds a threshold specified in the scheme under constructive obligation as evidenced in sales and marketing policy of the company.

Under its existing accounting policy, the entity estimates the expected volume rebates using the probability-weighted average amount of rebates approach and includes them in other Liabilities. These amounts may subsequently be repaid in cash to the customer or are offset against amounts payable by customer. Under NFRS 15, retrospective volume rebates give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the entity considered that the most likely amount method better predicts the amount of variable consideration for contracts with only a single volume threshold while for contracts with more than one volume threshold it would apply either the expected value method or the most likely amount method, depending on which of them better predicts the amount of variable consideration for the particular type of contract.

21. COST OF GOODS SOLD

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Material consumed		
Raw materials		
Opening Stock	716,881,727	286,794,924
Purchase	1,490,502,892	1,428,774,205
Less: Transfer to Bottlers Nepal (Terai) Ltd.	11,954,597	(7,778,571)
Closing Stock	(592,036,468)	(716,881,727)
Total raw material consumed	1,627,302,748	990,908,831
Work in process		
Opening Stock	-	3,381,242
Closing Stock	(2,745,255)	-
Net change in work-in-process	(2,745,255)	3,381,242
Production and manufacturing overheads	616,622,460	716,567,071
Finished goods		
Opening Stock	43,952,258	112,091,650
Closing Stock	(53,223,810)	(43,952,258)
Net change in finished goods	(9,271,552)	68,139,392
Cost of goods sold	2,231,908,401	1,778,996,536

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21.1 Production and manufacturing overheads

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Salaries, wages and other employee cost	212,299,236	236,143,719
Sick Leave	1,288,954	1,531,000
Gratuity	18,417,863	16,858,000
Other retirement benefits	19,689,436	26,634,191
Travel and transport costs	3,809,140	4,573,236
Repair and maintenance	54,077,764	74,529,932
Office expenses	26,355,226	22,772,590
Consumables	30,709,768	23,968,787
Loss on sale/write off of Property plant equipment (net)	-	53,745,774
Loss on Stock of Raw Material Destroyed	-	999,731
Power & Fuel	56,518,415	52,931,722
Depreciation on property, plant and equipment	185,944,012	171,212,808
Amortization of Intangible Assets	1,135,137	3,473,570
Exchange (Gain)/Loss	6,377,509	27,192,011
Total	616,622,460	716,567,071

22. OTHER OPERATING INCOME

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Product transfer fee	159,317,140	209,169,238
Sale of Scrap	5,808,421	4,688,860
Reversal of Accrued Expense	-	129,478,745
Miscellaneous Income	535,909	335,942
Total	165,661,470	343,672,785

22.1. Product Transfer Fee

The Company and Bottlers Nepal (Terai) Ltd, its subsidiary Company, can sell their products in their respective market territories only. In respect of sales made by the Company and its subsidiary, 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 affected as per above clause.

22.2 Sale of Scrap

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

22.3 Reversal of Accrued Expense

The Reversal relates to amount payable to Hindustan Coca-Cola Beverages Pvt. Ltd.

22.4 Miscellaneous Income

Income includes amount claim from Insurance on account of rebate on insurance premium.

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23. SELLING AND DISTRIBUTION EXPENSES

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Salaries, wages and other employee cost	163,749,022	182,140,566
Sick Leave	632,269	751,000
Gratuity	3,997,566	3,659,000
Other retirement benefits	5,316,941	7,192,304
Travel and transport costs	22,632,289	27,172,226
Repair and maintenance	13,027,602	17,954,631
Office expenses	16,551,953	14,301,939
Communication expenses	33,608,530	31,353,039
Utilities	8,155,163	4,847,911
Freight Charges	138,459,900	101,454,198
Liquid leakages and damages	-	1,215,040
Sales promotion expenses	49,170,633	64,574,677
Other miscellaneous expenses	1,570,367	492,392
Depreciation on property, plant and equipment	49,770,258	45,827,266
Amortization of Intangible Assets	487,553	1,491,933
Loss on sale/write off of Property plant equipment (net)	12,764,599	(5,764,706)
Product transfer fees	62,523,888	14,488,202
Total	582,418,533	513,151,616

24. ADMINISTRATIVE AND OPERATING EXPENSES

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Salaries, wages and other employee cost	152,740,205	169,895,289
Sick Leave	2,024,777	2,405,000
Gratuity	3,572,572	3,270,000
Other retirement benefits	3,832,083	5,183,715
Travel and transport costs	13,758,254	16,518,098
Repair and maintenance	2,297,066	3,165,814
Office expenses	30,120,338	26,025,886
Bank charges	2,876,729	2,758,122
Audit fees	600,000	550,000
Legal and other professional fees	18,635,964	19,871,380
Communication expenses	31,435,458	28,108,872
Utilities	11,165,246	13,772,033
Depreciation on Property, plant and equipment	3,144,390	2,895,279
Amortization of Intangible Assets	709,867	2,172,225
Corporate Social Responsibility	4,094,794	2,603,459
Security Expenses	9,897,217	9,202,020
Board and AGM expenses	300,000	360,000
Impairment Loss on Trade and other receivables	-	(9,438,300)
Exchange (Gain)/Loss	(19,411,479)	-
Other miscellaneous expenses	1,995,150	1,412,708
Total	273,788,631	300,731,600

24.1 Salaries, wages and other employee cost

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Salary and other benefits	345,390,409	347,628,595
Less:- Salary cost charged to BNTL/Troika	(192,650,204)	(177,733,306)
Total	152,740,205	169,895,289

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24.2 Audit Fees Disclosure

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Statutory Audit Fees	600,000	550,000
Allowances	-	11,600
Total	600,000	561,600

25. FINANCE COST

Finance costs comprises of 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 NFRS.

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Interest on Overdraft	111,886,766	146,339,715
Interest on Lease Liabilities	170,579	209,928
Total	112,057,345	146,549,643

26. FINANCE INCOME

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Interest income	84,280,957	105,966,771
Dividend income from subsidiaries	54,923,600	65,908,320
Total	139,204,557	171,875,091

26.1 Interest Income

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

27. EARNINGS PER SHARE

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Numerator		
Profit for the year and earnings used in basic EPS	268,862,345	118,757,868
Denominator		
Weighted average number of shares used in basic EPS	1,948,887	1,948,887
Basic and Diluted Earning Per Share	138	61

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 has 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.

28. DIVIDEND PAID AND PROPOSED

No Dividend has been proposed and paid during the current Fiscal year.

29. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

29.1 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.

29.1.1 Bank Guarantee

Bank Guarantee has been provided to the department of Customs for obtaining EXIM Code. As at the reporting date the guarantee amount is NPR 300,000. Other Bank guarantee has been provided to Revenue Tribunal amounting to NPR 1,356,201,000 in respect of Note 29.1.3 and NPR 6,441,000 in respect of Note 29.1.2 for FY 2070-71.

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29.1.2. Corporate Tax Matters

- i. 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. With pending decision, 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	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	17,850,617	-	17,850,617	4,630,380
TDS	26,531,605	444,027	26,087,578	5,550,164
VAT				
Total	44,382,222	444,027	43,938,195	10,180,544

- ii. 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. With pending decision, 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	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	20,947,018	273,157	20,673,861	5,141,075
TDS	44,307,639	680,651	43,626,988	7,472,987
VAT	-	-	-	-
Total	65,254,657	953,808	64,300,849	12,614,062

- iii. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2070-71. For the unaccepted amount, the company has filed the case at Supreme Court. With pending decision, 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	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	41,888,912	810,000	41,078,912	1,450,012
Total	41,888,912	810,000	41,078,912	1,450,012

- iv. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2071-72. For the unaccepted amount, the company has filed the case for Administrative Review. With pending decision, 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	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	77,141,879	1,146,446	75,995,433	13,325,041
TDS	85,433,388	813,238	84,620,150	16,009,209
VAT	4,389,106	773,407	3,615,699	1,448,308
Total	166,964,373	2,733,091	164,231,282	30,782,558

- v. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2072-73. For the unaccepted amount, the company has filed the case for Administrative Review. With pending decision, additional liabilities have not been recognized in the financial statements and have been disclosed as contingent liabilities as below:

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Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	68,532,810	2,872,835	65,659,975	9,104,746
TDS	65,205,250	110,990	65,094,260	8,891,621
VAT	4,481,883	3,470,144	1,011,739	163,543
Total	138,219,943	6,453,969	131,765,974	18,159,910

- vi. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2073-74. For the unaccepted amount, the company has filed the case for Administrative Review. With pending decision, 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	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	80,069,716	7,934,807	72,134,909	7,409,785
TDS	47,499,206	200,161	47,299,046	5,508,029
VAT	6,498,646	5,217,221	1,281,425	308,884
Total	134,067,568	13,352,189	120,715,380	13,226,699

- vii. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2074-75. For the unaccepted amount, the company has filed the case for Administrative Review . Pending decision from the Director General, additional liability has not been recognized in the financial statements and is disclosed as contingent liabilities as below:

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	214,059,926	1,852,693	212,207,234	13,055,244
VAT	6,837,501	-	6,837,501	894,395
Total	220,897,427	1,852,693	219,044,734	13,949,639

- viii. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2075-76. For the unaccepted amount, the company has filed the case for Administrative Review. Pending decision from the Director General, additional liability has not been recognized in the financial statements and is disclosed as contingent liabilities as below:

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	120,761,518	965,500	119,796,018	4,760,610
VAT	9,618,722	781,637	8,837,085	236,350
Total	130,380,240	1,747,137	128,633,103	4,996,960

- ix. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2076-77. For the unaccepted amount, the company has filed the case for Administrative Review . Pending decision from the Director General, additional liability has not been recognized in the financial statements and is disclosed as contingent liabilities as below:

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	1,072,174	-	1,072,174	60,795
VAT	13,298,924	-	13,298,924	167,748
Total	14,371,098	-	14,371,098	228,543

- x. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2077-78. For the unaccepted amount, the company has filed the case for Administrative Review after the reporting period. Pending decision

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from the Director General, additional liability has not been recognized in the financial statements and is disclosed as contingent liabilities as below:

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	19,322,262	-	19,322,262	-
TDS	27,281,721	-	27,281,721	-
VAT	19,975,565	-	19,975,565	-
Total	66,579,548	-	66,579,548	-
Grand Total	1,023,005,987	28,346,914	994,659,074	105,588,928

29.1.3 Case filed against the Revenue Tribunal Decision and Case filed by Department of Revenue Investigation (DRI)

Background of Litigations

In 2014, European Refreshment acquired a 100% stake in Coca-Cola SABCO (Asia) Limited (n.k.a. Coca-Cola Southwest Asia), which is the majority owned shareholder of BNL (76.16%) from Coca-Cola SABCO (Pty) Ltd (“Share Purchase Transaction”). Owing to the said Share Purchase Transaction, there are two litigations that are ongoing and BNTL case has been closed under amnesty.

1. Case filed against the Revenue Tribunal Decision:

The Company received unfavorable judgment from the Revenue Tribunal regarding a tax assessment for FY 2071-72 related to demand raised by the Large Taxpayers Office on the assessed tax on the said Share Purchase Transaction. The case relates to applicability of section 57 of Income Tax Act, 2058 - Change in Control owing to said Share Purchase Transaction. The Company filed a Leave Petition with the Supreme Court on 26th September 2024, seeking to appeal the decision rendered by the Revenue Tribunal. A hearing was held on 15th August 2025, during which the Supreme Court ruled in our favor, admitting the case for further review. The Court will now conduct a thorough examination of the legal and judicial aspects of the Revenue Tribunal’s decision. Based on the advice of external legal counsels, management has assessed the likelihood of an adverse outcome in this case as “less likely than not”.

2. Case filed by Department of Revenue Investigation (DRI)

The DRI filed a Revenue Leakage case against BNL and others at Patan High Court, Kathmandu Nepal on 11th March, 2022, in relation to the said Share Purchase Transaction. The case is ongoing and till this reporting period ends, the court has taken statement from various individuals as well as company. In the meantime, the High Court has completed the recording of witness statement of the auditor. The Company is working with Panel of Lawyers and Tax experts to represent both the cases. The Company denies any wrongdoing and will continue to represent in relevant forums and use appropriate legal remedies. In the meanwhile, the High Court has put the case in Multabi (animated suspension / post-ponement) at the request of the lawyers representing BNL. The ground for keeping the case in Multabi is because the decision of Revenue Tribunal on tax liability of the Company has been challenged in the Supreme Court, which has been admitted to the Supreme Court on 15th August 2025 for further review. Thus, based on the order of the High Court on 27th January 2025, the case remains postponed until the ongoing (above stated) Supreme Court case is closed. Management has consulted with legal counsel, who have advised that there is a “less likely than not” chance of an unfavorable outcome.

Financial Impact and Accounting Treatment

If the judgments in these cases are ultimately unfavorable, the Company could be liable for an estimated amount of NPR 4.71 billion. (Including estimated interest liabilities up to balance sheet date of NPR 99.5 million) However, based on management’s assessment, supported by external legal counsel’s opinion that the outcomes are “less likely than not” to be unfavorable, no provision has been recognized in these financial statements. Instead, these matters are disclosed as contingent liabilities in line with NAS 37.

Management’s Assessment and Key Assumptions

Management has assessed these cases individually and in aggregate, concluding that the likelihood of a significant outflow of resources is not probable at this time. This assessment is based on:

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- Legal counsel's opinion that both cases have a "less likely than not" chance of an unfavorable outcome.
- The postponement of the High Court case and the ongoing Supreme Court review.

Uncertainties and Risks

While the Company believes the outcomes will not result in material liabilities, the final resolutions are uncertain and could differ from management's expectations. The Company will continue to monitor these cases and adjust its assessment as needed based on developments.

29.2 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 end of financial year 2081/82, the Company had capital commitments of NPR 13,545,158 (Previous Year 2080/81 NPR 24,115,871) relating to various small projects.

30. 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.

31. 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.

32. RELATED PARTY TRANSACTIONS

32.1 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

32.1.1 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 been 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.

