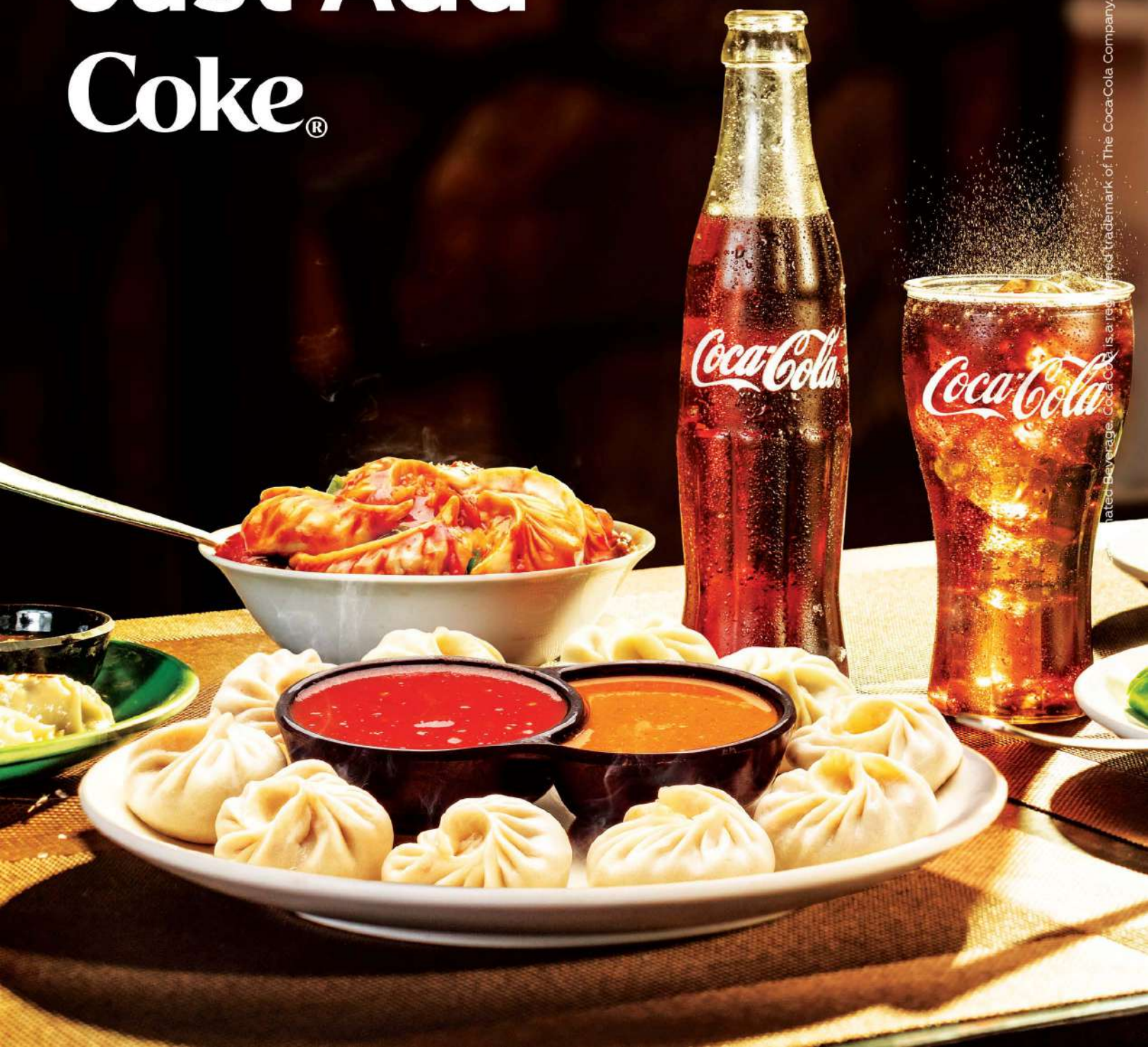




46th ANNUAL REPORT (2080-2081)
छयालिसौं वार्षिक प्रतिवेदन (२०८०-२०८१)
BOTTLERS NEPAL LIMITED



Just Add Coke.®



ated Beverage. Coca-Cola is a registered trademark of The Coca-Cola Company.

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1 NOTICE OF 46TH ANNUAL GENERAL MEETING

बोटलर्स नेपाल लिमिटेडका शेयरधनी महानुभावहरूलाई ४६औं वार्षिक साधारण सभाको सूचना

मिति २०८१।०८।०५ गते, बुधवार (तदनुसार २० नोभेम्बर, २०२४) बसेको संचालक समितिको बैठकको निर्णय अनुसार यस कम्पनीको ४६औं वार्षिक साधारण सभा निम्न लिखित मिति, स्थान तथा समयमा तपसिलका विषयहरु उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सम्बन्धित सबै शेयरधनी महानुभावहरूलाई जानकारी तथा उपस्थितीको लागि यो सूचना प्रकाशित गरिएको छ।

मिति	समय	स्थान
२०८१, पुस २६ गते (तदनुसार १० जनवरी २०२५)	दिउँसो ४ बजे ।	होटल ज्याडिसन, लाजिम्पाट, काठमाण्डौ ।

(सभा ठीक तोकिएको समयमा संचालन हुने भएकोले उपस्थिति पुस्तिका ३:३० बजे देखि खुला राखिने छ।)

छलफलका विषय सूची :

१. सामान्य प्रस्ताव :

- (क) आर्थिक वर्ष २०८०।८१ को संचालक समितिको वार्षिक प्रतिवेदन पारित गर्ने ।
- (ख) प्रबन्ध संचालकको पारिश्रमिक वृद्धि पारित गर्ने ।

२. विशेष प्रस्ताव :

- (क) एकिकृत वित्तिय विवरण, सम्वत् २०८१ असार ३१ गते सम्मको वासलात, आ. व २०८०।८१ को आय विवरण, नाफा नोक्सान हिसाब तथा नगद प्रवाह विवरण सहितको लेखापरीक्षण भएको वित्तीय विवरण र लेखापरीक्षकको प्रतिवेदन 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 को (फर्म रजिष्ट्रेशन नं. ०६) (सुमित्रा रिजाल, पार्टनर) लाई आर्थिक वर्ष २०८१।८२ को लेखापरीक्षण गर्न रु ६,००,०००/- (छ लाख मात्र) पारिश्रमिक सहित लेखापरीक्षक नियुक्ती गर्ने प्रस्ताव गरिएको।)

३. विविध : XXX

द्रष्टव्य: छयालीसौं वार्षिक साधारण सभालाई ध्यानमा राखी मिति २०८१।०९।१९ (तदनुसार ३ जनवरी, २०२५) गते कम्पनीको शेयर दाखिल खारेज दर्ता बन्द रहने जानकारी समेत यसै सूचनाद्वारा शेयरधनी महानुभावहरूमा सूचित गरिन्छ। नेपाल स्टक एक्सचेन्ज लिमिटेडमा मिति २०८१।०९।१८ (तदनुसार २ जनवरी, २०२५) गते सम्म कारोबार भई प्रचलित कानून बमोजिम यस कम्पनीको शेयर रजिष्ट्रार नविल ईन्भेष्टमेन्ट बैकिङ लिमिटेडबाट प्राप्त हुने शेयरधनी दर्ता किताबमा कायम शेयरधनीहरूलाई साधारण सभामा सहभागी गराइनेछ।

संचालक समितिको आदेशानुसार

प्रतीमा बर्मा
कम्पनी सचिव

साधारण सभा सम्बन्धी सामान्य जानकारी

१. 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 शेयर धनी महानुभावले वार्षिक प्रतिवेदन प्राप्त नगरेको खण्डमा कम्पनीको रजिष्टर्ड कार्यालय, बालाजु औद्योगिक क्षेत्र, बालाजु, काठमाडौंमा सम्पर्क गर्नुहुन सक्नुहुनेछ वा उक्त वार्षिक प्रतिवेदन र प्रोक्सी फारम कम्पनीको वेबसाईट www.bnl.com.np बाट समेत अध्ययन गर्न सकिने छ।
२. सभामा भाग लिन चाहने महानुभावहरूले प्रवेश पत्र वा शेयर प्रमाणपत्र/BOID (हितग्राही 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 हुने अनुरोध गरिएको छ।
३. सभामा कुनै प्रश्न/सल्लाह/सुझाव राख्न चाहनुहुने शेयरधनी महानुभावले सभा शुरु हुनु भन्दा कम्तीमा ४८ घण्टा अगावै investorrelations@coca-cola.com.np मा इमेलमा अनुरोध गर्नु पर्नेछ।
४. 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 नेहा प्रजापती neha.prajapati@nabilinvest.com.np वा नविल इन्भेष्टमेन्ट बैंकिङ लिमिटेड, नारायणचौर, नक्साल (कम्पनीको शेयर रजिष्ट्रार) मा पेश गर्नु पर्नेछ।
५. सभामा उपस्थित हुनको लागि कुनै एक शेयरधनीको तर्फबाट एक भन्दा बढी व्यक्तिहरूको नाममा प्रोक्सी नियुक्त भएमा सबै भन्दा 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।
६. 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।
७. 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।
८. अन्य कुनै जानकारीको लागि कृपया कम्पनीको रजिष्टर्ड कार्यालय बालाजु, काठमाडौंमा अथवा फोन नं. ४३५२२९४ वा ४३५२ ९८८ ext. २९६ वा हाम्रो शेयर रजिष्ट्रार कार्यालय, नविल इन्भेष्टमेन्ट बैंकिङ लिमिटेड, नारायणचौर, नक्साल, फोन नं. ४५९९६०४ ext. ९९७ वा ९४५ मा सम्पर्क गर्नु होला।

2 MESSAGE FROM CHAIRPERSON



“

I am inspired by the vast growth opportunities that lies ahead. With 46 years of history behind us, we are excited about the prospects for continued expansion and innovation.

Ladies and gentlemen, esteemed shareholders, and valued stakeholders,

On behalf of the Board of Directors, I want to extend my heartfelt gratitude for your continued investment and trust in our company. This past year has been a challenging one, and we have achieved notable accomplishments. Despite facing numerous challenges, we have managed to navigate these complexities by focusing on what we can control. Our commitment to refreshing the lives of all Nepalese remains at the forefront of our strategy.

Leading with purpose and responsibility

The Board has been proactive in representing the interests of all stakeholders on diverse issues, assisting the leadership team to make informed decisions on strategic investments, stretching goals and sustainability. I speak on behalf of the Board when I express great optimism for the years ahead, knowing we have built strong foundations through thoughtful investment, an adaptable culture and sustainability leadership.

Our new Board members

I am pleased to announce the addition of two new members to our Board, Gunjan Dhawan and Shalini Ratwatte. Their extensive experience in the beverage and technology sectors will be invaluable as we continue to steer our company toward greater achievements. I look forward to collaborating with them as we navigate the future together.

Dividend

This year, the Board has decided not to declare dividend. This decision was made to ensure that we can reinvest in our growth initiatives and strengthen our foundation for the future. We believe that this approach will ultimately create greater value for our shareholders in the long run.

Looking ahead

As we look to the future, I am inspired by the vast growth opportunities that lies ahead. With 46 years of history behind us, we are excited about the prospects for continued expansion and innovation.

Thank you to the Board for your guidance and to our dedicated team for their hard work throughout the year. We look forward to unlocking new opportunities for our people, customers, partners, and the broader community in the upcoming year.

NN SINGH

Chairman

Date: 29th November 2024

3 MESSAGE FROM MANAGING DIRECTOR



“

As I reflect back on the challenging year, I am inspired by our ongoing investment in technology, accelerated digital transformation, innovation, strong partnerships, and a culture of learning and performance, which together pave the way for a more sustainable future.

To our valued shareholders and invaluable internal and external stakeholders,

On behalf of Bottlers Nepal Limited, I want to thank each one of you for your unwavering support and commitment to refresh Nepal and make a difference.

I would like to commend our team for their passion and commitment to deliver results. Our team was able to implement multiple cost-saving initiatives, improve pack mix sales and efficiency, and continue strong market execution to help us maintain gross profits. Fundamentally, we aim to continue to drive impact, operating with a growth mindset and a belief that we can create a better shared future.

We have invested in many innovations and energy efficiency projects this year, including adding a new 200 BPM PET line in Balaju to enhance production, which is a sign of our commitment to seeking new avenues of growth. We also seek to revitalize our business for future success. With the aim of overcoming the current economic scenario, we have introduced a new pack size keeping in mind changing consumer preference, improved our commercial execution by increasing our ability to penetrate deeper into rural markets, shifted towards more efficient fuels to increase productivity, through strategic and timely procurement and last but not least have invested heavily in digital transformation to accelerate all growth levers.

In addition, we continue to follow best in class corporate governance compliance practices to foster a culture of transparency, accountability and trust amongst all of our stakeholders. We also go beyond our plant to serve our communities in times of need, and scale up programmes like Saksham empower more than 1000 women retailers annually, and continue to replenish water and build an ecosystem to collect and recycle PET waste.

We hope our partners and networks across the country will

also continue to embrace our purpose to refresh Nepal, be more energized to be collaborative, more resilient and more agile, so we maintain our growth momentum as Nepal seeks to graduate beyond LDC status.

As I reflect back on the challenging year, I am inspired by our ongoing investment in technology, accelerated digital transformation, innovation, strong partnerships, and a culture of learning and performance, which together pave the way for a more sustainable future.

We look forward to all that we can achieve in the coming year, as we continue to strengthen relationships with our partners and customers, and generate a better shared value for all we serve. In recent years, we have built strong momentum and great resilience to overcome the challenges we face while growing the business the right way. I am confident that we have all the ingredients in place for continued growth and success. We will continue to listen to our customers and consumers, understanding market trends while investing in and deploying our bespoke capabilities.

Thank you all for your continued support and commitment to our vision, which also keeps motivating us to raise the bar higher. I look forward to achieving greater heights together as we open up moments that refresh us all in the coming year.

Deepak Senthil Nath Gunalan

Managing Director

Date: 29th November 2024

4 OUR COMPANY

Company Profile

Bottlers Nepal Limited (hereinafter referred to as the “Company” or “BNL”) is a Public Limited Company, with operations spanning over 45 years. The shares of the Company are listed with the Nepal Stock Exchange Limited (NEPSE), and 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”) are engaged in the production, manufacture, sale, distribution, and supply of soft drinks being carbonated non-alcoholic beverages and packaged drinking water under the brand names - Coca-Cola®, Sprite®, Fanta®, Coke-Zero® and Kinley®. The Company along with its subsidiaries, Bottlers Nepal (Terai) Limited and Troika Traders Private Limited, are the only authorized bottlers and suppliers of “The Coca-Cola Company” (“TCCC”), in Nepal. For over 45 years, Bottlers Nepal Limited and its subsidiaries have built success on a profound understanding of demand of the consumers. That success is based on a continuous, compelling strategy that leads to sustainable value creation. It is also based on ability to change and adapt. 2080/81 was no exception. 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 depends on our ability to connect with consumers by providing them with a wide variety of beverage options to meet their desires, needs and lifestyles. 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.



Vision

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



Mission

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



Our Strategy to Lead the Growth

As a market leader and one of the oldest and largest FMCG companies in the country, **we are driven by a mindset of leading growth.**

As part of our overarching strategy, **we proactively monitor risks and opportunities**, ensuring that our business adapts to both internal and external changes.

We are a people-first company. We believe in developing our employees as valued assets by investing in capability development and fostering open, upward and downward conversations, with a specialized focus on each individual's development plan.

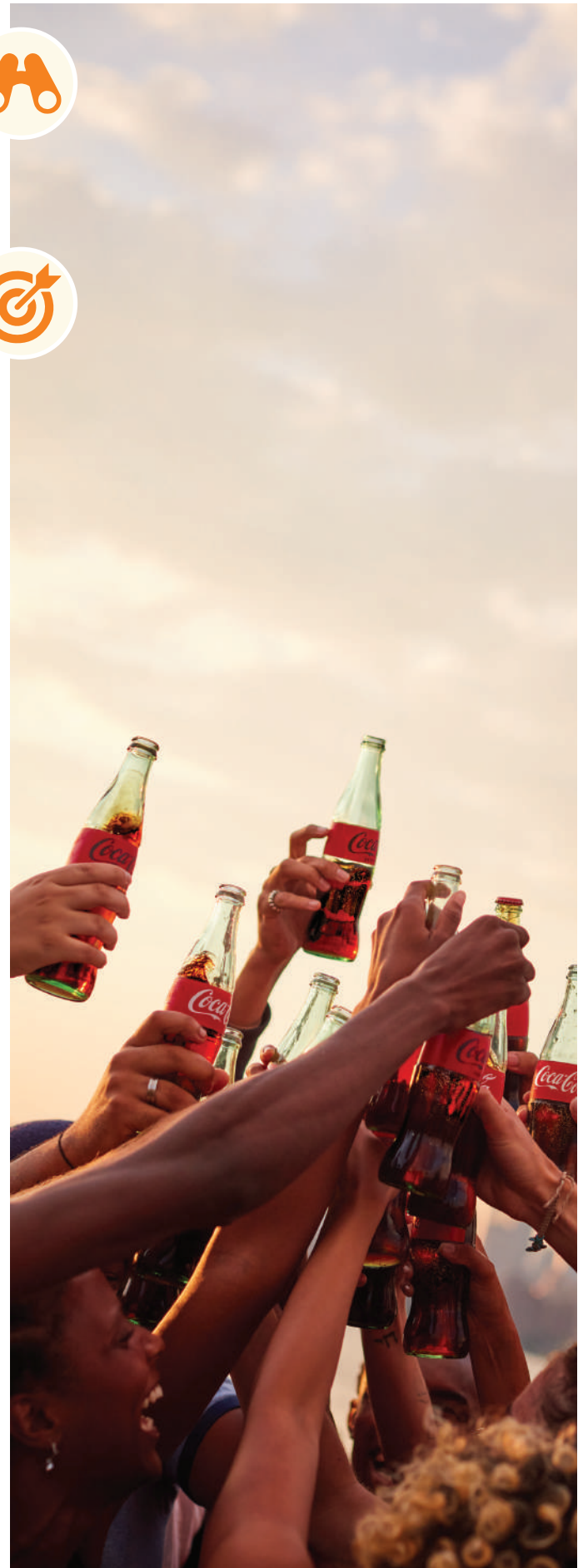
We implement world-class standards in our quality and processes, driving our business forward by continually cultivating a culture of Quality, Safety, and Environment across the organization.

We are always exploring ways to improve efficiency and productivity to enhance the triple bottom line—taking into account the environment, society, and governance.

We lead by example, establishing best-in-class manufacturing processes alongside cost-effective distribution models that allow us to reach remote areas of the country and achieve the highest penetration rates.

We have accelerated and invested in our digital transformation to leverage data, enabling real-time, informed business decisions with insights from our most valued business partners: distributors and retailers.

At the heart of everything we do is **our commitment to community and sustainability**, ensuring that we continue to make a positive difference in the country and give back to the nation we have served for over 46 years.



Core Values



Ethical Principles



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

The Code of Business Conduct and Anti- Bribery Policy provides us a 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 expectation for all employees.

५० वर्ष साथको उत्सव



Board of Directors

NARMADESHWAR NARAYAN SINGH



Public Shareholder Director
Chairman Since: 10th May 2023
Director Since: 1987
Nationality: Nepali

Qualifications and Experience:

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

DEEPAK SENTHIL NATH GUNALAN



Corporate Nominee Director
Director Since: 26 December, 2022
Nationality: Indian

Qualifications and Experience:

Mr. Gunalan holds a bachelor's degree in engineering and Post Graduate Diploma in Business Management. He has total experience of over 29 years. He is the Chief Executive Officer of Bottlers Nepal (Terai) Limited, a subsidiary of Bottlers Nepal Limited.

SHALINI RATWATTE



Corporate Nominee Director
Director Since: 18th September 2024
Nationality: Sri-Lankan

Qualifications and Experience:

Ms. Ratwatte holds a LLB degree. She has total experience of over 26 years. She is also a Director of Bottlers Nepal (Terai) Limited, a subsidiary of Bottlers Nepal Limited.

LUKAS ZAPLETAL



Corporate Nominee Director
Director Since: 10th May 2023
Nationality: Czech Republic

Qualifications and Experience:

Mr. Lukas holds a Master's in Law, Doctor of Law, Post Graduate Diploma in EU Competition Law, Master in Business Administration. He has total experience of over 21 years. He is also a Director of Bottlers Nepal (Terai) Limited, a subsidiary of Bottlers Nepal Limited.

GUNJAN DHAWAN



**Corporate Nominee
Director**

Director Since: 10th May
2023

Nationality: Indian

Qualifications and Experience:

Mr. Gunjan Dhawan holds MFC and has experience over 22 years. He is also a Director of Bottlers Nepal (Terai) Limited, a subsidiary of Bottlers Nepal Limited.

SURENDRA SILWAL



**Corporate Nominee
Director**

Director Since: 14th
September 2012

Nationality: Nepali

Qualifications and Experience:

Mr. Silwal holds a Master's in Business Administration with a total experience of over 28 years in various Companies. He is also a Director of Bottlers Nepal (Terai) Limited, its subsidiary Company.

KISHORE KUMAR MAHARJAN



Independent Director

Director Since: 25th February
2022

Nationality: Nepali

Qualifications:

Mr. Maharjan holds a master's in business management. He has total work experience of over 41 years in banking sector.

Management Structure

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

From Left to Right:

Redwin A. Duay (Country Finance Director)

Ike Yu Hang (Country Supply Chain Director)

Sneh Rajbhandari (Country PACS Director)

Yunus Riadi (Country Commercial Director)

Deepak Senthil Nath Gunalan (Managing Director)

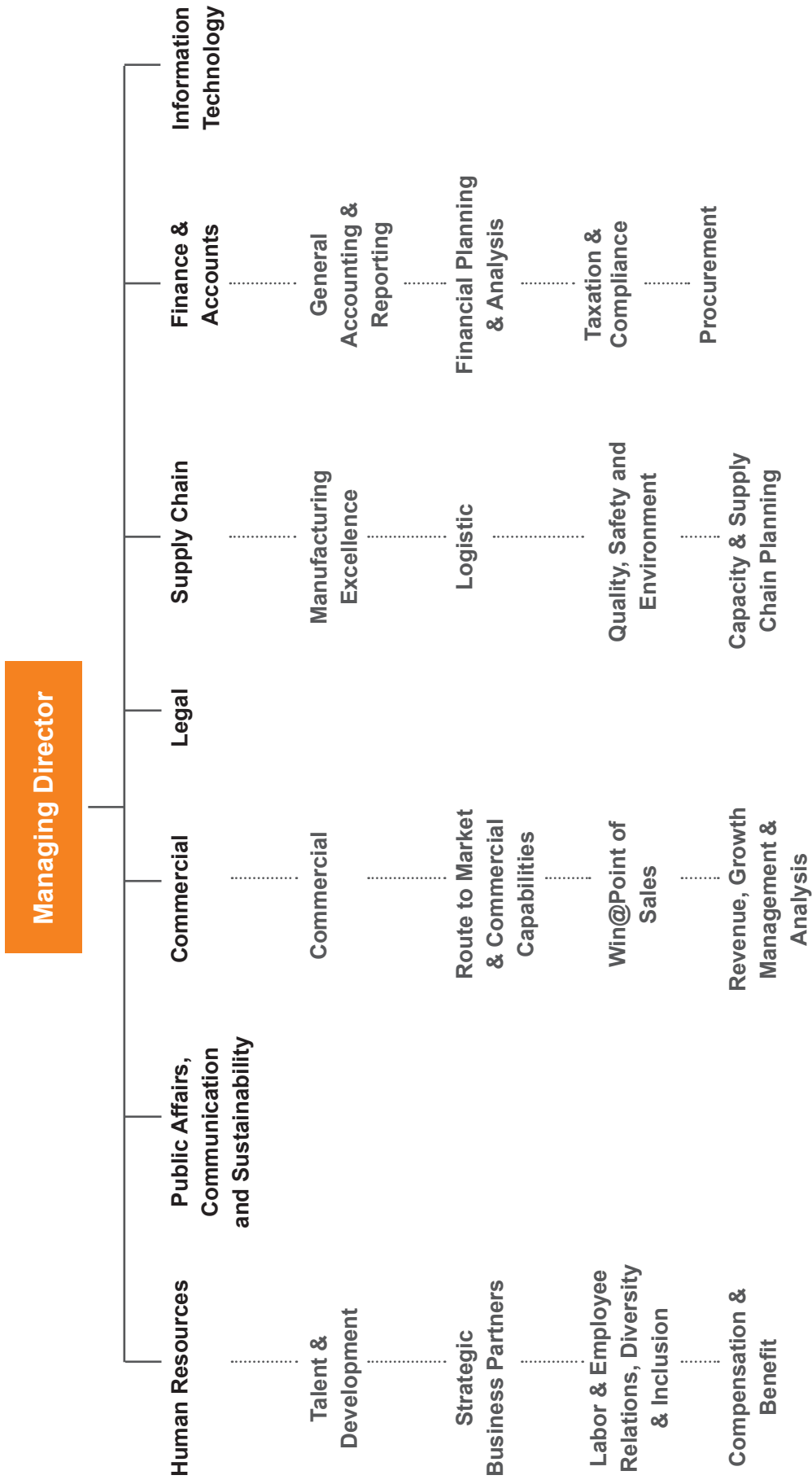
Shyam Chand (Head of IT)

Pratima Burma (Company Secretary/Legal)

Bishnu Bista (Country Human Resources Director)



ORGANIZATIONAL STRUCTURE



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

5 BUSINESS OVERVIEW

We are well-positioned for sustainable growth

We lead by example in growing non-alcoholic ready to drink category

The Company is a leader in the growing and dynamic Non-alcoholic Ready To Drink (NARTD) category. It operates through its bottling plants in Kathmandu and Bharatpur. Your Company manages its business responsibly, sustainably, and with a passion to create value for its customers, shareholders, consumers, and the communities we serve.

Lean manufacturing footprint

Your Company has been able to cater to the increased market demand through its existing manufacturing plants through efficient manufacturing operations. Your Company believes there is ample scope to achieve further efficiencies, particularly in Nepalese market to become a green industry.

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

The Company produces, sells, and distributes the world's most recognized beverage brands. Coca-Cola® Sprite®, Fanta®, Coke-Zero®, and Kinley® are some of the world's best-selling nonalcoholic ready-to-drink beverages. The Company has high growth opportunities across high-value occasions and categories. Our Sparkling portfolio has evolved with the proliferation of zero-sugar, single-serve packs and broader innovation in flavors which we have experimented from time to time.

A sustainable business

Your Company recognizes that creating shared value for shareholders, employees, consumers, customers, and communities is critical to its long-term success. Over the last decade, your Company has integrated corporate social responsibility and sustainability into all aspects of its business management with long-term investments that aim to build value over time. More recently, your Company established a business resilience program that enhances its approach to risk management and contingency response programs.

Capability to execute in the market

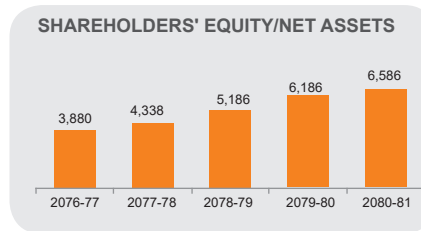
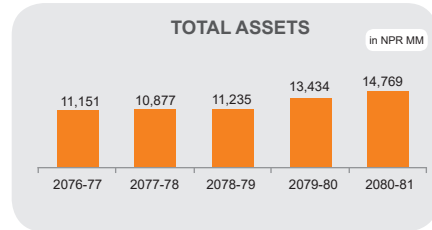
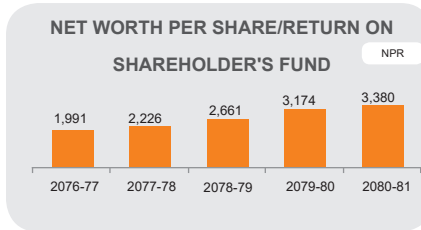
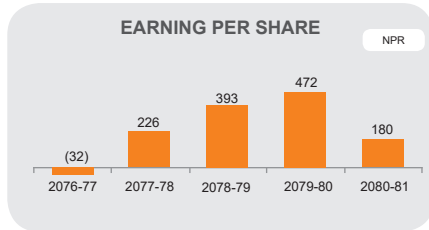
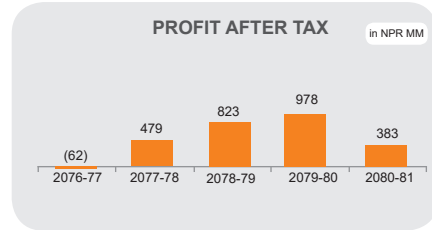
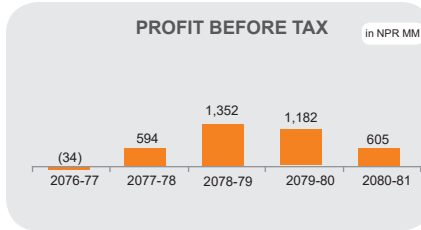
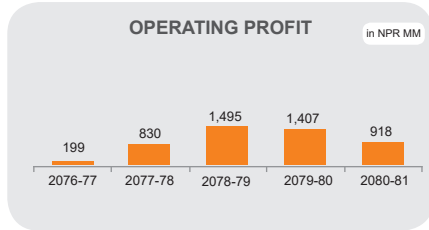
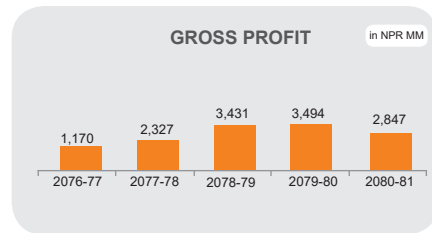
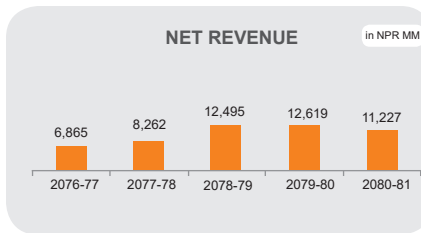
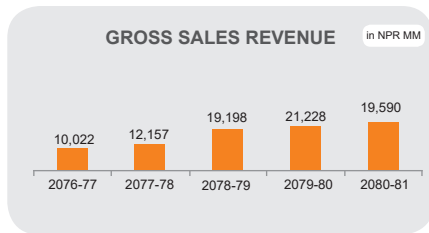
Building and maintaining successful partnerships with our customers is critical to our success. By working with customers to satisfy consumer needs and maximize demand for our products, our company helps grow both its business and that of its customers. We achieve this by segmenting the market and determining the most efficient and effective methods to service each outlet.

