

Bottlers Nepal Limited
Minutes of the 38th Annual General Meeting (Fiscal Year 2015/16 (2072/73 B.S))
Company Registration No: 140

1. **Annual General Meeting**

The 38th Annual General Meeting (the "Meeting") of Bottlers Nepal Limited (the "Company") for the Fiscal Year 2015/16 (2072/073 B.S) was held under the Chairpersonship of Ms. Shukla Wassan, the Chairperson of Board of Directors of the Company, on Sunday, Poush 10, 2073 (25th December, 2016) at Hotel Annapurna, Durbar Marg from 10:30 A.M. to 11:30 A.M.

Discussions and approved proposals of this Meeting are recorded as follows.

2. **Attendance**

2.1. **Attendance of Director(s)**

Ms. Shukla Wassan
Mr. Gaurav Khosla
Mr. Puneet Varshney
Mr. Narmadeshwar Narayan Singh

2.2. **Attendance of Shareholders**

Person/Authorized Representative/ through proxy: 16

2.3. **Attendance of the office-bearers**

Mr. Anjan Shah, Representative of M/s T.R Upadhyya & Co, Statutory Auditors
Mr. Sumit Goyal, Country Finance Manager
Ms. Pratima Burma, Company Secretary

3. **Notice of 38th Annual General Meeting**

Notice for convening 38th Annual General Meeting of the Company on 25th December, 2016 was first published in Kantipur Dainik, a National Daily Newspaper on 2nd December, 2016 (17th Mangsir, 2073) and the 2nd notice was published on 9th December, 2016 (24th Mangsir, 2073) in Arthik Abhiyan, a National Daily Newspaper. Notice along with the Annual Report of the Company was sent through courier to the shareholders at their respective addresses as recorded in Company's Shareholder Register.

4. **Quorum**

Total shareholders including proxy and authorized representative present: 16

Total number of shares: 1,492,830

Representing 76.6% of the Company's total shares of 1,948,887.

5. **Agenda of the Meeting**

5.1. **Agenda:**

- 5.1.1. To adopt the Director's Report for the Fiscal Year 2072/73.
- 5.1.2. To consider and approve the remuneration and other facilities of Managing Director.
- 5.1.3. To consider and approve re-appointment of Independent Director.
- 5.1.4. To adopt the Audited Financial Statements including the Consolidated Financial Statements of the Company comprising of Balance Sheet as of 31st Ashad, 2073, Income Statement for the Fiscal Year 2072/73, Profit & Loss Account and Cash Flow Statement for the same period and Auditor's Report thereon;
- 5.1.5. To consider and approve the re-appointment of Statutory Auditor and their remuneration for the fiscal year 2073/74 as per Section 111 of the Companies Act, 2006 (2063) and as recommended by Audit Committee.
- 5.1.6. To consider and approve modification in Articles of Association.
- 5.1.7. To consider and approve modification in Memorandum of Association.

5.2. **Miscellaneous:**

- 5.2.1. As per permission of Chairperson of the Meeting.

6. **Meeting begins**

The Shareholders present ascertained that 38th Annual General Meeting of the Company was convened in compliance with the provisions of the Companies Act 2063(2006) and Articles of Association of the Company.

Ms. Burma informed the Members that in pursuance to Section 74 of the Companies Act, 2063 read with Article 13(c) of Articles of Association of the Company, Ms. Shukla Wassan, Chairperson of the Board, shall chair the 38th Annual General Meeting of the Company.

Ms. Shukla Wassan, Chairperson, after ascertaining the requisite quorum being present, called the Meeting to order.

The Chairperson welcomed all the distinguished shareholders, guests and employees to the 38th Annual General Meeting of the Company and introduced the Members of the Board present on dais.

7. **Chairperson's Speech**

The Chairperson informed Shareholders that the year 2072/73 was a challenging year for the Country especially from the socio-political perspective, which began with the border unrest from 23rd September, 2015 that lasted nearly for 6 months. The border unrest resulted in severe economic crisis and strongly affected Country's economy. She further mentioned that the fuel crisis added to the aforesaid trying situation for industries in Nepal to operate with their usual effectiveness.