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FY 2081-82

Figures in NPR

Particulars	Fees	Remuneration	Allowances	Facilities	Total
Director's Fees & facilities	300,000	-	-	-	300,000
Managing Director		29,664,819	42,352,397	6,028,935	78,046,151
Key Managers		50,020,143	50,778,497	5,403,094	106,201,734
Total	300,000	79,684,962	93,130,894	11,432,029	184,547,885

FY 2080-81

Figures in NPR

Particulars	Fees	Remuneration	Allowances	Facilities	Total
Director's Fees & facilities	360,000	-	-	-	360,000
Managing Director		27,514,786	46,902,915	6,437,382	80,855,083
Key Managers		58,525,270	110,662,536	6,565,927	175,753,733
Total	360,000	86,040,056	157,565,451	13,003,309	256,968,816

Additional Information

- a. Key Management personnel consist of 4 expatriate staffs including Managing Director and 3 National staffs.
- b. Key management personnel are also provided with following benefits:
 - i. All Manager of the Company are provided vehicle allowance as per Company Policy.
 - ii. Furnished apartments are provided to all expatriate staffs.
 - iii. Performance bonus based on individual, Division, and overall Country performance.
- c. The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel. Also, the liability for defined benefit plans excluding expatriates' staff (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 retirement benefits of the key management personnel are not included above.

32.2 Other Related Party Transaction and Balances

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Sale to related parties:		
Sale of various materials to Bottlers Nepal (Terai) Limited	4,813,962	8,386,331
Purchases from related parties:		
Purchase of various materials from Bottlers Nepal (Terai) Limited	16,768,558	607,761
Purchase of concentrate from Pacific Refreshments Pte. Ltd.	1,044,586,987	919,447,402
Product transfer fee:		
Received from Bottlers Nepal (Terai) Ltd.	159,317,140	209,169,238
Paid to Bottlers Nepal (Terai) Ltd.	62,523,888	14,488,202
Management Fee received from Bottlers Nepal (Terai) Limited	192,650,204	177,733,306
Rent received from Bottlers Nepal (Terai) Ltd.	596,880	578,130
Interest received from Bottlers Nepal (Terai) Ltd. on loan	82,888,874	103,448,777
Sale of asset to Bottlers Nepal (Terai) Ltd. (at WDV)	199,723	3,601,119
Purchase of Asset from Bottlers Nepal (Terai) Ltd. (at WDV)	650,786	-
Amounts owed by related parties:		
Troika Traders Pvt. Ltd.-a subsidiary company	23,016,874	22,926,474
Bottlers Nepal (Terai) Limited-a subsidiary company (Loan)	1,116,286,031	1,200,000,000
Bottlers Nepal (Terai) Limited-a subsidiary company		
Coca-Cola India Pvt. Ltd.	4,513,016	19,785,319
Pacific Refreshments Pte. Ltd.	70,548,157	
Coca-Cola Pinya Beverages Myanmar	8,879,337	
Amounts owed to related parties:		
Bottlers Nepal (Terai) Limited-a subsidiary company	31,833	7,106,422
Hindustan CCBPL-other related party		
Soft Drink International Inc-other related party	403,562,967	282,001,002
Refreshment Product Service	2,557,196	4,813,846
Coca Cola Asia Pacific Pvt. Ltd.	30,822	3,160,172
Coca-Cola South West Asia (Other)		1,123,670
Coca-Cola South West Asia (Dividend)	56,403,440	56,403,440
Pacific Refreshments Pte. Ltd.		110,399,871

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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.

33. 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 to policies for managing each of these risks which are summarized below.

33.1 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.

33.1.1 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.

33.1.2 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 longer duration.

33.1.3 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 supplier identified by the group and the Company has long term relation with the supplier.

33.2 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.

33.2.1 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.

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

33.2.2 Cash deposits

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

33.3 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 use of bank overdrafts and bank loans. Access to sources of funding is sufficient.

33.4 Risk Management Framework

FY 2081-82

Figures in NPR

Particulars	Within 1 Year	1-5 Years	More than 5 Years	No stated Maturity	Total
Financial assets					
Investments in subsidiaries	-	-	-	110,641,200	110,641,200
Loan to BNTL	1,116,286,031	-	-	-	1,116,286,031
Advances to Employees	2,251,215	10,562,899	-	-	12,814,114
Security Deposits	-	-	-	1,659,070	1,659,070
Short Term Deposits	28,201,720	-	-	-	28,201,720
Interest Receivable(FD)	147,190	-	-	-	147,190
Trade receivables	297,491,988	-	-	-	297,491,988
LC Margin Receivables	964,756	-	-	-	964,756
Other Receivables	13,392,353	-	-	-	13,392,353
Cash and Cash Equivalents	8,382,545	-	-	-	8,382,545
Total	1,467,117,798	10,562,899	-	112,300,270	1,589,980,968
Financial liabilities					
Bank overdrafts	-	-	-	160,688,832	160,688,832
Secured Bank Loan	1,288,000,000	-	-	-	1,288,000,000
Trade Payable	738,474,040	-	-	-	738,474,040
Container deposit liability	-	-	-	202,583,108	202,583,108
Corporate Social Responsibility	5,443,007	-	-	-	5,443,007
Trade Deposits	-	-	-	840,000	840,000
Lease Liabilities	490,324	979,373	-	-	1,469,697
Employee related accruals	79,595,871	-	-	-	79,595,871
Bonus Payable	40,538,461	-	-	-	40,538,461
Provision for Expenses	194,646,672	-	-	-	194,646,672
Dividend payable	56,403,440	-	-	-	56,403,440
Statutory dues payable	106,543,219	-	-	-	106,543,219
Interest Payables	4,355,893	-	-	-	4,355,893
VAT Payable (Net)	-	-	-	-	-
Gratuity	14,242,000	-	-	245,434,000	259,676,000
Leave Encashment	1,357,000	-	-	21,297,000	22,654,000
Other Retirement Benefits	3,799,000	-	-	219,377,350	223,176,350
Total	2,533,888,927	979,373	-	850,220,290	3,385,088,590
Net Financial Assets	(1,066,771,128)	9,583,526	-	(737,920,020)	(1,795,107,623)

Bottlers Nepal Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

FY 2080-81

Figures in NPR

Particulars	Within 1 Year	1-5 Years	More than 5 Years	No stated Maturity	Total
Financial assets					
Investments in subsidiaries	-	-	-	110,641,200	110,641,200
Loan to BNTL	1,200,000,000	-	-	-	1,200,000,000
Advances to Employees	1,005,373	9,428,622	-	-	10,433,995
Security Deposits	-	-	-	1,955,070	1,955,070
Short Term Deposits	28,201,720	-	-	-	28,201,720
Interest Receivable(FD)	202,820	-	-	-	202,820
Trade receivables	167,973,902	-	-	-	167,973,902
LC Margin Receivables	3,583,947	-	-	-	3,583,947
Other Receivables	19,197,000	-	-	-	19,197,000
Cash and Cash Equivalents	13,008,434	-	-	-	13,008,434
Total	1,433,173,196	9,428,622	-	112,596,270	1,555,198,088
Financial liabilities					
Bank overdrafts	-	-	-	189,479,609.00	189,479,609
Secured Bank Loan	1,568,000,000	-	-	-	1,568,000,000
Trade Payable	610,189,142	-	-	-	610,189,142
Container deposit liability	-	-	-	199,152,113	199,152,113
Corporate Social Responsibility	7,305,883	-	-	-	7,305,883
Trade Deposits	-	-	-	1,940,000	1,940,000
Lease Liabilities	452,012	1,443,186	-	-	1,895,198
Employee related accruals	93,455,257	-	-	-	93,455,257
Bonus Payable	25,774,245	-	-	-	25,774,245
Provision for Expenses	231,051,635	-	-	-	231,051,635
Dividend payable	56,403,440	-	-	-	56,403,440
Statutory dues payable	116,712,540	-	-	-	116,712,540
Interest Payables	5,297,777	-	-	-	5,297,777
VAT Payable (Net)	-	-	-	-	-
Gratuity	33,101,000	-	-	227,799,000	260,900,000
Leave Encashment	1,546,000	-	-	19,955,000	21,501,000
Other Retirement Benefits	13,086,000	-	-	210,361,890	223,447,890
Total	2,762,374,931	1,443,186	-	848,687,612	3,612,505,729
Net Financial Assets	(1,329,201,735)	7,985,436	-	(736,091,342)	(2,057,307,641)

Notes 1 to 33 form an integral part of this consolidated Financial Statement

As per our attached report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
ChairmanAjay Chanbasappa Konale
Managing DirectorSunil Lobo
DirectorSumitra Rijal
Partner
PKF T R Upadhy & Co.
Chartered AccountantsKaran Vijaykumar Achpal
DirectorShalini Ratwatee
DirectorRedwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

DIRECTOR'S REPORT

(For the Year 2081-82)

Dear Shareholders,

We are pleased to present the Directors' Report for the fiscal year ending 32nd Asad 2082. As we look back on FY 2081-82, we approach the ongoing economic slowdown in Nepal with a mix of caution and determination. This report details our financial performance, the external factors affecting our outcomes, and our strategic efforts to steer through these challenging times.

BUSINESS OVERVIEW

FINANCIAL PERFORMANCE

In FY 2081/82, the Revenue from Operations of the Company during the year under review is NPR 7,527 million. The Company has made a net profit before tax of NPR 218 million despite the settlement of tax related dispute by applying the tax amnesty provided by Finance Act, 2082.

The summarized financial results of the company for the year are as follows:

For further details, the financials are enclosed along with this report.

NPR in MM

Particulars	2081-82	2080-81
Revenue from Operations	7,527	8,771
Gross Profit	1,700	2,171
Net Profit Before Tax	218	448
Net Profit After Tax	(614)	340

KEY BUSINESS CHALLENGES

This adverse financial outcome primarily results from several macroeconomic and socio-political factors affecting our operations.

External Factors

- Rising Cost Burden:** Market and economic slowdown due to external factors resulting in upward trend of operational costs for manufacturing sector. Devaluation of Nepalese Rupees against the Foreign Exchange Currencies resulting in higher material cost.
- Natural Calamities:** During the monsoon season in Ashoj of the fiscal year 2081/82 (2024/25), severe flooding and landslides significantly disrupted life in Nepal. These natural calamities impacted businesses, including Coca-Cola, as damaged distribution networks hindered supply chains and led to retail closures. Consequently, Coca-Cola faced decreased sales and operational challenges, underscoring the vulnerability of businesses to such extreme weather events.
- Youth Migration Impact:** The migration of young individuals, who make up a significant portion of our target customers, has had a substantial effect on our business. This movement has resulted in a shrinking core market, leading to reduced sales and a negative impact on overall revenue.

Overcoming Challenges

In response to these challenges, we are committed to implementing strategic measures aimed at revitalizing our business and positioning ourselves for future success.

- Market Presence and Availability:** To make our products more visible and fresher, we placed more coolers in the market. We also expanded our distribution network to reach rural and mountain areas so that customers in remote places can easily get our products. By working closely with new hubs, spokes, and wholesalers, we improved product supply and market coverage. These actions helped us make our products available to more people and strengthen our market presence.
- Cost and Resource Optimization:** We worked on using our resources more wisely to lower costs and improve productivity. The Company switched to furnace oil, which is more energy-efficient and cost-effective. We also introduced the Suttle Racking System to organize storage better and make warehouse operations smoother. These steps helped us save money and improve overall efficiency.
- Financial Discipline:** Managing our finances carefully was one of our main goals this year. We cut unnecessary

expenses and focused on spending only on important business needs. By talking to suppliers early and buying key materials in advance, we were able to avoid sudden price increases. These smart financial steps helped protect our profits and keep the Company financially strong.

- 4. Digital Transformation:** We continued to improve our digital systems to make work faster and easier. Tools like the Distributor Management System (DMS), Sales Force Automation (SFA), and Robotic Process Automation (RPA) helped us reduce manual work, avoid mistakes, and save time. We also launched Coke Buddy®, an online platform that allows customers to place orders easily and quickly. These digital improvements are helping us build a smarter and more efficient business.
- 5. People and Performance:** We focused on building a work culture where everyone is responsible, skilled, and motivated. The Company used feedback tools and digital training programs to help employees learn and grow. These efforts encourage teamwork, creativity, and ownership among staff. As a result, our employees are more productive and aligned with the Company's goals.
- 6. Product Portfolio Expansion:** We continued to add new products to meet changing customer tastes. Offering new variants helps attract new customers and keep existing ones interested. This expansion makes our product range stronger and more competitive in the market.

DIVIDEND

We believe that reinvesting the profits into the company is a wise decision to fuel future growth. Therefore, we are not recommending a dividend for the year ended 32nd Ashad, 2082, as we focus on strengthening the company's long-term success.

STATUTORY AUDITORS

M/s PKF T.R Upadhaya & Co. Chartered Accountants (Firm Registration No. 06) will hold office until the conclusion of the 39th Annual General Meeting and being eligible to be re-appointed, your Board of Directors, upon recommendation of the Audit Committee Meeting have proposed to re-appoint M/s PKF T.R Upadhaya & Co. Chartered Accountant (Firm Registration No. 06) (Ms. Sumitra Rijal, Partner), as Statutory Auditor for FY 2082-83 with a remuneration of NPR 6,50,000/- (In Words Six Lakhs Fifty Thousand Only) (excluding VAT and out-of-pocket expenses).

HUMAN RESOURCES

The Company remains committed to a People-First Culture, emphasizing inclusion, capability building, and performance excellence. During the year, we strengthened our focus on talent development and leadership readiness to align with evolving business priorities.

We continued to embed a culture of performance differentiation through the PMS 123 philosophy and Work That Matters Most (WTMM) framework. Regular Refreshing Conversations between managers and team members have reinforced continuous feedback and accountability, driving higher engagement and productivity.

Aligned with our Talent Factory objective, we invested in leadership and functional development through targeted learning programs and the Growth & Leadership Behavior framework. Our well-being initiatives—health and wellness programs, and the “Celebrating You” platform—further strengthened employee experience and recognition.

In line with our Digital Transformation journey, the HR function advanced digitization through SuccessFactors, cloud based HRIS and other digitization initiatives ensuring more efficient and data-driven people processes.

These initiatives collectively reinforce our commitment to building a high-performing and future-ready organization that supports both people and business growth. We have also highlighted key initiatives undertaken this year in the Annual Report.

CORPORATE GOVERNANCE

The Company remains deeply committed to upholding the highest standards of corporate governance. We continue to earn the trust of our stakeholders by conducting business with integrity, transparency, and accountability. Our strict Code of Business Conduct and Anti-Bribery Policy serve as guiding principles, ensuring that every aspect of our operations is governed by honesty and ethical practices.