Our company aims to generate joint value in every aspect of its business with each of its customers. This ranges from logistics and delivery to marketplace execution and sustainability programs. 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.



PERFORMANCE HIGHLIGHTS



Financial Analysis

Figures in NPR

Profit or Loss Items					
Particulars	For the year 2080-81	For the year 2079-80	For the year 2078-79	For the year 2077-78	For the year 2076-77
Revenue	11,227,148,346	12,619,245,618	12,494,945,922	8,261,507,604	6,865,166,384
Gross Profit	2,847,376,562	3,493,625,896	3,430,743,419	2,326,617,815	1,770,360,293
Earning before Interest, Depreciation and Tax (EBIDT)	1,805,423,862	2,256,154,965	2,373,010,315	1,654,621,173	1,001,559,740
Operating Profit	918,229,202	1,406,777,824	1,494,895,313	829,623,995	199,127,567
Profit Before Tax	604,975,863	1,181,698,101	1,351,882,683	593,845,262	(34,104,755)
Profit After Tax	383,006,713	978,109,837	822,994,284	478,928,403	(61,854,742)
Earning Per Share	180	472	393	226	(32)

Figures in NPR

Balance Sheet Items					
Particulars	Year Ended 2081	Year Ended 2080	Year Ended 2079	Year Ended 2078	Year Ended 2077
No. of Shares	1,948,887	1,948,887	1,948,887	1,948,887	1,948,887
Total Assets	14,769,129,947	13,433,505,962	11,235,028,941	10,876,679,267	11,152,228,589
Plant Property and Equipment	7,222,555,883	6,945,121,639	7,007,391,670	7,215,128,703	7,663,507,959
Current Assets	7,516,826,249	6,468,755,714	4,193,130,404	3,516,927,325	3,279,709,596
Net Current Assets	382,898,933	380,139,323	(93,061,092)	(850,675,283)	(1,334,496,679)
Long Term Liabilities	1,048,783,679	1,158,457,073	1,762,915,264	2,170,986,882	2,658,518,010
Current Liabilities	7,133,927,316	6,088,616,391	4,286,191,496	4,367,602,608	4,614,206,275
Long Term Borrowings	-	-	560,407,009	1,130,407,009	1,700,407,009
Debt	3,147,195,104	2,935,262,230	1,180,291,062	1,814,688,522	1,942,510,519
Shareholder Equity/ Net Assets	6,586,418,951	6,186,432,498	5,185,922,181	4,338,089,777	3,879,504,304
Capital Employed	7,635,202,630	7,344,889,571	6,948,837,445	6,509,076,659	6,538,022,314
Market Capitalization	30,607,270,335	4,505,826,744	3,784,543,665	3,566,463,210	3,566,463,210

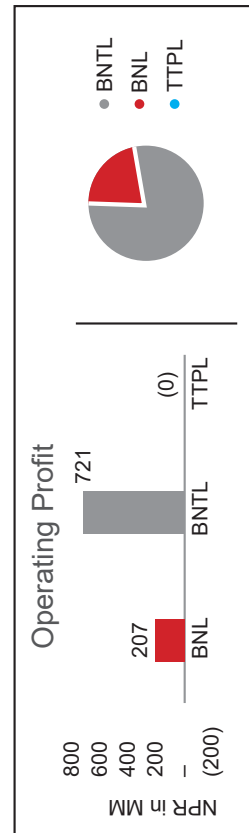
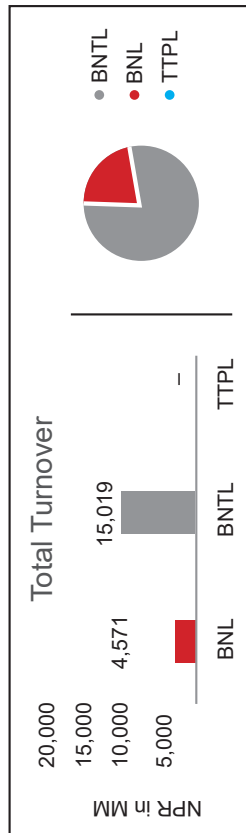
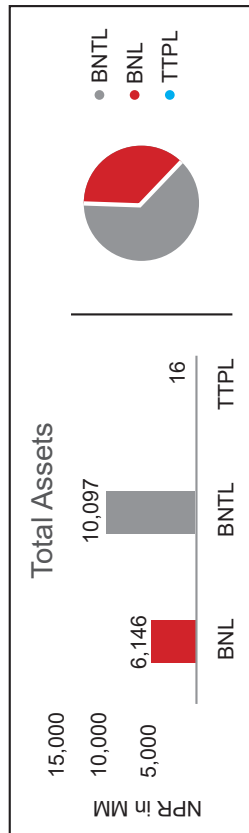
Ratio Analysis					
Particulars	Year Ended 2081	Year Ended 2080	Year Ended 2079	Year Ended 2078	Year Ended 2077
Gross Profit Ratio	25%	28%	27%	28%	26%
EBIDT Ratio	16%	18%	19%	20%	15%
Operating Profit Ratio	8%	11%	12%	10%	3%
Profit Before Tax Ratio	5.4%	9.4%	10.8%	7.2%	-0.5%
Current Ratio	1.1	1.1	1.0	0.8	0.7
Debt Equity Ratio	0.5	0.5	0.2	0.4	0.5
Assets Turnover Ratio	0.8	0.9	1.1	0.8	0.6
Return on Equity	6%	16%	16%	11%	-2%
Return on Total Assets	3%	7%	7%	4%	-1%
Earning Per Share	180	472	393	226	(32)
Market Value Per Share (NPR)	15,705	2,312	1,942	1,830	1,830
Price Earning Ratio	87.0	4.9	4.9	8.1	(57.2)
Net Worth Per Share/Return on Shareholders' Fund (NPR)	3,380	3,174	2,661	2,226	1,991
Return on Capital Employed	12%	19%	22%	13%	3%

Segment Reporting

FY 2080/81

Figures in NPR

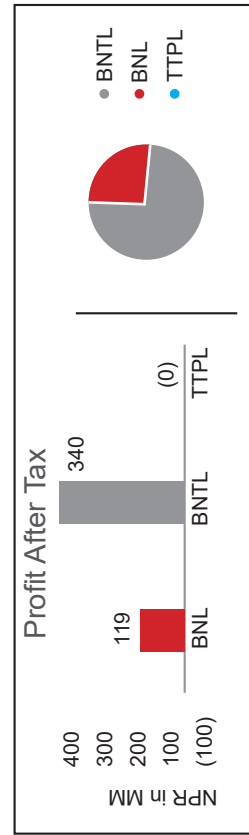
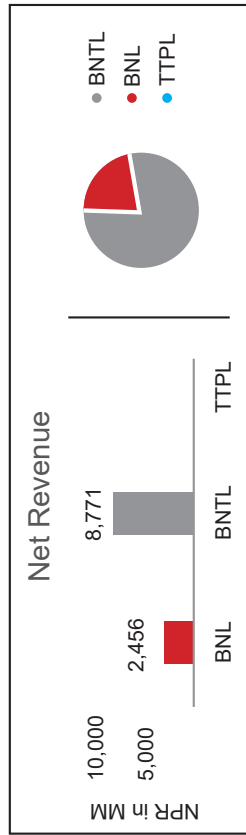
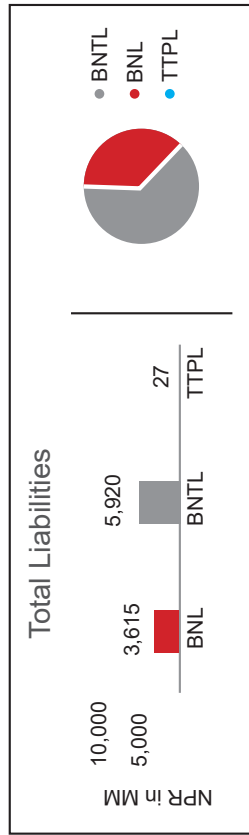
Particulars	BNL	BNTL	TTPL
Total Assets	6,146,341,012	10,096,512,669	15,981,036
Total Liabilities	3,614,839,381	5,919,606,773	27,328,397
Total Turnover	4,570,764,707	15,018,781,452	-
Total Revenue	2,455,850,922	8,771,297,424	-
Total Expenditure	2,337,093,054	8,431,615,798	86,160
Profit after Tax	118,757,868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



FY 2079/80

Figures in NPR

Particulars	BNL	BNTL	TTPL
Total Assets	5,640,728,450	9,240,741,092	15,970,636
Total Liabilities	3,250,137,388	5,332,435,542	27,231,837
Total Turnover	5,997,203,445	15,230,663,278	-
Total Revenue	3,299,211,528	9,320,034,090	-
Total Expenditure	2,893,694,731	8,681,202,730	9,768,300
Profit after Tax	405,516,797	638,831,360	(9,768,300)
Operating Profit	371,868,515	1,025,801,009	(330,000)



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 31st Ashad 2081	As at 32nd Ashad 2079	As at 31st Ashad 2078	As at 31st Ashad 2077
Particulars	Figures in NPR	Percentage	Figures in NPR	Percentage
ASSETS				
Non-current assets:				
Non Financial				
Intangible Assets	15,180,637	14%	28,548,489	26%
Property, Plant and Equipment	7,222,555,883	94%	7,007,391,670	91%
Deferred Tax Assets	-	0%	-	0%
Prepayments	-	-	26,471,639	94%
Financial Assets				
Advances	14,567,178	179%	5,958,378	73%
Current Assets:				
Non Financial Assets				
Inventories	3,620,055,622	230%	2,014,699,607	128%
Prepayments	83,245,952	94%	68,437,365	77%
Advances	2,480,344,751	276%	909,607,321	101%
Other Current Assets	45,385,785	-	-	-
Income Tax Receivable	76,653,830	392%	15,598,618	80%
Financial Assets				
Other Current Assets	120,825,605	723%	500,280,703	2992%
Trade Receivables	1,057,209,789	477%	583,098,211	263%
Cash and Cash Equivalents	33,104,915	7%	101,408,579	22%
Total Assets	14,769,129,947	132%	11,235,028,941	101%
EQUITY AND LIABILITIES				
Equity:				
Equity Share Capital	194,888,700	100%	194,888,700	100%
Reserve and Surplus	6,002,353,041	173%	4,683,132,850	135%
Non Controlling Interest	389,177,210	184%	307,900,631	146%
Non-current Liabilities:				
Retirement Benefit Obligation	-	0%	1,043,416,590	109%
Deferred Tax Liability	63,288,008	-	56,219,501	-
Financial Liabilities	-	-	-	-
Non current Borrowing	871,647,690	51%	560,407,009	33%
Lease Liabilities	113,847,981	-	102,872,164	-
Current Liabilities:				
Financial Liabilities				
Retirement Benefit Obligation	99,238,000	82%	195,403,000	161%
Borrowings	3,147,195,104	162%	1,180,291,062	61%
Trade Payables	1,823,815,707	154%	1,144,431,039	97%
Lease Liabilities	29,350,252	-	18,061,554	-
Other Financial Liabilities	1,962,373,327	148%	1,672,614,879	126%
Non Financial Liabilities	71,954,927	287%	73,022,862	291%
Income Tax Payable	-	0%	2,367,100	27%
Total Equity and Liabilities	14,769,129,947	132%	11,235,028,941	101%

Elements are a percent of Base Year. Base year is considered 31st Ashad 2077

HORIZONTAL ANALYSIS OF PROFIT OR LOSS
Bottlers Nepal Limited (Group)

Statement of Profit or Loss

For the year ended 31st Ashad, 2081 (15th July, 2024)

Financial Year	For the Year 2080-81		For the Year 2078-79		For the Year 2077-78		For the Year 2076-77	
	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage
Revenue from operations	11,227,148,346	164%	12,494,945,922	182%	8,261,507,604	120%	6,865,166,384	100%
Cost of goods sold	(8,379,771,784)	164%	(9,125,619,722)	178%	(5,934,889,789)	116%	(5,094,806,091)	100%
Gross Profit	2,847,376,562	161%	3,493,625,896	197%	2,326,617,815	131%	1,770,360,293	100%
Other operating income	151,277,734	118%	21,569,900	17%	29,046,117	23%	128,552,483	100%
Selling and distribution expenses	(1,569,454,978)	121%	(1,623,440,980)	125%	(1,148,910,793)	88%	(1,298,338,455)	100%
Administrative and operating expenses	(510,970,116)	127%	(484,976,992)	121%	(380,372,243)	95%	(401,446,754)	100%
Profit from Operations	918,229,202	461%	1,406,777,824	706%	829,623,995	417%	199,127,567	100%
Finance Costs	(315,971,904)	118%	(239,888,035)	89%	(257,123,928)	96%	(268,128,819)	100%
Finance Income	2,718,565	8%	14,808,312	42%	21,345,195	61%	34,896,497	100%
Profit Before Tax	604,975,863	1774%	1,181,698,101	3465%	593,845,262	1741%	(34,104,755)	100%
Income Tax Expense								
Income Tax	(213,075,943)	189%	(181,110,460)	161%	(88,686,410)	79%	(112,689,580)	100%
Prior period tax adjustments	(31,267,922)	3535%	(11,443,260)	1294%	(8,252,000)	933%	(884,561)	100%
Deferred Tax	22,374,715	26%	(11,034,544)	-13%	(17,978,449)	-21%	85,824,154	100%
Net Profit for the year	383,006,713	619%	978,109,837	1581%	478,928,403	774%	(61,854,742)	100%
Owners of the Company	351,697,841	564%	919,253,585	1474%	439,888,870	706%	(62,349,202)	100%
Non Controlling Interest	31,308,871	6332%	58,856,252	11903%	39,039,533	7895%	494,460	100%

Elements are a percent of Base Year. Base year is considered 2076-77

VERTICAL ANALYSIS OF BALANCE SHEET
Bottlers Nepal Limited (Group)
Statement of Financial Position
As at 31st Ashad, 2081 (15th July, 2024)

Financial Year	As at 31st Ashad 2081		As at 31st Ashad 2080		As at 32nd Ashad 2079		As at 31st Ashad 2078		As at 31st Ashad 2077	
	Particulars	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage	Percentage
ASSETS										
Non-current assets:										
Non Financial										
Intangible Assets	15,180,637	0.1%	14,151,906	0.1%	28,548,489	0.3%	62,514,990	0.6%	110,277,143	1.0%
Property, Plant and Equipment	7,222,555,883	48.9%	6,945,121,639	51.7%	7,007,391,670	62.4%	7,215,128,703	66.3%	7,663,507,959	68.7%
Deferred Tax Assets	-	-	-	-	-	0.0%	48,693,545	0.4%	62,475,924	0.6%
Prepayments	-	-	-	-	-	0.0%	26,471,639	0.2%	28,117,535	0.3%
Financial Assets										
Advances	14,567,178	0.1%	5,476,703	0.0%	5,958,378	0.1%	6,943,065	0.1%	8,140,432	0.1%
Current Assets:										
Non Financial Assets										
Inventories	3,620,055,622	24.5%	2,459,100,160	18.3%	2,014,699,607	17.9%	1,585,860,277	14.6%	1,572,951,713	14.1%
Prepayments	83,245,952	0.6%	70,913,178	0.5%	68,437,365	0.6%	67,565,967	0.6%	88,552,067	0.8%
Advances	2,480,344,751	16.8%	2,856,656,974	21.3%	909,607,321	8.1%	825,394,151	7.6%	899,479,555	8.1%
Other Current Assets	45,385,785	0.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Income Tax Receivable	76,653,830	0.5%	112,668,011	0.8%	15,598,618	0.1%	15,262,103	0.1%	19,578,467	0.2%
Financial Assets										
Other Current Assets	120,825,605	0.8%	124,872,161	0.9%	500,280,703	4.5%	26,559,509	0.2%	16,719,123	0.1%
Trade Receivables	1,057,209,789	7.2%	779,497,088	5.8%	583,098,211	5.2%	496,232,874	4.6%	221,507,342	2.0%
Cash and Cash Equivalents	33,104,915	0.2%	65,048,142	0.5%	101,408,579	0.9%	500,052,444	4.6%	460,921,329	4.1%
Total Assets	14,769,129,947	100.0%	13,433,505,962	100.0%	11,235,028,941	100.0%	10,876,679,267	100.0%	11,152,228,589	100.0%
EQUITY AND LIABILITIES										
Equity:										
Equity Share Capital	194,888,700	1.3%	194,888,700	1.5%	194,888,700	1.7%	194,888,700	1.8%	194,888,700	1.7%
Reserve and Surplus	6,002,353,041	40.6%	5,629,165,620	41.9%	4,683,132,850	41.7%	3,892,921,650	35.8%	3,475,761,880	31.2%
Non Controlling Interest	389,177,210	2.6%	362,378,179	2.7%	307,900,631	2.7%	250,279,427	2.3%	211,050,669	1.9%
Non-current Liabilities:										
Retirement Benefit Obligation	-	0.0%	984,096,150	7.3%	1,043,416,590	9.3%	1,040,579,873	9.6%	958,111,001	8.6%
Deferred Tax Liability	63,288,008	0.4%	80,836,143	0.6%	56,219,501	-	-	0.0%	-	0.0%
Financial Liabilities										
Non current Borrowing	871,647,690	5.9%	-	0.0%	560,407,009	5.0%	1,130,407,009	10.4%	1,700,407,009	15.2%
Lease Liabilities	113,847,981	0.8%	93,524,780	0.7%	102,872,164	-	-	-	-	-
Current Liabilities:										
Financial Liabilities										
Retirement Benefit Obligation	99,238,000	0.7%	124,871,000	0.9%	195,403,000	1.7%	160,381,000	1.5%	121,160,000	1.1%
Borrowings	3,147,195,104	21.3%	2,935,262,230	21.9%	1,180,291,062	10.5%	1,814,688,522	16.7%	1,942,510,519	17.4%
Trade Payables	1,823,815,707	12.3%	1,025,403,486	7.6%	1,144,431,039	10.2%	688,496,990	6.3%	1,184,806,157	10.6%
Lease Liabilities	29,350,252	0.2%	9,347,383	0.1%	18,061,554	-	-	-	-	-
Other Financial Liabilities	1,962,373,326	13.3%	1,981,419,422	14.7%	1,672,614,879	14.9%	1,578,352,583	14.5%	1,329,722,984	11.9%
Non Financial Liabilities	71,954,927	0.5%	12,312,869	0.1%	73,022,862	0.6%	119,747,555	1.1%	25,084,251	0.2%
Income Tax Payable	-	0.0%	-	0.0%	2,367,100	0.0%	5,935,958	0.1%	8,725,419	0.1%
Total Equity and Liabilities	14,769,129,947	100.0%	13,433,505,962	100.0%	11,235,028,941	100.0%	10,876,679,267	100.0%	11,152,228,589	100.0%

Elements are a percent of total assets

VERTICAL ANALYSIS OF PROFIT OR LOSS
Bottlers Nepal Limited (Group)
Statement of Profit or Loss
For the year ended 31st Ashad, 2081 (15th July, 2024)

Financial Year	For the Year 2080-81		For the Year 2079-80		For the Year 2078-79		For the Year 2077-78		For the Year 2076-77	
	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage	Figures in NPR	Percentage
Revenue from operations	11,227,148,346	100%	12,619,245,618	100%	12,494,945,922	100%	8,261,507,604	100%	6,865,166,384	100%
Cost of goods sold	(8,379,771,784)	-75%	(9,125,619,722)	-72%	(9,064,202,503)	-73%	(5,934,889,789)	-72%	(5,094,806,091)	-74%
Gross Profit	2,847,376,562	25%	3,493,625,896	28%	3,430,743,419	27%	2,326,617,815	28%	1,770,360,293	26%
Other operating income	151,277,734	1%	21,569,900	0%	29,046,117	0%	32,289,216	0%	128,552,483	2%
Selling and distribution expenses	(1,569,454,978)	-14%	(1,623,440,980)	-13%	(1,511,270,420)	-12%	(1,148,910,793)	-14%	(1,298,338,455)	-19%
Administrative and operating expenses	(510,970,116)	-5%	(484,976,992)	-4%	(453,623,808)	-4%	(380,372,243)	-5%	(401,446,754)	-6%
Profit from Operations	918,229,202	8%	1,406,777,824	11%	1,494,895,308	12%	829,623,995	10%	199,127,567	3%
Finance Costs	(315,971,904)	-3%	(239,888,035)	-2%	(169,485,273)	-1%	(257,123,928)	-3%	(268,128,819)	-4%
Finance Income	2,718,565	0%	14,808,312	0%	26,472,648	0%	21,345,195	0%	34,896,497	1%
Profit Before Tax	604,975,863	5%	1,181,698,101	9%	1,351,882,683	11%	593,845,262	7%	(34,104,755)	0%
Income Tax Expense										
Income Tax	(213,075,943)	-2%	(181,110,460)	-1%	(170,057,211)	-1%	(88,686,410)	-1%	(112,689,580)	-2%
Prior period tax adjustments	(31,267,922)	0%	(11,443,260)	0%	(259,014,022)	-2%	(8,252,000)	0%	(884,561)	0%
Deferred Tax	22,374,715	0%	(11,034,544)	0%	(99,817,166)	-1%	(17,978,449)	0%	85,824,154	1%
Net Profit for the year	383,006,713	3%	978,109,837	8%	822,994,284	7%	478,928,403	6%	(61,854,742)	-1%
Owners of the Company	351,697,841	3%	919,253,585	7%	765,318,109	6%	439,888,870	5%	(62,349,202)	-1%
Non Controlling Interest	31,308,871	0%	58,856,252	0%	57,676,175	0%	39,039,533	0%	494,460	0%

Elements are a percent of Net Revenue

Marketing Campaigns

The Coca-Cola Company (TCCC) is committed to the Responsible Marketing of its brands.

In 2080-81 as well, we upheld our longstanding global Responsible Marketing Policy, which ensures that none of our brand marketing is directed towards children under the age of 13 and in media where 30% or more of the audience is composed of children. This policy extends across various media, including television, print, websites, social media, movies, and SMS/email marketing. Beyond restricting media placement, we also avoid creating marketing materials that are primarily designed to appeal to children under 13, regardless of the platform.

Some of the marketing campaigns we had carried out during the FY 2080-81 are as per below:



“GRAB A COKE Get a chance to WIN A CAR” Campaign

(1st September 2023 – 31st October 2023)

The Company launched its most spectacular promotional campaign: GRAB A COKE, WIN A CAR from 1st September 2023 till 31st October 2023. This thrilling initiative was designed to deliver unparalleled moments of joy and excitement, promising a whirlwind of fun and irresistible rewards.

Through this campaign, the consumers have the incredible opportunity to win a grand prize of a car, with weekly giveaways of a bike for eight weeks, and a daily distribution of 60 smartphones. This campaign was also extended to other variants of sparkling beverage, Sprite and Fanta PET/RGB across Nepal.



“Drink N Win” Campaign

(14th March 2024-30th June 2024)

To celebrate the vibrant return of summer, the Company launched the exciting “Drink N Win” campaign, offering instant rewards that promise to elevate the season’s enjoyment. This exciting promotion invites consumers to enjoy a range of exciting surprises by simply checking under the crown of Coca-Cola returnable glass bottles.

The concept is simple where consumers need to see the prize beneath the bottle cap and claim their reward on the spot. With prize amount ranging from NPR 5 to a staggering NPR 1000, the campaign ensures that every sip brings a chance for instant gratification. This campaign was available on 175 ml and 250 ml RGB bottles.



175ml Uplift Campaign

The Company has launched an extraordinary campaign for the 175 ml RGB bottle, titled "AfulaiJagau," which symbolizes our commitment to uplifting everyday moments with exceptional refreshment and joy. This campaign transcends mere product promotion; it is designed to create profound and memorable experiences that uplift and stimulate our consumers, leaving them with a lasting sense of happiness and satisfaction.



“250ml free- Promo”

The Company had launched a promotional campaign offering a free 250ml pack with every purchase of 1.5 litre and 2.25 litre packs of Coca-Cola, Sprite, and Fanta with the theme ‘joy and togetherness’. This promotion aims to elevate ordinary moments into celebrations by pairing them with Coca-Cola beverages.



NEW PACK SIZE LAUNCHED

The Company has launched new 2-liter pack. It is a strategic addition to our product portfolio aimed at enhancing the at-home dining experience for our consumers. This initiative, part of our 'Coke and Meals' campaign, offers our customers the opportunity to enjoy their favorite beverage in a more convenient and family-friendly size. Priced at NPR 250/-, this new offering is perfectly positioned to increase shareability and strengthen our brand's presence at the dining table. We are confident that this will not only delight our consumers but also drive growth and value for our shareholders.

“Kathmandu is Cooking”

(15th March 2024)

Coca-Cola's grand event 'Kathmandu is Cooking' returned for its exciting Second Edition on March 15, 2024 at the Hyatt Hotel Ground in Kathmandu. The “Is Cooking” campaign is a global phenomenon introduced by Coca-Cola to celebrate and encourage the passion for food in each city across the globe. It is an extension of Coca-Cola's global brand platform – Real Magic™ – which invites everyone to celebrate the real magic of togetherness.

The event not only set a Guinness World Record for the “Largest Momo Party” but also became an iconic celebration of culture and culinary delight. With over 500 enthusiastic



artist Papon and a roster of exceptional local talents, ensuring an unforgettable musical experience that perfectly complemented the culinary offerings. “Kathmandu is Cooking” masterfully combined the joy of music with the delight of Momos tasting, with the presence of more than 25 of the city's premier Momos vendors. This remarkable



participants, the gathering was a vibrant display of energy and festivity, each guest enjoying a delectable pair of Momos accompanied by a refreshing 250 ml bottle of Coke.

The event was further elevated by performances from renowned

fusion of entertainment, Momos, and Coca-Cola created a grand celebration that will be remembered as a milestone in Kathmandu's event history. 'Kathmandu is Cooking' was a waste-free event, demonstrating Coca-Cola's strong commitment to recycling.

DIGITAL TRANSFORMATION



Coke Buddy

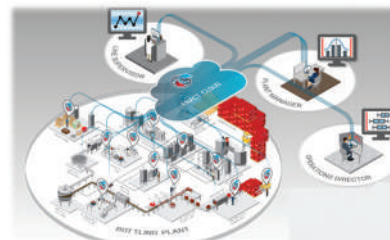
This innovative Coke Buddy® platform enables 24/7 ordering, real-time purchase tracking, promotional alerts, and seamless communication with the company's support team.

Since its launch in December 2023, we have successfully onboarded 80% of our outlets within just six months. These outlets have actively placed orders through Coke Buddy®, contributing to nearly 40% of our total revenue being processed via the apps. Additionally, we are on the brink of integrating several exciting features, including loyalty programs, digital payment systems, AI-driven customer targeting, high-efficiency strategies for new outlets, and gaming options.



Robotic Process Automation Platform

The company is advancing its automation efforts by implementing a Robotic Process Automation (RPA) platform to streamline recurring tasks. This initiative is part of a strategic effort to boost efficiency, minimize errors, and allow human employees to concentrate on more strategic and value-driven activities. Significant progress has been made in adopting automation and robotics across various areas of operations. These technologies are now central to our strategy, improving efficiency, lowering operational costs, and enhancing product quality. Through the integration of cutting-edge automation and robotics solutions, we are revolutionizing our operations, innovation, and competitive edge in a fast-paced market.



Digitized Supply Chain

Our company has made substantial progress in enhancing our supply chain through strategic investments in digital technologies. Committed to operational excellence and customer satisfaction, we have successfully introduced a Digitized Supply Chain that utilizes advanced tools and technologies. This transformation has optimized our operations and improved our ability to adapt to market demands and disruptions.

The shift to a digitized supply chain has yielded considerable advantages, such as increased efficiency, integrated quality control, and greater resilience. We are enthusiastic about future developments and remain focused on ongoing improvements through digital innovation.

New PET (Polyethylene Terephthalate) Line Installation

The Company had invested approx. NPR 589 MM in the state of art filling line with 200 Bottling Per Minute (BPM) capacity to enhance its production capabilities and minimize environmental impact. This transformative technology represents a significant milestone for the company.

This Line is a marvel of engineering, designed to streamline the bottling process with unparalleled efficiency

and precision. Equipped with advanced automation, the highly versatile filling line can handle various bottle sizes and formats, ensuring flexibility in production and meeting diverse consumer preferences.

Moreover, sustainability lies at the heart of the SIPA filling line, aligning seamlessly with Bottlers Nepal's commitment to environmental stewardship. With energy-efficient components and innovative design



features, the filling line minimizes resource consumption and waste generation, contributing to a greener, more sustainable future for Nepal's beverage industry.