She was delighted to share that despite such strong challenge, the Company, along with its subsidiaries, was able to demonstrate yet another year of strong income and profits. She informed that the Company achieved a net profit of NPR 434 MM after tax, with an Earning Per Share of NPR 223/-. She further informed that the Company had expanded its market for Fanta by re-introducing the lemon flavour, which was launched in the month of June this year.

The Chairperson apprised the Shareholders that the year was replete with exciting news and developments. She informed that the Company was awarded as the Second Runner-up for the '**National Best Presented Annual Report (BPA) Award 2015**' organized by the Institute of Chartered Accountants of Nepal held on July 22, 2016.

She commended the existing management team and the employees of the Company for their continued hard work and dedication. She also expressed her gratitude to the business partners, Labour Unions, Statutory & government bodies, bankers and financial institutions, diplomatic officials, media, local community, shareholders and the entire team of the Company for their continued support.

Thereafter the Chairperson requested the Company Secretary to take up the Agenda Item(s).

8. Discussion and Decision

8.1. To adopt Directors' Report of the Company for the Fiscal Year 2072/73.

Ms. Burma tabled the Directors' Report of the Company for the Fiscal Year 2072/73 before the Shareholders and requested to propose and second the Resolution as an "Ordinary Resolution". Ms. Burma, then invited the shareholders to provide queries/comments/ suggestions.

8.1.1 Shareholder Mr. Rajesh Shakya, extended his thanks to the Chairperson, Board of Directors and the Company Secretary for the arrangements done during the Annual General Meeting of the Company. He further congratulated Mr. Puneet Varshney for his appointment as Managing Director and wished him for his successful tenure. He appreciated the Management Team for its prompt compliance to the newly implemented "Nepal Financial Reporting Standards". He, thereafter enquired about the absence of Directors and suggested their presence in the Annual General Meeting. He suggested the Board Members to explore possibility of issuing bonus shares and dividends in the company. He further informed that the proposed fee for the Statutory Auditor should be subject to the stay order issued by Supreme Court.

8.1.2 Shareholder Mr. Chandra Das Tuladhar recommended to focus on Fanta Lemon and to conduct market research for Limca in Nepal, as he sees huge potential of these products in Nepal. He, thereafter enquired about the reasons for not declaring dividend in the Company.

8.1.3 Management response to the questions raised by the shareholders :
Chairperson appreciated the comments/recommendation and valuable inputs of the Shareholders and informed that the Chairman of Audit Committee, Mr. Gaurav Khosla and, Mr. N.N. Singh, Mr.



Puneet Varshney and herself, as members of the Board were present during the meeting and that the remaining Directors were unable to attend the General Meeting as they were travelling out of the Country. The Chairperson further mentioned that this being a Shareholders' meeting, requisite quorum for convening of the Annual General Meeting was present. With regards to the Statutory Auditor Fee, she clarified that as the proposed audit fee is inclusive of audit of consolidated annual accounts as well, the fee is reasonable.

Thereafter, upon request of the Chairperson, Mr. Gaurav Khosla, Chairman of Audit Committee informed the Shareholders that the Company was focusing on maximizing its profitability and that the Board would evaluate the distribution of dividend in near future.

After some discussions, Mr. Rajesh Shakya, Shareholder, proposed the following resolution as Ordinary Resolution.

"RESOLVED THAT the shareholders of the Company do hereby receive, consider and adopt the Director's Report of the Company, for the Fiscal Year 2072/73."

Mr. Achyut Sharma, Shareholder representing M/s Himal City Beverage Private Limited, seconded the same.

The resolution was then put to vote and was passed unanimously.

8.2. To consider and approve the remuneration and other facilities of Managing Director.

Ms. Burma informed the Shareholders that the Board of Directors had proposed the payment of Base Salary of INR 10,159,872/-, Perquisites & Benefits of up to INR 7,768,214/- (paid or provided net of taxes) and, other incentives (Annual/Long Term), facilities or, benefits as has been approved and recommended by the Board.

Ms. Burma requested the shareholders to propose and second the Resolution as "Ordinary Resolution". She also invited the shareholders to provide queries/comments/ suggestions, if any.