All employees, directors, and business partners are required to adhere to these standards both within the workplace and in their external engagements. The Company continuously monitors compliance with its Code of Conduct and

the laws of the country to maintain ethical excellence. Furthermore, the Board of Directors participates in Annual Refresher Training programs to stay updated on evolving legal frameworks and governance practices.

CORPORATE SUSTAINABILITY

The Coca-Cola system places sustainability at the heart of the business and seeks to make a difference and create a better future for all the lives we touch across our value chain. The Company offers responsible beverage consumption choices with a variety of packaging sizes, and endeavors to craft a sustainable value chain so all our partners can grow with us, and to mitigate the impact of our business on the environment. With a history of over 50 years in the country, we strive to lead by example in making a difference while ensuring that our community-driven, customer-oriented business is profitable and socially responsible. We contextualize our global sustainability agenda to the needs of the country, and focus on leveraging the golden triangle of empowerment, bringing the private sector, government, and non-profits together to help the Government of Nepal achieve the Sustainable Development Goals (SDGs) and efforts to graduate from a least developed country. Details of the contribution in executing the sustainability vision are in the Corporate Sustainability report, in the later part of this Annual Report

INTERNAL CONTROL FRAMEWORK

The 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 are required to carry on the business smoothly and lawfully, whilst safeguarding the Company's assets in a secure, practical, accurate and reliable manner. The Company has re-appointed M/s B.K. Agrawal Co. as an Internal Auditor for the year 2025.

THE ROAD AHEAD

The Company remains committed to strengthening profitability and driving sustainable growth. Our focus is on creating long-term value for all stakeholders from customers and consumers to partners and shareholders. We are confident that our continued investments in supply chain efficiency, manufacturing infrastructure, market execution, and product portfolio development will position us to capture emerging opportunities and accelerate future growth.

Our people remain the foundation of our success. We will continue to invest in their development, nurturing skills, leadership, and innovation. By fostering an inclusive, supportive, and performance-driven culture, we aim to empower our teams to deliver excellence and contribute meaningfully to our strategic goals.

Alongside our focus on people, we see significant opportunities ahead and are confident that our strategic investments in supply chain improvements, manufacturing infrastructure, market execution, and product portfolio development will enable us to seize these opportunities. We will also strive to make a positive impact on our communities by addressing environmental and societal concerns.

Our efforts to strengthen brand demand will be driven by optimizing our Route-to-Market (RTM) strategies, expanding product categories and packaging options, managing revenue growth effectively, and maximizing asset utilization through automation. By seamlessly integrating our functions and business services into a coordinated, disciplined network, we aim to uphold the highest standards of governance and operational excellence while delivering stronger returns on investment for years to come.

ACKNOWLEDGEMENT

The Board of Directors extends its sincere gratitude to all our investors, business partners, customers, vendors, banks, service providers, and regulatory and government authorities for their ongoing support of our company's initiatives. We offer special recognition to our associates and the trade union for their steadfast determination, perseverance, and unwavering commitment.

Additionally, the Board of Directors expresses heartfelt appreciation to the Government of Nepal, particularly the Ministry of Industry, Commerce & Supplies, the Department of Industry, the Department of Commerce and Supply Management, Nepal Police, Armed Police Force, District Administration Office, Securities Board of Nepal, Nepal Stock Exchange, Office of the Company Registrar, and the Inland Revenue Department for their valuable support and cooperation.

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 “Business Overview” section

b. Impact, if any, caused on the transactions of the Company from National & International Situation;

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 “Business Overview”, “Key Business Challenges” and “The Road Ahead” section.

d. Industrial or Professional Relations of the Company;

During the year under review, the relationship of the Company with its employees was harmonious resulting in no strike through deepened and pro-active communication with the stakeholders, strong liaison with different stakeholder and local authorities and driving purposeful engagement activities.

e. Alterations in the Board of Directors and the reasons therefore;

In the Fiscal year 2081/82, following alterations took place:

- On January 10, 2025, the Board of Directors replaced Mr. Lukas Zapletal and Mr. Surendra Silwal with Mr. Karan Vijaykumar Achpal and Mr. Arun Adhikary respectively.
- On 11th June 2025, the Board of Directors replaced Mr. Gunjan Dhawan with Mr. Sunil Lobo.
- On 8th October 2025, the Board of Directors approved the resignation submitted by Mr. Ajay Kumar Shrestha.

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 not proposed any dividend to the Shareholders of the Company for the Fiscal Year 2081/82.

i. In the event of forfeiture of shares, details regarding the number of forfeited shares, face value of such shares, total amount received by your 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 subsidiary 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 MM
Bottlers Nepal Limited	Sale of Raw Materials	17.4
Bottlers Nepal Limited	Purchase of Raw Materials	4.8
Bottlers Nepal Limited	Payment of Manpower Cost	192.7
Bottlers Nepal Limited	Payment of Product transfer fee on account of sales made in their respective territories	159.3
Bottlers Nepal Limited	Receipt of Product transfer fee on account of sales made in our respective territories	62.5

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	NPR MM
Salaries, wages and other employee cost	77
Administrative Expenses	179
Total	256

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:

Particulars	Remuneration	Allowances	Facilities	Total
Director's Fees & facilities	-	0.57	-	0.57
Total	-	0.57	-	0.57

Notes: All the facilities provided to the Managers are as per the policy of your 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. The Total Unclaimed dividend as on Ashad 32, 2082 (16 July, 2025) for the last 5 years is NPR 2,901,091/-. All these unclaimed dividends have been transferred to your Company's Share Registrar, M/s Nabil Investment Banking limited 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.

y. Other necessary matters;

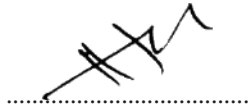
i. Information (if any) regarding existence of any relative of Companies director or official currently working in Office of the Company's Registrar ("OCR"), Securities Board or any other regulatory body concerning the Company in Officer or higher capacity.

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

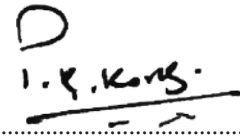
ii. Information (if any) regarding any fines paid by any directors, officers or shareholders of the Company to OCR in violation of Sec. 82 of the Act including information about the amount paid.

None

On behalf of the Board of Directors,



.....
Narmadeshwar Narayan Singh
Chairperson



.....
Pramod Kumar Karki
Independent Director

Date: November 26, 2025



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**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF BOTTLERS NEPAL (TERAI) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bottlers Nepal (Terai) Limited (the Company), which comprise the statement of financial position as at 32 Ashad 2082 (16 July 2025), and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 32 Ashad 2082 (16 July 2025), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ICAN's Handbook of Code of Ethics for Professional Accountants (including International Independence Standards) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2063 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue recognition (Refer Note 19 "Revenue from Operations")</p> <p>Revenue from Operations (hereinafter referred to as "Revenue") is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable.</p> <p>The timing of Revenue recognition is relevant to the reported performance of the Company. The</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the Company's revenue recognition accounting policies in line with NFRS 15 (Revenue) and tested thereof. Evaluated the integrity of the Company's general information and technology control environment and tested the operating



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<p>management considers revenue as a key measure of evaluation of performance.</p> <p>There is a risk that revenue will be recorded before the performance obligation is completed by the Company.</p> <p>The cut-off is the key assertion insofar as revenue recognition is concerned since an inappropriate cut-off can result in a material misstatement of the results for the year.</p>	<p>Revenue recognition, the detailed process flow of sales, segregation of duties for the process followed, automated steps and manually intervened processes.</p> <ul style="list-style-type: none"> ▪ Performed detailed analysis of revenue, analytical testing with monthly sales information filed with tax authorities, testing the timing of its recognition and accuracy of the amounts recognized and verification of the supporting information of the revenue transactions. ▪ Tested the supporting documentation for a selected sample of sales transactions recorded during the period closer to the year-end and subsequent to the year-end to evaluate whether revenue was recognized in the correct period as part of cut-off procedures. ▪ We assessed the adequacy of disclosure in respect of revenue as per NFRS 15.
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Information other than the financial statements and auditors' report thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

We have obtained the information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, the statement of financial position as at 32 Ashad 2082 (16 July 2025), the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended have been prepared in accordance with the requirements of the Company Act, 2063 and are in agreement with the books of account of the Company and proper books of account as required by law have been kept by the Company.

To the best of our information and according to explanations given to us and so far appeared from our examination of the books of account of the Company necessary for the purpose of our audit, we have not come across cases where the Board of Directors or any employees of the Company have acted contrary to the provisions of law relating to the accounts or committed any misappropriation or caused loss or damage to the Company relating to the accounts in the Company.


Sumitra Rijal
Partner



PKF T. R. Upadhy & Co.
Chartered Accountants

Date: 26 November 2025
Place: Kathmandu

UDIN: 251128CA00718CYrJg

Bottlers Nepal (Terai) Limited

STATEMENT OF FINANCIAL POSITION

As at 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Particulars	Notes	As at 32nd Ashad 2082	As at 31st Ashad 2081
ASSETS			
Non-Current Assets:			
Non Financial			
Intangible Assets	3	5,729,883	10,559,823
Property, Plant and Equipment	4	5,080,040,251	5,526,487,146
Financial Assets			
Advances	6	2,489,626	5,138,557
Current Assets:			
Non Financial			
Inventories	7	2,134,065,712	2,710,199,065
Prepayments	8.1	69,170,205	56,026,035
Advances	8.2	511,369,960	662,292,228
Other Current Assets	8.3	23,972,106	42,060,892
Income Tax Receivable	9	50,349,816	73,588,974
Financial Assets			
Other Current Assets	8.4	37,694,698	66,679,674
Trade Receivables	10	639,474,302	923,384,395
Cash and Cash Equivalents	11	36,531,377	20,095,880
Total Assets		8,590,887,936	10,096,512,669
EQUITY AND LIABILITIES			
Equity:			
Equity Share Capital	12	121,000,000	121,000,000
Reserve and Surplus	13	3,406,771,972	4,055,905,896
Liabilities:			
Non-Current Liabilities:			
Non Financial			
Deferred Tax Liability	5.3	228,752,410	207,635,002
Financial Liabilities:			
Retirement Benefit Obligation	14.1	421,528,940	413,531,800
Lease Liabilities	16	80,361,860	112,404,795
Current liabilities:			
Financial Liabilities			
Retirement Benefit Obligation	14.1	18,430,000	51,505,000
Borrowings	15.2	2,344,466,783	2,589,715,495
Trade Payables	15.3	778,977,920	1,220,446,673
Lease Liabilities	16	32,042,935	28,898,240
Other Financial Liabilities	17	1,146,775,376	1,225,280,436
Non Financial Liabilities	18	11,779,740	70,189,332
Total Equity and Liabilities		8,590,887,936	10,096,512,669

Notes 1 to 32 form an integral part of this Financial Statements

As per our attached report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

Ajay Chanbasappa Konale
Managing Director

Sunil Lobo
Director

Sumitra Rijal
Partner
PKF T R Upadhyaya & Co.
Chartered Accountants

Karan Vijaykumar Achpal
Director

Shalini Ratwatee
Director

Pramod Kumar Karki
Independent Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal (Terai) Limited
STATEMENT OF PROFIT OR LOSS
For the year ended 32nd Ashad, 2082 (16th July 2025)

Figures in NPR

Particulars	Notes	For the Year 2081-82	For the Year 2080-81
Revenue from Operations	19	7,527,387,984	8,771,297,424
Cost of goods sold	20	(5,826,933,329)	(6,600,775,248)
Gross Profit		1,700,454,655	2,170,522,176
Other Operating Income	21	81,431,959	31,840,520
Selling and Distribution Expenses	22	(1,118,863,225)	(1,280,538,932)
Administrative and Operating Expenses	23	(255,664,311)	(200,714,056)
Profit from Operations		407,359,078	721,109,708
Finance Costs	24	(189,077,416)	(272,871,038)
Finance Income	25	140,609	200,571
Profit Before Tax		218,422,271	448,439,241
Income Tax Expense			
Current tax	5.1	(53,371,085)	(88,602,414)
Prior period tax adjustments	5.1	(763,054,705)	(29,357,972)
Deferred Tax	5.2	(15,934,615)	9,202,771
Net Profit/(Loss) for the year		(613,938,134)	339,681,626
Basic/Diluted Earnings per share		(507)	281

Notes 1 to 32 form an integral part of this Financial Statements

As per our attached
report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

Ajay Chanbasappa Konale
Managing Director

Sunil Lobo
Director

Sumitra Rijal
Partner
PKF T R Upadhyaya & Co.
Chartered Accountants

Karan Vijaykumar Achpal
Director

Shalini Ratwatee
Director

Pramod Kumar Karki
Independent Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal (Terai) Limited
STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended 32nd Ashad, 2082 (16th July 2025)

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Net Profit/(Loss) for the year as per Statement of Profit or Loss	(613,938,134)	339,681,626
Items that will not be reclassified to Statement of Profit or Loss		
Actuarial Gain/(Loss) on defined benefit plan schemes	30,487,000	1,808,000
Deferred Tax on Actuarial Gain/(Loss)	(5,182,790)	(289,280)
Other comprehensive gain/(loss) for the year, net of tax	25,304,210	1,518,720
Total Comprehensive gain/(loss) for the year, net of tax	(588,633,924)	341,200,346

Notes 1 to 32 form an integral part of this Financial Statements

As per our attached report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

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Managing Director

Sunil Lobo
Director

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PKF T R Upadhyaya & Co.
Chartered Accountants

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Director

Shalini Ratwatee
Director

Pramod Kumar Karki
Independent Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal (Terai) Limited
STATEMENT OF CHANGES IN EQUITY
For the year ended 32nd Ashad, 2082 (16th July 2025)