HUMAN CAPITAL

The Company is dedicated to attracting, developing, and retaining a talented workforce, ensuring that every team member can contribute to our collective success. We are committed to cultivating a skilled workforce equipped with the knowledge, competencies, and growth mindset needed to navigate emerging business challenges and maintain a competitive edge. We recognize that teamwork is central to our achievements, and we owe our success to employees who align their personal growth with the Company's future and are committed to thriving together.

We continuously evaluate opportunities to enhance our efforts in talent acquisition, retention, and development. We believe in fostering a learning environment that encourages integrated thinking, personal growth, and team collaboration. Employees are also empowered to identify areas where they need training to boost their performance.

We strive to support the physical and mental well-being of our employees at all levels. We aim to keep our employees engaged and motivated through regular feedback sessions, employee recognition programs, and career development opportunities. Our Company provides a range of training programs and exposure opportunities for employees across various departments and levels.

EQUAL EMPLOYMENT OPPORTUNITY



The company follows a policy of recruiting candidates based on manpower needs identified through a focused and well-structured Human Resource Plan. As an Equal Employment Opportunity provider, we ensure that all candidates are assessed impartially, using objective criteria, without regard to race, gender, ethnicity, religion, language, or civil status. Our vision is to attract, develop, and retain a talented team, fostering a workplace where every member can thrive and lead collectively.

The programs and initiatives we implement—covering employment practices, compensation and benefits, talent management, diversity and inclusion, and team member relations—are crucial in upholding this commitment, particularly in today's challenging economic climate.

We pride ourselves on our Company's warm and equitable multicultural environment, where each team member is valued for their abilities and respected for who they are. We are dedicated to creating a positive and focused work atmosphere that celebrates teamwork and encourages innovation.

Our goal is to provide a workplace where all employees can thrive and grow—a place where they feel included, safe, and empowered to make meaningful contributions to the Company.

Diversity Equity & Inclusion Representation



Inclusivity is at the heart of everything we do. We recognize that fostering a diverse, equitable, and inclusive workplace—one that mirrors the diversity of the markets we serve—is not just a goal but a strategic priority essential for our ongoing growth and success. Our commitment is to ensure equal opportunities for all employees, cultivate a more inclusive environment, and build a culture where every individual can thrive.

We value the unique backgrounds and perspectives of our team members, promoting authenticity, curiosity, and accountability. We strive to create an environment conducive to continuous learning, challenge, and growth.

Our diversity, equity, and inclusion strategy are focused on three key long-term goals:



Building a workforce that reflects the diverse communities we serve.

1



Fostering an inclusive culture where all employees can thrive.

2



Promoting equity and access within our business, the communities we touch, and the broader marketplace.

3

FREEDOM OF ASSOCIATION



Our Company does not curtail the freedom of association of employees. Management is committed for discussions and negotiations with the employees who are unionized. Further, an open-door policy is encouraged. There are three unions in function in the Group which represents the interests of 565 employees.

WORKPLACE RIGHTS POLICY



Our Company's Workplace Rights Policy is designed to provide all stakeholders with clear guidelines and internally accepted standards for how we treat our employees. We regularly audit adherence to these workplace policies to ensure compliance. The Workplace Rights Policy is informed by both the country's Labor Act and international human rights standards. At our Company, we are committed to fostering an inclusive workplace where all community members have equal opportunities for employment and development, regardless of race, gender, religion, or disability.

Child Labor



As part of our ongoing commitment, our Company strongly advocates for and upholds decent work practices and human rights. We strictly prohibit child labor and do not employ anyone under the age of 16 in our workplaces. This commitment is deeply embedded in our policies and procedures across the Group. We ensure that there is no direct risk of child labor in any of our operations.

TALENT AND DEVELOPMENT



Our ongoing commitment to nurturing talent and fostering professional growth has been instrumental in the success of both our employees and the organization.

Performance Management: We have continued to enhance our performance management processes by emphasizing regular feedback and development discussions. This approach fosters a culture of continuous improvement.

Leadership Development: We have actively engaged in various leadership development programs to identify and nurture future leaders within the organization. By investing in growth and leadership behavior, we ensure the long-term success of our company.

Learning and Development: Our HR team has collaborated with different departments to identify skill gaps and deliver targeted training programs. Additionally, we have utilized e-learning platforms to make learning resources more accessible, further supporting the professional growth of our employees.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY



Our Company is committed to providing a work environment where every employee is treated with dignity and respect and receives equitable treatment. We are also dedicated to fostering a workplace that supports the professional growth of our employees and promotes equal opportunities for all. We have a zero-tolerance policy towards any form of sexual harassment and are fully committed to taking all necessary measures to protect our employees from any form of harassment.

To reinforce this commitment, we implemented our Sexual Harassment at Workplace Policy on December 1, 2017, in accordance with the provisions of The Sexual Harassment at Workplace Prevention Act, 2015 (2071).

EMPLOYER BRANDING



At Bottlers, we place significant emphasis on developing a robust employer branding strategy to engage with potential employees and effectively convey our company's leadership, core values, and unique culture. Our unwavering commitment to establishing a strong brand presence not only facilitates enhanced talent acquisition but also nurtures enduring relationships with our workforce.

In the previous year, we introduced our new Talent Philosophy and Employee Value Proposition, aptly named "Thrive." This initiative was designed to cater to the well-being and growth of our people. Thrive is built upon four pivotal pillars: Growth, Well-being, Belongingness, and Impact. These pillars encapsulate our dedication to fostering both personal and professional development, cultivating a sense of belonging and unity within our organization, and actively making a meaningful impact in the world. Thrive signifies our pledge to transcend mere aspiration, translating it into tangible and sustainable growth for our employees and the company.

We successfully elevated this Talent Philosophy and Employee Value Proposition to new heights in FY 2080/81.

EMPLOYEE WELL-BEING



At Bottlers, we recognize that employee well-being is integral to our culture and success. This year we launched several initiatives aimed at promoting physical, mental and social well-being.

PHYSICAL WELL-BEING



Health and Wellness Programs to promote physical health, such as fitness, health screenings, and wellness challenges.

MENTAL WELL-BEING



Introduced a platform called "Happy Minds," available to all employees for mental health support which provides access to counseling services and mindfulness programs as part of our well-being initiatives.

SOCIAL WELL-BEING



Fostering a culture of recognition and appreciation through our initiative, "Celebrating You." Emphasizing the importance of a positive workplace culture where employees feel supported by their peers and managers and open-door policies.

Quality, Health and Safety

The company operates within a world-class supply chain organization where Quality, Food Safety, Occupational Health & Safety, and Environmental Management are of paramount importance.



As part of the ISO Management System, the company has successfully obtained certification to the latest revision of all four system standards: ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, FSSC 22000 Version 6.0 Food Safety System Certification, and ISO 45001:2018 Occupational Health and Safety Management Systems.

We believe in our “Safety First” culture in all our routine tasks. People’s safety is one of the top priorities in this system’s operation. In our ongoing efforts to enhance Occupational Health and Safety, the company periodically conducts pre-work risk assessments, orientations, on-the-job training, and both in-house and



external training for relevant staff and contractors. It also follows a scientific approach in its safety management system, including HIRA (Hazard Identification and Risk Assessment), safety orientation, and ongoing supervision. Additionally, the company has been emphasizing life-saving rules to ensure the safety of all

employees and contractors. The company provides all relevant personal protective equipment based on the nature of the job to all its associates.

In line with ongoing initiatives to strengthen your safety programs and improve the safety culture across operations, The company has implemented Behavior-

Based Safety (BBS) with the objective of increasing employee participation at all levels in the safety process and providing feedback on behaviors that affect safety. BBS goes beyond compliance by engaging and inspiring associates at all levels to personally take responsibility in daily safety efforts.

With the objective of achieving 'ZERO ACCIDENTS,' The company has focused on preventing hand and foot injuries through teamwork and the active participation of shop floor employees. The company has also adopted practices such as 'Measuring Total Safety Index,' 'Toolbox Talk,' 'Gemba Walk,' 'Life-Saving Rules,' and 'Call to Action Communication,' all of which contribute to an improved safety culture in the plant.

Environment

The company believes that profitable growth and sustainability go hand in hand, which is why 'sustainability-minded' innovations are integrated into every aspect of our operations. In our manufacturing facilities, we are improving the efficiency of natural resource usage, promoting green building, and increasing the use of alternative energy.

Water risk management, improving water use efficiency, wastewater treatment, and returning water to communities and nature through our replenishment programs are all embedded in our regular activities. The company’s facility has an effluent treatment plant that ensures wastewater generated at our unit is treated prior to discharge into the municipal drain, complying with both our internal and Government of Nepal requirements. This treated water is also effectively reused for general cleaning purposes within the plant premises. The company is the only plant in the entire industrial district with an effluent treatment

facility, and it is well recognized by the Government and the Industrial Management Board.

Supporting The Coca-Cola Company's Decarbonization agenda, 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 strives to reuse and recycle packaging materials to minimize environmental impacts. The company has a robust solid waste management system in place, focusing on managing solid waste by first avoiding its generation through resource optimization and technological transformation. All generated waste is further categorized as commercial and non-commercial waste. Commercial waste is sent for recycling, while non-commercial waste is disposed of and managed through government-approved waste management vendors.

Energy efficiency and usage are integral parts 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 new technologies and through other initiatives such as improving heating systems, repairing leakages, and more.

By employing the Science-Based Target Tool, The company has meticulously examined processes, requirements, strategic planning, and key interventions with the aim of enabling your system to accelerate the sustainability journey and achieve 2030 goals through a scientific approach—a commitment to work towards the Decarbonization agenda, carbon reduction, and water conservation by focusing on 'What we should do' for a sustainable environment.



6 CORPORATE GOVERNANCE



Kishore Kumar Maharjan
Independent Director

“As an Independent Director, I recognize the significant challenges posed by the current economic climate in the country. Nevertheless, the Board has remained committed to maintaining strong corporate governance practices. We have worked together to ensure transparency, accountability, and thoughtful decision-making, always with the goal of safeguarding the interests of our shareholders and stakeholders.”

Your 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, your Company has strengthened the governance structure, practices and processes to meet.

Board of Directors

The Board of Directors is 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 Ms. Pratima Burma, who is also a Company Secretary as Compliance Officer. Your Company has prepared the Annual Corporate Governance Report for FY 2080-81 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 of 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 number of shares held in the Company and 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. Deepak Senthil Nath Gunalan	December 26, 2022	Representing Coca-Cola Southwest Asia Holdings Ltd.
Non-Executive Director		
Mr. Narmadeshwar Narayan Singh	Re-appointed on January 12, 2022	5,000 unit shares individually owned and 3,730 unit shares owned by his relatives.

Name	Date of Joining the Board	No. of Shares held in the Company
Mr. Lukas Zapletal	May 10, 2023	Representing Coca-Cola Southwest Asia Holdings Ltd.
Mr. Shalini Ratwatte	September 18, 2024	Representing Coca-Cola Southwest Asia Holdings Ltd.
Mr. Gunjan Dhawan	September 18, 2024	Representing Coca-Cola Southwest Asia Holdings Ltd.
Mr. Surendra Silwal (Alternate Director: Mr. Amar Baidya)	June 27, 2017	Representing Gorkha Brewery Private Ltd.
Independent Director		
Mr. Kishore Kumar Maharjan	January 12, 2022 (Appointed through 43 rd AGM of the Company)	N/A

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, and skills etc. Annual Directors' Refresher Training was also conducted on July 9, 2024.

BUILDING THE RIGHT BOARD FOR THE BOTTLERS NEPAL LIMITED

Board Independence

85%

Independent Audit Committee

100%

Committees led by Independent Director

1 out 3

Director Attributes and Skills

The Right Attributes to Oversee the Business:

- 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



Government 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

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



LUKAS ZAPLETAL
Chair



GUNJAN DHAWAN⁽¹⁾



SURENDRA SILWAL

Note: ⁽¹⁾Mr. Dhawan was appointed to the Committee effective 18th September 2024.

- 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,

Meeting held in 2080-81: 3

Independence: 3 out of 3

Primary Responsibilities:

- 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.
- 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.

RISK MANAGEMENT COMMITTEE



KISHORE KUMAR MAHARJAN
Chair



LUKAS ZAPLETAL



GUNJAN DHAWAN⁽¹⁾

Note: ⁽¹⁾Mr. Dhawan was appointed to the Committee effective 18th September 2024.

Meeting held in 2080-81: 2

Independence: 3 out of 3

Primary Responsibilities:

- To oversee the implementation of Risk management Systems and Framework;
- To assess risk and procedures to minimize the same;
- To frame, implementing and monitoring the risk management plan for the Company

PROPERTY AND LIABILITY COMMITTEE



LUKAS ZAPLETAL
Chair



GUNJAN DHAWAN⁽¹⁾



SURENDRA SILWAL

Note: ⁽¹⁾Mr. Dhawan was appointed to the Committee effective 18th September 2024.

Meeting held in 2080-81: 1

Independence: 3 out of 3

Primary Responsibilities:

- 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.

Details of Remuneration to the Executive Director:

Salary and Allowances (in NPR)	Facilities (in NPR)	Total (in NPR)
74,417,701	6,437,382	80,855,083

Details of Remuneration to the Non-Executive Director:

Name	Sitting Fee (in NPR)
Narmadeshwar Narayan Singh	180,000
Kishore Kumar Maharjan	180,000

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. Lukas Zapletal	Director	6 (out of 6)	3(out of 3)	2 (out of 2)	1 (out of 1)
Mr. Deepak Senthil Nath Gunalan	Managing Director	6 (out of 6)	N/A	N/A	N/A
Ms. Sunaina Vijay Kumar Dhanuka	Director	3(out of 6)	N/A	N/A	1 (out of 1)
Mr. Mohit Vinodkumar Budhwar	Director	5 (out of 6)	3 (out of 3)	2 (out of 2)	N/A
Mr. Surendra Silwal	Director	3 (out of 6)	1 (out of 3)	N/A	0 (out of 1)
Mr. Kishore Kumar Maharjan	Independent Director	5(out of 6)	N/A	1 (out of 2)	N/A

NOTE: 1. Mr. Gunjan Dhawan, Alternate Director of Mr. Mohit Vinodkumar Budhwar had attended two meeting.

2. Mr. Amar Baidya, Alternate Director of Mr. Surendra Silwal had attended two meetings.

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

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 international best 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 Silver for the Best Presented Annual Report (BPA) 2023 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 2079/80.



MAKING A DIFFERENCE KEEPING SUSTAINABILITY AT THE HEART OF OUR ENDEAVOURS

We place sustainability at the heart of all our endeavors to lead by example as a responsible corporate, striving to make a difference and create a better future for each and every aspect of our value chain. We offer beverage consumption choices with a variety of packaging sizes and aim to localize procurement of raw materials to craft a sustainable ecosystem, mitigating the impact of our business on the environment. This means, every decision we make, takes into the consideration the planet, our communities, our people, our consumers and our business partners and seek to create a positive impact for the country we reside in.

We have been committed to Nepal for over 45 years, and we strive to make a difference ensuring that our business remains customer and community driven, but also profitable and socially responsible. The sustainability landscape is evolving and Nepal has also committed to a net-zero commitment by 2045. We take our decarbonization agenda seriously, and also have contextualized our global sustainability agenda to the needs of the country- and bring together the private sector, government and non-profit organizations together to help the Government of Nepal move closer to attaining the Sustainable Development Goals.

LEADING BY EXAMPLE AS A RESPONSIBLE CORPORATE

WOMEN'S ECONOMIC EMPOWERMENT

There is overwhelming evidence that achieving equality and empowerment for women has broad ripple effects that are good for society. At Coca-Cola as well, 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. In this year, we engaged and trained more than 1026 women



retailers across our value chain, and went beyond our value chain through the Accelerator training program.

Saksham was designed in 2022 as a crucial component of the Women empowerment program and is a robust platform that builds the capacity of micro-entrepreneurs providing a safe space to share experiences, address challenges and foster growth. The program has touched more than 20 districts of Nepal, and focuses on enhancing entrepreneurial knowledge, encouraging growth and



fostering innovation amongst women entrepreneurs. We also continued with the second cohort of the Accelerator program, with 13 participants, and top 3 winning projects getting NPR 100,000 each to scale their business.

GIVING BACK WATER TO THE COMMUNITIES WE SERVE

As water is a key ingredient in our beverages, we have a strong commitment to give back water for every drop used in our business. As a part of our water stewardship efforts in Nepal, we continue to give back almost 2 drops of water for every drop of water we use, and also have streamlined efforts to improve water usage ratio. We currently have ongoing projects in more than 17 locations, with the latest additions being our partnership with Splash Nepal to complete RWH& GWR installations at Narayani Model School in Chitwan with more than 3800 students, and restoring 22 water spouts and replenishing groundwater in at Balaju Park with CIUD.

BALAJUBAISHDHAARA: RESTORING HERITAGE, REPLENISHING GROUNDWATER

With the aim to address the increased demand of Urban Water, Coca-Cola Beverages Nepal in partnership with Centre for Integrated Urban Development (CIUD) and WaterAid Nepal (WAN) successfully implemented a groundwater recharge system in Balaju Park. The handover ceremony was conducted in the presence and support of the deputy mayor of the KMC, Ms. Sunita Dangol.

The key objective of the project was to maintain the water table of the park area thereby rejuvenating the discharge of the stone spouts, the famous Baish Dhara and the community wells and spring sources. It has been anticipated that this project will not only help in maintaining the groundwater table of the peripheral areas of the project site, but also help increase awareness for such initiatives which are necessary to cope with acute water shortage due to the rapid urbanization and changing climate patterns. The project is anticipated to recharge an additional 30,000 kilolitres annually into the ground.



NARAYANI MODEL SCHOOL: PROVIDING ACCESS TO CLEAN WATER

A joint initiative between Coca-Cola Beverages Nepal and Splash Nepal to provide clean, safe drinking water and build an urban resilient community through rainwater harvesting and groundwater recharge in Narayani Model Secondary School in Chitwan



The project includes the installation of 2 UF Filter systems along with drinking water supply in 12 taps of bottle fillers and 8 Bubbler Faucet taps attached with 4 water stations with dual spouts respectively. The system will benefit over 5000 people including students and school members. The project also has a built in rainwater storage tank, to help ensure recharge of rainwater to help ensure sustainable access to water in the long term. The expected volume of potential water recharge through this project is 18,00,000 litres annually.

A WORLD WITHOUT WASTE: OUR GREEN INITIATIVES

In 2018, Coca-Cola globally announced World Without Waste, with an aim of collecting and recycling the equivalent of all bottles and cans that it produces by 2030. In support to its global vision, Coca-Cola in Nepal has taken upon many recycling initiatives in order to achieve the “World Without Waste” objectives since the past decade through its several projects namely Nagarmitra (2014), Recycler Saathi (2019), Refresh and Recycle (2020), Swachhta Sarathi (2023) and Mountain Clean-Up Campaign (2019- 2023) and Well-Being Out of Waste (2024). We are currently running the following programs this year:

Initiation of BABA (Balbalika and Batabaran) Program

Bottlers Nepal Limited in partnership with Centre for Integrated Urban Development (CIUD) commenced BABA (Balbalika and Batabaran translates to Children and Environment) program, in the presence of the Kathmandu Metropolitan City (KMC) in two community schools in the inner core city areas of Kathmandu. The program was launched through an inception workshop with the presence of representatives from KMC, City Planning Commission and the schools’ management team, where the program





will be held. BABA project is envisioned by Kathmandu Metropolitan City for its government schools (which are now directly under the KMC).

The intent of this project is to provide additional knowledge beyond books and to capacitate students in the sector of environmental issues and responsibilities, which includes waste management, recycling, reuse, upcycling, waste to art, and many other activities. The school based program has been consciously designed with hands-on learnings on

eco-friendly practices like waste segregation, recycling, reusing, and upcycling. The program will include activities on topics related to WASH, Urban Water Management and Solid Waste Management.

Refresh and Recycle 2.0 Project with Doko Recyclers continues

We placed more PET Collection bins across Kathmandu and Chitwan as a part of raising awareness on the importance of waste segregation. So far, we have placed 18 bins and aim to place additional 4 more bins strategically in high footfall areas where PET bottles are used and discarded.



Waste Segregation bin at Le Sherpa Farmers' Market



Beeshazari Lake at Chitwan



Narayani Kinar, Sauraha



Ward 10 office, Bharatpur Metropolitan City



Budhanilkantha Temple



Jamchen Vijaya Stupa, Budhanilkantha

GIVING BACK TO THE COMMUNITIES IN WHICH WE OPERATE

Community Engagement

We continue to invest in the community to improve health, education and overall wellbeing. We have ensured that we have health camps monthly for our Bharatpur community, work to improve infrastructure for the old people's home, and continue to provide educational resource support for school students in the neighboring wards. All of our investments in CSR are as per the mandate given by Department of Industry and we not only invest in mitigating impacts to the environment, but also in improving social welfare and overall livelihoods of the communities that we reside in. We've also supported nutritional food for more than 1500 youths residing in juvenile homes to help encourage a better future for otherwise excluded populations through CNN Superhero Ms. Pushpa Basnet's ECDC butterfly home.

Support to ECDC- Juvenile Homes

In 2023, CCBN committed to support Juvenile Homes across Nepal with a Nutrition Diet Support Program. This support was done in partnership with ECDC led by Ms. Pushpa Basnet (CNN 2012 hero). By the end of 2023, we were able to complete the commitment to 8 Juvenile Homes across Nepal benefiting 1,200 delinquents.



Madan Bhandari Park

We initiated a support towards Madan Bhandari Park, located at Tinkune, Kathmandu- a park that provides a public space of the community living there. Our support mainly goes towards the upkeep and greenery of the park that general public can access and enjoy.



Womens' Day Celebrations

Women's Day 2024 was celebrated at Women for Human Rights Facility where founder Ms. Lily Thapa



shared the organization's journey of fighting for the rights of single/widowed women and the discrimination against them. We also celebrated that we would be initiating the first women-run MRF in Kathmandu with Women for Human Rights in the coming year empowering women in waste.

Monthly Health Clinic

At our company, we believe in the power of Corporate Social Responsibility (CSR) to create a positive impact on the communities we serve. One of our core CSR initiatives focuses on ensuring inclusive access to health for all. Bottlers Nepal (Terai) Limited (BNTL) has been providing monthly health clinic to the local residents in and around the vicinity of BNTL premises. The clinic, primarily benefiting women and elderly people, provided essential medical services and health check-ups,



ensuring that those who might otherwise have limited access to healthcare receive the attention they need. By prioritizing the well-being of the most vulnerable, we strive to foster a healthier, more resilient community.

Annual Stationery and Uniform Distribution Ceremony

We understand that education is a fundamental right and a powerful tool for social change. To this end, we provide a year's worth of stationery and uniforms to students attending community schools. This initiative not only alleviates the financial burden on families but also ensures that children have the necessary resources to fully participate in their education. By supporting these students, we are investing in the future of our community, helping to cultivate the next generation of leaders and change-makers.

Dhaan Diwas

National Paddy Day (Dhaan Diwas) was celebrated with the communities of Bharatpur. 16 Aama Samuhas (Mother's Groups) from nearby



communities engaged in joyful activities, including a group rice plantation competition and a lively mud race.



Recognition by Bikash Tole Bikash Committee for our support to the community



Dahi Chiura Program with BHR Ward 9 Elderly People

BEING THERE FOR COMMUNITIES WHEN THEY NEED US THE MOST

Jajarkot Earthquake Relief Support from Coca-Cola Beverages Nepal

Under Coca-Cola's "Say We Care" campaign, CCBN provided 500 tarps & 50 tents to support between 5000-6000 individuals to the earthquake affected areas in Jajarkot as an immediate relief response. The relief materials were handed over to the NGO, Hami Nepal who supported in the distribution to affected households. Likewise, 1000 cases of Kinley water were handed over to the CDO of Jajarkot on the same day as the earthquake.



Statement of Value Added

HELP US TO UTILIZE
OUR INPUTS

Financial Resources

Strong balance sheet supporting our growth plans

- Shareholders Funds: NPR 6,586 MM

Manufacturing Capabilities

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

- Property, Plant and Equipment: NPR 7,223 MM
- Manufacturing line: 2
- Warehouse: 2

Technology and innovation

Robust digital infrastructure and strong capabilities

- Investment for future-readiness in Information Technology: NPR 129 MM

People and Capabilities

- Investment in Learning and Development: NPR 38,83,932/-

TO DRIVE BUSINESS ACTIVITIES
SUSTAINABILITY AND LONGTERM
VALUE GENERATION



Employees

Protecting and nurturing our employees:

- Employee turnover rate: 4.9%
- Training Hours: 2,889 manhour



Business Partners

Creating an inclusive ecosystem for partners

- Over 250+ Distributors
- Over 100,000 + Retailers
- 87% Procurement of materials from local supplier (Excluding concentrate)



Making a difference

Empowering communities through our CSR & sustainability initiatives:

- Water Replenishment: Over 17 ongoing projects
- Women Empowerment: 1,023+



Our Decarbonization Agenda:

- Utilization of Green energy: 43%
- Reduction in carbon emissions: (173.83) Co2e-MT vs 2023



Government and Regulatory Bodies

Maximize our positive direct and indirect impact on the economy

- Contribution to National Treasury in FY2080/81: NPR 8,655 MM



Investors

Optimal resource utilization leads to higher investor returns

- Market Capitalization: +579%
- Net worth: +6%
- Price Earning Ratio: +1,675%

7 REPORTS

Report of Board of Directors

(For the Year 2080-81)

Dear Shareholders,

We are pleased to present the Directors' Report for the fiscal year ending 31st Asad 2081. As we look back on FY 2080-81, 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 2080/81, the Revenue from Operations of the Company is NPR 11,227 million. The Company has made a net profit before tax of NPR 605 million despite the decline in market off-take resulting from slowed economic conditions.

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

Particulars	NPR in million	
	2080-81	2079-80
Revenue from Operations	11,227	12,619
Gross Profit	2,847	3,494
Net Profit Before Tax	605	1182
Net Profit After Tax	383	978

Standalone Performance (along with its subsidiaries)

Bottlers Nepal Limited (BNL)

In FY 2080/81, your Company made profit before tax of NPR 232 million. Further, the gross sales revenue of the company during the year under review was NPR 3,115 million. For further details, the financials of BNL are enclosed along with this report.

Bottlers Nepal (Terai) Limited (BNTL)

In FY 2080/81, BNTL made profit before tax of NPR 448 million. Further, the gross sales revenue of BNTL during the year under review was NPR 10,386 million. Cost-saving initiatives, improved pack mix sales and efficiency, good market execution have contributed to maintaining the gross profit despite the decrease in sales. 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 of NPR 0.09 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

- Inflationary Pressures:** The challenge of inflationary pressures, marked by a sharp rise in the costs of raw materials and operational expenses, had initially threatened to disrupt the company's financial stability.
- Geopolitical Tensions:** Global geopolitical instability has introduced additional uncertainties and risks to our business. Supply chain disruptions and fluctuating trade policies have affected the availability and cost of key inputs, further compounding our financial difficulties.

- Youth Outflow:** The outflow of the youth demographic, who represent a major segment of our consumer base, has a profound impact on our business. This migration has led to a decline in our primary market, reducing our sales and affecting overall revenue. Furthermore, there has also been a change in consumption trends among youth and the growing availability of alternative beverages has also impacted the business of the company.

Internal Factors

In the last fiscal year, the Company successfully exported 1.4 million UC to India, contributing to a 4% increase in volume growth. However, this fiscal year saw a decline in export demand from India, resulting in a shortfall in anticipated revenue. Additionally, the Company invested in a new 200 BPM PET line at its Balaju Plant to enhance production capabilities, leading to the write-off of obsolete assets and negatively impacting our profitability. The increased borrowings taken by the Company have also led to higher interest costs, further affecting our financial performance. Despite these challenges, we remain committed to optimizing our operations and seeking new growth opportunities.

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.

- New 2 Liter Pack Size:** Considering the changing consumer behavior and market dynamics, we have strategically introduced 2 Litre Pack sizes to mitigate the impact of price increment due to increase in excise duty in FY 2078/79. We have diversified our product pack sizes to cater to different consumption occasions. This strategic move is designed to meet diverse needs of the target market, enhance our product appeal and improve market penetration.
- 175 ml Pack Size Expansion:** We are continuing to accelerate our commercial execution by focusing on the grocery channel and recruiting consumers through the 175 ml pack size expansion to revive category growth momentum.
- Commercial Execution:** In terms of commercial execution, the Company has significantly expanded our distribution networks by increasing hubs and spokes, wholesalers, enhancing our ability to penetrate wider rural markets. This expansion is complemented by improvements in store billing transactions and substantial investments in sales-generating assets. These efforts are aimed at driving market reach and enhancing sales performance.
- Supply Chain Productivity:** This year, we optimized our power sources by switching from diesel to furnace oil, which has significantly reduced operational expenses and enhanced cost-efficiency. Additionally, we undertook a comprehensive restructuring of our logistic operations, streamlining processes and improving coordination to increase overall productivity. These initiatives are aimed at reducing total cost and positioning the Company for sustained operational excellence and financial stability.
- Manpower Optimization:** The Company has taken a strategic approach by focusing on enhancing the effectiveness of our existing workforce. By leveraging our existing resources and fostering a culture of continuous improvement, we aim to boost productivity while controlling labor costs. These initiatives are designed to ensure that our team remains agile and capable of meeting operational demands without increasing headcount, thus reinforcing our commitment to operational excellence and cost management.
- Strategic Procurement:** The company adeptly managed inflationary pressures through strategic, preemptive negotiations. By identifying early signs of inflation, the company took decisive action to negotiate advance purchases of essential raw materials with suppliers. This proactive approach allowed the company to secure these materials at lower prices before the full impact of inflation took hold.
- Digital Transformation:** The Company has embarked on the journey of Digital Transformation since 2072 and since then, the Company had invested heavily in the digital transformation. During the year under review, the Company invested in digital transformation projects.
 - Enhancing Operational Efficiency:** We are investing in advanced digital tools and technologies to streamline our operations. Automation and data analytics are being leveraged to improve supply chain management, inventory control, and process efficiency with the introduction of DMS (distributor management system) and SFA (Sales force automations). Furthermore, the Company has moved towards the automation of recurring tasks by adopting a robotic Process Automation Platform. This transformation is part of a strategic move to enhance efficiency, reduce errors and free up human employees to focus on more strategic and value-added activities.