Mr. Rajesh Shakya, Shareholder, proposed the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 91(1) and other applicable provisions of the Companies Act, 2006 (2063) (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded for payment of remuneration of Base Salary of INR 10,159,872/-, Perquisites & Benefits of upto INR 7,768,214/- (paid or provided net of taxes) per annum and, other incentives (Annual/Long Term), facilities or, benefits as approved and recommended by the Board, which forms part of this resolution, to Mr. Puneet Varshney, Managing Director (an Indian National holding Passport No. Z1742772) of the Company with effect from 1st September, 2016."

Mr. Achyut Sharma, Shareholder representing M/s Himal City Beverage Private Limited, seconded the same.

The resolution was then put to vote and was passed unanimously.

8.3. To consider and approve the re-appointment of Independent Director;

Ms. Burma informed the Shareholders that the Board of Directors, vide its resolution dated November 23, 2016, had proposed the re-appointment of Mr. Trilochan Upreti as Independent Director of the Company for a further period of four (4) years w.e.f. 14th December, 2016.

Ms. Burma requested the shareholders to propose and second the Resolution as "Ordinary Resolution". She also invited the shareholders to provide queries/comments/ suggestions.

Mr. Achyut Sharma, Shareholder representing M/s Himal City Beverage Private Limited, proposed the following resolution as Ordinary Resolution.

"RESOLVED THAT pursuant to Section 87 and other applicable provision of the Companies Act, 2006 (2063), the consent of the Shareholders, be and is hereby accorded for re-appointment of Mr. Trilochan Upreti as Independent Director of the Company for a period of four Year(s) w.e.f. 14th December, 2016."

Mr. Rajesh Shakya, Shareholder, seconded the same.

The resolution was then put to vote and was approved unanimously.

8.4. To Adopt the Audited Financial Statements including the Consolidated Financial Statements of the Company comprising of Balance Sheet as of 31st Ashad, 2073, Income Statement for the Fiscal Year 2072/73, Profit & Loss Account and Cash flow Statement for the same period and Auditors' Report thereon;

Ms. Burma presented the Audited Financial Statements including the Consolidated Financial Statements of the Company comprising of Balance Sheet as of 31st Ashad, 2072, Income Statement for the Fiscal Year 2072/73, Profit & Loss Account and, Cash Flow Statement for the same period along with Auditors' Report thereon for adoption of Shareholders. She, thereafter requested the shareholders to propose and second the Resolution as a "Special Resolution" in compliance with Article 15(b)(5) of Article of Association of the Company.

After some discussions, Mr. Rajesh Shakya, Shareholder, proposed the following resolution as a Special Resolution.

"RESOLVED THAT the Audited Financial Statements including the Consolidated Financial Statements comprising of Balance Sheet as of 31st Ashad, 2073, Income Statement for the Fiscal Year 2072/73, Profit & Loss Account and Cash Flow Statement for the same period along with the Auditors' Report thereon, be and is hereby received, considered and adopted by the Company."

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Mr. Achyut Sharma, Shareholder representing M/s Himal City Beverage Private Limited, seconded the same.

The resolution was then put to vote and was passed unanimously.

8.5. To consider & approve the re-appointment of Statutory Auditor and their remuneration for Fiscal Year 2073/74 as per Section 111 of Companies Act, 2006 (2063) and as recommended by Audit Committee;

Ms. Burma informed the Shareholders that on recommendation of Audit Committee, the Board of Directors of your Company had proposed the re-appointment of M/s T.R Upadhy & Co. (Firm Registration No. 6) as the Statutory Auditors of the Company for the Fiscal Year 2073/74 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at a consolidated Statutory Audit Fee of NPR 500,000 (Five Hundred Thousands Only) (excluding out of pocket expenses) (inclusive of applicable taxes excluding VAT).

Ms. Burma requested the shareholders to propose and second the Resolution as a "Special Resolution" in compliance with Article 15(b)(5) of Article of Association. She also invited the shareholders to provide queries/comments/ suggestions.

After some discussions, Mr. Achyut Sharma, Shareholder representing M/s Himal City Beverage Private Limited, proposed the following resolution as Ordinary Resolution.

"RESOLVED THAT M/s T.R Upadhy & Co. Chartered Accountants, (Firm Registration No. 06) (Mr. Sanjeev Mishra, Partner) be and is hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at a Statutory Audit Fee of NPR 500,000/- (Five Hundred Thousand Only) (including consolidation) (excluding out of pocket expenses) (inclusive of all applicable taxes, except VAT)."