Figures in NPR

Particulars	Share Capital	Securities Premium Reserve	Actuarial Reserve	Retained Earnings	Total
Balance as at 1st Shrawan 2080	121,000,000	952,000	(37,160,760)	3,823,514,310	3,908,305,550
Profit for the year	-	-	-	339,681,626	339,681,626
Other comprehensive income	-	-	1,518,720	-	1,518,720
Dividends	-	-	-	(72,600,000)	(72,600,000)
Balance as at 31st Ashadh, 2081	121,000,000	952,000	(35,642,040)	4,090,595,936	4,176,905,896
Profit for the year	-	-	-	(613,938,134)	(613,938,134)
Other comprehensive income	-	-	25,304,210	-	25,304,210
Dividends	-	-	-	(60,500,001)	(60,500,001)
Prior Period Items;					
Interest and Penalty on Tax	-	-	-	-	-
Balance as at 32nd Ashad, 2082	121,000,000	952,000	(10,337,830)	3,416,157,802	3,527,771,972

Notes 1 to 32 form an integral part of this Financial Statements

As per our attached
report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

Ajay Chanbasappa Konale
Managing Director

Sunil Lobo
Director

Sumitra Rijal
Partner
PKF T R Upadhyya & Co.
Chartered Accountants

Karan Vijaykumar Achpal
Director

Shalini Ratwatee
Director

Pramod Kumar Karki
Independent Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal (Terai) Limited

STATEMENT OF CASH FLOWS

For the year ended 32nd Ashad, 2082 (16th July 2025)

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	218,422,271	448,439,241
Adjustments for non cash and non operating:		
Adjustments for non cash and non operating:		
Depreciation on Property, Plant and Equipment	646,041,660	645,258,832
Amortization of Intangible Assets	4,829,940	14,862,748
Loss/ (gain) on sale/write off of Property, Plant and Equipment	(6,763,907)	(3,306,786)
Finance income	(140,609)	(200,571)
Finance costs	189,077,416	272,871,038
Modification of Lease Liability	-	(3,046,316)
Working capital adjustments:		
Increase / (Decrease) in trade payable and other liabilities	(607,207,329)	838,802,934
Increase / (Decrease) in provisions	5,409,140	(51,972,670)
Decrease / (Increase) in trade and other receivables	330,983,855	(520,234,900)
Decrease / (Increase) in loans and advances	140,427,029	290,013,550
Decrease / (Increase) in inventories	576,133,353	(823,122,779)
Cash generated from operations	1,497,212,819	1,108,364,321
Direct taxes paid (net of refunds)	(793,186,632)	(100,994,222)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	704,026,187	1,007,370,099
B. CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Acquisition of Property, plant and Equipment	(197,522,182)	(459,107,298)
Purchase of Intangibles	-	(14,657,664)
Proceeds from sale of Property, Plant and Equipment	4,691,329	1,668,938
Interest Received	140,609	200,571
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)	(192,690,244)	(471,895,452)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(245,248,712)	(186,692,486)
Interest paid	(189,151,733)	(275,116,092)
Dividend paid	(60,500,001)	(72,600,000)
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)	(494,900,446)	(534,408,578)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	16,435,497	1,066,068
CASH AND CASH EQUIVALENTS, Beginning of Year	20,095,880	19,029,812
CASH AND CASH EQUIVALENTS, End of Year	36,531,377	20,095,880

Notes 1 to 32 form an integral part of this Financial Statements

As per our attached report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
Chairman

Ajay Chanbasappa Konale
Managing Director

Sunil Lobo
Director

Sumitra Rijal
Partner
PKF T R Upadhyaya & Co.
Chartered Accountants

Karan Vijaykumar Achpal
Director

Shalini Ratwatee
Director

Pramod Kumar Karki
Independent Director

Redwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

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 and the principal place of business is located at Balaju Industrial District, Balaju, Kathmandu, Nepal and regional office is located at Bharatpur, Chitwan, Nepal.

Bottlers Nepal (Terai) Ltd 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 10th Mangsir, 2082 (26th November 2025) and has recommended for approval of shareholders in the forthcoming Annual General Meeting.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) as issued by the Accounting Standards Board. These conform, 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.

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, are 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. The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Company Act, 2063 of Nepal.

2.2 Accounting Convention

The financial statements are prepared on a historical cost except for certain material items that have been measured at fair value as required by the relevant NFRS and explained in the ensuing policies below.

2.3 Going Concern

The financial statements are prepared on the assumption that the Company is a going concern.

2.4 Presentations

The figures for previous years are rearranged and reclassified wherever necessary for the purpose of facilitating comparison to the extent permitted by the NFRS. 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 be 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 are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets/liabilities.

The company operating cycle has been defined as a 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.

2.5 Accounting Policies

NFRS requires adoption of accounting policies that are most appropriate to the company’s circumstances determining and applying accounting policies. Directors

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

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 item of financial statements which requires disclosures of accounting policies or changes in accounting policies. Effect and nature of the changes have been disclosed.

2.5.1 Change in Accounting Policies

The preparation of financial statements is in line with applicable NFRS. The policies have been consistently applied to all years presented, unless otherwise stated and there is no change in Accounting policies during the current year.

2.6 Accounting Estimates

The preparation of financial statements in line with applicable 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.

2.6.1 Change in Accounting Estimates

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.

2.7 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, 2082	16th July, 2025
Current Reporting Period	1st Shrawan 2081- 32nd Ashad 2082	16th July 2024 - 16th July 2025
Comparative SFP* Date	31st Ashad, 2081	15th July, 2024
Comparative reporting period	1st Shrawan 2080- 31st Ashad 2081	17th July 2023 - 15th July 2024

*Statement of Financial Position

2.8 Presentation currency

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

2.9 Foreign Currency Translations

Transactions entered by the Company in a currency other than the currency of primary economic environment in which it operates are recorded at the rates prevailing when the transactions occur. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit or Loss. Unsettled foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized in statement of profit or loss.

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

3. INTANGIBLE ASSETS

Figures in NPR

Particulars	Computer Software	Intangible assets under development	Total
Cost			
Opening balance at 1st Shrawan 2080	117,092,845	-	117,092,845
Additions	14,657,664		14,657,664
Disposals			-
Balance at 31st Ashad 2081	131,750,509	-	131,750,509
Additions	-	-	-
Disposals	-	-	-
Balance at 32nd Ashad 2082	131,750,509	-	131,750,509
Accumulated Amortisation			
Opening balance at 1st Shrawan 2080	110,988,794	-	110,988,794
Charge for the year	10,201,892	-	10,201,892
Disposals			-
Balance at 31st Ashad 2081	121,190,686	-	121,190,686
Charge for the year	4,829,940	-	4,829,940
Disposals	-	-	-
Balance at 32nd Ashad 2082	126,020,626	-	126,020,626
Net Block		-	
Closing Balance at 32nd Ashad 2082	5,729,883	-	5,729,883
Closing Balance at 31st Ashad 2081	10,559,823	-	10,559,823

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 cost is amortized based on expected useful life which is estimated as 5 years (the estimate is being reviewed periodically). Residual Values of intangibles are estimated to be NIL. 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 are considered to be impaired and are 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.

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

4. PROPERTY PLANT AND EQUIPMENT

Figures in NPR

Particulars	Land	Buildings	Plant & Machinery	Office Equipment	Coolers	Containers	Other Assets	ROU Assets	Capital work-in-progress	Total
Cost										
Opening balance at 1st Shrawan 2080	47,041,037	1,341,416,975	5,197,494,571	72,828,726	1,222,053,070	1,559,999,743	17,591,010	178,246,229	2,907,915	9,639,579,276
Additions	-	8,126,255	55,253,894	-	183,867,434	88,057,215	-	60,023,007	399,084,291	794,412,097
Transfer to asset block	-	-	-	-	-	(4,336,265)	-	-	(335,304,799)	(335,304,799)
Disposals	-	-	-	-	(661,992)	-	-	-	-	(4,998,257)
Adjustments	-	-	-	-	-	-	-	3,397,250	-	3,397,250
Closing balance at 31st Ashad 2081	47,041,037	1,349,543,230	5,252,748,465	72,828,726	1,405,258,511	1,643,720,694	17,591,010	241,666,487	66,687,407	10,097,085,567
Additions	-	-	64,271,261	-	109,389,736	74,796,257	-	-	197,522,183	445,979,437
Transfer to asset block	-	-	-	-	-	-	-	(248,457,254)	-	(248,457,254)
Disposals	-	-	-	(507,200)	(489,374)	-	-	-	-	(996,574)
Adjustments	-	-	-	-	(9,221,111)	-	-	-	-	(9,221,111)
Closing balance at 32nd Ashad 2082	47,041,037	1,349,543,230	5,317,019,726	72,321,526	1,504,937,661	1,718,516,951	17,591,010	241,666,487	15,752,336	10,284,390,065
Depreciation and impairment losses										
Opening balance at 1st Shrawan 2080	-	275,923,262	1,789,622,872	35,116,364	593,217,711	1,145,275,028	17,591,010	70,217,658	-	3,926,963,905
Charge for the year	-	45,756,514	277,480,818	3,272,069	133,028,583	153,991,070	-	36,391,147	-	649,920,201
Disposals	-	-	-	-	(2,300,355)	(4,336,265)	-	-	-	(4,336,265)
Adjustments	-	-	-	-	-	-	-	350,934	-	(1,949,421)
Closing balance at 31st Ashad 2081	-	321,679,776	2,067,103,691	38,388,433	723,945,938	1,294,929,833	17,591,010	106,959,739	-	4,570,598,421
Charge for the year	-	43,809,543	272,771,971	11,209,509	147,467,787	136,739,687	-	34,043,161	-	646,041,658
Disposals	-	-	-	(398,600)	(86,094)	-	-	-	-	(484,694)
Adjustments	-	-	-	-	(11,805,571)	-	-	-	-	(11,805,571)
Closing balance at 32nd Ashad 2082	-	365,489,319	2,339,875,662	49,199,342	859,522,060	1,431,669,520	17,591,010	141,002,900	-	5,204,349,814
Net Block										
Closing balance at 32nd Ashad 2082	47,041,037	984,053,911	2,977,144,064	23,122,184	645,415,701	286,847,431	-	100,663,587	15,752,336	5,080,040,251
Closing balance at 31st Ashad 2081	47,041,037	1,027,863,454	3,185,644,774	34,440,293	681,312,573	348,790,861	-	134,706,748	66,687,407	5,526,487,146

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

Property, Plant and Equipment are initially measured at cost in the statement of financial position. These are inclusive of all cost less excluding any recoverable taxes 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 is not considered.

Assets not ready for intended use on the reporting date are disclosed under "Capital Work in Progress." Capital Work in Progress 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/obsolescent assets in the financial statement and the carrying gross value and the relevant accumulated depreciation has been adjusted in specific block of assets wherever required. Post appropriate approval, the individual item of assets is written off from Fixed Assets Register (FAR). Refer "Adjustments" row of the above table for the movement in such provisions during the year. As on 32nd Ashad 2082 the net provision for missing/obsolescence assets is NPR 3,243,566 (As on 31st Ashad 2081 was NPR 3,782,980)

The company has registered first legal mortgage covering all fixed assets including the land and building owned by the company at Plot No. 22, 97, 99, 341, 335, 337, 339, 999, 1001 and 1003 at ward No. 9 Bharatpur Municipality, Chitwan, Nepal in order to avail banking facilities including term loan, Overdraft, Letter of credit etc. Also, the company has provided hypothecation of specific charge over plant and machineries to bank.

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 in addition to Property, Plant and Equipment is provided on pro-rata basis in the year of purchase when the asset is ready for its intended 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.

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4.2 Right of Use (ROU) Assets

The company has entered into a lease agreement for the use of godowns for a term of 2 years to 10 years. Details of leased assets are provided below:

Party	Asset	Agreement No.	From	To	Annual Lease Payment
Greenhand Pithuwa	Godown (Buildings)	1	1st Mar, 2018	30th Apr, 2024	11,344,270
		1	1st May, 2024	29th Feb, 2028	3,000,000
		2	15th Aug, 2018	30th Apr, 2024	3,177,570
		2	1st May, 2024	29th Feb, 2028	848,800
		3	15th Jan, 2019	15th Jan, 2024	8,447,330
		3	16th Jan, 2024	29th Feb, 2028	8,779,200
		4	15th Sept, 2019	14th Sept, 2024	1,889,262
		5	1st Mar, 2020	28th Feb 2030	6,557,519
Total					44,063,951

Accordingly, at the date of commencement the company has recognized the right of use of assets and corresponding lease liability at present value of the future lease payment discounted at rate of 10% over the lease period. The interest rate has been assumed to be the effective rate of interest implicit in the lease for the purpose of discounting.

Subsequently the company has charged the depreciation on ROU over the lease period and interest expense on lease liability, being a component of finance cost, is presented separately as a charge in the statement of Profit or Loss.

4.3 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.

4.4 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 is capitalized upon commissioning and civil works are capitalized upon handing over after being capable of being used. Coolers and other assets purchased by the company is capitalized in books only after the asset is put to use by the entity for its operations.

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Machinery	15,752,336	66,687,407
Total	15,752,336	66,687,407

Bottlers Nepal (Terai) Limited
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5. INCOME TAX

Income Tax on profit or loss for the year comprises of current taxes and deferred taxes. Income tax is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly to equity.

5.1 Current Income Tax

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Current tax on profit for the year	53,371,085	88,602,414
Adjustment for prior periods:		
- Prior Period Tax in respect of F.Y. 2071-72*	780,668,000	-
- Other adjustment for prior periods	(17,613,295)	29,357,972
Total	816,425,790	117,960,386

* During the year, the Company received an additional tax assessment for F.Y. 2071-72 from the Income Tax Authorities amounting to NPR 2.77 Billion, which was settled following the tax amnesty via Section 30 of Finance bill 2025. The amount has been recognized within income tax expense for the year and the liability has been fully settled. No further obligations remain in respect of this matter.