- o **eB2B digital Expansion:** To adapt to changing consumer behaviors, we are expanding our online presence. We have developed a new eB2B platform, Coke Buddy®, that allows us to reach a broader customer base and provide a more convenient shopping experience for our customers.

8. **New Line Installation:** The Company have made substantial investments in the new PET line. The installation of a new 200 BPM PET line is a key initiative aimed at boosting our production capacity and meeting the growing market demands more effectively. This strategic upgrade not only enhances our ability to respond to market fluctuations but also positions us to capitalize on future growth opportunities.

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 31st Ashad, 2081, 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 46th 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. Upadhyay & Co. Chartered Accountant (Firm Registration No. 06) (Ms. Sumitra Rijal, Partner), as Statutory Auditor for FY 2081-82 with a remuneration of NPR 6,00,000/- (In Words Six Lakhs Only) (excluding VAT and out-of-pocket expenses) (including consolidation)

HUMAN RESOURCES

The company is committed to a People-First Culture. Over the past year, we have remained focused on advancing Diversity, Equity, and Inclusion (DEI), strengthening our culture, and supporting Talent & Development. We are dedicated to fostering an inclusive environment where every team member can thrive, and to developing talent that drives our company's growth while adapting to the changing needs of our workforce. Additionally, we are enhancing people productivity by introducing the Performance Culture Index (PCI) 2.0

In today's rapidly evolving business landscape, adapting and innovating our HR systems and processes has become essential. Upgrading our HR system has been a top priority. We have introduced a couple of system like Success Factor, Celebrating You, HMM etc. This will not only streamline operations but also leverage data analytics to enable informed decision-making. We have also highlighted the key initiatives undertaken this year in the Annual Report.

CORPORATE GOVERNANCE

The Company is committed towards adherence to best-in-class good corporate governance. The Company continues to strive to keep the trust of its stakeholders by being ethical, honest and transparent while doing business. The Company has a strict Code of Business Conduct and Anti-Bribery Policy, which guides its business to be conducted with honesty and integrity in all matters. Company's employees, directors and vendors are required to strictly adhere to the Code of Business Conduct in the workplace and in the larger community. The Company regularly monitors its business to ensure compliance with the Code and the Laws of the Country. The Board of Directors regularly undergo Annual Refresher Training to update themselves with the Laws of the Country and the Code of Business Conduct.

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 SAR Associates as an Internal Auditor for the year 2024.

THE ROAD AHEAD

The company remains dedicated to enhancing profitability and preparing for future growth. Our commitment extends to all stakeholders, including customers and consumers, with the goal of building a business poised for sustainable growth in sales, market share, and profit. We are excited about the significant opportunities ahead and are confident that our investments in strengthening the supply chain, enhancing manufacturing infrastructure, executing effective market strategies, and developing a robust product portfolio will enable us to capitalize on these prospects.

We recognize that our people are the cornerstone of our success. Therefore, we will continue to invest in their continuous development to enhance their skills and performance. This investment in our workforce is essential to driving the business forward and achieving our medium- and long-term goals. By fostering a supportive and empowering environment, we aim to cultivate talent and drive excellence.

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 drive brand demand will be supported by strengthening our Route to Market (RTM) strategies, expanding new pack offerings and categories, managing revenue growth effectively, and optimizing asset utilization through automation. By connecting our functions and integrated business services in a well-coordinated and disciplined network, we will uphold high standards of governance and work towards delivering improved returns on our investments.

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 2080/81, Mr. Gunjan Dhawan was appointed as Alternate Director to Mr. Mohit Vinodkumar Budhwar on June 12, 2024.

(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 per

Subsidiary Company	Transactions	NPR
Bottlers Nepal (Terai) Limited	Recovery of Manpower Cost	177,733,306/-
Bottlers Nepal (Terai) Limited	Sale of Raw Materials	8,386,331/-
Bottlers Nepal (Terai) Limited	Purchase of Raw Materials	607,761/-
Bottlers Nepal (Terai) Limited	Payment of Product transfer fee on account of sales made in their respective territories	14,488,202/-
Bottlers Nepal (Terai) Limited	Receipt of Product transfer fee on account of sales made in our respective territories	209,169,238/-

(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 of this report.

(q) **Details of total management expenses during the financial years.**

Particulars	NPR MM
Salaries, wages and other employee cost	181
Administrative Expenses	120
Total	301

(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 of Audit Report.

(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:

NPR MM

Particulars	Remuneration	Allowances	Facilities	Total
Director's Fees & facilities	-	0.36	-	0.36
Managing Director	27.5	46.9	6.4	80.8
Key Managers	58.5	111	6.5	173.2
Total	86	155.3	13	254.4

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;**

Unclaimed dividend that has crossed the period of 5 years is transferred to Investor Protection Fund. The Total Unclaimed dividend as on Ashad 31, 2081 (15 July, 2024) 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 31, 2081 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. 51

(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

On behalf of the Board of Directors,



Narmadeshwar Narayan Singh

Chairperson

Date: November 20, 2024



Deepak Senthil Nath Gunalan

Managing Director

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.
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 (NPR)	Minimum (NPR)	Closing (NPR)	No. of trades	Days of trading
Q1	2,453.30	2,311.90	2,453.30	3	2
Q2	6,362.50	2,453.30	6,235.50	52	11
Q3	23,765.60	6,235.50	16,918.30	355	36
Q4	17,222.00	15,123.00	15,705.00	151	50

6. Problems and Challenges

INTERNAL

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

EXTERNAL

1. Market and economic slowdown adversely impacting the manufacturing sector.
2. Devaluation of Nepalese Rupees against the Foreign Exchange Currencies resulting in higher material cost.

STRATEGY

1. Implementation of Coke Buddy for online order processing and Vxceed, a solution for Demand Chain

Execution process, by the company to manage the distributor network and obtain real-time data for better decision making.

2. Focus on channel financing with the goal of providing easier liquidity access to distributors.
3. Continuous assessment of the risk exposure of the company to the internal and external factors and effective implementation of risk management procedures
4. Continuous development of 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 20th November 2024 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 requirement 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:

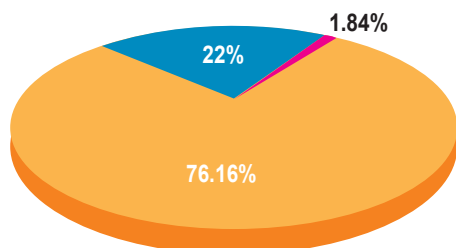


Pratima Burma
Compliance Officer

8 SHAREHOLDER INFORMATION

Group Structure

- Bottlers Nepal Limited** (Parent Company) – Paid-up share capital of NPR 194,888,700/- with the majority shares (i.e. 76.16%) held by M/s Coca-Cola Southwest Asia Holdings Limited.



- Coca-Cola Southwest
- Gorkha Brewery Pvt Ltd
- Others Shareholders

Representation of Coca-Cola Southwest Asia Holdings Limited

- Mr. Lukas Zapletal
- Mr. Deepak Senthil Nath Gunalan
- Mr. Gunjan Dhawan
- Mr. Shalini Ratwatte

Representation of Gorkha Brewery Private Limited

- Mr. Surendra Silwal

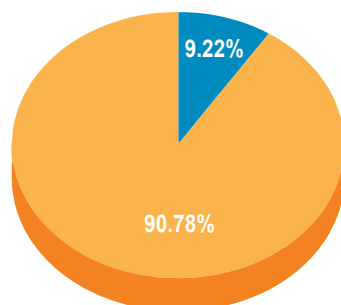
Representation of Public Shareholders

- Mr. Narmadeshwar Narayan Singh

Independent Director

- Mr. Kishore Kumar Maharjan

- 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.



- Other Shareholders
- Bottlers Nepal Ltd

Representation of Bottlers Nepal Limited

- Mr. Narmadeshwar Narayan Singh
- Mr. Lukas Zapletal
- Mr. Surendra Silwal
- Ms. Shalini Ratwatte
- Mr. Gunjan Dhawan

Representation of Public Shareholders

- Mr. Ajay Kumar Shrestha

Independent Director

- 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

Mr. Ashok Kumar Mandal

Ms. Pratima Burma

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 31, 2081 (July 16, 2024) 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	185	25,976
Physical Account Holders	21	1,922,911
Total Shareholders	206	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	1,760	1,830	2	1
2077-78	-	-	-	N/A	0
2078-79	1,941.9	1,830	1,941.9	3	2
2079-80	2,311.90	1,941.90	2,311.90	9	4
2080-81	23,765.60	2,311.90	15,705.00	561	99

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	502	100
2077-78	12,178	6,099	10,262	4,045	231
2078-79	17,670	9,750	13,000	4,690	237
2079-80	14,880	11,152	13,800	2,754	225
2080-81	17,508	10,500	13,000	5,305	223

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 and ask questions from the Chairperson and Management team and vote on the various matters of Company's Business on the agenda. 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. 177, 145

OR

Company Secretary/Compliance Officer
Ms. Pratima Burma
Manager- Legal & Company Secretary
E-mail: investorrelations@coke-cola.com.np
Phone: +977-1-4352294 or 435288, Ext 216, 217



9 FINANCIAL STATEMENT



PKF T. R. Upadhya & 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 31 Ashad 2081 (15 July 2024), 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 financial statements, including a summary of significant accounting policies and explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 Ashad 2081 (15 July 2024), 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 consolidated financial statements section of our report. We are independent of the Group in accordance with the code of ethics for professional accountants issued by the Institute of Chartered Accountants of Nepal (ICAN) 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 Code of Ethics for professional accountants. 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 ongoing litigations relating to tax matters

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

The first case concerns an unfavorable judgment from the Revenue Tribunal regarding demand raised by the Large Taxpayers Office on the assessed tax on the Share Purchase Transaction for FY 2071-72 against Bottlers Nepal Limited (BNL) for which the Company has filed a leave petition to this decision to the Supreme Court on 26 September 2024 for which the date of hearing at court is provided for 10 January 2025.

The second case, filed by the Department of Revenue Investigation on 11 March 2022, involves allegations of revenue leakage related to the same transaction and is currently pending in the High Court. The case is ongoing till the date of our report and the court

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has taken statements from various individuals as well as the company and witness examination process is ongoing. BNL is working with a panel of its lawyers and tax experts to represent both cases. BNL denies any wrongdoing and has continued to represent in relevant forums and use appropriate legal remedies. This case is still in the initial stages, and no judgment has been rendered.

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 consolidated financial statements of the financial year ended on 31 Ashad 2081 (15 July 2024). 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 of the consolidated financial statements)</p>	
<p>Revenue from the sale of goods (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 key measure of evaluation of performance.</p> <p>There is a risk of revenue being 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.



	<ul style="list-style-type: none"> We assessed the adequacy of disclosure in respect of revenue as per NFRS 15.
<p>Litigations – Contingencies (Refer Note 27.1.3 of the consolidated financial statements)</p>	
<p>BNL 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 require significant judgment by management, supported by external legal opinions.</p> <p>We have identified tax litigations and contingencies as key audit matter due to the significant judgment required to assess the likelihood of an unfavourable 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 is 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 Groups'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 consolidated financial statements and auditors' report thereon

The management of the Group is responsible for the other information. The other information comprises the information included in the annual report of the Group including the report of the Board of Directors, but does not include the consolidated financial statements and our auditor's report thereon. This report is expected to be made available to us after the date of the auditor's report.

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 identified above when it becomes available 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

The management of the Group 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 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.

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 ethical requirements in accordance with the Code of Ethics for professional accountants 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, related safeguards.

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 consolidated statement of financial position as at 31 Ashad 2081 (15 July 2024), the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated 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. Also, we have not come across any accounting fraud, so far as it appeared from our examination of the books of accounts of the Group.


Sumitra Rijal
Partner



PKF T R Upadhyaya & Co.
Chartered Accountants

Date: 20 November 2024
Place: Kathmandu, Nepal

UDIN: 241125CA00718jfbt2

Bottlers Nepal Limited (Group)
Consolidated Statement of Financial Position
As at 31st Ashad, 2081 (15th July, 2024)

Figures in NPR

Particulars	Note	As at 31st Ashad 2081	As at 31st Ashad 2080
ASSETS			
Non-Current Assets			
Non Financial Assets			
Intangible Assets	3	15,180,637	14,151,906
Property, Plant and Equipment	4	7,222,555,883	6,945,121,639
Financial Assets			
Advances	6.2.1	14,567,178	5,476,703
Current Assets			
Non Financial Assets			
Inventories	7	3,620,055,622	2,459,100,160
Prepayments	6.1	83,245,952	70,913,178
Advances	6.2.2	2,480,344,751	2,856,656,974
Other Current Assets	6.2.4	45,385,785	
Income Tax Receivable	8	76,653,830	112,668,011
Financial Assets			
Other Current Assets	6.2.3	120,825,605	124,872,161
Trade Receivables	9	1,057,209,789	779,497,088
Cash and Cash Equivalents	10	33,104,915	65,048,142
Total Assets		14,769,129,947	13,433,505,962
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	194,888,700	194,888,700
Reserve and Surplus	12	6,002,353,041	5,629,165,620
Non Controlling Interest	13	389,177,210	362,378,179
Non-current Liabilities			
Non Financial Liabilities			
Deferred Tax Liability	5.3	63,288,008	80,836,143
Financial Liabilities			
Retirement Benefit Obligation	14.1	871,647,690	984,096,150
Non current Borrowing			
Lease Liabilities	16	113,847,981	93,524,780
Current liabilities			
Retirement Benefit Obligation	14.1	99,238,000	124,871,000
Borrowings	15.2	3,147,195,104	2,935,262,230
Trade Payables	15.3	1,823,815,707	1,025,403,486
Lease Liabilities	16	29,350,252	9,347,383
Other Financial Liabilities	17	1,962,373,327	1,981,419,422
Non Financial Liabilities	18	71,954,927	12,312,869
Total Equity and Liabilities		14,769,129,947	13,433,505,962

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

For & on behalf of the Board

As per our attached
report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Managing Director

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal Limited (Group)
Consolidated Statement of Profit or Loss
For the year ended 31st Ashad, 2081 (15th July, 2024)

Figures in NPR

Particulars	Note	For the Year 2080-81	For the Year 2079-80
Revenue from Operations	19	11,227,148,346	12,619,245,618
Cost of Sales	20	(8,379,771,784)	(9,125,619,722)
Gross Profit		2,847,376,562	3,493,625,896
Other Operating Income	21	151,277,734	21,569,900
Selling and Distribution Expenses	22	(1,569,454,978)	(1,623,440,980)
Administrative and Operating Expenses	23	(510,970,116)	(484,976,992)
Profit from Operations		918,229,202	1,406,777,824
Finance Costs	24	(315,971,904)	(239,888,035)
Finance Income	25	2,718,565	14,808,312
Profit Before Tax		604,975,863	1,181,698,101
Income Tax Expense			
Current Tax	5.1	(213,075,943)	(181,110,460)
Prior Period Tax Adjustments	5.1	(31,267,922)	(11,443,260)
Deferred Tax	5.2	22,374,715	(11,034,544)
Net Profit for the year		383,006,713	978,109,837
Basic/Diluted Earning Per Share		180	472
Owners of the Company (Net Profit)		351,697,841	919,253,585
Non Controlling Interest (Net profit)		31,308,871	58,856,252

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

For & on behalf of the Board

As per our attached
report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Managing Director

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal Limited (Group)
Statement of Other Comprehensive Income
For the year ended 31st Ashad, 2081 (15th July, 2024)

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Net Profit/(Loss) for the year as per Statement of Profit or Loss	383,006,713	978,109,837
Items that will not be reclassified to Statement of Profit or Loss		
Actuarial Gain/(Loss) on defined benefit plan schemes	28,498,000	81,652,000
Deferred Tax on Actuarial Gain/(Loss)	(4,826,580)	(13,582,100)
Other Comprehensive gain/(loss) for the year, Net of Tax	23,671,420	68,069,900
Total Comprehensive Gain/(loss) for the year, Net of Tax	406,678,133	1,046,179,737
Owners of the Company	345,949,472	985,010,509
Non Controlling Interest	60,728,661	61,169,228

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

For & on behalf of the Board

As per our attached
report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Managing Director

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal Limited (Group)
Statement of Changes in Equity
For the year ended 31st Ashad, 2081 (15th July, 2024)

Figures in NPR

Particulars	Share Capital	Securities Premium Reserve	Actuarial reserve	Retained Earnings	Total
Balance as at 1st Shrawan 2079	194,888,700	165,087,020	(154,642,485)	4,672,688,315	4,878,021,550
Profit for the year	-	-	-	919,253,585	919,253,585
Other comprehensive income	-	-	65,756,924	-	65,756,924
Dividends				(38,977,740)	(38,977,740)
Balance as at 31st Ashad 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
Dividends	-	-	-	-	-
Balance as at 31st Ashad 2081	194,888,700	165,087,020	(67,395,981)	5,904,662,002	6,197,241,741

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

For & on behalf of the Board

As per our attached
report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Managing Director

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal Limited (Group)
Statement of Cash Flows
For the year ended 31st Ashad, 2081 (15th July, 2024)

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	604,975,863	1,181,698,101
Adjustments for Non Cash and Non Operating:		
Depreciation on Property, Plant and Equipment	865,194,185	834,980,557
Amortization of Intangible Assets	22,000,476	14,396,584
Loss/ (gain) on sale/write off of Property, Plant and Equipment	44,674,282	(18,958,499)
Finance Income	(2,718,565)	(14,808,312)
Finance Costs	315,971,904	239,888,035
Modification of Lease liability	(3,046,316)	-
Working capital adjustments:		
Increase / (Decrease) in trade payable and other liabilities	882,746,485	78,716,430
Increase / (Decrease) in provisions	28,498,000	
Increase / (Decrease) in provision of retirement benefit obligations	(138,081,460)	(50,567,540)
Decrease / (Increase) in trade and other receivables	(277,712,701)	174,518,244
Decrease / (Increase) in loans and advances	385,381,636	(1,949,043,791)
Decrease / (Increase) in inventories	(1,160,955,462)	(444,400,553)
Cash generated from operations	1,566,928,326	46,419,256
Direct taxes paid (Net of Refunds)	(280,358,048)	(291,990,213)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	1,286,570,278	(245,570,957)
(B) CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Acquisition of Property, Plant and Equipment	(1,194,313,727)	(768,365,478)
Purchase of Intangibles	(18,368,352)	-
Proceeds from sale of Property, Plant and Equipment	5,396,479	14,613,449
Interest Received	2,915,037	21,666,833
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)	(1,204,370,563)	(732,085,196)
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	211,932,874	1,194,564,159
Interest Paid	(319,384,136)	(235,800,743)
Dividend paid	(6,691,680)	(17,467,700)
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)	(114,142,942)	941,295,716
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(31,943,227)	(36,360,437)
CASH AND CASH EQUIVALENTS, Beginning of Year	65,048,142	101,408,579
CASH AND CASH EQUIVALENTS, End of Period	33,104,915	65,048,142

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

For & on behalf of the Board

As per our attached
report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Managing Director

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

1 Corporate Information

The consolidated financial statements of Bottlers Nepal Limited (Group), which includes Statement of Financial Position as at 31st Ashad 2081 (15th July 2024) 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 31st Ashad 2081 (15th July 2024) and related Significant Account Policies and Notes were authorized for issue in accordance with a resolution of the Board of Directors dated on 5th Mangsir, 2081 (20th November 2024).

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) issued by the Accounting Standards Board Nepal. These conform, in material respect, to International Financial Reporting Standards (IFRS) as 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 group has identified as having potentially material impact on the group’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 group’s accounting policies require the management to exercise judgement in making accounting estimates.

2.1 Accounting Pronouncements

The group 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 basis.

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 regrouped wherever necessary for the purpose of facilitating comparison. Appropriate disclosures are made wherever necessary.

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. The Group classifies an asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

- 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 Group 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 group's operating cycle has been defined as 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 group'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 Group's reported financial position, results or cash flows.

Specific accounting policies have been included in the specific section of the notes for each items of financial statements which requires disclosures of accounting policies or changes in accounting policies. Effect and nature of the changes have been disclosed wherever required.

The Parent company's and subsidiaries' accounting policies are uniform and aligned.

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 in accounting policies during the current year.

2.6 Accounting Estimates

The preparation of financial statements in line with applicable NFRS 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 an 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

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

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 group prepares consolidated 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	31 st Ashad, 2081	15 th July, 2024
Current Reporting Period	1 st Shrawan 2080– 31 st Ashad 2081	17 th July 2023 – 15 th July 2024
Comparative SFP* Date	31 st Ashad, 2080	16 th July, 2023
Comparative reporting period	1 st Shrawan 2079– 31 st Ashad 2080	17 th July 2022 – 16 th July 2023

**Statement of Financial Position*

2.8 Presentation currency

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

2.9 New Standards issued and not yet effective

The Company has not opted for the early adoption of any of the new set of NFRS pronounced by ICAN, which may relate to it, but whose application was not mandatory for financial year 2080-81 (2023-24). These standards include:

NFRS 17 "Insurance Contracts" applicable from 16th July 2025, and the Company is currently assessing the impact and plans to adopt the new standard on the required effective date if applicable.

As per Notice by ICAN regarding Carve-outs on provision of NFRS 9, Financial Instruments provides for alternative treatments of provisions for calculation of "Effective Interest Rate" and "Recognition of Expected Credit Loss".

As per the alternative treatment stated in the carve-out, the entity is relieved from complying with the provisions of NFRS 9 "Financial Instrument" Impairment requirement for the recognition and measurement of Loss Allowance on Financial Instruments based on Lifetime Expected Credit Loss method.

Instead of the "Expected Credit Loss Method", the alternative treatment requires the entity to assess if there is any objective evidence of impairment in the financial asset or group of Financial Asset. If such objective evidence regarding impairment is present, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. And the carrying amount of the asset/s shall be reduced either directly or through the use of an allowance account. Such amount of loss shall be charged to the Statement of Profit/loss of the entity.

2.10 Foreign Currency Translations

Transactions entered by the group 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.

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

- 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 31 st Ashad, 2081	As at 31 st Ashad, 2080
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 31st Ashad, 2081.
- 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 31st Ashad 2081 (July 15, 2024)

Figures in NPR

Particulars	As at 31 st Ashad 2081	As at 31 st Ashad 2080
Share Capital	11,154,800	11,154,800
Opening Reserve	351,223,379	296,745,831
Profit for the year	31,308,871	58,856,252
Other Comprehensive Income for the year	2,181,840	2,312,976
Dividend	(6,691,680)	(6,691,680)
Total	389,177,210	362,378,179

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

3. Intangible Assets

Figures in NPR

Particulars	Computer Software	Intangible assets under development	Total
Cost			
Opening balance at 1st Shrawan 2079	237,046,049	-	237,046,049
Additions	-	-	-
Disposals/Adjustments	-	-	-
Closing balance at 31st Ashad 2080	237,046,049	-	237,046,049
Additions	18,368,352	-	18,368,352
Disposals/Adjustments	-	-	-
Closing balance at 31st Ashad 2081	255,414,401	-	255,414,401
Accumulated Amortisation			
Opening balance at 1st Shrawan 2079	208,497,560	-	208,497,560
Adjustment (ReClassification)	-	-	-
Charge for the year	14,396,584	-	14,396,584
Disposals	-	-	-
Adjustments	-	-	-
Closing balance at 31st Ashad 2080	222,894,143	-	222,894,143
Charge for the year	17,339,620	-	17,339,620
Disposals	-	-	-
Adjustments	-	-	-
Closing balance at 31st Ashad 2081	240,233,764	-	240,233,764
Net Block			
Closing balance at 31st Ashad 2081	15,180,637	-	15,180,637
Closing balance at 31st Ashad 2080	14,151,906	-	14,151,906

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 31st Ashad, 2081 (15th July 2024)

5 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 2079	47,041,037	1,575,768,457	6,210,245,929	141,256,607	1,831,703,367	2,209,974,489	33,761,306	208,411,309	28,055,518	12,286,218,019
Additions	-	8,667,897	296,038,134	5,951,909	224,571,444	244,977,828	-	-	856,943,965	1,637,151,177
Transfer to asset block	-	-	-	-	-	-	-	-	(868,785,699)	(868,785,699)
Disposals	-	-	(8,745,187)	(1,449,828)	(6,388,262)	(16,206,936)	-	-	-	(32,790,213)
Adjustments	-	-	-	-	4,674,392	-	-	-	-	4,674,392
Closing balance at 31st Ashad 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 Assets 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
Depreciation and Impairment Losses										
Opening balance at 1st Shrawan 2079	-	312,086,028	2,285,376,167	85,510,779	918,295,259	1,616,482,662	24,713,103	36,362,351	-	5,278,826,349
Charge for the year	-	49,924,857	311,457,338	10,580,531	188,888,428	236,311,182	1,455,866	36,362,355	-	834,980,557
Disposals	-	-	(7,608,169)	(1,449,828)	(5,407,358)	(16,206,936)	-	-	-	(30,672,291)
Adjustments	-	-	-	-	(1,788,578)	-	-	-	-	(1,788,578)
Closing balance at 31st Ashad 2080	-	362,010,885	2,589,225,336	94,641,482	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
Net Block										
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
Closing balance at 31st Ashad 2080	47,041,037	1,222,425,469	3,908,313,540	51,117,206	954,573,190	602,158,473	7,592,337	135,686,603	16,213,784	6,945,121,639

*Right of Use (ROU) Assets has been recognized with adoption of NFRS 16 "Leases".

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

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 31st Ashad 2081 the net provision for missing/obsolescence assets is NPR 5,959,397 (As on 31st Ashad 2080 was NPR 8,352,393).

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.

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

Particulars	Clubbed under the following class of Assets	Useful Life (Years)
Building	Building	40
Plant & Machinery	Plant & 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 & 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

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.

Figures in NPR

Party	Asset	From	To	Annual Lease payment (F.Y 2080/81)
Bottlers Nepal (Terai) Limited	Godown (Buildings)	01.03.2018	29.02.2028	559,200

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:

Figures in NPR

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 Sep 2019	14th Sep 2024	1,889,262
		5	1st Mar 2020	28th Feb 2030	6,577,519
Total					44,063,951

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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 31st Ashad 2081	As at 31st Ashad 2080
Building	-	2,661,240
Machineries	85,860,440	13,552,543
Total	85,860,440	16,213,783

4.5 Borrowing Cost

FY 2080-81

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

FY 2079-80

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 2080-81	For the Year 2079-80
Current tax on profit for the year	213,075,943	181,110,460
Adjustment for prior periods	31,267,922	11,443,260
Total	244,343,865	192,553,720

5.2 Deferred Taxes

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Origination and reversal of temporary differences	(22,374,715)	11,034,544
Effect of change in the tax rates	-	-
Total	(22,374,715)	11,034,544

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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 16% 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 2080-81

Figures in NPR

Particulars	Carrying Amount	Tax Base	Temporary Diff
1 Property, Plant & Equipment	6,953,330,698	4,649,634,746	(2,303,695,951)
2 Intangible Assets	15,180,636	14,219,383	(961,254)
3 Retirement benefit provision	40,812,090	-	(40,812,090)
4 Provision for Expenses (Including Deferred Revenue and CSR)	(10,092,131)	-	10,092,131
5. Income tax business loss carry forward	136,601,945	-	(136,601,945)
6 Deferred Revenue	(141,303,035)	389,854,072	531,157,107
Total Amount			(1,940,822,002)
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)

FY 2079-80

Figures in NPR

Particulars	Carrying Amount	Tax Base	Temporary Diff
1 Property, Plant & Equipment	6,746,180,227	4,502,797,112	(2,243,383,115)
2 Intangible Assets	14,151,905	13,616,114	(535,791)
3 Retirement benefit provision	(1,108,967,150)	-	1,108,967,150
4 Provision for Expenses (Including CSR)	(300,768,885)	-	300,768,885
5 Income tax business loss carry forward	-	270,324,993	270,324,993
Total Amount			(563,857,878)
Tax Amount			(82,234,182)
Opening Deferred tax Assets/(Liability)			(56,219,500)
Deferred tax provision recognised			(26,014,681)
Deferred tax asset on NFRS 16			1,398,039
Closing Deferred tax Assets/(Liability)			(80,836,143)
Charge/(Credit) to OCI			13,582,100
Charge/(Credit) to PL			11,034,544

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5.4 Reconciliation

Reconciliation of Taxable profit and Accounting profit:

Particulars	For the Year 2080-81	For the Year 2079-80
Accounting Profit Before Income Tax	604,975,863	1,181,698,101
Tax calculated at Statutory Rate Applicable	96,796,138	203,397,763
Tax effect of Income that are not Taxable(Final withholding) for Tax purpose	(3,576,719)	(14,320,572)
Tax effect of Expenses that are not deductible for Tax purpose (net)	11,666,325	(55,042,626)
Effect of Different Tax Rates	108,190,198	47,075,897
Current Tax Expenses	213,075,943	181,110,462

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 31st Ashad 2081	As at 31st Ashad 2080
Prepayments	83,245,952	70,913,178
Total	83,245,952	70,913,178
Current	83,245,952	70,913,178
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 31st Ashad 2081	As at 31st Ashad 2080
Advances to Employees	14,567,178	5,476,703
Total	14,567,178	5,476,703

6.2.2 Current Non-Financial Advances

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Capital Advances	11,586,914	101,971,436
Advance to suppliers	592,166,109	918,303,109
Less: Provision for Doubtful Advances	(4,197,046)	(4,197,046)
Balances with statutory/government authorities	1,880,788,775	1,840,579,475
Total	2,480,344,751	2,856,656,974

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6.2.3 Financial Other Current Assets

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Advances to Employees	5,142,454	16,020,357
Security Deposits	2,058,954	2,209,490
Short Term Deposits	28,201,720	28,201,720
Interest Income Receivables	202,820	399,292
LC Margin Receivable	47,804,715	21,892,132
Duty Refundable	17,164,787	56,109,914
Other Receivables	20,250,155	39,256
Total	120,825,605	124,872,161

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 31st Ashad 2081	As at 31st Ashad 2080
VAT Receivable (Net)	45,385,785	-
Total	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.

c) Impairment of financial assets

The Group 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.