Mr. Rajesh Shakya, Shareholder, seconded the same.

The resolution was then put to vote and was approved unanimously.

8.6. To consider & approve modification in Articles of Association;

With the permission of the Chair, Ms. Burma informed the Shareholders that the Board of Directors vide its Meeting held on November 23, 2016 had proposed to modify the Memorandum of Association (MoA) and Article of Association (AoA) of the Company by including the detailed address of its existing and proposed branch offices. Hence, the aforesaid modification of MoA and AoA was included in the Notice of the 30th Annual General Meeting of the Company and was circulated to the Shareholders.



She, further apprised the Shareholders that the Company, in consideration of business need, may require to shift/change its branch office(s), from time to time on the basis of its business requirements and, it will be operationally difficult for the Company to modify its MoA & AoA every time by holding its General Meeting(s). She, thereafter informed that in view of the aforesaid, the Board of Directors in its meeting dated December 25, 2016, had approved the modification to its earlier resolution by incorporating the district of the branch offices, instead of its detailed address and to substitute the existing Section 1 (b) of Articles of Association of the Company with the new Section 1(b) as detailed herein below:

SECTION 1(b) OF ARTICLES OF ASSOCIATION

"b. Registered Office of the Company: Will be situated at Balaju Industrial District, Balaju, Kathmandu.

The Branch office(s) of the Company shall be at following places:

- i. Chitwan -1 Branch office*
- ii. Banke -1 Branch office*
- iii. Chandragiri-1 Branch office*
- iv. Sunsari- 1 Branch office*

The Company may open other branch office(s) within or outside Nepal or close any branch office(s) as per the requirements of business and subject to compliance with the applicable laws of Nepal."

With the permission of the Chairperson, Ms. Burma thereafter, requested the shareholders to propose and second the Resolution as "Special Resolution". She also invited the shareholders to provide queries/comments/ suggestions.

After some discussions, Mr. Rajesh Shakya, Shareholder, proposed the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provision of Section 21 and any other applicable provisions of Companies Act, 2006(2063) (including any statutory modification(S) or re-enactment thereof, for the time being in force), consent of the shareholders be and is hereby accorded to substitute the existing Section 1 (b) of Articles of Association with the new Section 1(b) as detailed herein below:

SECTION 1(b) OF ARTICLES OF ASSOCIATION

"b. Registered Office of the Company: Will be situated at Balaju Industrial District, Balaju, Kathmandu.

The Branch office(s) of the Company shall be at following places:

- i. Chitwan -1 Branch office
- ii. Banke -1 Branch office
- iii. Chandragiri-1 Branch office
- iv. Sunsari- 1 Branch office

The Company may open other branch office(s) within or outside Nepal or close any branch office(s) as per the requirements of business and subject to compliance with the applicable laws of Nepal."

RESOLVED FURTHER THAT consent/recommendation from the competent government authority, if applicable, be obtained for the amendments.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to make any changes/modification(s) to the amendment, if any, be required or recommended by the competent governmental authorities.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to take all necessary steps for ensuring compliances with respect to the above including but not limited to filing of necessary information / disclosure with the Office of Company Registrar, Nepal Stock Exchange, Securities Board of Nepal and/ or any other Authorities as may be necessary."

Mr. Achyut Sharma, Shareholder representing M/s Himal City Beverage Private Limited, seconded the same.

The resolution was then put to vote and was passed unanimously.

8.7. To consider and approve modification in Memorandum of Association.

Ms. Burma informed that the Board of Directors, vide its meeting dated December 25, 2016, had proposed to substitute the existing Section-2 of the Memorandum of Association of the Company with the new Section-2 as detailed herein below:

SECTION - 2 OF MEMORANDUM OF ASSOCIATION:

"Registered Office of the Company: Shall be situated at Balaju Industrial District, Balaju, Kathmandu.

The Branch office(s) of the Company shall be at following places:

- i. Chitwan -1 Branch office

- ii. Banke -1 Branch office
- iii. Chandragiri-1 Branch office
- iv. Sunsari- 1 Branch office

The Company may open other branch office(s) within or outside Nepal or close any branch office(s) as per the requirements of business and subject to compliance with the applicable laws of Nepal."