5.2 Deferred Tax

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Origination and reversal of temporary differences	15,934,615	(9,202,771)
Total	15,934,615	(9,202,771)

5.3 Deferred Tax Liability

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes at the tax rate of 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

FY 2081-82

Figures in NPR

Particulars	Carrying Amount	Tax Base	Temporary Diff
1. Property, Plant & Equipment	4,916,583,293	2,899,695,703	(2,016,887,590)
2. Intangible Assets	5,729,883	8,794,598	3,064,715
3. Retirement benefit provision	(439,958,940)	-	439,958,940
4. Provision for Expenses to be claimed on actual expenditure	(216,520,335)	-	216,520,335
5. ROU Assets	100,663,586	-	(100,663,586)
6. Lease Liability	(112,404,795)	-	112,404,795
7. Income tax business loss carry forward		-	-
Total Amount			(1,345,602,391)
Tax Rate		17%	(228,752,407)
Opening Deferred tax Assets/(Liability)			(207,635,002)
Deferred tax provision recognised			(21,117,405)
Closing Deferred tax Assets/(Liability)			(228,752,407)
Charge/(Credit) to OCI			5,182,790
Charge/(Credit) to PL			15,934,615

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FY 2080-81

Figures in NPR

Particulars	Carrying Amount	Tax Base	Temporary Diff
1. Property, Plant & Equipment	5,278,051,956	3,256,590,900	(2,021,461,057)
2. Intangible Assets	10,559,823	14,219,383	3,659,560
3. Retirement benefit provision	(465,036,800)	-	465,036,800
4. Provision for Expenses to be claimed on actual expenditure	(248,449,649)	-	248,449,649
5. ROU Assets	134,706,747	-	(134,706,747)
6. Lease Liability	(141,303,035)	-	141,303,035
Total Amount			(1,297,718,760)
Tax Rate		16%	(207,635,002)
Opening Deferred tax Assets/(Liability)			(216,548,493)
Deferred tax provision recognised			8,913,491
Closing Deferred tax Assets/(Liability)			(207,635,002)
Charge/(Credit) to OCI			289,280
Charge/(Credit) to PL			(9,202,771)

5.4 Reconciliation

Reconciliation of current tax expense and the accounting profit multiplied by Company's effective tax rate for the year.

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Accounting profit before income tax	218,422,271	448,439,241
Tax calculated at statutory rate applicable	37,131,786	71,750,279
Tax effect of Income that are not Taxable(final withholding) for Tax Purpose	(1,149,864)	(529,086)
Tax effect of income that are not deductible for Tax purpose (net)	(3,003,979)	14,497,523
Effect of Higher Tax rates for Non-Manufacturing Income	20,393,142	2,883,698
Current tax expenses	53,371,085	88,602,414

The company is special industry as defined u/s 11 of Income Tax Act 2058, the normal applicable tax rate for which is 20%. Company has further availed rebate of 15% provided to Listed manufacturing entities u/s 11(3g). Therefore tax rate applicable for income from special industry is 17%. However, income tax rate for income from other than special industry is applicable for 25%.

As per Section 20(1) of Income Tax Act 2058, loss from one business can be set off against income from another business. However, the company has opted to set off current year profit from special industry with special industry losses incurred in previous year and offer income from non special industry at the rate of 25% and carry forward the remaining losses from special industry which shall be set off against income from special industry in next financial year/s.

6. NON - CURRENT FINANCIAL ASSETS - ADVANCES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advances to Employees	2,489,626	5,138,557
Total	2,489,626	5,138,557

7. INVENTORIES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Raw materials	1,201,345,049	1,795,347,091
Work-in-process	8,272,311	1,583,790
Finished goods	247,765,716	219,278,480
Consumables	676,682,636	693,989,704
Total	2,134,065,712	2,710,199,065

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Inventories are carried at a 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 & 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. Finished goods are valued based on weighted average method.

Inventories are presented net of allowance for obsolescence and other possible depletion in value or other losses. Those allowances are estimated to approximate the net realizable value of such items. Allowance adjustments are made for those inventories identified by management as obsolete based on 10 Year Aging or technical evaluation, whichever is earlier.

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

8. OTHER CURRENT ASSETS

8.1. Current Non-Financial Assets - 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 2082	As at 31st Ashad 2081
Prepaid Expenses	69,170,205	56,026,035
Total	69,170,205	56,026,035

8.2 Current Non-Financial Assets - Advances

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advance to suppliers	288,397,960	439,320,228
Balances with statutory/government authorities	222,972,000	222,972,000
Total	511,369,960	662,292,228

8.3 Current Non-Financial Assets - Other Current Assets

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
VAT Receivable (Net)	23,972,106	42,060,892
Total	23,972,106	42,060,892

8.4 Current Financial Assets - Other Current Assets

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advances to Employees	4,711,215	4,137,080
Security Deposits	102,884	103,884
Duty Refundable	26,234,917	17,164,787
LC Margin Receivables	6,559,877	44,220,768
Other Receivables	85,805	1,053,155
Total	37,694,698	66,679,674

Bottlers Nepal (Terai) Limited
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Financial Instruments: Financial Assets

a) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument-by-instrument basis at the time of initial recognition of such equity investments. Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

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.

c) Impairment of financial assets

The Company recognizes impairment of financial assets in accordance with NFRS 9 – Financial Instruments, using the Expected Credit Loss (ECL) model. Financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income are assessed for impairment at each reporting date.

The Company evaluates expected credit losses based on:

- i. the probability of default,
- ii. the expected timing of recoveries, and
- iii. the estimated amount of loss in the event of default

Using information available without undue cost or effort, including past collection experience, customer-specific risk assessments, current economic conditions and forward-looking internal estimates.

For trade receivables, the Company applies the simplified approach, recognizing lifetime expected credit losses from initial recognition.

For other financial assets, the Company recognizes 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case lifetime ECL is recognized.

Loss allowances are recognized in profit or loss and reduce the carrying amount of the related financial asset. Financial assets are written off when there is no reasonable expectation of recovery.

d) De-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset, and the transfer qualifies for de-recognition under NFRS 9.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

Bottlers Nepal (Terai) Limited
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If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in statement of profit or loss.

e) 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 in Note 32

9. INCOME TAX RECEIVABLE/(PAYABLE)

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advance Income Tax	683,925,055	683,929,172
Less: Income Tax Payable	(633,575,239)	(610,340,198)
Total	50,349,816	73,588,974

10. TRADE RECEIVABLES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Trade receivables:		
Secured, considered good	174,183,775	183,334,886
Unsecured considered good	465,258,694	655,271,851
Receivables from other related parties	31,833	84,777,658
Total	639,474,302	923,384,395

Bank overdrafts are secured against all receivables.

10.1 Trade Receivables

Trade receivables comprise of amount receivable from our customers and are non-interest bearing and are generally on terms of 30 to 90 days.

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

10.2 Related Parties Transaction

It includes transactions with group companies and key management personnel which are disclosed in Note 31.

10.3 Impairment of financial assets

For allowances, assets with a potential need for a write-down are assessed individually on the basis of credit risk characteristics, tested for impairment, and written down, if necessary. Estimated irrecoverable amounts are based on the ageing of the individual receivable balances, any available collateral or bank guarantees, taking previous cases of default into consideration and historical experiences.

Risks associated with Financial Instrument- Financial Assets

The company has a risk management framework to monitor, access, mitigate and manage risks. The risk management framework given in Note 32.

11. CASH AND CASH EQUIVALENTS

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Balances with Banks		
On current accounts	36,531,377	20,095,880
Cash on hand	-	-
Total	36,531,377	20,095,880

Bottlers Nepal (Terai) Limited
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Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

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

Short-term deposits are made for varying periods of between one day and three 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.

12. EQUITY SHARE CAPITAL

Particulars	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	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 Paid Up				
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 of the company is as follows

Shareholder Category	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	No. of Shares	% of holding	No. of Shares	% of holding
Bottlers'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.

13. RESERVE & SURPLUS

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Share Premium	952,000	952,000
Retained earnings	3,416,157,802	4,090,595,936
Actuarial Reserve	(10,337,830)	(35,642,040)
(As per Statement of Changes in Equity)		
Total	3,406,771,972	4,055,905,896

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, 2063.

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

Bottlers Nepal (Terai) Limited
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14. EMPLOYMENT BENEFITS

Current Employment benefits

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Salaries, wages and other employee cost		
Cost of Goods Sold	384,684,105	410,376,329
Selling and Distribution Expenses	177,226,707	189,063,297
Administrative and Operating Expenses	68,531,444	73,108,511
Employee Bonus (As per Bonus Act 2074)	24,269,141	49,826,583
Defined Contribution Plan cost		
Cost of Goods Sold	8,097,878	10,510,782
Selling and Distribution Expenses	3,730,750	4,842,392
Administrative and Operating Expenses	1,442,636	1,872,495
Defined Benefit Plan Cost		
Cost of Goods Sold	42,661,123	45,802,161
Selling and Distribution Expenses	4,776,006	4,693,075
Administrative and Operating Expenses	3,579,010	3,762,094
Other Long Term Benefit Cost		
Cost of Goods Sold	2,568,005	2,437,000
Selling and Distribution Expenses	507,910	482,000
Administrative and Operating Expenses	472,083	448,000
Total Employee Cost charged to SOPL for the Period	722,546,798	797,224,720
Actuarial loss on Defined Benefit Plan schemes charged to SOCI for the Period	(30,487,000)	(1,808,000)
Total Employee Cost for the Period	692,059,798	795,416,720

14.1 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.

The cost of the defined benefit plans, other long-term employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds. The mortality rate is based on publicly available Nepal Assured Lives Mortality Table 2009 for the country. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of comprehensive income.

Re measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Bottlers Nepal (Terai) Limited
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FY 2081-82

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
Opening Liability	250,957,000	18,291,000	195,788,800	465,036,800
Current Service cost	-	1,944,000	15,626,140	17,570,140
Past Service Cost	6,882,000	445,000	(4,117,000)	3,210,000
Interest Charge	18,703,000	1,400,000	13,922,000	34,025,000
Paid	(34,348,000)	(1,577,000)	(13,230,000)	(49,155,000)
Actuarial (gain)/loss during the year	(3,085,000)	(241,000)	(27,402,000)	(30,728,000)
Closing Liability	239,109,000	20,262,000	180,587,940	439,958,940
Current Liability	13,821,000	1,142,000	3,467,000	18,430,000
Non Current (Asset)/ Liability	225,288,000	19,120,000	177,120,940	421,528,940
Charge for the period to SoPL	25,585,000	3,548,000	25,431,140	54,564,140
Charge to SoCI	(3,085,000)		(27,402,000)	(30,487,000)

FY 2080-81

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
Opening Liability	293,797,000	17,843,000	207,177,470	518,817,470
Current Service cost	-	1,586,000	15,245,330	16,831,330
Interest Charge	22,950,000	1,474,000	16,062,000	40,486,000
Paid	(77,584,000)	(2,919,000)	(29,094,000)	(109,597,000)
Actuarial (gain)/loss during the year	11,794,000	307,000	(13,602,000)	(1,501,000)
Closing Liability	250,957,000	18,291,000	195,788,800	465,036,800
Current Liability	35,514,000	1,600,000	14,391,000	51,505,000
Non Current (Asset)/ Liability	215,443,000	16,691,000	181,397,800	413,531,800
Charge for the period to SoPL	22,950,000	3,367,000	31,307,330	57,624,330
Charge to SoCI	11,794,000		(13,602,000)	(1,808,000)

Current and Non Current Liability Breakup**FY 2081-82**

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit	Total
Current Liability	13,821,000	1,142,000	3,467,000	18,430,000
Non Current (Asset)/ Liability	225,288,000	19,120,000	177,120,940	421,528,940
Net (Asset)/Liability as at 32nd Ashad 2082	239,109,000	20,262,000	180,587,940	439,958,940

FY 2080-81

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit	Total
Current Liability	35,514,000	1,600,000	14,391,000	51,505,000
Non Current (Asset)/ Liability	215,443,000	16,691,000	181,397,800	413,531,800
Net (Asset)/Liability as at 31st Ashad 2081	250,957,000	18,291,000	195,788,800	465,036,800

14.2 Defined benefit plan

The defined benefit plan of the company includes leave encashment expenses, expenses pertaining to gratuity and other retirement benefits.

14.2.1 Gratuity

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

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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 period	3 years
Normal Retirement Age	60 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 period	No vesting applicable
Normal Retirement Age	60 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

C. Gratuity Benefit on or after 31st October 2022:

Effective 01st November 2022, the Gratuity scheme is a Defined Contribution scheme where a monthly contribution is being made to the Social Security Fund (SSF). Hence the valuation will only be done for service rendered till 31st October 2022. However, the Gratuity for service till 31st October 2022 will be paid on the last drawn salary. Employees joining on or after 01st November 2022 are not entitled to 5 days of additional benefit on completion of 15 years of service. Employees joining on or after 01st November 2022 are not entitled to reimbursement of tax on Gratuity benefit. However, employees who have joined prior to 01st November 2022 will continue to get the tax reimbursement.

As per Section 53 of Labour Act 2074, minimum 8.33% of basic salary shall be provided to employees as gratuity after 3rd September 2017 from date of service. As per Collective Bargaining Agreement (CBA) entered by the company with its employees, any employee completing 15 years of service at the time of retirement (20 years in case of withdrawal) will be eligible for 35 days of benefit. Employees falling under these criteria will receive benefit as per CBA, which is beneficial over the benefit provided as per Labour Act 2074. The company has provided for entire gratuity provision based on actuarial valuation.

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14.2.2 Other retirement benefits:

Other retirement benefits include three days' basic salary computed based on completion of 15 years 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 past experience and discounting the long-term obligations at the end of each reporting period.

14.2.3 Sensitivity analysis

FY 2081-82

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit	Total
Effect on DBO due to 0.5% increase in discount rate	(8,861,000)	(936,000)	(7,732,000)	(17,529,000)
Effect on DBO due to 0.5% decrease in discount rate	9,467,000	1,015,000	8,364,000	18,846,000
Effect on DBO due to 0.5% increase in salary escalation rate	9,215,000	988,000	8,136,000	18,339,000
Effect on DBO due to 0.5% decrease in salary escalation rate	(8,715,000)	(921,000)	(7,603,000)	(17,239,000)

FY 2080-81

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit	Total
Effect on DBO due to 0.5% increase in discount rate	(8,676,000)	(879,000)	(8,321,000)	(17,876,000)
Effect on DBO due to 0.5% decrease in discount rate	9,322,000	959,000	9,044,000	19,325,000
Effect on DBO due to 0.5% increase in salary escalation rate	9,110,000	938,000	8,835,000	18,883,000
Effect on DBO due to 0.5% decrease in salary escalation rate	(8,567,000)	(868,000)	(8,217,000)	(17,652,000)

The above sensitivity analysis is based on a change in an assumption while holding all other assumption constant. In practice, this is unlikely to occur and changes in some of the assumptions are 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 while calculating the defined benefit liability recognized in the balance sheet.