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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, access, mitigate and manage risks. This risk management framework is given in Note 31.

7. Inventories

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Raw materials	2,512,228,818	1,265,860,305
Work-in-process	1,583,790	11,668,567
Finished goods	263,230,738	434,083,246
Consumables	843,012,276	747,488,042
Total	3,620,055,622	2,459,100,160

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 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.

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8. Income Tax Receivable/Payable

Income Tax Receivable (Net)

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Advance Income Tax	(87,285,453)	(70,584,618)
Less: Income Tax Payable	163,939,283	183,252,629
Total	76,653,830	112,668,011

9. Trade Receivables

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Trade receivables:		
Secured, considered good	259,327,505	232,467,154
Unsecured considered good	732,333,038	383,288,043
Receivables from other related parties	69,664,865	167,857,511
Less: Allowance for Impairment Loss on Trade Receivables	(4,115,620)	(4,115,620)
Total	1,057,209,789	779,497,088

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 grouped together on the basis of similar credit risk characteristics, tested collectively for impairment, and written down, if necessary. Estimated irrecoverable amounts are based on the ageing of the receivable balances, taking previous cases of default into consideration and historical experiences.

10. Cash and Cash Equivalents

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Balances with Banks		
– On current accounts	33,104,915	64,969,994
Cash on hand		78,148
Total	33,104,915	65,048,142

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

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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. Share Capital

Particulars	As at 31st Ashad 2081		As at 31st Ashad 2080	
	Number	NPR	Number	NPR
Authorized				
Ordinary shares of NPR. 100 each Subscribed and Paid Up	4,300,000	430,000,000	4,300,000	430,000,000
Ordinary shares of NPR. 100 each 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 follows:

Shareholder Category	As at 31st Ashad 2081		As at 31st Ashad 2080	
	No. of Shares	% of holding	No. of Shares	% of holding
Coca-Cola South West Asia Holdings 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 31st Ashad 2081	As at 31st Ashad 2080
Share Premium	165,087,020	165,087,020
Retained earnings	5,904,662,002	5,552,964,161
Actuarial Reserve	(67,395,981)	(88,885,561)
(As per Statement of Changes in Equity)		
Total	6,002,353,041	5,629,165,620

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.

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- 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

13. Non-Controlling Interest

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Share Capital	11,154,800	11,154,800
Opening Reserve	351,223,379	296,745,831
Profit for the year	31,308,871	58,856,252
Other Comprehensive Income for the year	2,181,840	2,312,976
Dividend	(6,691,680)	(6,691,680)
Total	389,177,210	362,378,179

14. Employee Benefits

Current Employment Benefits

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Salaries, wages and other employee cost		
Cost of goods sold	628,353,062	607,074,127
Selling and distribution expenses	357,210,298	338,533,266
Administrative and operating expenses	230,057,994	202,553,186
Employee Bonus (As per Bonus Act 2074)	75,600,828	139,000,913
Defined Contribution Plan Expenses		
Cost of goods sold	18,329,864	32,572,297
Selling and distribution expenses	10,854,490	18,719,482
Administrative and operating expenses	7,373,428	11,949,417
Defined Benefit Plan Cost		
Cost of goods sold	89,294,352	99,735,634
Selling and distribution expenses	15,544,379	25,795,052
Administrative and operating expenses	12,215,809	15,248,405
Other Long Term Benefit Cost		
Cost of sales	3,968,000	(1,119,235)
Selling and distribution expenses	1,233,000	(374,052)
Administrative and operating expenses	2,853,000	(18,713)
Total Employee Cost charged to SoPL for the Period	1,452,888,503	1,489,669,780
Actuarial loss on defined benefit plan schemes charged to SoOCI for the Period	(28,498,000)	(81,652,000)
Total Employee Cost for the Period	1,424,390,503	1,408,017,780

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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.

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.

2080-81

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
Opening Liability	604,196,000	38,536,000	466,235,150	642,732,000
Current Service cost	-	4,161,000	33,454,540	4,161,000
Interest Charge	46,737,000	3,163,000	36,863,000	49,900,000
Acturial (gain)/loss during the year (recognised in OCI)	30,705,000	730,000	(59,203,000)	31,435,000
Paid	(169,781,000)	(6,798,000)	(58,113,000)	(176,579,000)
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	195,426,080
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

Bottlers Nepal Limited (Group)
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2079-80

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
Opening Liability	640,734,000	44,933,000	553,152,590	1,238,819,590
Current Service cost	8,855,000	4,358,000	40,408,560	53,621,560
Interest Charge	43,348,000	3,187,000	37,596,000	84,131,000
Acturial (gain)/loss during the year (recognised in OCI)	36,787,000	(9,057,000)	(118,439,000)	(90,709,000)
Paid	(125,528,000)	(4,885,000)	(46,483,000)	(176,896,000)
Closing Liability	604,196,000	38,536,000	466,235,150	1,108,967,150
Current Liability	86,937,000	3,739,000	34,195,000	124,871,000
Non Current Liability	517,259,000	34,797,000	432,040,150	984,096,150
Charge for the period to SoPL	52,203,000	(1,512,000)	78,004,560	128,695,560
Charge to SoCI	36,787,000	-	(118,439,000)	(81,652,000)
Net Liability as at 31st Ashadh 2080	604,196,000	38,536,000	466,235,150	1,108,967,150

Breakup of Current and Non-current liability:

2080-81

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
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
Net Liability as at 31st Ashadh 2081	511,857,000	39,792,000	419,236,690	970,885,690

2079-80

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
Current Liability	86,937,000	3,739,000	34,195,000	124,871,000
Non Current Liability	517,259,000	34,797,000	432,040,150	984,096,150
Net Liability as at 31st Ashadh 2080	604,196,000	38,536,000	466,235,150	1,108,967,150

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:

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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	58 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	58 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. 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 the past experience and discounting the long-term obligations at the end of each reporting period.

14.2.3 Sensitivity Analysis

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)

FY 2079-80

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit
Effect on DBO due to 0.5% increase in discount rate	(19,106,000)	(1,622,000)	(17,791,000)
Effect on DBO due to 0.5% decrease in discount rate	20,454,000	1,755,000	19,225,000
Effect on DBO due to 0.5% increase in salary escalation rate	20,186,000	1,732,000	18,967,000
Effect on DBO due to 0.5% decrease in salary escalation rate	(19,040,000)	(1,616,000)	(17,725,000)

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.

14.2.4 Actuarial Assumptions

Particulars	For the Year 2080-81	For the Year 2079-80
Financial Assumptions		
Discount rate (%)	8.00%	9.00%
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 58 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	3.50%	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 group 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 group has a risk management framework to monitor, access, mitigate and manage risk. The risk management framework given is Note 31.

20.1 Non-Current Borrowings

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Secured Bank Loan	2,480,000,000	1,848,407,009
Less; Current Maturity Portion	(2,480,000,000)	(1,848,407,009)
Total	-	-

15.2 Current Borrowings

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Bank Overdrafts	667,195,104	1,086,855,221
Current Portion of Term Loan	2,480,000,000	1,848,407,009
Total	3,147,195,104	2,935,262,230

Short-term bank overdraft carries interest at the rate 7.2% to 10.65% 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 7.2% to 10.65% 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 31st Ashad 2081	As at 31st Ashad 2080
Trade Payable	754,885,708	624,786,662
Trade Payable to related parties	1,068,929,999	400,616,824
Total	1,823,815,707	1,025,403,486

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 31st Ashad 2081	As at 31st Ashad 2080
Opening Balance	102,872,165	120,933,717
Recognition of lease liability	59,531,679	-
Lease modification	(2,658,920)	-
Interest Accrued on Lease Liability (Charged to PL - Refer Note 24)	12,565,492	11,291,420
Actual Lease Payment during the year	(29,112,182)	(29,352,974)
Total	143,198,233	102,872,163

Current Lease Liability	29,350,252	9,347,383
Non- Current Lease Liability	113,847,981	93,524,780

17. Other Financial Liabilities

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Container deposit liability	810,476,896	794,608,595
Corporate Social Responsibility	25,426,558	35,527,276
Trade Deposits	4,263,600	3,767,100
Employee related accruals	137,482,916	141,757,322
Bonus Payable	75,600,829	139,000,915
Provision for Expenses	461,380,609	265,241,610
Provision for AR Bad Debts	2,505,891	-
Dividend payable	56,403,440	56,403,440
Statutory dues payable	379,644,515	480,162,913
Interest Payables	9,188,073	12,600,304
VAT Payable (Net)	-	52,349,947
Total	1,962,373,327	1,981,419,422

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Breakup of provision for expenses:

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Provision General	80,004,781	38,985,486
Provision Freight	584,412	628,110
Provision Discount	257,912,773	122,710,493
Provision DME	22,913,532	7,323,760
Provision Leakage & BBD (Including Deferred Revenue)	99,965,111	95,593,761
Total	461,380,609	265,241,610

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.

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 7,636,477 for FY 2080-81.

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 31st Ashad 2081	As at 31st Ashad 2080
Advance received from distributors	34,186,926	12,213,691
Advance received from Related Parties	37,768,001	99,178
Total	71,954,927	12,312,869

19. Revenue from Operation

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Sale of goods	13,500,576,268	14,524,911,977
Less: Discount	(2,039,311,140)	(1,722,291,951)
Less: Deferred Revenue	(234,116,782)	(183,374,408)
Total	11,227,148,346	12,619,245,618

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Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Domestic	13,500,576,268	13,997,505,540
Export	-	527,406,437
Total	13,500,576,268	14,524,911,977

19.1 Sale of Goods

The entity has applied NFRS 15- Revenue from Contracts with Customers using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under NAS 18 and NAS 11. The details of accounting policies under NAS 18 and NAS 11 are disclosed separately if they are different from those under NFRS 15.

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. In the comparative period, revenue was measured at the fair value of the consideration received. In the comparative period, revenue was 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.

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.

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.

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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 2080-81	For the Year 2079-80
Material consumed		
Raw materials		
As at 1st Shrawan 2080	1,265,860,305	1,113,736,369
Purchase	7,209,359,460	7,165,992,775
Less: Transfer to Bottlers Nepal (Terai) Ltd.	-	-
As at 31st Ashad 2081	(2,512,228,818)	(1,265,860,305)
Total raw material consumed	5,962,990,947	7,013,868,839
Work in process		
As at 1st Shrawan 2080	11,668,567	5,314,114
As at 31st Ashad 2081	(1,583,790)	(11,668,567)
Net change in work-in-process	10,084,777	(6,354,453)
Production and manufacturing overheads	2,235,843,552	2,222,871,207
Finished goods		
As at 1st Shrawan 2080	434,083,246	329,317,375
As at 31st Ashad 2081	(263,230,738)	(434,083,246)
Net change in finished goods	170,852,508	(104,765,871)
Cost of goods sold	8,379,771,784	9,125,619,722

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20.1 Production and Manufacturing Overheads

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Salaries, wages and other employee cost	687,434,082	713,949,619
Sick Leave*	3,968,000	(1,119,235)
Gratuity	34,893,000	42,485,868
Other retirement benefits	54,401,352	57,249,766
Travel and transport costs	11,037,556	17,560,517
Repair and maintainence	256,208,818	215,475,414
Office expenses	48,940,468	43,088,764
Consumables	83,936,582	114,660,313
Loss on sale/write off of Property plant equipment (net)	53,745,774	-
Loss on Stock of Raw Material Destroyed	999,731	-
Power & Fuel	217,090,878	289,948,464
Legal and other professional fees	8,388,409	4,606,058
Depreciation on property, plant and equipment	708,845,625	683,148,162
Amortization of Intangible Assets	17,639,570	10,807,778
Exchange (Gain)/Loss	48,313,707	31,009,719
Total	2,235,843,552	2,222,871,207

* During Last year the Sick leave expenses has been reversed due to change in discount rate assumption. The discount rate was increased to 9% last year as compared to 7.5% in previous year, due to which the total liability has reduced and the excess leave expenses had been reversed in the previous year.

21. Other Operating Income

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Sale of Scrap	21,459,548	20,729,597
Reversal of Accrued Expense	129,478,745	-
Miscellaneous Income	339,442	840,303
Total	151,277,734	21,569,900

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.

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22. Selling and Distribution Expenses

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Salaries, wages and other employee cost	390,053,250	398,139,229
Sick Leave *	1,233,000	(374,052)
Gratuity	6,845,000	10,506,860
Other retirement benefits	8,699,379	15,288,192
Travel and transport costs	62,783,164	99,748,180
Repair and maintainence	46,902,803	37,953,724
Office expenses	32,928,514	29,135,027
Communication expenses	65,859,833	57,381,522
Utilities	22,500,022	36,374,306
Freight Charges	670,165,242	744,427,639
Liquid leakages and damages	4,004,175	2,012,101
Sales promotion expenses	124,006,385	64,698,485
Other miscellaneous expenses	1,273,468	1,207,881
Depreciation on property, plant and equipment	139,746,845	135,982,560
Amortization of Intangible Assets	1,525,392	1,638,065
Loss on sale/write off of Property plant equipment (net)	(9,071,492)	(10,678,739)
Total	1,569,454,978	1,623,440,980

* During Last year the Sick leave expenses has been reversed due to change in discount rate assumption. The discount rate was increased to 9% last year as compared to 7.5% in previous year, due to which the total liability has reduced and the excess leave expenses had been reversed in the previous year.

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23. Administrative and Operating expenses

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Salaries, wages and other employee cost	250,292,632	238,313,840
Sick Leave*	2,853,000	(18,713)
Gratuity	4,999,000	8,733,363
Other retirement benefits	7,216,809	6,515,042
Travel and transport costs	20,364,631	31,282,027
Repair and maintainence	10,719,554	8,998,845
Office expenses	54,116,039	47,520,635
Bank charges	5,127,851	4,325,825
Audit fees	1,050,000	1,000,000
Legal and other professional fees	21,261,219	24,221,025
Communication expenses	63,394,354	55,146,588
Utilities	13,772,033	11,829,286
Depreciation on Property, plant and equipment	16,601,715	15,849,836
Amortization of Intangible Assets	2,835,514	1,950,740
(Gain)/Loss on sale/write off of Property, plant and equipment	-	(8,279,760)
Corporate Social Responsibility	7,636,447	12,510,082
Security Expenses	26,124,786	23,286,466
Board and AGM expenses	960,000	915,724
Other miscellaneous expenses	1,644,532	876,141
Total	510,970,116	484,976,992

* During Last year the Sick leave expenses has been reversed due to change in discount rate assumption. The discount rate was increased to 9% last year as compared to 7.5% in previous year, due to which the total liability has reduced and the excess leave expenses had been reversed in the previous year.

23.1 Audit Fees Disclosure

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Statutory Audit Fees	1,050,000	1,000,000
Allowances	11,600	72,460
Total	1,061,600	1,072,460

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.

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Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Interest on Term Loan	162,490,657	88,266,539
Interest on Overdraft	140,915,755	140,330,076
Interest on Lease Liabilities	12,565,492	11,291,420
Total	315,971,904	239,888,035

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

25. Finance Income

25.1 Interest Income

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

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Interest income	2,718,565	14,808,312
Total	2,718,565	14,808,312

26. Earnings Per Share

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Numerator		
Profit for the year and earnings used in basic EPS	351,697,841	919,253,585
Denominator		
Weighted average number of shares used in basic EPS	1,948,887	1,948,887
Basic and Diluted Earning Per Share	180	472

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 and Capital Commitment

27.1 Contingent Liabilities

Contingent liabilities are potential future cash outflows, where the likelihood of payment is considered more than remote but is not considered probable or cannot be measured reliably.

27.2.1 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 600,000.

Other Bank Guarantee has been provided to Custom Department regarding import of goods amounting to NPR 4,50,00,000 and to Revenue Tribunal amounting to NPR 1,362,642,000.

27.2.2 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. 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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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	4,162,742
TDS	26,531,605	444,027	26,087,578	4,989,635
Total	44,382,222	444,027	43,938,195	9,152,377

- 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 Tribunal. 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	20,947,018	273,157	20,673,861	4,496,238
TDS	44,307,639	680,651	43,626,988	6,535,662
Total	65,254,657	953,808	64,300,849	11,031,900

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	11,227,287
Total	75,154,450	123,929	75,030,521	11,227,287

Troika Traders Pvt. Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities up to balance Sheet date
Income-Tax	4,684,602	-	4,684,602	710,136
VAT	1,974,572	-	1,974,572	425,556
Total	6,659,174	-	6,659,174	1,135,692

- 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 Revenue Tribunal. Pending decision from the tribunal, 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	41,888,912	810,000	41,078,912	1,241,648
Total	41,888,912	810,000	41,078,912	1,241,648

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	21,566,625
TDS	9,238,997	483,000	8,755,997	7,876
VAT	35,661,144	2,109,057	33,552,087	-
Total	92,114,079	25,368,720	66,745,359	21,574,501

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- 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 Tribunal. 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	77,141,879	1,146,446	75,995,433	3,879,195
TDS	85,433,388	813,238	84,620,150	-
VAT	4,389,106	773,407	3,615,699	531,790
Total	166,964,373	2,733,091	164,231,282	4,410,985

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	33,580,653
TDS	68,550,836	24,213	68,526,623	11,034,926
VAT	43,900,619	4,895,328	39,005,291	5,947,334
Total	272,295,851	10,173,787	262,122,064	50,562,913

- 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 Tribunal. 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	68,532,810	2,872,835	65,659,975	7,112,913
TDS	65,205,250	110,990	65,094,260	6,946,413
VAT	4,481,883	3,470,144	1,011,739	127,765
Total	138,219,943	6,453,969	131,765,974	14,187,091

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	8,793,788
TDS	71,517,670	-	71,517,670	7,526,138
VAT	38,289,325	1,202,613	37,086,712	3,894,853
Total	195,656,952	1,795,941	193,861,011	20,214,779

Troika Traders Pvt. Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities up to balance Sheet date
Income-Tax	8,855,217	1,079,917	7,775,300	1,185,989
Total	8,855,217	1,079,917	7,775,300	1,185,989

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

- 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 Tribunal. 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	80,069,716	7,934,807	72,134,909	6,156,052
TDS	47,499,206	200,161	47,299,046	4,034,390
VAT	6,498,646	5,217,221	1,281,425	197,419
Total	134,067,568	13,352,189	120,715,380	10,387,861

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	10,518,351
TDS	93,547,558	-	93,547,558	7,869,324
VAT	1,354,914	1,190,834	164,080	36,757
Total	218,155,462	3,744,894	214,410,567	18,424,432

- 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	7,115,693
VAT	6,837,501	-	6,837,501	85,883
Total	220,897,427	1,852,693	219,044,734	7,201,577

Troika Traders Pvt. Ltd.

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities up to balance Sheet date
Income-Tax	33,907,264	7,634,608	26,272,656	2,158,866
VAT	11,042,390	-	11,042,390	864,483
Total	44,949,654	7,634,608	37,315,046	3,023,349

- 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	3,360,734
VAT	9,618,722	781,637	8,837,085	118,866
Total	130,380,240	1,747,137	128,633,103	3,479,599

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

- 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 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	1,072,174	-	1,072,174	
VAT	13,298,924	-	13,298,924	
Total	14,371,098	-	14,371,098	-

Total

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities Upto Balance Sheet Date
BNL	956,426,439	28,346,914	928,079,526	61,093,038
BNTL	853,376,793	41,207,271	812,169,522	122,003,912
TTPL	60,464,045	8,714,525	51,749,521	5,345,029
Total	1,870,267,278	78,268,710	1,791,998,569	188,441,979

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

Background of the Litigations

In 2014, European Refreshment acquired a 100% stake in Coca-Cola SABCO (Asia) Limited (nka 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 litigation that is ongoing

1. Case filed against the Revenue Tribunal Decision:

The Company received unfavourable judgment from the Revenue Tribunal regarding a tax assessment for FY 2071-72 related to demand raised by the Large Tax Payers 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 has filed a leave petition on 26th September 2024 with the Supreme Court to appeal this decision from Revenue Tribunal. Based on the advice of external legal counsel, 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 March 11, 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 and witness examination process in ongoing. 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. This case is still in the initial stages, and no judgment has been rendered. Management has consulted with legal counsel, who have advised that there is a "less likely than not" chance of an unfavourable outcome.

Financial Impact and Accounting Treatment

If the judgments in these cases are ultimately unfavourable, the Company could be liable for an estimated amount of NPR 4.7 billion (including estimated interest liabilities up to balance sheet date of NPR 56.8 million). However, based on management's assessment, supported by external legal counsel's opinion that the outcomes are "less likely than not" to be unfavourable, no provision has been recognized in these financial statements. Instead, these matters are disclosed as contingent liabilities in line with NAS 37.

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

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 unfavourable outcome.
- The early stage of proceedings in the High Court case and the anticipated timeline for the 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.

27.1.3 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.

At end of financial year 2080/81, the Company had capital commitments of NPR. 44,685,155 (Previous Year 2079/80 NPR 524,533,766) 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 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

FY 2079-80

Figures in NPR

Particulars	BNL	BNTL	TTPL	Total
Total Assets	5,640,728,450	10,096,512,669	15,970,636	15,753,211,755
Total Equity & Liabilities	5,640,728,450	10,096,512,669	15,970,636	15,753,211,755
Total Revenue	3,299,211,528	9,320,034,090	-	12,619,245,618
Profit After Tax	405,516,797	638,831,360	(9,768,300)	1,034,579,857

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

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 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

FY 2079-80

Figures in NPR

Particulars	Fees	Remuneration	Allowances	Facilities	Total
Director's Fees & facilities	765,000	-		-	765,000
Managing Director		21,835,524	28,380,491	666,783	50,882,798
Key Managers		48,012,386	95,118,531	1,705,563	144,836,480
Total	765,000	69,847,910	123,499,022	2,372,346	196,484,278

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.

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

30.2 Other Related Party Transaction and Balances

Figures in NPR

RELATED PARTY TRANSACTIONS	For the Year 2080-81	For the Year 2079-80
Purchase of concentrate from Pacific Refreshments Pte. Ltd.	3,913,705,934	3,456,304,509
Amounts owed by related parties:		
Coca-Cola India Pvt. Ltd.	19,785,319	1,097,475
Pacific Refreshments Pte. Ltd.	-	166,760,037
Amounts owed to related parties:		
Hindustan CCBPL-other related party	37,768,000	146,779,208
Soft Drink International Inc-other related party	282,001,002	220,434,855
Refreshment Product Service	14,868,930	5,951,051
Coca Cola Asia Pacific Pvt. Ltd.	3,160,172	8,728,098
Coca-Cola South West Asia (Other)	1,123,670	1,156,791
Coca-Cola South West Asia (Dividend)	56,403,440	56,403,440
Pacific Refreshments Pte. Ltd.	729,030,515	-
Coca Cola Bottlers(Malaysia) Sdn Bhd	17,764,949	17,666,000

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.

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

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

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.

31.4 Risk Management Framework

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

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

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	202,820	-	-	-	202,820
Trade receivables	1,057,209,789	-	-	-	1,057,209,789
LC Margin Receivables	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
VAT Payable (Net)	-	-	-	-	-
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
Provision for Dividend	-	-	-	-	-
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)

Bottlers Nepal Limited (Group)
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

FY 2079-80

Figures in NPR

Particulars	Within 1 Year	1-5 Years	More than 5 Years	No stated Maturity	Total
Financial assets					
Advances to Employees	16,020,357	5,476,703	-	-	21,497,060
Security Deposits	-	-	-	2,209,490	2,209,490
Short Term Deposits	28,201,720	-	-	-	28,201,720
Interest Receivable(FD)	399,292	-	-	-	399,292
Trade receivables	779,497,088	-	-	-	779,497,088
LC Margin Receivable	21,892,132	-	-	-	21,892,132
Duty Refundable	56,109,914	-	-	-	56,109,914
Other Receivables	39,256	-	-	-	39,256
Allowance for Impairment Loss	-	-	-	-	-
Cash and Cash Equivalents	65,048,142	-	-	-	65,048,142
Total	967,207,901	5,476,703	-	2,209,490	974,894,094
Financial liabilities					
Bank overdrafts	-	-	-	1,086,855,221	1,086,855,221
Secured bank loan	1,848,407,009	-	-	-	1,848,407,009
Trade Payable	1,025,403,487	-	-	-	1,025,403,487
Lease Liabilities	9,347,383	93,524,780	-	-	102,872,163
Container deposit liability	-	-	-	794,608,595	794,608,595
Corporate Social Responsibility	35,527,276	-	-	-	35,527,276
Trade Deposits	-	-	-	3,767,100	3,767,100
Employee related accruals	141,757,322	-	-	-	141,757,322
Bonus Payable	139,000,915	-	-	-	139,000,915
Provision for Expenses	265,241,610	-	-	-	265,241,610
Dividend payable	56,403,440	-	-	-	56,403,440
Stautory dues payable	480,162,913	-	-	-	480,162,913
Interest Payables	12,600,304	-	-	-	12,600,304
VAT Payable (Net)	52,349,947	-	-	-	52,349,947
Gratuity	86,937,000	-	-	517,259,000	604,196,000
Leave Encashment	3,739,000	-	-	34,797,000	38,536,000
Other Retirement Benefits	34,195,000	-	-	432,040,150	466,235,150
Provision for Dividend	-	-	-	-	-
Total	4,191,072,606	93,524,780	-	2,869,327,066	7,153,924,452
Net Financial Assets	(3,223,864,705)	(88,048,077)	-	(2,867,117,576)	(6,179,030,357)

For & on behalf of the Board

As per our attached
report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Managing Director

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)



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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 31 Ashad 2081 (15 July 2024), 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 and explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 Ashad 2081 (15 July 2024), 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 the code of ethics for professional accountants issued by the Institute of Chartered Accountants of Nepal (ICAN) 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 Code of Ethics for professional accountants. 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 ongoing litigations relating to tax matters

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

The first case concerns an unfavorable judgment from the Revenue Tribunal regarding demand raised by the Large Taxpayers Office on the assessed tax on the Share Purchase Transaction for FY 2071-72 against the Company for which the Company has filed a leave petition to this decision to the Supreme Court on 26 September 2024 for which the date of hearing at court is provided for 10 January 2025.

The second case, filed by the Department of Revenue Investigation on 11 March 2022, involves allegations of revenue leakage related to the same transaction and is currently pending in the High Court. The case is ongoing till the date of our audit report and the court has taken statements from various individuals as well as the company and witness

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examination process is ongoing. The Company is working with a panel of its lawyers and tax experts to represent both cases. The Company denies any wrongdoing and has continued to represent in relevant forums and use appropriate legal remedies. This case is still in the initial stages, and no judgment has been rendered.

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 financial year ended on 31 Ashad 2081 (15 July 2024). 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" of the financial statements)</p> <p>Revenue from the sale of goods (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 key measure of evaluation of performance.</p> <p>There is a risk of revenue being 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



	<p>whether revenue was recognized in the correct period as part of cut-off procedures.</p> <ul style="list-style-type: none"> ▪ 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 require significant judgment by management, supported by external legal opinions.</p> <p>We have identified tax litigations and contingencies as key audit matter due to the significant judgment required to assess the likelihood of an unfavourable 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 is 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

The management of the Company is responsible for the other information. The other information comprises the information included in the annual report of the Company including the report of the Board of Directors, but does not include the financial statements and our auditor's report thereon. This report is expected to be made available to us after the date of the auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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

The management of the Company 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 ethical requirements in accordance with the Code of Ethics for professional accountants 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, related safeguards.

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 31 Ashad 2081 (15 July 2024), 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 as 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 representative 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. Also, we have not come across any accounting fraud, so far as it appeared from our examination of the books of accounts of the Company.


