

Coca-Cola BOTTLEERS NEPAL (TERAI) LIMITED

(Authorized Bottler of The Coca-Cola Company)

Gondrang, Bharatpur-9 Chitwan, Nepal

Unaudited Financial Results (Quarterly)

As at the end of Second Quarter (14/01/2019) of the Fiscal Year 2075/76 (FY 2018-2019)

NPR in Thousand

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

Note:

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

E Related Party Disclosure

During the period, the following related party transactions occurred:

Particulars	NPR in Thousand
Purchase of Concentrate from Pacific Refreshments Pte. Ltd.	763,500
Transfer fee payable to BNL	27,410
Transfer fee receivable from BNL	6,609

F Management Analysis

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

G Details Related to Legal Proceedings

No legal case was filed in this Quarter by or against the Company.

H Analysis of Share Transactions**i) Management's view on the performance of the stocks of the body corporate**

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

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

Particulars	NPR
Maximum Price	6937
Minimum Price	6370
Closing Price	6579
No. of Trades	3020
Days of Trading	35

I Risks and Challenges**Internal Problem & Challenges**

Rise in cost of operations with Inflation.

Rural distribution at effective cost.

External Problem & Challenges

Unstable tax regime under federal state.

Fluctuation in international fuel prices impacting packaging material cost and transportation cost.

Strategy

Proactively monitor the internal and external environmental changes

Develop cost effective distribution models for upcountry areas.

J Corporate Governance

The Company follows prudent Corporate Governance Practices in all business transactions.

During the Quarter under review, the Company had convened Audit Committee and Risk Management Committee on 14th November, 2018 and Board Meetings on 15th November, 2018

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

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

Pradip Pandey

Chief Executive Officer

Date: 11th February, 2019 (28th Magh, 2075)

Reg. No.
98818