14.2.4 Actuarial assumptions

Particulars	For the Year 2081-82	For the Year 2080-81
Financial Assumptions		
Discount rate (%)	7.50%	8.00%
Salary escalation rate	10.00%	10.00%
Future service	Expected average remaining working life of the employees based on withdrawal rate and retirement age taken as 60 years	Expected average remaining working life of the employees based on withdrawal rate and retirement age taken as 58 years
Demographic Assumptions		
Mortality	In accordance with the standard table, Nepal Assured Lives Mortality (2009) (modified) Ultimate Rates	In accordance with the standard table, Nepal Assured Lives Mortality (2009) (modified) Ultimate Rates
Withdrawal rate	6.00%	3.50%

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14.2.5 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 obligation.

14.3 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.

14.4 Other Long-Term Benefits - Leave Encashment

Leave encashment has been computed using actuarial assumptions. The assumptions made are the growth rate derived from 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.

15. FINANCIAL INSTRUMENTS - FINANCIAL LIABILITIES

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade payables and borrowings.

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

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 their impact on effective interest rate is considered not material and the carrying value is considered to approximate the amortized cost.

Risks associated with Financial Instrument- Financial Liabilities

The company has a risk management framework to monitor, access, mitigate and manage risk. The risk management framework is given in Note 31.

15.1 Non-Current Borrowings

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Secured Bank Loan	-	-
Less; Current Maturity Portion	-	-
Total	-	-

15.2 Current Borrowings

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Bank Overdrafts	109,695,752	477,715,495
Current Portion of Term Loan	1,118,485,000	912,000,000
Loan from BNL	1,116,286,031	1,200,000,000
Total	2,344,466,783	2,589,715,495

Short-term bank overdraft carries interest at the rate 6.75% to 7.6% P.a. during the year and repayable on demand. Term loan is secured against Property, Plant and Equipment.

The Company has obtained loan from Bottlers Nepal Limited as per Agreement made on 12th Feb 2018 (Amended on 10th July 2019). Interest on Outstanding Principal amount of loan shall accrue at the interest rate of not less than the prevailing bank rate (Standard Chartered Bank, Nepal) at the time of payment.

Bank Overdraft are secured against all movable properties/current assets including inventories & trade receivables.

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15.3 Trade Payables

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Trade Payable	412,823,345	568,728,285
Trade Payable to related parties	366,154,575	651,718,388
Total	778,977,920	1,220,446,673

16. LEASE LIABILITIES

At the date of commencement, the company has recognized the right of use of assets and corresponding lease liability at present value of the future lease payment discounted at rate of 10.00% over the lease period. The interest rate has been assumed to be the effective rate of interest implicit in the lease for the purpose of discounting. Interest expense accrued on lease liability, being a component of finance cost is presented separately as a charge in the statement of Profit or Loss.

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Opening Balance	141,303,035	100,609,535
Recognition of lease liability	-	59,531,679
Lease modification	-	(2,658,920)
Interest Accrued on Lease Liability (Charged to PL - Refer Note 24)	12,829,776	12,355,564
Actual Lease Payment during the year	(41,728,016)	(28,534,822)
Total	112,404,795	141,303,035

Current Lease Liability	32,042,935	28,898,240
Non- Current Lease Liability	80,361,860	112,404,795

17. OTHER FINANCIAL LIABILITIES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Container deposit liability	601,523,230	611,324,782
Corporate Social Responsibility	16,730,811	18,120,675
Trade Deposits	1,723,600	2,323,600
Employee related accruals	42,401,467	44,027,659
Bonus Payable	24,269,142	49,826,584
Provision for Expenses	199,789,524	230,328,974
Provision for AR Bad Debts	6,232,499	2,505,891
Statutory dues payable	250,289,124	262,931,975
Interest Payables	3,815,979	3,890,296
Total	1,146,775,376	1,225,280,436

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Provision_General	57,998,547	40,115,650
Provision_Freight	871,605	584,412
Provision_Discount	69,719,765	114,277,958
Provision_DME	9,155,642	10,788,460
Provision_Leakage & BBD	62,043,965	64,562,494
Total	199,789,524	230,328,974

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.

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Corporate Social Responsibility

CSR Provision is accounted as per Industrial Enterprises Act 2020 (2076 BS) (the “Act”) has been introduced with effect from February 11, 2020, superseding the Industrial Enterprises Act 2016 (2073 BS) (the “Previous Act”).

Section 54 of Industrial Enterprises Act 2020 (2076 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 based on annual plans and programs in the sectors that are prescribed under the Act. The progress report of the utilization of the fund collected for CSR is required to be submitted to the Department of Industries registered within six months from expiry of the financial year.

The company has provided provision for CSR at the rate of 1 % of profit before tax amounting to NPR 2,451,428 for FY 2081-82.

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.

18. OTHER FINANCIAL LIABILITIES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advance received from distributors	11,779,740	32,421,331
Advance received from Related Parties	-	37,768,001
Total	11,779,740	70,189,332

19. REVENUE FROM OPERATIONS

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Sale of goods	9,304,717,909	10,385,824,139
Less: Discount	(1,522,607,288)	(1,423,400,312)
Less: Deferred Revenue	(254,722,637)	(191,126,403)
Total	7,527,387,984	8,771,297,424

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Domestic	9,304,717,909	10,385,824,139
Export	-	-
Total	9,304,717,909	10,385,824,139

19.1 Sale of Goods

The entity has applied NFRS 15- Revenue from Contracts with Customers using the cumulative effect method.

19.2 Significant Accounting Policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue when it transfers control over a product or service to a customer.

19.3 Nature of Goods and Services

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 and Fanta.

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19.4 Timing of Revenue Recognition

Under NFRS 15 'Revenue from contracts with customers' the entity recognizes revenue at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

19.5 Sales Channel

The entity does not sale goods directly. It sales only through intermediaries. through its distributors.

19.6 Transaction price related to remaining performance obligations

Some of sales made to customers comprise a right of return, trade discounts or volume rebates, incentive, reimbursement of expense. Currently, the entity recognizes revenue from the sale of goods upon delivery measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the entity defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under NFRS 15 and will be required to be estimated at contract inception and updated thereafter.

(i) Rights of return

When a contract with a customer provides a right to return the good within the specified period. However, the amount of returns being immaterial, the entity currently does not account for the right of return and does not anticipate significant impact on revenue recognition under the expected value method under NFRS 15. However, the entity recognizes obligations which may arise due to expiry of products and such obligation is measured based on previous year trends.

(ii) Volume rebates

The entity provides retrospective volume rebates to its customers on all products purchased by the customer once the quantity of products purchased and liquidated at secondary level during the period under scheme in force exceeds a threshold specified in the scheme under constructive obligation as evidenced in sales and marketing policy of the company.

Under its existing accounting policy, the entity estimates the expected volume rebates using the probability-weighted average amount of rebates approach and includes them in Trade and other payables. These amounts may subsequently be repaid in cash to the customer or are offset against amounts payable by customer. Under NFRS 15, retrospective volume rebates give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the entity considered that the most likely amount method better predicts the amount of variable consideration for contracts with only a single volume threshold while for contracts with more than one volume threshold it would apply either the expected value method or the most likely amount method, depending on which of them better predicts the amount of variable consideration for the particular type of contract.

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20. COST OF GOODS SOLD

Particulars	For the Year 2081-82	For the Year 2080-81
Material consumed		
Raw materials		
Opening Stock	1,795,347,091	979,065,381
Purchase	3,846,268,102	5,780,585,255
Less: Transfer to/ from Bottlers Nepal Ltd.	(509,506)	7,778,571
Closing Stock	(1,201,345,049)	(1,795,347,091)
Total raw material consumed	4,439,760,638	4,972,082,116
Work in process		
Opening Stock	1,583,790	8,287,325
Closing Stock	(8,272,311)	(1,583,790)
Net change in work-in-process	(6,688,521)	6,703,535
Production and manufacturing overheads	1,422,348,448	1,519,276,481
Opening Stock	219,278,480	321,991,596
Closing Stock	(247,765,716)	(219,278,480)
Net change in finished goods	(28,487,236)	102,713,116
Cost of goods sold	5,826,933,329	6,600,775,248

20.1 Production and manufacturing overheads

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Salaries, wages and other employee cost	407,590,560	451,290,363
Sick Leave	2,568,005	2,437,000
Gratuity	20,105,685	18,035,000
Other retirement benefits	22,555,438	27,767,161
Travel and transport costs	6,488,905	6,464,320
Repair and maintenance	150,007,832	181,678,886
Office expenses	27,423,387	26,167,878
Consumables	60,986,774	59,967,795
Power & Fuel	165,826,263	164,159,156
Legal and other professional fees	9,214,667	8,388,409
Depreciation on Property, Plant and Equipment	538,285,073	537,632,817
Amortization of Intangible Assets	4,603,518	14,166,000
Exchange (Gain)/Loss	6,692,341	21,121,696
Total	1,422,348,448	1,519,276,481

21. OTHER OPERATING INCOME

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Product transfer fee	62,523,888	14,488,202
Sale of Scrap	17,995,846	16,770,688
Miscellaneous Income	912,225	581,630
Total	81,431,959	31,840,520

21.1. Product Transfer Fee

The Company and Bottlers Nepal Ltd, its holding Company, can sell their products in their respective market territories only. In respect of sales made by the Company and its subsidiary, 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 affected as per above clause.

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21.2 Sale of Scrap

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

21.3 Miscellaneous Income

Miscellaneous income includes charges recovered from customer on account of handling loss of Glass bottles, Container deposit liability Write-off amount and liquidated damages received from vendor.

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

22. SELLING AND DISTRIBUTION EXPENSES

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Salaries, wages and other employee cost	187,779,874	207,912,684
Sick Leave	507,910	482,000
Gratuity	3,551,800	3,186,000
Other retirement benefits	1,224,206	1,507,075
Travel and transport costs	35,746,374	35,610,938
Repair and maintenance	23,901,948	28,948,172
Office expenses	19,520,260	18,626,575
Communication expenses	37,547,575	34,506,794
Utilities	18,837,563	18,230,241
Freight Charges	481,213,103	568,711,044
Liquid leakages and damages	5,747,425	2,789,135
Sales promotion expenses	55,666,058	59,431,708
Other miscellaneous expenses	1,021,501	781,076
Depreciation on Property, Plant and Equipment	94,033,522	93,919,579
Amortization of Intangible Assets	10,873	33,459
Loss on sale/write off of Property plant equipment (net)	(6,763,907)	(3,306,786)
Product transfer fees	159,317,140	209,169,238
Total	1,118,863,225	1,280,538,932

23. ADMINISTRATIVE AND OPERATING EXPENSES

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Salaries, wages and other employee cost	72,612,227	80,397,343
Sick Leave	472,083	448,000
Gratuity	1,927,515	1,729,000
Other retirement benefits	1,651,495	2,033,094
Travel and transport costs	3,861,162	3,846,533
Repair and maintenance	6,236,978	7,553,740
Office expenses	29,431,436	28,083,993
Bank charges	5,471,555	2,369,729
Audit fees	650,000	450,000
Legal and other professional fees	23,380,851	1,389,839
Communication expenses	75,905,269	35,255,482
Depreciation on property, plant and equipment	13,723,065	13,706,436
Amortization of Intangible Assets	215,549	663,289
Corporate Social Responsibility	2,451,428	5,032,988
Security Expenses	17,035,508	16,922,766
Board and AGM expenses	570,000	600,000
Other miscellaneous expenses	68,190	231,824
Total	255,664,311	200,714,056

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23.1 Audit Fees

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Statutory Audit Fees	650,000	450,000
Total	650,000	450,000

24. FINANCE COST

Finance costs comprise 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 NFRS.

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Interest on Term Loan	-	16,150,942
Interest on Overdraft	93,358,766	140,915,755
Interest on Inter Company Loan	82,888,874	103,448,777
Interest on Lease Liabilities	12,829,776	12,355,564
Total	189,077,416	272,871,038

* Interest on Lease Liabilities has been recognized with adoption of NFRS 16 "Leases".

25. FINANCE INCOME

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Interest income	140,609	200,571
Total	140,609	200,571

25.1 Interest Income

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

26. EARNING PER SHARE

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Numerator		
Profit for the year and earnings used in basic EPS	(613,938,134)	339,681,626
Denominator		
Weighted average number of shares used in basic EPS	1,210,000	1,210,000
Basic and Diluted Earning Per Share	(507)	281

27. DIVIDENDS PAID AND PROPOSED

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Declared and paid during the year:		
"Dividends on ordinary shares:		
Final Dividend for 2080-81: NPR 50 Per Share	60,500,000	
Final Dividend for 2079-80: NPR 60 Per Share		72,600,000
Proposed for approval at the annual general meeting (not recognised as a liability as at balance sheet date):		
Dividends on ordinary shares:		
2081-82: Nil	-	-
2080-81: NPR 50 per Share	-	60,500,000

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28. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

28.1 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.

28.1.1 Bank Guarantee

Bank Guarantee has been provided to the Department of Customs for obtaining EXIM Code. As at the reporting date the guaranteed amount is NPR 300,000.

Other bank guarantee has been provided to customs department regarding export of goods amounting to NPR 38,323,607.

28.1.2. Corporate Tax Matters

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

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
TDS	75,154,450	123,929	75,030,521	12,839,365
Total	75,154,450	123,929	75,030,521	12,839,365

- ii. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2070-71. For the unaccepted amount, the company has filed a Leave of Appeal at Supreme Court. Pending decision from the Supreme Court, 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	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	47,213,938	22,776,663	24,437,275	25,185,783
TDS	9,238,997	483,000	8,755,997	8,877
VAT	35,661,144	2,109,057	33,552,087	-
Total	92,114,079	25,368,720	66,745,359	25,194,660

- iii. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2071-72. 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	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	159,844,396	5,254,246	154,590,150	35,986,872
TDS	68,550,836	24,213	68,526,623	13,229,916
VAT	43,900,619	4,895,328	39,005,291	7,130,336
Total	272,295,851	10,173,787	262,122,064	56,347,124

- iv. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2072-73. 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:

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Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	85,849,957	593,328	85,256,629	11,256,318
TDS	71,517,670	-	71,517,670	9,633,687
VAT	38,289,325	1,202,613	37,086,712	4,985,531
Total	195,656,952	1,795,941	193,861,011	25,875,536

- v. LTO assessed the income tax, TDS and VAT liabilities of the company for the year 2073-74. 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	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	123,252,989	2,554,060	120,698,929	14,360,383
TDS	93,547,558	-	93,547,558	10,743,748
VAT	1,354,914	1,190,834	164,080	50,183
Total	218,155,462	3,744,894	214,410,567	25,154,315
Grand total	853,376,793	41,207,271	812,169,522	145,410,999

28.2 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 end of financial year 2081-82, the Company had capital commitments of Rs. 27,435,787 (Previous FY 2080-81 Rs. 20,569,284) relating to various small projects.