With the permission of the Chairperson, Ms. Burma thereafter, requested the shareholders to propose and second the Resolution as "Special Resolution". She also invited the shareholders to provide queries/comments/ suggestions.

After some discussions, Mr. Rajesh Shakya, Shareholder, proposed the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provision of Section 21 and other applicable provisions of Companies Act, 2006(2063) (including any statutory modification(s) or re-enactment thereof, for the time being in force), if any, consent of the shareholders be and is hereby accorded to substitute the existing Section 2 of Memorandum of Association with the new Section 2 as detailed herein blow:

SECTION - 2 OF MEMORANDUM OF ASSOCIATION:

"Registered Office of the Company: Shall be situated at Balaju Industrial District, Balaju, Kathmandu.

The Branch office(s) of the Company shall be at following places:

- i. Chitwan -1 Branch office
- ii. Banke -1 Branch office
- iii. Chandragiri-1 Branch office
- iv. Sunsari- 1 Branch office

The Company may open other branch office(s) within or outside Nepal or close any branch office(s) as per the requirements of business and subject to compliance with the applicable laws of Nepal."

RESOLVED FURTHER THAT consent/recommendation from the competent government authority if applicable be obtained for the amendments.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to make such modification(s), as may be required or recommended by the competent governmental authorities, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to take all necessary steps for ensuring compliances with respect to the above including but not limited to filing of necessary information / disclosure with the Office of Company Registrar, Nepal Stock Exchange Securities Board of Nepal and/ or any other Authorities as may be necessary."

Mr. Achyut Sharma, Shareholder representing M/s Himal City Beverage Private Limited, seconded the same.

The resolution was then put to vote and was passed unanimously.

8.8. Miscellaneous

There was no other agenda to be discussed.

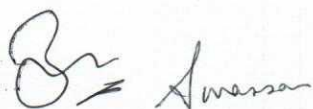
9. Listing of the decisions taken at 38th Annual General Meeting of the Company

9.1 Ordinary Resolution:

- 9.1.1 Unanimous approval of resolution passed for adoption of Directors' Report of the Company for Fiscal Year 2072/73 (i.e. 2015-16).
- 9.1.2 Unanimous approval of resolution passed for payment of remuneration and other facilities to Mr. Puneet Varshney (an Indian National holding Passport No. Z1742772), Managing Director of the Company with effect from 1st September, 2016.
- 9.1.3 Unanimous approval of resolution passed for re-appointment of Mr. Trilochan Upreti as Independent Director of the Company for a period of four (4) Years w.e.f. 14th December, 2017.

9.2 Special Resolution:

- 9.2.1 Unanimous approval of resolution passed for adoption of the Audited Financial Statements including the Consolidated Financial Statements comprising of Balance Sheet as of 31st Ashad, 2073, Income Statement for the Fiscal Year 2072/73, Profit & Loss Account and Cash Flow Statement for the same period along with the Auditors' Report.
- 9.2.2 Unanimous approval of resolution passed for re-appointment of M/s T.R. Upadhyay & Co, Chartered Accountants, (Firm Registration No. 06) as Statutory Auditors of the Company for the Fiscal Year 2073/74 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting with the remuneration of NPR 500,000/- (Five Hundred Thousand Only) (including consolidation) (excluding out of pocket expenses) (inclusive of all applicable taxes, excluding to VAT)."
- 9.2.3 Unanimous approval of resolution passed for alteration in the Articles of Association of the Company to substitute the existing Section 1 (b) of Articles of Association with the new Section 1(b).



9.2.4 Unanimous approval of resolution passed for alteration in the Memorandum of Association of the Company to substitute Section 2 of Memorandum of Association with the new Section 2.

9.3 Meeting recorded that Minutes of the Meeting will be signed by the Chairperson & Company Secretary.

10. **Vote of thanks & Closure of Meeting**

Since there were no other agenda to be discussed, the Meeting concluded with a vote of thanks to the Chair.



Shukla Wassan
Chairperson
Date: 16.01.2017



Pratima Burma
Company Secretary
Date: 16.01.2017