Sumitra Rijal
Partner



PKF T. R. Upadhy & Co.
Chartered Accountants

Date: 20 November 2024
Place: Kathmandu, Nepal

UDIN: 241125CA00718U2mfz

Bottlers Nepal Limited
Statement of Financial Position
As at 31st Ashad, 2081 (15th July, 2024)

Figures in NPR

Particulars	Note	As at 31st Ashad 2081	As at 31st Ashad 2080
ASSETS			
Non-Current Assets			
Non Financial Assets			
Intangible Assets	3	4,620,814	8,047,854
Property, Plant and Equipment	4	1,696,068,745	1,232,506,278
Deferred Tax Assets	5.3	144,346,995	135,712,351
Financial Assets			
Investments	7	110,641,200	110,641,200
Advances	6.2.1	9,428,622	3,743,625
Current Assets			
Non Financial Assets			
Inventories	8	909,856,557	572,023,874
Prepayments	6.1	27,219,917	22,821,598
Advances	6.2.2	1,805,788,827	1,880,747,565
Other Current Assets	6.2.4	3,241,069	-
Income Tax Receivable	19	-	18,479,959
Financial Assets			
Other Current Assets	6.2.3	1,254,145,930	1,253,725,971
Trade Receivables	9	167,973,902	356,260,448
Cash and Cash Equivalents	10	13,008,434	46,017,727
Total Assets		6,146,341,012	5,640,728,450
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	194,888,700	194,888,700
Reserve and Surplus	12	2,336,612,930	2,195,702,362
Non-current liabilities			
Retirement Benefit Obligation	13.1	458,115,890	527,681,680
Lease Liabilities	16	1,443,186	1,897,682
Current Liabilities			
Financial Liabilities			
Retirement Benefit Obligation	13.1	47,733,000	62,468,000
Borrowings	14	1,757,479,609	1,358,854,249
Trade Payables	15	610,189,142	511,424,202
Lease Liabilities	16	452,012	364,947
Other Financial Liabilities	17	737,092,890	786,759,933
Non Financial Liabilities	18	1,765,595	686,695
Income Tax Payable	19	568,058	-
Total Equity and Liabilities		6,146,341,012	5,640,728,450

Notes 1 to 33 form an integral part of this Financial Statements

For & on behalf of the Board

As per our attached
report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Managing Director

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal Limited
Statement of Profit or Loss
For the year ended 31st Ashad, 2081 (15th July 2024)

Figures in NPR

Particulars	Note	For the Year 2081-81	For the Year 2079-80
Revenue from operations	20	2,455,850,922	3,299,211,528
Cost of Goods Sold	21	(1,778,996,536)	(2,165,872,263)
Gross Profit		676,854,386	1,133,339,265
Other Operating Income	22	343,672,785	168,263,027
Selling and Distribution Expenses	23	(513,151,616)	(616,149,623)
Administrative and Operating Expenses	24	(300,731,600)	(313,584,154)
Profit from Operations		206,643,955	371,868,515
Finance Costs	25	(146,549,643)	(38,081,327)
Finance Income	26	171,875,091	190,019,130
Profit Before Tax		231,969,403	523,806,318
Income Tax Expense:			
Current Tax	5.1	(124,473,529)	(113,630,910)
Prior Period Tax Adjustments	5.1	(1,909,950)	(2,004,960)
Deferred Tax	5.2	13,171,944	(2,653,651)
Net Profit for the year		118,757,868	405,516,797
Basic/Diluted Earning Per Share	27	61	208

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

For & on behalf of the Board

As per our attached
report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Managing Director

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal
Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal Limited
Statement of Other Comprehensive Income
For the year ended 31st Ashad, 2081 (15th July 2024)

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Net Profit/(Loss) for the year as per Statement of Profit or Loss	118,757,868	405,516,797
Items that will not be reclassified to Statement of Profit or Loss		
Actuarial Gain/(Loss) on defined benefit plan schemes	26,690,000	51,778,000
Deferred Tax on Actuarial Gain/(Loss)	(4,537,300)	(8,802,260)
Other comprehensive gain/(loss) for the year, net of tax	22,152,700	42,975,740
Total Comprehensive gain/(loss) for the year, net of tax	140,910,568	448,492,537

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

For & on behalf of the Board

As per our attached
report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Managing Director

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal Limited
Statement of Changes in Equity
For the year ended 31st Ashad, 2081 (15th July 2024)

Figures in NPR

Particulars	Share Capital	Securities Premium Reserve	Actuarial reserve	Retained Earnings	Total
Balance as at 1st Shrawan 2079	194,888,700	165,087,020	(98,125,719)	1,719,226,264	1,981,076,265
Profit for the year	-	-	-	405,516,797	405,516,797
Other comprehensive income	-	-	42,975,740		42,975,740
Dividends				(38,977,740)	(38,977,740)
Balance as at 31st Ashadh 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 Ashad 2081	194,888,700	165,087,020	(32,997,279)	2,204,523,189	2,531,501,630

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

For & on behalf of the Board

As per our attached
report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Managing Director

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal Limited
Statement of Cash Flow
For the year ended 31st Ashad, 2081 (15th July 2024)

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	231,969,403	523,806,318
Adjustments for non cash and non operating:		
Depreciation on property, plant and equipment	219,935,353	232,396,498
Amortization of Intangible Assets	7,137,728	7,018,032
Loss/ (gain) on sale/write off of Property, plant and equipment	47,981,068	(8,279,760)
Finance income	(171,875,091)	(190,019,130)
Finance costs	146,549,643	38,081,327
Working capital adjustments:		
Increase / (Decrease) in trade payable and other liabilities	32,496,584	64,429,664
Increase / (Decrease) in provisions	(57,610,789)	(35,552,440)
Decrease / (Increase) in trade and other receivables	188,286,546	15,213,382
Decrease / (Increase) in loans and advances	79,497,881	(1,681,173,618)
Decrease / (Increase) in inventories	(337,832,683)	(53,691,054)
Cash generated from operations	386,535,643	(1,087,770,781)
Direct taxes paid (net of refunds)	(107,335,460)	(122,566,912)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	279,200,183	(1,210,337,693)
(B) CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Acquisition of Property, plant and Equipment	(735,206,430)	(133,236,651)
Purchase of Intangibles	(3,710,688)	-
Proceeds from sale of Property, Plant and Equipment	3,727,540	6,628,713
Interest Received	106,163,243	128,681,439
Dividends Received	65,908,320	65,908,320
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)	(563,118,015)	67,981,821
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Borrowings	398,625,360	1,221,118,155
Interest paid	(147,716,820)	(31,935,932)
Dividend paid	-	(10,776,020)
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)	250,908,539	1,178,406,203
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(33,009,293)	36,050,331
CASH AND CASH EQUIVALENTS, Beginning of Year	46,017,727	9,967,396
CASH AND CASH EQUIVALENTS, End of Year	13,008,434	46,017,727

Notes 1 to 33 form an integral part of this Financial Statements

For & on behalf of the Board

As per our attached
report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Managing Director

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

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 5th Mangsir, 2081 (20th November 2024) 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

Bottlers Nepal Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

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.

2.5.1 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	31 st Ashad, 2081	15 th July, 2024
Current Reporting Period	1 st Shrawan 2080– 31 st Ashad 2081	17 th July 2023 – 15 th July 2024
Comparative SFP* Date	31 st Ashad, 2080	16 th July, 2023
Comparative reporting period	1 st Shrawan 2079– 31 st Ashad 2080	17 th July 2022 – 16 th July 2023

*Statement of Financial Position

Bottlers Nepal Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

2.8 Presentation currency

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

2.9 New Standards issued and not yet effective

The Company has not opted for the early adoption of any of the new set of NFRS pronounced by ICAN, which may relate to it, but whose application was not mandatory for financial year 2080-81 (2023-24). These standards include:

NFRS 17 "Insurance Contracts" applicable from 16th July 2025, and the Company is currently assessing the impact and plans to adopt the new standard on the required effective date if applicable.

As per Notice by ICAN regarding Carve-outs on provision of NFRS 9, Financial Instruments provides for alternative treatments of provisions for calculation of "Effective Interest Rate" and "Recognition of Expected Credit Loss".

As per the alternative treatment stated in the carve-out, the entity is relieved from complying with the provisions of NFRS 9 "Financial Instrument" Impairment requirement for the recognition and measurement of Loss Allowance on Financial Instruments based on Lifetime Expected Credit Loss method.

Instead of the "Expected Credit Loss Method", the alternative treatment requires the entity to assess if there is any objective evidence of impairment in the financial asset or group of Financial Asset. If such objective evidence regarding impairment is present, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. And the carrying amount of the asset/s shall be reduced either directly or through the use of an allowance account. Such amount of loss shall be charged to the Statement of Profit/loss of the entity.

2.10 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 Limited
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July 2024)

3. Intangible Assets

Figures in NPR

Particulars	Computer Software	Intangible assets under development	Total
Cost			
Opening balance at 1st Shrawan 2079	119,953,204	-	119,953,204
Additions	-	-	-
Disposals/Adjustments	-	-	-
Closing balance at 31st Ashad 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
Accumulated Amortisation			
Opening balance at 1st Shrawan 2079	104,887,318	-	104,887,318
Additions	7,018,032	-	7,018,032
Disposals/Adjustments	-		-
Closing balance at 31st Ashad 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
Net Block			
Closing balance at 31st Ashad 2081	4,620,814	-	4,620,814
Closing balance at 31st Ashad 2080	8,047,854	-	8,047,854

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 2079	237,617,480	1,273,712,105	69,622,896	766,059,519	853,043,973	16,170,295	30,165,080	6,630,829	3,253,022,177
Additions	5,401,899	26,408,114	4,283,746	69,047,486	21,420,367	-	-	221,815,139	348,376,751
Transfer to asset block	-	-	-	-	-	-	-	(215,140,100)	(215,140,100)
Disposals	-	(75,900)	(976,681)	(45,300)	(1,754,697)	-	-	-	(2,852,578)
Adjustments	-	-	(2,553,833)	(2,553,833)	-	-	-	-	(2,553,833)
Closing balance at 31st Ashad 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
Depreciation and Impairment Losses									
Opening balance at 1st Shrawan 2079	78,352,594	739,728,290	54,166,318	439,153,780	603,230,504	7,122,092	1,253,522	-	1,923,007,100
Additions	7,735,029	59,950,080	6,335,479	71,866,441	83,800,077	1,455,866	1,253,526	-	232,396,498
Disposals	-	(75,900)	(976,681)	(34,492)	(1,754,697)	-	-	-	(2,841,770)
Adjustments	-	-	(4,215,689)	(4,215,689)	-	-	-	-	(4,215,689)
Closing balance at 31st Ashad 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
Transfer to asset block	-	-	-	-	-	-	-	-	-
Disposals	-	(178,426,603)	-	(5,691,684)	(1,052,818)	-	-	-	(185,171,105)
Adjustments	-	-	(584,377)	(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
Net Block									
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
Closing balance at 31st Ashad 2080	156,931,756	500,441,849	13,404,845	325,737,832	187,433,759	7,592,337	27,658,032	13,305,868	1,232,506,278

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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 date of the Balance Sheet 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 31st Ashad 2081 the net provision for missing/obsolescence assets is NPR 4,594,018 (As on 31st Ashad 2080 was NPR 2,931,050).

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 the following class of Assets	Useful Life (Years)
Building	Building	40
Plant & Machinery	Plant & 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 & Fixtures	Other Assets	10
Motor Vehicles	Other Assets	5
Other Assets*	Other Assets	10

*Other Assets majorly include transformers, electrical installations, and soft drink analyzer.

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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 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 2080/81)
Bottlers Nepal (Terai) Limited	Godown (Buidling)	01.03.2018	29.02.2028	577,360/-

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.

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Building		-
Machineries	19,173,033	13,305,868
Total	19,173,033	13,305,868

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 2080-81	For the Year 2079-80
Current tax on profit for the year	124,473,529	113,630,910
Adjustment for prior periods	1,909,950	2,004,960
Total	126,383,479	115,635,870

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5.2 Deferred Tax

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Origination and reversal of temporary differences	(13,171,944)	2,653,651
Effect of change in the tax rates	-	-
Total	(13,171,944)	2,653,651

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 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 : 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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FY : 2079/80

Figures in NPR

Particulars	Carrying Amount	Tax Base	Temporary Diff
1 Property, Plant & Equipment	1,191,542,378	932,024,679	(259,517,699)
2 Intangible Assets	8,047,854	6,136,359	(1,911,495)
3 Retirement benefit provision	590,149,680	-	590,149,680
4 Provision for Expenses to be claimed on actual expense	199,262,469	-	199,262,469
5 Income tax business loss carry forward		270,324,993	270,324,993
Total Amount			798,307,948
Tax Rate		17%	135,712,351
Opening Deferred tax Assets/(Liability)			147,168,262
Deferred tax provision recognised			(11,455,911)
Closing Deferred tax Assets/(Liability)			135,712,351
Charge/(Credit) to OCI			8,802,260
Charge/(Credit) to PL			2,653,651

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 2080-81	For the Year 2079-80
Accounting Profit Before Income Tax	231,969,403	523,806,318
Tax calculated at Statutory Rate Applicable	39,434,799	89,047,074
Tax effect of Income that are not Taxable(Final withholding) for Tax purpose	(3,047,633)	(12,611,974)
Tax effect of Expenses that are not deductible for Tax purpose (net)	(2,831,198)	(2,169,798)
Effect of Different Tax Rates	90,917,561	39,365,608
Current Tax Expenses	124,473,529	113,630,910

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.

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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 31st Ashad 2081	As at 31st Ashad 2080
Prepayments	27,219,917	22,821,598
Total	27,219,917	22,821,598
Current	27,219,917	22,821,598
Non Current	-	-

6.2.1 Non - Current Financial Advances

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Advances to Employees	9,428,622	3,743,625
Total	9,428,622	3,743,625

6.2.2 Current Non-Financial Advances

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Capital Advances	11,586,914	92,033,801
Advance to suppliers	148,648,835	183,369,986
Balances with statutory/government authorities	1,645,553,078	1,605,343,778
Total	1,805,788,827	1,880,747,565

6.2.3 Other Current Assets – Financial Assets

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Advances to Employees	1,005,373	8,999,768
Loan To BNTL	1,200,000,000	1,200,000,000
Security Deposits	1,955,070	2,067,170
Short Term Deposits	28,201,720	28,201,720
Interest Income Receivables	202,820	399,292
LC Margin Receivables	3,583,947	4,299,321
Other Receivables	-	-
Other Receivables from related parties	19,197,000	19,197,000
Less: Allowance for Impairment Loss on Other Receivable	-	(9,438,300)
Total	1,254,145,930	1,253,725,971

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6.2.4 Other Current Assets – Non-Financial Assets

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
VAT Receivable (Net)	3,241,069	-
Total	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 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 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.

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7. Investment

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Bottlers Nepal (Terai) Ltd., a subsidiary company 1,098,472 (previous year 1,098,472) ordinary shares of Rs. 100 each fully paid up. (including premium on 2,299 shares of Rs. 0.46 lakhs)	109,893,200	109,893,200
Troika Traders Pvt. Ltd., subsidiary company 7,480 (previous year 7,480) ordinary shares of Rs.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.

8. Inventories

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Raw materials	716,881,727	286,794,924
Work-in-process	-	3,381,242
Finished goods	43,952,258	112,091,650
Consumables	149,022,572	169,756,058
Total	909,856,557	572,023,874

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.

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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 31st Ashad 2081	As at 31st Ashad 2080
Trade receivables:		
Secured, considered good	75,992,612	66,573,356
Unsecured considered good	77,061,187	128,676,350
Receivables from other related parties	19,035,723	165,126,362
Less: Allowance for Impairment Loss on Trade Receivables	(4,115,620)	(4,115,620)
Total	167,973,902	356,260,448

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 grouped together on the basis of similar credit risk characteristics, tested collectively for impairment, and written down, if necessary. Estimated irrecoverable amounts are based on the ageing of the receivable balances, 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 Equivalentents

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Balances with Banks		
– On current accounts	13,008,434	45,988,907
– Deposits accounts	-	-
Cash on hand	-	28,820
Total	13,008,434	46,017,727

Cash and cash equivalentents 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.

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

11. Equity Share Capital

Particulars	As at 31st Ashad 2081		As at 31st Ashad 2080	
	Number	NPR	Number	NPR
Authorized				
Ordinary shares of NPR. 100 each	4,300,000	430,000,000	4,300,000	430,000,000
Subscribed and Paid Up				
Ordinary shares of NPR. 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 31st Ashad 2081		As at 31st Ashad 2080	
	No. of Shares	% of holding	No. of Shares	% of holding
Coca-Cola South West Asia Holdings 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 and Surplus

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Share Premium	165,087,020	165,087,020
Retained earnings	2,204,523,189	2,085,765,321
Actuarial Reserve	(32,997,279)	(55,149,979)
(As per Statement of Changes in Equity)		
Total	2,336,612,930	2,195,702,362

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. Employee Benefits

Current Employment Benefits

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Salaries, wages and other employee cost		
Cost of Goods Sold	217,976,732	205,148,809
Selling and Distribution Expenses	168,147,001	159,730,788
Administrative and Operating Expenses	156,949,483	149,043,299
Employee Bonus (As per Bonus Act 2074)	25,774,244	58,788,588
Defined Contribution Plan cost		
Cost of Goods Sold	7,819,082	14,276,149
Selling and Distribution Expenses	6,012,098	9,564,067
Administrative and Operating Expenses	5,500,933	8,869,895
Defined Benefit Plan Cost		
Cost of Goods Sold	43,492,191	48,603,051
Selling and Distribution Expenses	10,851,304	12,961,612
Administrative and Operating Expenses	8,453,715	9,859,337
Other Long Term Benefit Cost		
Cost of Goods Sold	1,531,000	(795,833)
Selling and Distribution Expenses	751,000	(146,667)
Administrative and Operating Expenses	2,405,000	57,500
Total Employee Cost charged to SOPL for the Period	655,663,783	675,960,595
Actuarial loss on Defined Benefit Plan schemes charged to SOCI for the Period	(26,690,000)	(51,778,000)
Total Employee Cost for the Period	628,973,783	624,182,595

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

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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 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)

FY 2079-80

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
Opening Liability	338,207,000	24,342,000	314,931,120	677,480,120
Current Service cost	4,961,000	2,579,000	21,349,560	28,889,560
Interest Charge	22,565,000	1,722,000	21,500,000	45,787,000
Acturial (gain)/loss during the year (recognised in OCI)	19,354,000	(5,186,000)	(71,132,000)	(56,964,000)
Paid	(74,688,000)	(2,764,000)	(27,591,000)	(105,043,000)
Closing Liability	310,399,000	20,693,000	259,057,680	590,149,680
Current Liability	43,865,000	2,132,000	16,471,000	62,468,000
Non Current Liability	266,534,000	18,561,000	242,586,680	527,681,680
Charge for the period to SoPL	27,526,000	(885,000)	42,849,560	69,490,560
Charge to SoCI	19,354,000	-	(71,132,000)	(51,778,000)

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Current and Non-Current Liability Breakup

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

FY 2079-80

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit	Total
Current Liability	43,865,000	2,132,000	16,471,000	62,468,000
Non Current Liability	266,534,000	18,561,000	242,586,680	527,681,680
Net (Asset)/Liability as at 31st Ashad 2080	310,399,000	20,693,000	259,057,680	590,149,680

13.2 Defined Benefit Plans

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

13.2.1 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	58 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.
Benefit on withdrawal	1 month 5 days' salary for each year of service for the service over 17 years.
	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.
Maximum Limit	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.
Tax on Gratuity*	No Limit
	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.

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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	58 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.

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

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)

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2079-80

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit
Effect on DBO due to 0.5% increase in discount rate	(10,489,000)	(880,000)	(10,139,000)
Effect on DBO due to 0.5% decrease in discount rate	11,235,000	950,000	10,937,000
Effect on DBO due to 0.5% increase in salary escalation rate	11,087,000	938,000	10,791,000
Effect on DBO due to 0.5% decrease in salary escalation rate	(10,452,000)	(877,000)	(10,102,000)

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 2080-81	For the Year 2079-80
Financial Assumptions		
Discount rate (%)	8.00%	9.00%
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 58 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	3.50%	3.50%

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.

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Financial Liabilities

14. Borrowings

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Bank Overdrafts	189,479,609	70,854,249
Secured Bank Loan	1,568,000,000	1,288,000,000
Total	1,757,479,609	1,358,854,249

Short-term bank overdraft carries interest at the rate 7.2% to 10.65% 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 31st Ashad 081	As at 31st Ashad 2080
Trade Payable	185,871,109	138,408,422
Trade Payable to related parties	424,318,033	373,015,780
Total	610,189,142	511,424,202

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 33.

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.

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Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Opening Balance	2,262,630	2,578,024
Recognition of lease liability	-	-
Lease modification	-	-
Interest Accrued on Lease Liability (Charged to PL - Refer Note 25)	209,928	243,805
Actual Lease Payment during the year	(577,360)	(559,200)
Total	1,895,198	2,262,629

Current Lease Liability	452,012	364,947
Non- Current Lease Liability	1,443,186	1,897,682

17. Other Financial Liabilities

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Container deposit liability	199,152,113	197,377,648
Corporate Social Responsibility	7,305,883	9,024,329
Trade Deposits	1,940,000	1,440,000
Employee related accruals	93,455,257	98,193,158
Bonus Payable	25,774,245	58,788,590
Provision for Expenses	231,051,635	190,238,140
Dividend payable	56,403,440	56,403,440
Statutory dues payable	116,712,540	147,377,747
Interest Payables	5,297,777	6,464,954
VAT Payable (Net)	-	21,451,927
Total	737,092,890	786,759,933

Breakup of provision for expenses:

Provision for Expenses

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Provision General	39,889,132	26,565,696
Provision Discount	143,634,815	122,710,493
Provision DME	12,125,072	-
Provision Leakage & BBD	35,402,617	40,961,951
Total	231,051,635	190,238,140

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.

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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, 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 2,603,459 for FY 80-81.

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 Non-Financial Liabilities

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Advance received from distributors	1,765,595	686,695
Total	1,765,595	686,695

19. Income Tax Payable

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Income tax payable	786,474,533	769,754,710
Less: Advance Income Tax	(785,906,475)	(788,234,669)
Total	568,058	(18,479,959)

20. Revenue from Contracts with Customer

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Sale of goods	3,114,752,129	4,016,283,433
Less: Discount	(615,910,828)	(665,166,445)
Less: Deferred Revenue	(42,990,379)	(51,905,460)
Total	2,455,850,922	3,299,211,528

20.1 Sale of Goods

The entity has applied NFRS 15- Revenue from Contracts with Customers using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under NAS 18 and NAS 11. The details of accounting policies under NAS 18 and NAS 11 are disclosed separately if they are different from those under NFRS 15.

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. In the comparative period, revenue was measured at the fair value of the consideration received. In the comparative period, revenue was recognized to the extent that it is probable that the economic benefits will flow

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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.

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.

(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.

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21. Cost of Goods sold

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Material consumed		
Raw materials		
Opening Stock	286,794,924	288,635,964
Purchase	1,428,774,205	1,466,844,454
Less: Transfer to Bottlers Nepal (Terai) Ltd.	(7,778,571)	58,455,992
Closing Stock	(716,881,727)	(286,794,924)
Total raw material consumed	990,908,831	1,527,141,486
Work in process		
Opening Stock	3,381,242	544,266
Closing Stock	-	(3,381,242)
Net change in work-in-process	3,381,242	(2,836,976)
Production and manufacturing overheads	716,567,071	690,649,933
Finished goods		
Opening Stock	112,091,650	63,009,470
Closing Stock	(43,952,258)	(112,091,650)
Net change in finished goods	68,139,392	(49,082,180)
Cost of goods sold	1,778,996,536	2,165,872,263

21.1 Production and manufacturing overheads

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Salaries, wages and other employee cost	236,143,719	243,023,393
Sick Leave *	1,531,000	(795,833)
Gratuity	16,858,000	17,286,646
Other retirement benefits	26,634,191	31,316,405
Travel and transport costs	4,573,236	6,955,865
Repair and maintainence	74,529,932	44,386,478
Office expenses	22,772,590	18,334,437
Consumables	23,968,787	39,083,247
Loss on sale/write off of Property plant equipment (net)	53,745,774	-
Loss on Stock of Raw Material Destroyed	999,731	
Power & Fuel	52,931,722	76,492,749
Depreciation on property, plant and equipment	171,212,808	181,072,174
Amortization of Intangible Assets	3,473,570	3,775,125
Exchange (Gain)/Loss	27,192,011	29,719,247
Total	716,567,071	690,649,933

* During Last year the Sick leave expenses has been reversed due to change in discount rate assumption. The discount rate was increased to 9% last year as compared to 7.5% in previous year, due to which the total liability has reduced and the excess leave expenses had been reversed in the previous year.

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22. Other Operating Income

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Product transfer fee	209,169,238	163,205,976
Sale of Scrap	4,688,860	4,216,748
Reversal of Accrued Expense	129,478,745	-
Miscellaneous Income	335,942	840,303
Total	343,672,785	168,263,027

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.

23. Selling and Distribution Expenses

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Salaries, wages and other employee cost	182,140,566	187,501,962
Sick Leave *	751,000	(146,667)
Gratuity	3,659,000	4,916,171
Other retirement benefits	7,192,304	8,045,441
Travel and transport costs	27,172,226	41,328,793
Repair and maintainence	17,954,631	10,692,923
Office expenses	14,301,939	11,514,632
Communication expenses	31,353,039	27,801,861
Utilities	4,847,911	4,164,042
Freight Charges	101,454,198	176,340,532
Liquid leakages and damages	1,215,040	2,012,101
Sales promotion expenses	64,574,677	27,480,796
Other miscellaneous expenses	492,392	751,081
Depreciation on property, plant and equipment	45,827,266	48,274,437
Amortization of Intangible Assets	1,491,933	1,621,454
Loss on sale/write off of Property plant equipment (net)	(5,764,706)	-
Product transfer fees	14,488,202	63,850,064
Total	513,151,616	616,149,623

* During Last year the Sick leave expenses has been reversed due to change in discount rate assumption. The discount rate was increased to 9% last year as compared to 7.5% in previous year, due to which the total liability has reduced and the excess leave expenses had been reversed in the previous year.

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24. Administrative and Operating expenses

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Salaries, wages and other employee cost	169,895,289	174,896,240
Sick Leave *	2,405,000	57,500
Gratuity	3,270,000	5,323,183
Other retirement benefits	5,183,715	4,536,154
Travel and transport costs	16,518,098	24,971,829
Repair and maintainence	3,165,814	1,885,408
Office expenses	26,025,886	20,953,698
Bank charges	2,758,122	1,374,030
Audit fees	550,000	500,000
Legal and other professional fees	19,871,380	22,535,474
Communication expenses	28,108,872	24,925,142
Utilities	13,772,033	11,829,286
Depreciation on Property, plant and equipment	2,895,279	3,049,887
Amortization of Intangible Assets	2,172,225	1,621,453
(Gain)/Loss on sale/write off of Property, plant and equipment	-	(8,279,760)
Corporate Social Responsibility	2,603,459	5,290,973
Security Expenses	9,202,020	7,408,492
Board and AGM expenses	360,000	540,724
Impiarment Loss on Trade and other receivables	(9,438,300)	9,438,300
Other miscellaneous expenses	1,412,708	726,141
Total	300,731,600	313,584,154

* During Last year the Sick leave expenses has been reversed due to change in discount rate assumption. The discount rate was increased to 9% last year as compared to 7.5% in previous year, due to which the total liability has reduced and the excess leave expenses had been reversed in the previous year.

24.1 Salaries, wages, and other employee cost

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Salary and other benefits	347,628,595	337,046,062
Less:- Salary cost charged to BNTL/Troika	(177,733,306)	(162,149,822)
Total	169,895,289	174,896,240

24.2 Audit Fees Disclosure

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Statutory Audit Fees	550,000	500,000
Allowances	11,600	72,460
Total	561,600	572,460

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25. Finance Cost

Figures in NPR

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.

Particulars	For the Year 2080-81	For the Year 2079-80
Interest on Overdraft	146,339,715	37,837,522
Interest on Lease Liabilities	209,928	243,805
Total	146,549,643	38,081,327

26. Finance Income

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Interest income	105,966,771	124,110,810
Dividend income from subsidiaries	65,908,320	65,908,320
Total	171,875,091	190,019,130

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 2080-81	For the Year 2079-80
Numerator		
Profit for the Year and Earnings used in Basic EPS	118,757,868	405,516,797
Denominator		
Weighted Average Number of shares used in Basic EPS	1,948,887	1,948,887
Basic and Diluted Earning Per Share	61	208

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 and Capital Commitment

29.1 Contingent Liabilities

Possible obligation, arising from past events and whose existence will be confirmed upon uncertain future events not wholly within the control of the company and present obligation arising from past events with least probability of payment or the amount cannot be measured with sufficient reliability are disclosed as contingent liability.

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 guaranteed amount is NPR 300,000. Other Bank guarantee has been provided to Revenue Tribunal amounting to NPR 1,362,642,000.