29. 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.

30. 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.

31. RELATED PARTY TRANSACTIONS

31.1 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

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

31.1.1 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 been 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

FY 2081-82

Figures in NPR

Particulars	Remuneration	Allowances	Facilities	Total
Director's Fees & Facilities	-	570,000	-	570,000
Total	-	570,000	-	570,000

FY 2080-81

Figures in NPR

Particulars	Remuneration	Allowances	Facilities	Total
Director's Fees & Facilities	-	600,000	-	600,000
Total	-	600,000	-	600,000

Additional Information

- a. Key management personnel are also provided with following benefits:
 - i. All Manager of the Company are provided vehicle allowance as per Company Policy
 - ii. Furnished apartments are provided to all expatriate staffs.
 - iii. Performance bonus based on individual, Division, and overall Country performance.
- b. The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

31.2 Other Related Party Transactions and Balances

Figures in NPR

Related Party Transactions	For the Year 2081-82	For the Year 2080-81
Sale to related parties:		
Sale of various materials to Bottlers Nepal Limited (at cost)	16,768,558	607,761
Purchases from related parties:		
Purchase of various materials from Bottlers Nepal Limited (at Cost)	4,813,962	8,386,331
Purchase of concentrate from Pacific Refreshments Pte. Ltd.	1,784,538,710	2,994,258,532
Product transfer fee:		
Received from Bottlers Nepal Limited	62,523,888	14,488,202
Paid to Bottlers Nepal Limited	159,317,140	209,169,238
Management Fee Paid to Bottlers Nepal Limited	192,650,204	177,733,306
Rent paid to Bottlers Nepal Limited	596,880	578,130
Interest paid to Bottlers Nepal Ltd on loan	82,888,874	103,448,777
Purchase of Asset from Bottlers Nepal Ltd. (at WDV)	199,723	3,601,119
Sale of asset to Bottlers Nepal Ltd. (at WDV)	650,786	-
Amounts owed by Related Parties:		
Amounts owed by related parties:	31,833	7,106,422
Bottlers Nepal Limited - Parent company		
Amounts owed to related parties:		
Hindustan CCBPL		37,768,000
Pacific Refreshments Pte Ltd. - Other related party	332,372,966	618,630,644
Coca Cola Bottlers(Malaysia) Sdn Bhd	20,318,298	17,764,949
Refreshment Product Service	13,463,310	10,055,084

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

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.

32. 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 to policies for managing each of these risks which are summarized below.

32.1 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.

32.1.1 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.

32.1.2 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 longer duration.

32.1.3 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 supplier identified by the group and the Company has long term relation with the supplier.

32.2 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.

32.2.1 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.

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

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

32.2.2 Cash deposits

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

32.3 Liquidity Risk

The Company monitors its risk of 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 use of bank overdrafts and bank loans. Access to sources of funding is sufficient.

32.4 Risk Management Framework

Contractual maturities of undiscounted cash flows of financial assets and financial liabilities are provided below.

FY 2081-82

Figures in NPR

Particulars	Within 1 Year	1-5 Years	More than 5 Years	No stated Maturity	Total
Financial assets					
Advances to Employees	4,711,215	2,489,626	-	-	7,200,841
Security Deposits	-	-	-	102,884	102,884
Short Term Deposits	-	-	-	-	-
Duty Refundable	26,234,917	-	-	-	26,234,917
Other Receivables	85,805	-	-	-	85,805
Interest Receivable(FD)	-	-	-	-	-
Trade Receivables	639,474,302	-	-	-	639,474,302
LC Margin Receivables	6,559,877	-	-	-	6,559,877
Cash and Cash Equivalents	36,531,377	-	-	-	36,531,377
Total	713,597,493	2,489,626	-	102,884	716,190,003
Financial liabilities					
Bank overdrafts	-	-	-	109,695,752	109,695,752
Loan from BNL	1,116,286,031	-	-	-	1,116,286,031
Secured Bank Loan	1,118,485,000	-	-	-	1,118,485,000
Trade Payable	778,977,920	-	-	-	778,977,920
Container deposit liability	-	-	-	601,523,230	601,523,230
Corporate Social Responsibility	16,730,811	-	-	-	16,730,811
Trade Deposits	-	-	-	1,723,600	1,723,600
Employee related accruals	42,401,467	-	-	-	42,401,467
Lease Liabilities	32,042,935	80,361,860	-	-	112,404,795
Bonus Payable	24,269,142	-	-	-	24,269,142
Provision for Expenses	199,789,524	-	-	-	199,789,524
Statutory dues payable	250,289,124	-	-	-	250,289,124
Interest payables	3,815,979	-	-	-	3,815,979
Provision for Dividend	-	-	-	-	-
VAT Payable (Net)	-	-	-	-	-
Gratuity	13,821,000	-	-	225,288,000	239,109,000
Leave Encashment	1,142,000	-	-	19,120,000	20,262,000
Other Retirement Benefits	3,467,000	-	-	177,120,940	180,587,940
Total	3,601,517,933	80,361,860	-	1,134,471,522	4,816,351,315
Net Financial Assets	(2,887,920,440)	(77,872,234)	-	(1,134,368,638)	(4,100,161,312)

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

FY 2080-81

Figures in NPR

Particulars	Within 1 Year	1-5 Years	More than 5 Years	No stated Maturity	Total
Financial assets					
Advances to Employees	4,137,080	5,138,557	-	-	9,275,637
Security Deposits	-	-	-	103,884	103,884
Short Term Deposits	17,164,787	-	-	-	17,164,787
Other Receivables	1,053,155	-	-	-	1,053,155
Trade Receivables	923,384,395	-	-	-	923,384,395
LC Margin Receivables	44,220,768	-	-	-	44,220,768
Cash and Cash Equivalents	20,095,880	-	-	-	20,095,880
Total	1,010,056,065	5,138,557	-	103,884	1,015,298,506
Financial liabilities					
Bank overdrafts	-	-	-	477,715,495	477,715,495
Loan from BNL	1,200,000,000	-	-	-	1,200,000,000
Secured Bank Loan	912,000,000	-	-	-	912,000,000
Trade Payable	1,220,446,673	-	-	-	1,220,446,673
Container deposit liability	-	-	-	611,324,782	611,324,782
Corporate Social Responsibility	18,120,675	-	-	-	18,120,675
Trade Deposits	-	-	-	2,323,600	2,323,600
Employee related accruals	44,027,659	-	-	-	44,027,659
Lease Liabilities	28,898,240	112,404,795	-	-	141,303,035
Bonus Payable	49,826,584	-	-	-	49,826,584
Provision for Expenses	230,328,974	-	-	-	230,328,974
Statutory dues payable	262,931,975	-	-	-	262,931,975
Interest payables	3,890,296	-	-	-	3,890,296
Gratuity	35,514,000	-	-	215,443,000	250,957,000
Leave Encashment	1,600,000	-	-	16,691,000	18,291,000
Other Retirement Benefits	14,391,000	-	-	181,397,800	195,788,800
Total	4,021,976,076	112,404,795	-	1,504,895,677	5,639,276,548

Net Financial Assets	(3,011,920,010)	(107,266,239)	-	(1,504,791,793)	(4,623,978,042)
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As per our attached report of even date

For & on behalf of the Board

Narmadeshwar Narayan Singh
ChairmanAjay Chanbasappa Konale
Managing DirectorSunil Lobo
DirectorSumitra Rijal
Partner
PKF T R Upadhyaya & Co.
Chartered AccountantsKaran Vijaykumar Achpal
DirectorShalini Ratwatee
DirectorPramod Kumar Karki
Independent DirectorRedwin Antonio Duay
Contry Finance Director

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26 November, 2025)

DIRECTOR'S REPORT

(For the Year 2081-82)

Dear Shareholders,

We would like to present the Report on your Company's business operations, along with the audited financial statements, for the year ended on 32nd Ashad, 2082.

a. Review of the transactions of the Previous Year:

Particulars	NPR in MM		
	2081-82	2080-81	% Change
Gross Sales Revenue	-	-	0%
Gross Profit	-	-	0%
Net Profit Before Tax	(0.17)	(0.09)	81%
Net Profit After Tax	(0.17)	(0.09)	81%

b. Impact, if any, caused on the transactions of the Company from National & International Situation;

There were no any trading activity during the Fiscal Year.

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;

There were no any trading activity during the Fiscal Year.

d. Industrial or Professional Relations of the Company;

Not applicable.

e. Alterations in the Board of Directors and the reasons therefore;

On 15th October 2025, Ms. Pratima Burma was replaced by Mr. Bishnu Bahadur Bista. The change was done because the company had received intimation from the holding company, M/s Bottlers Nepal Limited dated 11th June 2025, nominating Mr. Bishnu Baadur Bista as a Director onboard of the Company and revoking the earlier nomination of Ms. Pratima Burma.

f. Major things affecting the transactions;

None.

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;

None.

i. In the event of forfeiture of shares, details regarding the number of forfeited shares, face value of such shares, total amount received by your 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;

None.

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

None.

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;

The 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 are required to carry on the business smoothly and lawfully, whilst safeguarding your Company's assets in a secure, practical, accurate, and reliable manner.

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

Particulars	NPR MM
Salaries, wages and other employee cost	-
Administrative Expenses	0.17
Total	0.17

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;

Your Company is not required to form an Audit Committee pursuant to the Companies Act 2006 (2063).

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;

None

u. Amount of Dividends remaining unclaimed by the shareholders;

None

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;

None

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 officials or directors of your Company.

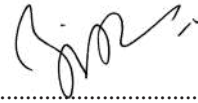
- ii. Information (if any) regarding any fines paid by any directors, officers or shareholders of the Company to OCR in violation of Sec. 82 of the Act including information about the amount paid.

None



.....
Ashok Mandal
Director

On behalf of the Board of Directors,



.....
Bishnu Bahadur Bista
Director

Date: 22nd Manghir, 2082
(8th December 2025)



PKF T. R. Upadhy & Co.
124 Lal Colony Marg, Lal Durbar
Kathmandu, Nepal

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**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF TROIKA TRADERS PRIVATE LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Troika Traders Private Limited (the Company), which comprise the statement of financial position as at 32 Ashad 2082 (16 July 2025), and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 32 Ashad 2082 (16 July 2025), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ICAN's Handbook of Code of Ethics for Professional Accountants (including International Independence Standards) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2063 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Material uncertainty related to going concern

We draw attention to Note 2 "Basis of Preparation" of the financial statements which indicates that significant doubt about future continuity of operations exists as on reporting date considering present status of nil inventory, no pending purchase order and lack of operating funds. These events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the financial year ended 32 Ashad 2082 (16 July 2025). These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the material uncertainty related to going concern section, we have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and auditors' report thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



PKF T. R. Upadhy & Co. is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We have obtained the information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, the statement of financial position as at 32 Ashad 2082 (16 July 2025), the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended have been prepared in accordance with the requirements of the Company Act, 2063 and are in agreement with the books of account of the Company and proper books of account as required by law have been kept by the Company.

To the best of our information and according to explanations given to us and so far appeared from our examination of the books of account of the Company necessary for the purpose of our audit, we have not come across cases where the Board of Directors or any employees of the Company have acted contrary to the provisions of law relating to the accounts or committed any misappropriation or caused loss or damage to the Company relating to the accounts in the Company.


Sumitra Rijal
Partner



PKF T. R. Upadhy & Co.
Chartered Accountants

Date: 26 November 2025
Place: Kathmandu

UDIN: 251128CA00718vrWHq

Troika Traders Pvt. Ltd.
STATEMENT OF FINANCIAL POSITION
 As at 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Particulars	Notes	As at 32nd Ashad 2082	As at 31st Ashad 2081
ASSETS			
Advances	3.1	12,263,697	12,263,697
Other Current Assets	3.2	94,224	83,824
Income Tax Receivable	3.3	3,632,914	3,632,914
Financial Assets:			
Cash and Cash Equivalents	4	601	601
Total Assets		15,991,436	15,981,036
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	5	750,000	750,000
Reserve and Surplus	6	(12,267,361)	(12,097,361)
Current Liabilities			
Financial Liabilities			
Trade Payables	7	27,508,797	27,328,397
Total Equity and Liabilities		15,991,436	15,981,036

Notes 1 to 18 form an integral part of this Financial Statement

As per our attached
report of even date

For & on behalf of the Board

Ashok Mandal
Director

Bishnu Bista
Director

Sumitra Rijal
Partner
PKF T R Upadhy & Co.
Chartered Accountants

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26th November 2025)

Troika Traders Pvt. Ltd.
STATEMENT OF PROFIT OR LOSS
For the year ended 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Particulars	Notes	For the Year 2081-82	For the Year 2080-81
Revenue from operations	8	-	-
Cost of goods sold	9	-	-
Gross Profit		-	-
Selling and distribution expenses	10	-	-
Administrative and operating expenses	11	(170,000)	(86,160)
Profit from Operations		(170,000)	(86,160)
Finance Income	12	-	-
Profit Before Tax		(170,000)	(86,160)
Income Tax Expense			
Current Tax	13.1	-	-
Adjustment for prior periods	13.1	-	-
Net Profit for the year		(170,000)	(86,160)
Basic/Diluted Earnings per share	14	(23)	(11)

Notes 1 to 18 form an integral part of this Financial Statement

As per our attached
report of even date

For & on behalf of the Board

Ashok Mandal
Director

Bishnu Bista
Director

Sumitra Rijal
Partner
PKF T R Upadhy & Co.
Chartered Accountants

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26th November 2025)

Troika Traders Pvt. Ltd.
STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Net Profit for the year as per Statement of Profit or Loss	(170,000)	(86,160)
Items that will not be reclassified to Statement of Profit or Loss		
Actuarial Gain/(Loss) on defined benefit plan schemes	-	-
Deferred Tax on Actuarial Gain/(Loss)	-	-
Other comprehensive gain/(loss) for the year, net of tax	-	-
Total Comprehensive gain/(loss) for the year, net of tax	(170,000)	(86,160)

Notes 1 to 18 form an integral part of this Financial Statement

As per our attached report of even date

For & on behalf of the Board

Ashok Mandal
Director

Bishnu Bista
Director

Sumitra Rijal
Partner
PKF T R Upadhy & Co.
Chartered Accountants

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26th November 2025)

Troika Traders Pvt. Ltd.
STATEMENT OF CHANGES IN EQUITY
For the year ended 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Particulars	Share Capital	Securities Premium Reserve	Retained Earnings	Total
Balance as at 1st Shrawan 2080	750,000	-	(12,011,201)	(11,261,201)
Profit for the year	-	-	(86,160)	(86,160)
Other comprehensive income	-	-	-	-
Dividends	-	-	-	-
Balance as at 31st Ashad, 2081	750,000	-	(12,097,361)	(11,347,361)
Profit for the year	-	-	(170,000)	(170,000)
Other comprehensive income	-	-	-	-
Dividends	-	-	-	-
Balance as at 32nd Ashad, 2082	750,000	-	(12,267,361)	(11,517,361)

Notes 1 to 18 form an integral part of this Financial Statement

As per our attached
report of even date

For & on behalf of the Board

Ashok Mandal
Director

Bishnu Bista
Director

Sumitra Rijal
Partner
PKF T R Upadhy & Co.
Chartered Accountants

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26th November 2025)

Troika Traders Pvt. Ltd.