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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. 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 up to Balance Sheet Date
Income-Tax	17,850,617	-	17,850,617	4,162,742
TDS	26,531,605	444,027	26,087,578	4,989,635
Total	44,382,222	444,027	43,938,195	9,152,377

- 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. 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 up to Balance Sheet Date
Income-Tax	20,947,018	273,157	20,673,861	4,496,238
TDS	44,307,639	680,651	43,626,988	6,535,662
Total	65,254,657	953,808	64,300,849	11,031,900

- 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 Revenue Tribunal. Pending decision from the tribunal, 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 up to Balance Sheet Date
Income-Tax	41,888,912	810,000	41,078,912	1,241,648
Total	41,888,912	810,000	41,078,912	1,241,648

- 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 Tribunal. 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 up to Balance Sheet Date
Income-Tax	77,141,879	1,146,446	75,995,433	3,879,195
TDS	85,433,388	813,238	84,620,150	-
VAT	4,389,106	773,407	3,615,699	531,790
Total	166,964,373	2,733,091	164,231,282	4,410,985

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- 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. 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 up to Balance Sheet Date
Income-Tax	68,532,810	2,872,835	65,659,975	7,112,913
TDS	65,205,250	110,990	65,094,260	6,946,413
VAT	4,481,883	3,470,144	1,011,739	127,765
Total	138,219,943	6,453,969	131,765,974	14,187,091

- 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. 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 up to Balance Sheet Date
Income-Tax	80,069,716	7,934,807	72,134,909	6,156,052
TDS	47,499,206	200,161	47,299,046	4,034,390
VAT	6,498,646	5,217,221	1,281,425	197,419
Total	134,067,568	13,352,189	120,715,380	10,387,861

- 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 up to Balance Sheet Date
Income-Tax	214,059,926	1,852,693	212,207,234	7,115,693
VAT	6,837,501	-	6,837,501	85,883
Total	220,897,427	1,852,693	219,044,734	7,201,577

- 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	3,360,734
VAT	9,618,722	781,637	8,837,085	118,866
Total	130,380,240	1,747,137	128,633,103	3,479,599

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- 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 up to Balance Sheet Date
Income-Tax	1,072,174	-	1,072,174	
VAT	13,298,924	-	13,298,924	
Total	14,371,098	-	14,371,098	-
Grand Total	956,426,439	28,346,914	928,079,526	61,093,038

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

Background of the Litigations

In 2014, European Refreshment acquired a 100% stake in Coca-Cola SABCO (Asia) Limited (nka 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 litigation that is ongoing

1. Case filed against the Revenue Tribunal Decision:

The Company received unfavourable 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 has filed a leave petition on 26th September 2024 with the Supreme Court to appeal this decision from Revenue Tribunal. Based on the advice of external legal counsel, 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 March 11, 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 and witness examination process in ongoing. 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. This case is still in the initial stages, and no judgment has been rendered. Management has consulted with legal counsel, who have advised that there is a “less likely than not” chance of an unfavourable outcome.

Financial Impact and Accounting Treatment

If the judgments in these cases are ultimately unfavourable, the Company could be liable for an estimated amount of NPR 4.7 billion (including estimated interest liabilities up to balance sheet date of NPR 56.8 million). However, based on management’s assessment, supported by external legal counsel’s opinion that the outcomes are “less likely than not” to be unfavourable, 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 unfavourable outcome.
- The early stage of proceedings in the High Court case and the anticipated timeline for the Supreme Court review.

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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 2080/81, the Company had capital commitments of NPR 24,115,871 (Previous Year 2079/80 NPR 494,885,509) 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.

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

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FY 2079-80

Figures in NPR

Particulars	Fees	Remuneration	Allowances	Facilities	Total
Director's Fees & facilities	390,000	-		-	390,000
Managing Director		21,835,524	28,380,491	666,783	50,882,798
Key Managers		48,012,386	95,118,531	1,705,563	144,836,480
Total	390,000	69,847,910	123,499,022	2,372,346	196,109,278

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.

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32.2 Other Related Party Transaction and Balances

Figures in NPR

RELATED PARTY TRANSACTIONS	For the Year 2080-81	For the Year 2079-80
Sale to related parties:		
Sale of various materials to Bottlers Nepal (Terai) Limited	8,386,331	32,491,827
Purchases from related parties:		
Purchase of various materials from Bottlers Nepal (Terai) Limited	607,761	90,947,819
Purchase of concentrate from Pacific Refreshments Pte. Ltd.	919,447,402	954,400,265
Product transfer fee:		
Received from Bottlers Nepal (Terai) Ltd.	209,169,238	163,205,976
Paid to Bottlers Nepal (Terai) Ltd.	14,488,202	63,850,064
Management Fee received from Bottlers Nepal (Terai) Limited	177,733,306	162,149,822
Rent received from Bottlers Nepal (Terai) Ltd.	578,130	559,950
Interest received from Bottlers Nepal (Terai) Ltd. on loan	103,448,777	114,049,521
Sale of asset (Containers) to Bottlers Nepal (Terai) Ltd. (at WDV)	3,601,119	11,001
Amounts owed by related parties:		
Troika Traders Pvt. Ltd.-a subsidiary company	22,926,474	13,391,614
Bottlers Nepal (Terai) Limited-a subsidiary company (Loan)	1,200,000,000	1,200,000,000
Bottlers Nepal (Terai) Limited-a subsidiary company		619,104
Coca-Cola India Pvt. Ltd.	19,785,319	1,097,475
Pacific Refreshments Pte. Ltd.		155,661,249
Amounts owed to related parties:		
Bottlers Nepal (Terai) Limited-a subsidiary company	7,106,422	-
Hindustan CCBPL-other related party		146,680,031
Soft Drink International Inc-other related party	282,001,002	220,434,855
Refreshment Product Service	4,813,846	1,283,717
Coca Cola Asia Pacific Pvt. Ltd.	3,160,172	3,460,387
Coca-Cola South West Asia (Other)	1,123,670	1,156,791
Coca-Cola South West Asia (Dividend)	56,403,440	56,403,440
Pacific Refreshments Pte. Ltd.	110,399,871	

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.

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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.

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.

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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

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

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	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	2,762,374,932	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)

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FY 2079-80

Figures in NPR

Particulars	Within 1 Year Rs.	1-5 Years Rs.	More than 5 Years Rs.	No stated Maturity Rs.	Total Rs.
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	8,999,768	3,743,625	-	-	12,743,393
Security Deposits	-	-	-	2,067,170	2,067,170
Short Term Deposits	28,201,720	-	-	-	28,201,720
Interest Receivable(FD)	399,292	-	-	-	399,292
Trade receivables	356,260,448	-	-	-	356,260,448
LC Margin Receivables	4,299,321	-	-	-	4,299,321
Other Receivables	9,758,700	-	-	-	9,758,700
Cash and Cash Equivalents	46,017,727	-	-	-	46,017,727
Total	1,653,936,976	3,743,625	-	112,708,370	1,770,388,971
Financial liabilities					
Bank overdrafts	-	-	-	70,854,249.00	70,854,249
Secured Bank Loan	1,288,000,000	-	-	-	1,288,000,000
Trade Payable	511,424,202	-	-	-	511,424,202
Container deposit liability	-	-	-	197,377,648	197,377,648
Corporate Social Responsibility	9,024,329	-	-	-	9,024,329
Trade Deposits	-	-	-	1,440,000	1,440,000
Lease Liabilities	364,947	1,897,682	-	-	2,262,629
Employee related accruals	98,193,158	-	-	-	98,193,158
Bonus Payable	58,788,590	-	-	-	58,788,590
Provision for Expenses	190,238,140	-	-	-	190,238,140
Dividend payable	56,403,440	-	-	-	56,403,440
Statutory dues payable	147,377,747	-	-	-	147,377,747
Interest Payables	6,464,954	-	-	-	6,464,954
VAT Payable (Net)	21,451,927	-	-	-	21,451,927
Gratuity	43,865,000	-	-	266,534,000	310,399,000
Leave Encashment	2,132,000	-	-	18,561,000	20,693,000
Other Retirement Benefits	16,471,000	-	-	242,586,680	259,057,680
Total	2,450,199,434	1,897,682	-	797,353,577	3,249,450,693
Net Financial Assets	(796,262,458)	1,845,943	-	(684,645,207)	(1,479,061,722)

For & on behalf of the Board

As per our attached report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Managing Director

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

10 SUBSIDIARIES

Bottlers Nepal (Terai) Limited

DIRECTOR'S REPORT (For the Year 2080-81)

Dear Shareholders,

We are pleased to present the Directors' Report for the fiscal year ending 31st Asad 2081. As we look back on FY 2080-81, 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 2080/81, the Revenue from Operations of the Company during the year under review is NPR 8,771 million. The Company has made a net profit before tax of NPR 448 million despite the decline in market off-take resulting from slowed economic condition

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

Particulars	In NPR Million	
	2080-81	2079-80
Revenue from Operations	8,771	9,320
Gross Profit	2,171	2,360
Net Profit Before Tax	448	715
Net Profit After Tax	340	639

For further details, the financials are enclosed along with this report.

KEY BUSINESS CHALLENGES

This adverse financial outcome primarily results from several macroeconomic and socio-political factors affecting our operations.

External Factors

- Inflationary Pressures:** The challenge of inflationary pressures, marked by a sharp rise in the costs of raw materials and operational expenses, had initially threatened to disrupt the company's financial stability.
- Geopolitical Tensions:** Global geopolitical instability has introduced additional uncertainties and risks to our business. Supply chain disruptions and fluctuating trade policies have affected the availability and cost of key inputs, further compounding our financial difficulties.
- Youth Outflow:** The outflow of the youth demographic, who represent a major segment of our consumer base, has a profound impact on our business. This migration has led to a decline in our primary market, reducing our sales and affecting overall revenue. Furthermore, there has also been a change in consumption trends among youth and the growing availability of alternative beverages has also impacted the business of the company.

Internal Factors

In the last fiscal year, the Company successfully exported 1.4 million UC to India, contributing to a 4% increase in volume growth. However, this fiscal year saw a decline in export demand from India, resulting in a shortfall in anticipated revenue. Despite these challenges, we remain committed to optimizing our operations and seeking new growth opportunities.

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. **New 2 Liter Pack Size:** Considering the changing consumer behavior and market dynamics, we have strategically introduced 2 Litre Pack sizes to mitigate the impact of price increment due to increase in excise duty in FY 2078/79. We have diversified our product pack sizes to cater to different consumption occasions. This strategic move is designed to meet diverse needs of the target market, enhance our product appeal and improve market penetration.
2. **175 ml Pack Size Expansion:** We are continuing to accelerate our commercial execution by focusing on the grocery channel and recruiting consumers through the 175 ml pack size expansion to revive category growth momentum.
3. **Commercial Execution:** In terms of commercial execution, the Company has significantly expanded our distribution networks by increasing hubs and spokes, wholesalers, enhancing our ability to penetrate wider rural markets. This expansion is complemented by improvements in store billing transactions and substantial investments in sales-generating assets. These efforts are aimed at driving market reach and enhancing sales performance.
4. **Supply Chain Productivity:** This year, we optimized our power sources by switching from diesel to furnace oil, which has significantly reduced operational expenses and enhanced cost-efficiency. Additionally, we undertook a comprehensive restructuring of our logistic operations, streamlining processes and improving coordination to increase overall productivity. These initiatives are aimed at reducing total cost and positioning the Company for sustained operational excellence and financial stability.
5. **Manpower Optimization:** The Company has taken a strategic approach by focusing on enhancing the effectiveness of our existing workforce. By leveraging our existing resources and fostering a culture of continuous improvement, we aim to boost productivity while controlling labor costs. These initiatives are designed to ensure that our team remains agile and capable of meeting operational demands without increasing headcount, thus reinforcing our commitment to operational excellence and cost management.
6. **Strategic Procurement:** The company adeptly managed inflationary pressures through strategic, preemptive negotiations. By identifying early signs of inflation, the company took decisive action to negotiate advance purchases of essential raw materials with suppliers. This proactive approach allowed the company to secure these materials at lower prices before the full impact of inflation took hold.
7. **Digital Transformation:** The Company has embarked on the journey of Digital Transformation since 2072 and since then, the Company had invested heavily in the digital transformation. During the year under review, the Company invested in digital transformation projects.
 - o **Enhancing Operational Efficiency:** We are investing in advanced digital tools and technologies to streamline our operations. Automation and data analytics are being leveraged to improve supply chain management, inventory control, and process efficiency with the introduction of DMS (distributor management system) and SFA (Sales force automations). Furthermore, the Company has moved towards the automation of recurring tasks by adopting a robotic Process Automation Platform. This transformation is part of a strategic move to enhance efficiency, reduce errors and free up human employees to focus on more strategic and value-added activities.
 - o **eB2B digital Expansion:** To adapt to changing consumer behaviors, we are expanding our online presence. We have developed a new eB2B platform, Coke Buddy®, that allows us to reach a broader customer base and provide a more convenient shopping experience for our customers.

DIVIDEND

The Board of Directors are pleased to recommend a final dividend of NPR 50 /- per equity share of face value of NPR 100/- for the year ended 31st Ashad, 2081.

STATUTORY AUDITORS

M/s PKF T.R Upadhaya & Co. Chartered Accountants (Firm Registration No. 06) will hold office until the conclusion of the 38th 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 2081-82 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 is committed to a People-First Culture. Over the past year, we have remained focus on advancing Diversity, Equity, and Inclusion (DEI), strengthening our culture, and supporting Talent & Development. We are dedicated to fostering an inclusive environment where every team member can thrive, and to developing talent that drives our company's growth while adapting to the changing needs of our workforce. Additionally, we are enhancing people productivity by introducing the Performance Culture Index (PCI) 2.0

In today's rapidly evolving business landscape, adapting and innovating our HR systems and processes has become essential. Upgrading our HR system has been a top priority, have introduced a couple of system like Success Factor, Celebrating You, HMM etc. This will not only streamline operations but also leverage data analytics to enable informed decision-making. We have also highlighted the key initiatives undertaken this year in the Annual Report.

CORPORATE GOVERNANCE

The Company is committed towards adherence to best-in-class good corporate governance. The Company continues to strive to keep the trust of its stakeholders by being ethical, honest and transparent while doing business. The Company has a strict Code of Business Conduct and Anti-Bribery Policy, which guides its business to be conducted with honesty and integrity in all matters. Company's employees, directors and vendors are required to strictly adhere to the Code of Business Conduct in the workplace and in the larger community. The Company regularly monitors its business to ensure compliance with the Code and the Laws of the Country. The Board of Directors regularly undergo Annual Refresher Training to update themselves with the Laws of the Country and the Code of Business Conduct.

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 SAR Associates as an Internal Auditor for the year 2024.

THE ROAD AHEAD

The company remains dedicated to enhancing profitability and preparing for future growth. Our commitment extends to all stakeholders, including customers and consumers, with the goal of building a business poised for sustainable growth in sales, market share, and profit. We are excited about the significant opportunities ahead and are confident that our investments in strengthening the supply chain, enhancing manufacturing infrastructure, executing effective market strategies, and developing a robust product portfolio will enable us to capitalize on these prospects.

We recognize that our people are the cornerstone of our success. Therefore, we will continue to invest in their continuous development to enhance their skills and performance. This investment in our workforce is essential to driving the business forward and achieving our medium- and long-term goals. By fostering a supportive and empowering environment, we aim to cultivate talent and drive excellence.

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 drive brand demand will be supported by strengthening our Route to Market (RTM) strategies, expanding new pack offerings and categories, managing revenue growth effectively, and optimizing asset utilization through automation. By connecting our functions and integrated business services in a well-coordinated and disciplined network, we will uphold high standards of governance and work towards delivering improved returns on our investments.

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;

None

(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 proposed NPR. 50/- as cash 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:**

Holding Company	Transactions	NPR
Bottlers Nepal Limited	Sale of Raw Materials	607,761/-
Bottlers Nepal Limited	Purchase of Raw Materials	8,386,331/-
Bottlers Nepal Limited	Payment of Manpower Cost	177,733,306/-
Bottlers Nepal Limited	Payment of Product transfer fee on account of sales made in their respective territories	209,169,238/-
Bottlers Nepal Limited	Receipt of Product transfer fee on account of sales made in our respective territories	14,488,202/-

- (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	85
Administrative Expenses	116
Total	201

- (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:

NPR MM

Particulars	Remuneration	Allowances	Facilities	Total
Director's Fees & facilities	-	0.6	-	0.6
Managing Director	-	-	-	-
Key Managers	-	-	-	-
Total	-	0.6	-	0.6

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 31, 2081 (15July, 2024) for the last 5 years is NPR 2,726,101/-. 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. 45 of BNTL Annual Report.

(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 20, 2024



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

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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 31 Ashad 2081 (15 July 2024), 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 and explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 Ashad 2081 (15 July 2024), 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 the code of ethics for professional accountants issued by the Institute of Chartered Accountants of Nepal (ICAN) 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 Code of Ethics for professional accountants. 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 financial year ended on 31 Ashad 2081 (15 July 2024). 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.

<i>Key Audit Matter</i>	<i>How our audit addressed the Key Audit Matter</i>
Revenue Recognition <i>(Refer Note 19 of the financial statements)</i>	
Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured	Our audit procedures included the following: <ul style="list-style-type: none"> Assessed the appropriateness of the Company's revenue recognition



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<p>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 key measure of evaluation of performance.</p> <p>There is a risk of revenue being 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>accounting policies in line with NFRS 15 (Revenue) and tested thereof.</p> <ul style="list-style-type: none"> ▪ 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.
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Information other than the financial statements and auditors' report thereon

The management of the Company is responsible for the other information. The other information comprises the information included in the annual report including the report of the Board of Directors, but does not include the financial statements and our auditor's report thereon. This report is expected to be made available to us after the date of the auditor's report.

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 identified above when it becomes available 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

The management of the Company 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 ethical requirements in accordance with the Code of Ethics for professional accountants 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, related safeguards.

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 31 Ashad 2081 (15 July 2024), 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 as 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. Also, we have not come across any accounting fraud, so far as it appeared from our examination of the books of accounts of the Company.


Sumitra Rijal
Partner



PKF T R Upadhya & Co.
Chartered Accountants

Date: 20 November 2024
Place: Kathmandu, Nepal

UDIN: 241125CA00718dUFxW

Bottlers Nepal (Terai) Limited
Statement of Financial Position
As at 31st Ashad, 2081 (15th July, 2024)

Figures in NPR

Particulars	Note	As at 31st Ashad 2081	As at 31st Ashad 2080
ASSETS			
Non-Current Assets:			
Non Financial			
Intangible Assets	3	10,559,823	6,104,051
Property, Plant and Equipment	4	5,526,487,146	5,712,615,371
Financial Assets			
Advances	6	5,138,557	1,733,078
Current Assets:			
Non Financial			
Inventories	7	2,710,199,065	1,887,076,286
Prepayments	8.1	56,026,035	48,091,580
Advances	8.2	662,292,228	963,645,712
Other Current Assets	8.3	42,060,892	-
Income Tax Receivable	9	73,588,974	90,555,138
Financial Assets			
Other Current Assets	8.4	66,679,674	80,904,890
Trade Receivables	10	923,384,395	430,985,174
Cash and Cash Equivalents	11	20,095,880	19,029,812
Total Assets		10,096,512,669	9,240,741,092
EQUITY AND LIABILITIES			
Equity:			
Equity Share Capital	12	121,000,000	121,000,000
Reserve and Surplus	13	4,055,905,896	3,787,305,550
Liabilities:			
Non-Current Liabilities:			
Non Financial			
Deferred Tax Liability	5.3	207,635,002	216,548,493
Financial Liabilities:			
Retirement Benefit Obligation	14.1	413,531,800	456,414,470
Lease Liabilities	16	112,404,795	91,627,097
Current liabilities:			
Financial Liabilities			
Retirement Benefit Obligation	14.1	51,505,000	62,403,000
Borrowings	15.2	2,589,715,495	2,776,407,981
Trade Payables	15.3	1,220,446,673	513,692,979
Lease Liabilities	16	28,898,240	8,982,437
Other Financial Liabilities	17	1,225,280,436	1,194,732,911
Non Financial Liabilities	18	70,189,332	11,626,174
Total Equity and Liabilities		10,096,512,669	9,240,741,092

Notes 1 to 32 form an integral part of this Financial Statements

For & on behalf of the Board

As per our attached
report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Chief Executive Officer

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Ajay Kumar Shrestha
Director

Pramod Kumar Karki
Independent Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal (Terai) Limited
Statement of Profit or Loss
For the year ended 31st Ashad, 2081 (15th July 2024)

Figures in NPR

Particulars	Notes	For the Year 2080-81	For the Year 2079-80
Revenue from Operations	19	8,771,297,424	9,320,034,090
Cost of goods sold	20	(6,600,775,248)	(6,959,747,459)
Gross Profit		2,170,522,176	2,360,286,631
Other Operating Income	21	31,840,520	80,922,863
Selling and Distribution Expenses	22	(1,280,538,932)	(1,234,907,347)
Administrative and Operating Expenses	23	(200,714,056)	(180,501,138)
Profit from Operations		721,109,708	1,025,801,009
Finance Costs	24	(272,871,038)	(315,856,229)
Finance Income	25	200,571	4,747,023
Profit Before Tax		448,439,241	714,691,803
Income Tax Expense			
Current tax	5.1	(88,602,414)	(67,479,550)
Prior period tax adjustments	5.1	(29,357,972)	-
Deferred Tax	5.2	9,202,771	(8,380,893)
Net Profit for the year		339,681,626	638,831,360
Basic/Diluted Earnings per share		281	528

Notes 1 to 32 form an integral part of this Financial Statements

For & on behalf of the Board			As per our attached report of even date
Narmadeshwar Narayan Singh Chairman	Deepak Senthil Nath Gunalan Chief Executive Officer	Lukas Zapletal Director	Sumitra Rijal Partner PKF T. R. Upadhyaya & Co. Chartered Accountants
Gunjan Dhawan Director	Shalini Ratwatee Director	Ajay Kumar Shrestha Director	
Pramod Kumar Karki Independent Director	Redwin Antonio Duay Country Finance Director		

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal (Terai) Limited
Statement of Other Comprehensive Income
For the year ended 31st Ashad, 2081 (15th July 2024)

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Net Profit/(Loss) for the year as per Statement of Profit or Loss	339,681,626	638,831,360
Items that will not be reclassified to Statement of Profit or Loss		
Actuarial Gain/(Loss) on defined benefit plan schemes	1,808,000	29,874,000
Deferred Tax on Actuarial Gain/(Loss)	(289,280)	(4,779,840)
Other comprehensive gain/(loss) for the year, net of tax	1,518,720	25,094,160
Total Comprehensive gain/(loss) for the year, net of tax	341,200,346	663,925,520

Notes 1 to 32 form an integral part of this Financial Statements

For & on behalf of the Board			As per our attached report of even date
Narmadeshwar Narayan Singh Chairman	Deepak Senthil Nath Gunalan Chief Executive Officer	Lukas Zapletal Director	Sumitra Rijal Partner PKF T. R. Upadhya & Co. Chartered Accountants
Gunjan Dhawan Director	Shalini Ratwatee Director	Ajay Kumar Shrestha Director	
Pramod Kumar Karki Independent Director	Redwin Antonio Duay Country Finance Director		

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal (Terai) Limited
Statement of Changes in Equity
For the year ended 31st Ashad, 2081 (15th July 2024)

Figures in NPR

Particulars	Share Capital	Securities Premium Reserve	Actuarial reserve	Retained Earnings	Total
Balance as at 1st Shrawan 2079	121,000,000	952,000	(62,254,920)	3,257,282,950	3,316,980,030
Profit for the year	-	-	-	638,831,360	638,831,360
Other comprehensive income	-	-	25,094,160		25,094,160
Dividends	-	-	-	(72,600,000)	(72,600,000)
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 Ashad, 2081	121,000,000	952,000	(35,642,040)	4,090,595,936	4,176,905,896

Notes 1 to 32 form an integral part of this Financial Statements

For & on behalf of the Board			As per our attached report of even date
Narmadeshwar Narayan Singh Chairman	Deepak Senthil Nath Gunalan Chief Executive Officer	Lukas Zapletal Director	Sumitra Rijal Partner PKF T. R. Upadhya & Co. Chartered Accountants
Gunjan Dhawan Director	Shalini Ratwatee Director	Ajay Kumar Shrestha Director	
Pramod Kumar Karki Independent Director	Redwin Antonio Duay Country Finance Director		

Place: Kathmandu, Nepal

Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal (Terai) Limited
Statement of Cash Flows
For the year ended 31st Ashad, 2081 (15th July 2024)

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	448,439,241	714,691,803
Adjustments for non cash and non operating:		
Depreciation on Property, Plant and Equipment	645,258,832	602,584,059
Amortization of Intangible Assets	14,862,748	7,378,552
Loss/ (gain) on sale/write off of Property, Plant and Equipment	(3,306,786)	(10,678,739)
Finance income	(200,571)	(4,747,023)
Finance costs	272,871,038	315,856,229
Modification of Lease Liability	(3,046,316)	
Working capital adjustments:		
Increase / (Decrease) in trade payable and other liabilities	838,802,934	57,281,695
Increase / (Decrease) in provisions	(51,972,670)	(12,648,000)
Decrease / (Increase) in trade and other receivables	(520,234,900)	(85,360,519)
Decrease / (Increase) in loans and advances	290,013,550	(482,812,843)
Decrease / (Increase) in inventories	(823,122,779)	(390,709,499)
Cash generated from operations	1,108,364,321	710,835,714
Direct taxes paid (net of refunds)	(100,994,222)	(146,068,984)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	1,007,370,099	564,766,730
B. CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Acquisition of Property, plant and Equipment	(459,107,298)	(635,128,825)
Purchase of Intangibles	(14,657,664)	-
Proceeds from sale of Property, Plant and Equipment	1,668,938	7,984,737
Interest Received	200,571	7,034,915
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)	(471,895,452)	(620,109,173)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(186,692,486)	373,446,004
Interest paid	(275,116,092)	(317,914,332)
Dividend paid	(72,600,000)	(72,600,000)
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)	(534,408,578)	(17,068,328)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1,066,068	(72,410,770)
CASH AND CASH EQUIVALENTS,		
Beginning of Year	19,029,812	91,440,582
CASH AND CASH EQUIVALENTS, End of Year	20,095,880	19,029,812

Notes 1 to 32 form an integral part of this Financial Statements

For & on behalf of the Board			As per our attached report of even date
Narmadeshwar Narayan Singh Chairman	Deepak Senthil Nath Gunalan Chief Executive Officer	Lukas Zapletal Director	Sumitra Rijal Partner PKF T. R. Upadhyya & Co. Chartered Accountants
Gunjan Dhawan Director	Shalini Ratwatee Director	Ajay Kumar Shrestha Director	
Pramod Kumar Karki Independent Director	Redwin Antonio Duay Country Finance Director		

Place: Kathmandu, Nepal
Date: 5th Mangsir, 2081 (20th November, 2024)

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the Year Ended 31st Ashad, 2081 (15th July 2024)

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) Limited 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 5th Mansir, 2081 (20th November, 2024) 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 (ASB). 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

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the Year Ended 31st Ashad, 2081 (15th July 2024)

- 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 items 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:

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the Year Ended 31st Ashad, 2081 (15th July 2024)

Particulars	Nepalese Calendar Date/Period	Gregorian Calendar Date/Period
SFP* Date	31 st Ashad, 2081	15 th July, 2024
Current Reporting Period	1 st Shrawan 2080– 31 st Ashad 2081	17 th July 2023 – 15 th July 2024
Comparative SFP* Date	31 st Ashad, 2080	16 th July, 2023
Comparative reporting period	1 st Shrawan 2079– 31 st Ashad 2080	17 th July 2022 – 16 th July 2023

*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 New Standards issued and not yet effective

The Company has not opted for the early adoption of any of the new set of NFRS pronounced by ICAN, which may relate to it, but whose application was not mandatory for financial year 2080-81 (2023-24). These standards include:

NFRS 17 "Insurance Contracts" applicable from 16th July 2025, and the Company is currently assessing the impact and plans to adopt the new standard on the required effective date.

As per Notice by ICAN regarding Carve-outs on provision of NFRS 9, Financial Instruments provides for alternative treatments of provisions for calculation of "Effective Interest Rate" and "Recognition of Expected Credit Loss".

As per the alternative treatment stated in the carve-out, the entity is relieved from complying with the provisions of NFRS 9 "Financial Instrument" Impairment requirement for the recognition and measurement of Loss Allowance on Financial Instruments based on Lifetime Expected Credit Loss method.

Instead of the "Expected Credit Loss Method", the alternative treatment requires the entity to assess if there is any objective evidence of impairment in the financial asset or group of Financial Asset. If such objective evidence regarding impairment is present, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. And the carrying amount of the asset/s shall be reduced either directly or through the use of an allowance account. Such amount of loss shall be charged to the Statement of Profit/loss of the entity.

2.10 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 31st Ashad, 2081 (15th July 2024)

3. Intangible Assets

Figures in NPR

Particulars	Computer Software	Intangible assets under development	Total
Cost			
Opening balance at 1st Shrawan 2079	117,092,845	-	117,092,845
Additions		-	-
Disposals		-	-
Balance at 31st Ashadh 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
Accumulated Amortisation			
Opening balance at 1st Shrawan 2079	103,610,242	-	103,610,242
Charge for the year	7,378,552	-	7,378,552
Disposals		-	-
Balance at 31st Ashadh 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
Net Block			
Closing Balance at 31st Ashad 2081	10,559,823	-	10,559,823
Closing Balance at 31st Ashad 2080	6,104,051	-	6,104,051

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 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 31st Ashad, 2081 (15th July 2024)

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 2079	47,041,037	1,338,150,977	4,936,533,838	71,633,711	1,065,643,849	1,350,894,520	17,591,010	178,246,229	21,424,689	9,027,159,860
Additions	-	3,265,998	269,630,020	1,668,162	155,523,957	223,557,462	-	-	635,128,825	1,288,774,424
Transfer to asset block	-	-	-	-	-	-	-	-	(653,645,599)	(653,645,599)
Disposals	-	-	(8,669,287)	(473,147)	(6,342,961)	(14,452,239)	-	-	-	(29,937,634)
Adjustments	-	-	-	-	7,228,225	-	-	-	-	7,228,225
Closing balance at 31st Ashadh 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	-	-	-	-	-	-	-	-	(335,304,799)	(335,304,799)
Disposals	-	-	-	-	(661,992)	(4,336,265)	-	-	-	(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
Depreciation and impairment losses										
Opening balance at 1st Shrawan 2079	-	233,733,434	1,545,647,882	31,344,460	479,141,479	1,007,216,162	17,591,010	35,108,829	-	3,349,783,256
Charge for the year	-	42,189,828	251,507,259	4,245,051	117,021,987	152,511,105	-	35,108,829	-	602,584,059
Disposals	-	-	(7,532,269)	(473,147)	(5,372,866)	(14,452,239)	-	-	-	(27,830,521)
Adjustments	-	-	-	-	2,427,111	-	-	-	-	2,427,111
Closing balance at 31st Ashadh 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	-	-	-	-	-	(4,336,265)	-	-	-	(4,336,265)
Adjustments	-	-	-	-	(2,300,355)	-	-	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
Net Block										
Closing balance at 31 st 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
Closing balance at 31 st Ashadh 2080	47,041,037	1,065,493,713	3,407,871,699	37,712,362	628,835,359	414,724,715	-	108,028,571	2,907,915	5,712,615,371

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the Year Ended 31st Ashad, 2081 (15th July 2024)

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 are not considered.