STATEMENT OF CASH FLOWS

For the year ended 32nd Ashad, 2082 (16th July, 2025)

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	(170,000)	(86,160)
Adjustments for non cash and non operating:	-	-
Working capital adjustments:		
Increase / (Decrease) in trade payable and other liabilities	180,400	96,560
Decrease / (Increase) in trade and other receivables	(10,400)	(10,400)
Decrease / (Increase) in loans and advances	-	-
Decrease / (Increase) in inventories	-	-
Cash generated from operations	-	-
Direct taxes paid (net of refunds)	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	-	-
(B) CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Interest Received	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)	-	-
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)	-	-
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	-	-
CASH AND CASH EQUIVALENTS,		
Beginning of Year	601	601
CASH AND CASH EQUIVALENTS, End of Year	601	601

Notes 1 to 18 form an integral part of this Financial Statement

As per our attached
report of even date

For & on behalf of the Board

Ashok Mandal
DirectorBishnu Bista
DirectorSumitra Rijal
Partner
PKF T R Upadhy & Co.
Chartered Accountants

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26th November 2025)

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

1. CORPORATE INFORMATION

Troika Traders Pvt. Ltd. ("Company") is a private limited Company incorporated under the Companies Act of Nepal. The registered office of the Company and the principal place of business is located at Balaju Industrial District, Balaju, Kathmandu, Nepal.

Troika Traders Pvt. Ltd. is a licensed 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 10th Mangsir, 2082 (26th November 2025) and has recommended for approval of shareholders in the forthcoming Annual General Meeting.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) issued by the Accounting Standards Board of Nepal. These conform, 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, although significant doubt about future continuity of operations exists as on reporting date considering present status of nil inventory, no pending purchase order and lack of operating funds. However, Company has plans for future revival of operations and as on reporting date also, financial position of the company is not severely impacted so as to draw a conclusion that company will not be in a position to discharge its present liabilities with the resources available with it. 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.

2.3 Presentations

The figures for previous years are rearranged and reclassified wherever necessary for the purpose of facilitating comparison to the extent permitted by the NFRS. 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 be 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 are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets/liabilities.

The company operating cycle has been defined as a 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

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

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 item of financial statements which requires disclosures of accounting policies or changes in accounting policies. Effect and nature of the changes have been disclosed.

2.5 Accounting Estimates

The preparation of financial statements in line with applicable 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.

2.5.1 Change in Accounting Estimates

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.

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, 2082	16th July, 2025
Current Reporting Period	1st Shrawan 2081- 32nd Ashad 2082	16th July 2024 - 16th July 2025
Comparative SFP* Date	31st Ashad, 2081	15th July, 2024
Comparative reporting period	1st Shrawan 2080- 31st Ashad 2081	17th July 2023 - 15th July 2024

*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.

3. OTHER ASSETS

3.1 Advances

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advance to suppliers	4,197,046	4,197,046
Less: Provision for Doubtful Advances	(4,197,046)	(4,197,046)
Balances with statutory/government authorities	12,263,697	12,263,697
Total	12,263,697	12,263,697

3.2 Other Current Assets

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
VAT Receivable (Net)	94,224	83,824
Total	94,224	83,824

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

3.3 Income Tax Receivable

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Advance Income Tax	15,259,908	15,259,908
Less: Income Tax Payable	(11,626,994)	(11,626,994)
Total	3,632,914	3,632,914

Financial Instruments: Financial Assets

a) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument-by-instrument basis at the time of initial recognition of such equity investments. Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

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.

c) Impairment of financial assets

The Company assesses at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

d) De-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset, and the transfer qualifies for de-recognition under NFRS 9.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in statement of profit or loss.

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

e) 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 in Note 18.

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.

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.

4. CASH AND CASH EQUIVALENTS

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Balances with Banks On current accounts	601	601
Total	601	601

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

5. EQUITY SHARE CAPITAL

Figures in NPR

Particulars	As at 32nd Ashad 2082		As at 31st Ashad 2081	
	Number	NPR	Number	NPR
Authorized				
Ordinary shares of NPR 100 each	50,000	5,000,000	50,000	5,000,000
Issued				
Ordinary shares of NPR 100 each	25,000	2,500,000	25,000	2,500,000
Paid Up				
Ordinary shares of NPR 100 each	7,500	750,000	7,500	750,000
At the beginning of the year	7,500	750,000	7,500	750,000
At the end of the year	7,500	750,000	7,500	750,000

The shareholding pattern of the company is as follows:

Figures in NPR

Shareholder Category	As at 31st Ashad 2080		As at 32nd Ashad 2079	
	No. of Shares	% of holding	No. of Shares	% of holding
Bottler's Nepal Limited	7,480	99.73%	7,480	99.73%
Others	20	0.27%	20	0.27%
Total	7,500	100%	7,500	100%

Share issue expenses have not been netted off against 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 amounts to be immaterial.

6. RESERVE & SURPLUS

Figures in NPR

Particulars	As at 31st Ashad 2082	As at 32nd Ashad 2081
Share Premium		
Retained earnings (As per Statement of Changes in Equity)	(12,267,361)	(12,097,361)
Total	(12,267,361)	(12,097,361)

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

7. TRADE PAYABLES

Figures in NPR

Particulars	As at 32nd Ashad 2082	As at 31st Ashad 2081
Trade Payable	376,303	286,303
Trade Payable to related parties	27,132,494	27,042,094
Total	27,508,797	27,328,397

Financial Instruments - Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade payables and borrowings.

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

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.

Risks associated with Financial Instrument- Financial Liabilities

The company has a risk management framework to monitor, access, mitigate and manage risk. The risk management framework is given in Note 18.

8. REVENUE

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Sale of goods	-	-
Less: Sales Return	-	-
Total	-	-

8.1 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 includes all revenue from ordinary activities of the company that are recorded net off Value Added Taxes 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.

9. COST OF GOODS SOLD

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Finished goods stock	-	-
Opening Stock	-	-
Purchase	-	-
Less: Inventory Written off	-	-
Closing Stock	-	-
Net change in finished goods stock	-	-
Cost of goods sold	-	-

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

10. SELLING AND DISTRIBUTION EXPENSES

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Rent	-	-
Freight Charges	-	-
Liquid leakages and damages	-	-
Total	-	-

11. ADMINISTRATIVE AND OPERATING EXPENSES

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Office expenses	-	6,160
Audit fees	60,000	50,000
Legal and other professional fees	110,000	30,000
Total	170,000	86,160

11.1 Audit Fees Disclosure

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Audit fees	60,000	50,000
Total	60,000	50,000

12. FINANCE INCOME

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Interest income	-	5
Total	-	5

13. INCOME TAX

13.1 Current Income Tax

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Current tax on profit for the year	-	-
Adjustment for prior periods	-	-
Total	-	-

13.2 Reconciliation

Reconciliation of current tax expense and the accounting profit multiplied by Company's effective tax rate for the year.

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Accounting profit before income tax	(170,000)	(86,160)
Adjustment as per Income Tax Act 2058	-	-
Total profit as per Income Tax	(170,000)	(86,160)
Tax Rate	25%	25%
Tax Expenses	-	-

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

14. EARNING PER SHARE

Figures in NPR

Particulars	As at 31st Ashad 2082	As at 32nd Ashad 2081
Numerator		
Profit for the year and earnings used in basic EPS (NPR)	(170,000)	(86,160)
Earnings used in Basic and diluted EPS		
Denominator		
Weighted average number of shares used in basic EPS (Nos)	7,500	7,500
Basic and diluted earnings per share (NPR)	(23)	(11)

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.

15. CONTINGENT LIABILITIES

15.1 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.

15.2 Corporate Tax Matters

- i. IRD 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 is disclosed as contingent liabilities as below:

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	4,684,602	-	4,684,602	1,741,638
VAT	1,974,572	-	1,974,572	477,178
Total	6,659,174	-	6,659,174	2,218,816

- ii. IRD assessed the Income Tax, TDS and VAT liabilities of the company for the year 2072-73. 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 is disclosed as contingent liabilities as below:

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	8,855,217	1,079,917	7,775,300	1,556,678
Total	8,855,217	1,079,917	7,775,300	1,556,678

- iii. IRD assessed the Income Tax, TDS and VAT liabilities of the company for the year 2074-75. 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 is disclosed as contingent liabilities as below:

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	33,907,264	7,634,608	26,272,656	3,815,196
VAT	11,042,390	-	11,042,390	1,279,521
Total	44,949,654	7,634,608	37,315,046	5,094,717

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

Total

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
Income-Tax	47,447,083	8,714,525	38,732,559	7,113,512
VAT	13,016,962	-	13,016,962	1,756,699
Total	60,464,045	8,714,525	51,749,521	8,870,211

16. 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, fruit pulp based beverages and water. 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.

17. RELATED PARTY TRANSACTIONS**17.1 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

The Company is controlled by Bottlers Nepal Limited which owns 99.73% of the company’s share.

17.1.1 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 are no material transactions or proposed transactions with directors and key management personnel or their relatives and associates.

17.2 Other Related Party Transaction and Balances

Figures in NPR

Particulars	For the Year 2081-82	For the Year 2080-81
Amounts owed to related parties		
Bottlers Nepal Limited	27,132,494	27,042,094

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. For the year ended 16th July 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. 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.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company’s principal financial liabilities comprise 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.

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

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.

18.1 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.

18.1.1 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 short-term deposits.

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

18.1.2 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 longer duration.

18.1.3 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 supplier identified by the group and the Company has long term relation with the supplier.

18.2 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.

18.2.1 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.

18.2.2 Cash deposits

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

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 32nd Ashad, 2082 (16th July, 2025)

18.3 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 use of bank overdrafts and bank loans. Access to sources of funding is sufficient.

18.4 Risk Management Framework

Contractual maturities of undiscounted cash flows of financial assets and financial liabilities are provided below.

FY 2081-82

Figures in NPR

Particulars	Within 1 Year	1-5 Years	More than 5 Years	No stated Maturity	Total
Financial assets					
Cash and Cash Equivalents	601	-	-	-	601
Total	601	-	-	-	601
Financial liabilities					
Trade Payable	27,508,797	-	-	-	27,508,797
Total	27,508,797	-	-	-	27,508,797

Net Financial Assets	(27,508,196)	-	-	-	(27,508,196)
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FY 2080-81

Figures in NPR

Particulars	Within 1 Year	1-5 Years	More than 5 Years	No stated Maturity	Total
Financial assets					
Cash and Cash Equivalents	601.00	-	-	-	601
Total	601.00	-	-	-	601
Financial liabilities					
Trade Payable	27,328,397	-	-	-	27,328,397
Total	27,328,397	-	-	-	27,328,397

Net Financial Assets	(27,327,796)	-	-	-	(27,327,796)
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As per our attached
report of even date

For & on behalf of the Board

Ashok Mandal
Director

Bishnu Bista
Director

Sumitra Rijal
Partner
PKF T R Upadhyaya & Co.
Chartered Accountants

Place: Kathmandu, Nepal

Date: 10th Mangsir, 2082 (26th November 2025)

CORPORATE INFORMATION

COMPANY NAME:

Bottlers Nepal Limited

REGISTRATION NUMBER:

140

LEGAL FORM:

Listed Public Company

STOCK EXCHANGE LISTING:

Nepal Stock Exchange as “BNL”

REGISTERED ADDRESS:

Balaju Industrial District, Kathmandu-16, Nepal

INDUSTRY ADDRESS:

Balaju Industrial District, Balaju, Kathmandu, Nepal

BOARD OF DIRECTORS:

Mr. Narmadeshwar Narayan Singh- Chairperson

Mr. Karan Vijaykumar Achpal- Director

Mr. Ajay Chanbasappa Konale- Managing Director

Mr. Sunil Lobo- Director

Ms. Shalini Ratwatte- Director

Mr. Arun Adhikary- Director

COMPANY SECRETARY & Compliance Officer:

Mr. Bishwa Prakash Poudel

AUDITORS:

M/s TR Upadhya & Co. Chartered Accountants

M/s SAR Associates, Chartered Accountants

M/s BK Agarwal & Co. Chartered Accountants

SHARE REGISTRAR:

M/s Nabil Investment Banking Limited

BANKING PARTNERS:

M/s Standard Chartered 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 Global IME Bank Limited

M/s Nabil Bank Limited

INSURANCE PARTNERS:

M/s Siddhartha Premier Insurance

M/s IGI Prudential

M/s MetLife



Coca-Cola
Beverages Nepal

BOTTLERS NEPAL LIMITED

Redg Office: Balaju Industrial District, Kathmandu-16, Nepal

P.O. Box: 2253, Fax: +977-1-4350227

Tel: +977-1-4352294, 1-4351871 (Hunting Number) 1-4352988