Assets not ready for intended use on the date of the Balance Sheet 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/obsolescence 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 31st Ashad 2081 the net provision for missing/obsolescence assets is NPR 3,782,980 (As on 31st Ashad 2080 was NPR 5,421,343)

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 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.

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the Year Ended 31st Ashad, 2081 (15th July 2024)

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 include transformers, electrical installations and soft drink analyzer.

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 Sep 2019	14th Sep 2024	1,889,262
		5	1st Mar 2020	28th Feb 2030	6,577,519
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.

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the Year Ended 31st Ashad, 2081 (15th July 2024)

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 31st Ashad 2081	As at 31st Ashad 2080
Buildings	–	2,661,240
Machinery	66,687,407	246,675
Total	66,687,407	2,907,915

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 2080-81	For the Year 2079-80
Current tax on profit for the year	88,602,414	67,479,550
Adjustment for prior periods	29,357,972	-
Total	117,960,386	67,479,550

5.2 Deferred Tax

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Origination and reversal of temporary differences	(9,202,771)	8,380,893
Total	(9,202,771)	8,380,893

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 16%. 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.

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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)
5 Lease Liability	(141,303,035)	-	141,303,035
6 Income tax business loss carry forward		-	-
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)

FY : 2079-80

Figures in NPR

Particulars	Carrying Amount	Tax Base	Temporary Diff
1 Property, Plant & Equipment	5,554,637,849	3,570,772,434	(1,983,865,415)
2 Intangible Assets	6,104,051	7,479,755	1,375,704
3 Retirement benefit provision	(518,817,470)	-	518,817,470
4 Provision for Expenses (Including Deferred Revenue and CSR)	(101,506,415)	-	101,506,415
5 Income tax business loss carry forward	-	-	-
Total Amount			(1,362,165,826)
Tax Rate		16%	(217,946,532)
Opening Deferred tax Assets/(Liability)			(203,387,762)
Deferred tax provision recognised			(14,558,770)
Deferred tax asset on NFRS 16			1,398,039
Closing Deferred tax Assets/(Liability)			(216,548,493)
Charge/(Credit) to OCI			4,779,840
Charge/(Credit) to PL			8,380,891

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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.

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Accounting profit before Income Tax	448,439,241	714,691,803
Tax calculated at statutory rate applicable	71,750,279	114,350,688
Tax effect of income that are not taxable (final withholding) for tax purpose	(529,086)	(1,708,598)
Tax effect of income that are not deductible for tax purpose (net)	14,497,523	(52,872,828)
Effect of Different Tax Rates	2,883,698	7,710,290
Current tax expenses	88,602,414	67,479,552

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 20% provided to special industries employing 300 or more Nepalese employees during the year. Therefore tax rate applicable for income from special industry is 16%. 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 31st Ashad 2081	As at 31st Ashad 2080
Advances to Employees	5,138,557	1,733,078
Total	5,138,557	1,733,078

7. Inventories

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Raw materials	1,795,347,091	979,065,381
Work-in-process	1,583,790	8,287,325
Finished goods	219,278,480	321,991,596
Consumables	693,989,704	577,731,984
Total	2,710,199,065	1,887,076,286

Inventories are carried at the 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.

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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 31st Ashad 2081	As at 31st Ashad 2080
Prepaid Expenses	56,026,035	48,091,580
Total	56,026,035	48,091,580

8.2 Current Non-Financial Assets - Advances

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Capital Advances	-	9,937,635
Advance to suppliers	439,320,228	730,736,077
Balances with statutory/government authorities	222,972,000	222,972,000
Total	662,292,228	963,645,712

8.3 Current Non-Financial Assets – Other Current Assets

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
VAT Receivable (Net)	42,060,892	-
Total	42,060,892	-

8.4 Current Financial Assets – Other Current Assets

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Advances to Employees	4,137,080	7,020,589
Security Deposits	103,884	142,320
Duty Refundable	17,164,787	56,109,914
LC Margin Receivables	44,220,768	17,592,811
Other Receivables	1,053,155	39,256
Total	66,679,674	80,904,890

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

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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.

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 Receivables

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Advance Income Tax	683,929,172	683,910,184
Less: Income tax payable	(610,340,198)	(593,355,046)
Total	73,588,974	90,555,138

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10. Trade Receivables

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Trade receivables:		
Secured, considered good	183,334,886	165,893,798
Unsecured considered good	655,271,851	254,611,693
Receivables from other related parties	84,777,658	10,479,683
Total	923,384,395	430,985,174

Bank overdrafts are secured against all receivables.

10.1 Trade Receivables

Trade receivables comprises 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 grouped together on the basis of similar credit risk characteristics, tested collectively for impairment, and written down, if necessary. Estimated irrecoverable amounts are based on the ageing of the receivable balances, 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 is given in Note 32.

11. Cash and Cash Equivalents

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Balances with Banks		
– On current accounts	20,095,880	18,981,087
– Deposits accounts	-	-
Cash on hand	-	48,725
Total	20,095,880	19,029,812

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.

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12. Share Capital

Particulars	As at 31st Ashad 2081		As at 31st Ashad 2080	
	Number	NPR	Number	NPR
Authorized				
Ordinary shares of NPR 100 each	31,210,000	3,121,000,000	31,210,000	3,121,000,000
Issued and Paid Up				
Ordinary shares of NPR 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 31st Ashad 2081		As at 31st Ashad 2080	
	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 and Surplus

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Share Premium	952,000	952,000
Retained earnings	4,090,595,936	3,823,514,310
Actuarial Reserve	(35,642,040)	(37,160,760)
(As per Statement of Changes in Equity)		
Total	4,055,905,896	3,787,305,550

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.

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14. Employee Benefits

Current Employment Benefits

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Salaries, wages and other employee cost		
Cost of Goods Sold	410,376,329	401,925,318
Selling and Distribution Expenses	189,063,297	178,802,478
Administrative and Operating Expenses	73,108,511	53,509,887
Employee Bonus (As per Bonus Act 2074)	49,826,583	80,212,325
Defined Contribution Plan cost		
Cost of Goods Sold	10,510,782	18,296,148
Selling and Distribution Expenses	4,842,392	9,155,415
Administrative and Operating Expenses	1,872,495	3,079,522
Defined Benefit Plan Cost		
Cost of Goods Sold	45,802,161	51,132,583
Selling and Distribution Expenses	4,693,075	12,833,440
Administrative and Operating Expenses	3,762,094	5,389,068
Other Long Term Benefit Cost		
Cost of Goods Sold	2,437,000	(323,402)
Selling and Distribution Expenses	482,000	(227,385)
Administrative and Operating Expenses	448,000	(76,213)
Total Employee Cost charged to SOPL for the Period	797,224,720	813,709,184
Actuarial loss on Defined Benefit Plan schemes charged to SOCI for the Period	(1,808,000)	(29,874,000)
Total Employee Cost for the Period	795,416,720	783,835,184

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.

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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 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)
Acturial (gain)/loss during the year (recognised in OCI)	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)

FY 2079-80

Figures in NPR

Particulars	Gratuity	Leave Encashment	Others	Total
Opening Liability	302,527,000	20,591,000	238,221,470	561,339,470
Current Service cost	3,894,000	1,779,000	19,059,000	24,732,000
Interest Charge	20,783,000	1,465,000	16,096,000	38,344,000
Paid	(50,840,000)	(2,121,000)	(18,892,000)	(71,853,000)
Acturial (gain)/loss during the year (recognised in OCI)	17,433,000	(3,871,000)	(47,307,000)	(33,745,000)
Closing Liability	293,797,000	17,843,000	207,177,470	518,817,470
Current Liability	43,072,000	1,607,000	17,724,000	62,403,000
Non Current (Asset)/ Liability	250,725,000	16,236,000	189,453,470	456,414,470
Charge for the period to SoPL	24,677,000	(627,000)	35,155,000	59,205,000
Charge to SoCI	17,433,000	-	(47,307,000)	(29,874,000)

Current and Non-Current Liability Breakup

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

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FY 2079-80

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit	Total
Current Liability	43,072,000	1,607,000	17,724,000	62,403,000
Non Current (Asset)/ Liability	250,725,000	16,236,000	189,453,470	456,414,470
Net (Asset)/Liability as at 31st Ashad 2080	293,797,000	17,843,000	207,177,470	518,817,470

14.2 Defined Benefit Plans

The defined benefit plan of the company includes 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	58 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	58 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

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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. 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 the past experience and discounting the long-term obligations at the end of each reporting period.

14.2.3 Sensitivity Analysis

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)

Figures in NPR

Particulars	Gratuity	Sick Leave	Retirement Benefit	Total
Effect on DBO due to 0.5% increase in discount rate	(8,617,000)	(742,000)	(7,652,000)	(17,011,000)
Effect on DBO due to 0.5% decrease in discount rate	9,219,000	805,000	8,288,000	18,312,000
Effect on DBO due to 0.5% increase in salary escalation rate	9,099,000	794,000	8,176,000	18,069,000
Effect on DBO due to 0.5% decrease in salary escalation rate	(8,588,000)	(739,000)	(7,623,000)	(16,950,000)

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 balance sheet.

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14.2.4 Actuarial Assumptions

Particulars	For the Year 2080-81	For the Year 2079-80
Financial Assumptions		
Discount rate (%)	8.00%	9.00%
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 58 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	3.50%	3.50%

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 the 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 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 31.

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15.1 Non-Current Borrowings

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Secured Bank Loan	-	560,407,009
Less: Current Maturity Portion	-	(560,407,009)
Total	-	-

15.2 Current Borrowings

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Bank Overdrafts	477,715,495	1,016,000,972
Secured Bank Loan	912,000,000	-
Current Portion of Term Loan	-	560,407,009
Loan from BNL	1,200,000,000	1,200,000,000
Total	2,589,715,495	2,776,407,981

Short term bank overdraft carries interest at the rate 7.2% to 10.65% 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.

15.3 Trade Payables

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Trade Payable	568,728,285	486,091,935
Trade Payable to related parties	651,718,388	27,601,044
Total	1,220,446,673	513,692,979

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.

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Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Opening Balance	100,609,535	118,355,693
Recognition of lease liability	59,531,679	-
Lease modification	(2,658,920)	-
Interest Accrued on Lease Liability (Charged to PL - Refer Note 24)	12,355,564	11,047,615
Actual Lease Payment during the year	(28,534,822)	(28,793,774)
Total	141,303,035	100,609,534
Current Lease Liability	28,898,240	8,982,437
Non- Current Lease Liability	112,404,795	91,627,097

17. Other Financial Liabilities

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Container deposit liability	611,324,782	597,230,947
Corporate Social Responsibility	18,120,675	26,502,947
Trade Deposits	2,323,600	2,327,100
Employee related accruals	44,027,659	43,564,164
Bonus Payable	49,826,584	80,212,325
Provision for Expenses	230,328,974	75,003,468
Provision for AR Bad Debts	2,505,891	-
Statutory dues payable	262,931,975	332,785,166
Interest Payables	3,890,296	6,135,350
VAT Payable (Net)	-	30,971,444
Total	1,225,280,436	1,194,732,911

Breakup of provision for expenses:

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Provision General	40,115,650	12,419,790
Provision Freight	584,412	628,108
Provision Discount	114,277,958	-
Provision DME	10,788,460	7,323,760
Provision Leakage & BBD	64,562,494	54,631,810
Total	230,328,974	75,003,468

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.

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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 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 5,032,988 for FY 2080-81.

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 Non-Financial Liabilities

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Advance received from distributors	32,421,331	11,526,996
Advance received from Related Parties	37,768,001	99,178
Total	70,189,332	11,626,174

19. Revenue from Operations

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Sale of goods	10,385,824,139	10,508,628,544
Less: Discount	(1,423,400,312)	(1,057,125,506)
Less: Deferred Revenue	(191,126,403)	(131,468,948)
Total	8,771,297,424	9,320,034,090

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Domestic	10,385,824,139	9,981,222,107
Export	-	527,406,437
Total	10,385,824,139	10,508,628,544

19.1 Sale of Goods

The entity has applied NFRS 15- Revenue from Contracts with Customers using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under NAS 18 and NAS 11. The details of accounting policies under NAS 18 and NAS 11 are disclosed separately if they are different from those under NFRS 15.

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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. In the comparative period, revenue was measured at the fair value of the consideration received. In the comparative period, revenue was 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.

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.

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

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Material consumed		
Raw materials		
At 1st Shrawan 2080	979,065,381	825,100,405
Purchase	5,780,585,255	5,699,148,321
Less: Transfer to/ from Bottlers Nepal Ltd.	7,778,571	(58,455,992)
At 31st Ashad 2081	(1,795,347,091)	(979,065,381)
Total raw material consumed	4,972,082,116	5,486,727,353
Work in process		
At 1st Shrawan 2080	8,287,325	4,769,848
At 31st Ashad 2081	(1,583,790)	(8,287,325)
Net change in work-in-process	6,703,535	(3,517,477)
Production and manufacturing overheads	1,519,276,481	1,532,221,274
Finished goods		
At 1st Shrawan 2080	321,991,596	266,307,905
At 31st Ashad 2081	(219,278,480)	(321,991,596)
Net change in finished goods	102,713,116	(55,683,691)
Cost of goods sold	6,600,775,248	6,959,747,459

20.1 Production and manufacturing overheads

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Salaries, wages and other employee cost	451,290,363	470,926,226
Sick Leave*	2,437,000	(323,402)
Gratuity	18,035,000	25,199,222
Other retirement benefits	27,767,161	25,933,361
Travel and transport costs	6,464,320	10,604,652
Repair and maintainence	181,678,886	171,088,936
Office expenses	26,167,878	24,754,327
Consumables	59,967,795	75,577,066
Power & Fuel	164,159,156	213,455,715
Legal and other professional fees	8,388,409	4,606,058
Depreciation on Property, Plant and Equipment	537,632,817	502,075,988
Amortization of Intangible Assets	14,166,000	7,032,653
Exchange (Gain)/Loss	21,121,696	1,290,472
Total	1,519,276,481	1,532,221,274

* During Last year the Sick leave expenses has been reversed due to change in discount rate assumption. The discount rate was increased to 9% last year as compared to 7.5% in previous year, due to which the total liability has reduced and the excess leave expenses had been reversed in the previous year.

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21. Other Operating Income

Particulars	For the Year 2080-81	For the Year 2079-80
Product transfer fee	14,488,202	63,850,064
Sale of Scrap	16,770,688	16,512,849
Miscellaneous Income	581,630	559,950
Total	31,840,520	80,922,863

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.

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

Particulars	For the Year 2080-81	For the Year 2079-80
Salaries, wages and other employee cost	207,912,684	210,637,267
Sick Leave*	482,000	(227,385)
Gratuity	3,186,000	5,590,689
Other retirement benefits	1,507,075	7,242,751
Travel and transport costs	35,610,938	58,419,387
Repair and maintainence	28,948,172	27,260,801
Office expenses	18,626,575	17,620,395
Communication expenses	34,506,794	29,579,661
Utilities	18,230,241	32,770,214
Freight Charges	568,711,044	568,087,107
Liquid leakages and damages	2,789,135	-
Sales promotion expenses	59,431,708	37,217,689
Other miscellaneous expenses	781,076	456,800
Depreciation on Property, Plant and Equipment	93,919,579	87,708,123
Amortization of Intangible Assets	33,459	16,611
Loss on sale/write off of Property plant equipment (net)	(3,306,786)	(10,678,739)
Product transfer fees	209,169,238	163,205,976
Total	1,280,538,932	1,234,907,347

* During Last year the Sick leave expenses has been reversed due to change in discount rate assumption. The discount rate was increased to 9% last year as compared to 7.5% in previous year, due to which the total liability has reduced and the excess leave expenses had been reversed in the previous year.

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23. Administrative and Operating expenses

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Salaries, wages and other employee cost	80,397,343	63,417,600
Sick Leave*	448,000	(76,213)
Gratuity	1,729,000	3,410,180
Other retirement benefits	2,033,094	1,978,888
Travel and transport costs	3,846,533	6,310,198
Repair and maintainence	7,553,740	7,113,437
Office expenses	28,083,993	26,566,937
Bank charges	2,369,729	2,951,795
Audit fees	450,000	450,000
Legal and other professional fees	1,389,839	1,405,551
Communication expenses	35,255,482	30,221,446
Depreciation on property, plant and equipment	13,706,436	12,799,949
Amortization of Intangible Assets	663,289	329,287
Corporate Social Responsibility	5,032,988	7,219,109
Security Expenses	16,922,766	15,877,974
Board and AGM expenses	600,000	375,000
Other miscellaneous expenses	231,824	150,000
Total	200,714,056	180,501,138

* During Last year the Sick leave expenses has been reversed due to change in discount rate assumption. The discount rate was increased to 9% last year as compared to 7.5% in previous year, due to which the total liability has reduced and the excess leave expenses had been reversed in the previous year.

23.1 Audit Fees Disclosure

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Statutory Audit Fees	450,000	450,000
Total	450,000	450,000

24. Finance Cost

Finance costs comprises 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 2080-81	For the Year 2079-80
Interest on Term Loan	16,150,942	100,478,175
Interest on Overdraft	140,915,755	90,280,918
Interest on Inter Company Loan	103,448,777	114,049,521
Interest on Lease Liabilities	12,355,564	11,047,615
Total	272,871,038	315,856,229

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

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25. Finance Income

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Interest income	200,571	4,747,023
Total	200,571	4,747,023

25.1 Interest Income

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

Figures in NPR

26. Earnings Per Share

Particulars	For the Year 2080-81	For the Year 2079-80
Numerator		
Profit for the year and earnings used in basic EPS	339,681,626	638,831,360
Denominator		
Weighted average number of shares used in basic EPS	1,210,000	1,210,000
Basic and Diluted Earning Per Share	281	528

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.

27. Dividend Paid and Proposed

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Declared and paid during the year:		
Dividends on ordinary shares:	72,600,000	
Final Dividend for 2079-80: Rs.60 per share		
Final Dividend for 2078-79: Rs 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:		
2080-81: Rs 50 per Share	60,500,000	-
2079-80: Rs 60 per Share		72,600,000

28. Contingent Liabilities and Capital Commitment

28.1 Contingent Liabilities

Possible obligation, arising from past events and whose existence will be confirmed upon uncertain future events not wholly within the control of the company and present obligation arising from past events with least probability of payment or the amount cannot be measured with sufficient reliability are disclosed as contingent liability.

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 import of goods amounting to NPR 45,000,000.

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28.1.2 Corporate Tax Matters

- i) 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 Tribunal. 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	11,227,287
Total	75,154,450	123,929	75,030,521	11,227,287

- 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 the case at Revenue Tribunal. Pending decision from the tribunal, 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	47,213,938	22,776,663	24,437,275	21,566,625
TDS	9,238,997	483,000	8,755,997	7,876
VAT	35,661,144	2,109,057	33,552,087	-
Total	92,114,079	25,368,720	66,745,359	21,574,501

- 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 Tribunal. 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	159,844,396	5,254,246	154,590,150	33,580,653
TDS	68,550,836	24,213	68,526,623	11,034,926
VAT	43,900,619	4,895,328	39,005,291	5,947,334
Total	272,295,851	10,173,787	262,122,064	50,562,913

- 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 Tribunal. 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	85,849,957	593,328	85,256,629	8,793,788
TDS	71,517,670	-	71,517,670	7,526,138
VAT	38,289,325	1,202,613	37,086,712	3,894,853
Total	195,656,952	1,795,941	193,861,011	20,214,779

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- 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 Tribunal. 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	123,252,989	2,554,060	120,698,929	10,518,351
TDS	93,547,558	-	93,547,558	7,869,324
VAT	1,354,914	1,190,834	164,080	36,757
Total	218,155,462	3,744,894	214,410,567	18,424,432
Grand total	853,376,793	41,207,271	812,169,522	122,003,912

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 2080/81, the Company had capital commitments of NPR 20,569,284 (Previous Year 2079/80 NPR 29,648,257) 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

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.

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FY 2080-81

Figures in NPR

Particulars	Remuneration	Fees	Facilities	Total
Director's Fees & Facilities	-	600,000	-	600,000
Total	-	600,000	-	600,000

FY 2079-80

Figures in NPR

Particulars	Remuneration	Fees	Facilities	Total
Director's Fees & Facilities	-	375,000	-	375,000
Total	-	375,000	-	375,000

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 Transaction and Balances

Figures in NPR

RELATED PARTY TRANSACTIONS	For the year 2080-81	For the year 2079-80
Sale to related parties:		
Sale of various materials to Bottlers Nepal Limited (at cost)	607,761	90,947,819
Purchases from related parties:		
Purchase of various materials from Bottlers Nepal Limited (at Cost)	8,386,331	32,491,827
Purchase of Concentrate from Pacific Refreshments Pte. Ltd.	2,994,258,532	2,501,904,244
Product transfer fee:		
Received from Bottlers Nepal Limited	14,488,202	63,850,064
Paid to Bottlers Nepal Limited	209,169,238	163,205,976
Management Fee Paid to Bottlers Nepal Limited	177,733,306	162,149,822
Rent paid to Bottlers Nepal Limited	578,130	559,950
Interest paid to Bottlers Nepal Ltd on loan	103,448,777	114,049,521
Purchase of Asset (Containers) from Bottlers Nepal Ltd. (at WDV)	3,601,119	11,001
Amounts owed by Related Parties:		
Bottlers Nepal Limited - Parent company	7,106,422	-
Pacific Refreshments Pte. Ltd. - other related party		11,098,788
Amounts owed to related parties:		
Bottlers Nepal Limited - Parent company		619,104
Hindustan CCBPL	37,768,000	99,177
Pacific Refreshments Pte Ltd. - Other related party	618,630,644	-
Coca Cola Asia Pacific		5,267,711
Coca Cola Bottlers(Malaysia) Sdn Bhd	17,764,949	17,666,000
Refreshment Product Service	10,055,084	4,667,333

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the Year Ended 31st Ashad, 2081 (15th July 2024)

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 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.

Outstanding customer receivables are regularly monitored and shipments to major customers are generally covered by bank guarantees.

Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the Year Ended 31st Ashad, 2081 (15th July 2024)

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 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.

32.4 Risk Management Framework

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

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
Duty Refundable	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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Bottlers Nepal (Terai) Limited
Significant Accounting Policies and Explanatory Notes
For the Year Ended 31st Ashad, 2081 (15th July 2024)

FY 2079-80

Figures in NPR

Particulars	Within 1 Year	1-5 Years	More than 5 Years	No stated Maturity	Total
Financial Assets:					
Advances to Employees	7,020,589	1,733,078	-	-	8,753,667
Security Deposits	-	-	-	142,320	142,320
Short Term Deposits	56,109,914	-	-	-	56,109,914
Other Receivables	39,256	-	-	-	39,256
Trade Receivables	430,985,174	-	-	-	430,985,174
LC Margin Receivables	17,592,811	-	-	-	17,592,811
Cash and Cash Equivalents	19,029,812	-	-	-	19,029,812
Total	530,777,556	1,733,078	-	142,320	532,652,954
Financial Liabilities:					
Bank overdrafts	-	-	-	1,016,000,972	1,016,000,972
Loan from BNL	1,200,000,000	-	-	-	1,200,000,000
Secured Bank Loan	560,407,009	-	-	-	560,407,009
Trade Payable	513,692,981	-	-	-	513,692,981
Container deposit liability	-	-	-	597,230,947	597,230,947
Corporate Social Responsibility	26,502,947	-	-	-	26,502,947
Trade Deposits	-	-	-	2,327,100	2,327,100
Employee related accruals	43,564,164	-	-	-	43,564,164
Lease Liabilities	8,982,437	91,627,097	-	-	100,609,534
Bonus Payable	80,212,325	-	-	-	80,212,325
Provision for Expenses	75,003,468	-	-	-	75,003,468
Statutory dues payable	332,785,166	-	-	-	332,785,166
Interest payables	6,135,350	-	-	-	6,135,350
VAT Payable (Net)	30,971,444	-	-	-	30,971,444
Gratuity	43,072,000	-	-	250,725,000	293,797,000
Leave Encashment	1,607,000	-	-	16,236,000	17,843,000
Other Retirement Benefits	17,724,000	-	-	189,453,470	207,177,470
Total	2,940,660,291	91,627,097	-	2,071,973,489	5,104,260,877
Net Financial Assets	(2,409,882,735)	(89,894,019)	-	(2,071,831,169)	(4,571,607,923)

For & on behalf of the Board

As per our attached
report of even date

Narmadeshwar Narayan Singh
Chairman

Deepak Senthil Nath Gunalan
Chief Executive Officer

Lukas Zapletal
Director

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

Gunjan Dhawan
Director

Shalini Ratwatee
Director

Ajay Kumar Shrestha
Director

Pramod Kumar Karki
Independent Director

Redwin Antonio Duay
Country Finance Director

Place: Kathmandu, Nepal
Date: 5th Mangsir, 2081 (20th November, 2024)

Troika Traders Private Limited

Report of Board of Directors

(For the Year 2080-81)

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 31st Ashad, 2081.

a) Review of the transactions of the Previous Year:

NPR in million

Particulars	2080-81	2079-80	% Change
Gross Sales Revenue	–	–	0%
Gross Profit	–	–	0%
Net Profit Before Tax	(0.09)	(0.33)	74%
Net Profit After Tax	(0.09)	(9.77)	99%

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

There were no any trading activity during the Fiscal Year.

c) Achievements in the current fiscal 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:

No change during this FY.

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 the 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 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 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;**

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 your Company's assets in a secure, practical, accurate and reliable manner.

- q) **Details of total management expenses during the previous financial years.**

Particulars (FY 2080/81)	NPR in Million
Salaries, wages, and other employee costs	–
Administrative Expenses	0.09
Total	0.09

- 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 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,



Ashok Mandal

Director



Pratima Burma

Director

Date: 13th Kartik, 2081 (29th October, 2024)



**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF TROIKA TRADERS PRIVATE LIMITED**

PKF T. R. Upadhya & Co.
124 Lal Colony Marg, Lal D
Kathmandu, Nepal

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

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 31 Ashad 2081 (15 July 2024), 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, 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 31 Ashad 2081 (15 July 2024), 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 the *code of ethics for professional accountants* issued by the Institute of Chartered Accountants of Nepal (ICAN) 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 Code of Ethics for professional accountants. We believe that the audit evidence obtained by us 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 31 Ashad 2081 (15 July 2024). 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

The management of the Company is responsible for the other information. The other information comprises the information included in the Director's report as part of 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.



PKF T. R. Upadhya & 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).

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

The management of the Company 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.



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 31 Ashad 2081 (15 July 2024), the statement of profit or loss and 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 Companies 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 so far as appears from our examination of those books.

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

Place: Kathmandu
Date: 29 October, 2024

UDIN: 241111CA00718G48D2

Troika Traders Pvt. Ltd.
Statement of Financial Position
As at 31st Ashad, 2081 (15th July, 2024)

Figures in NPR

Particulars	Notes	As at 31st Ashad 2081	As at 31st Ashad 2080
ASSETS			
Advances	3.1	12,263,697	12,263,697
Other Current Assets	3.2	83,824	73,424
Income Tax Receivable	3.3	3,632,914	3,632,914
Financial Assets:			
Cash and Cash Equivalents	4	601	601
Total Assets		15,981,036	15,970,636
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	5	750,000	750,000
Reserve and Surplus	6	(12,097,361)	(12,011,201)
Current Liabilities			
Financial Liabilities			
Trade Payables	7	27,328,397	27,231,837
Total Equity and Liabilities		15,981,036	15,970,636

Notes 1 to 18 form an integral part of this Financial Statement

For & on behalf of the Board

As per our attached
report of even date

Ashok Mandal
Director

Pratima Burma
Director

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

Place: Kathmandu, Nepal
Date: 13th kartik, 2081 (29th October, 2024)

Troika Traders Pvt. Ltd.
Statement of Profit or Loss
For the year ended 31st Ashad, 2081 (15th July, 2024)

Figures in NPR

Particulars	Notes	For the Year 2080-81	For the Year 2079-80
Revenue from operations	8	-	-
Cost of goods sold	9	-	-
Gross Profit		-	-
Selling and distribution expenses	10	-	-
Administrative and operating expenses	11	(86,160)	(330,000)
Profit from Operations		(86,160)	(330,000)
Finance Income	12	-	-
Profit Before Tax		(86,160)	(330,000)
Income Tax Expense			
Current Tax	13.1	-	-
Adjustment for prior periods	13.1	-	(9,438,300)
Net Profit for the year		(86,160)	(9,768,300)
Basic/Diluted Earnings per share	14	(11)	(1,302)

Notes 1 to 18 form an integral part of this Financial Statement

For & on behalf of the Board

As per our attached
report of even date

Ashok Mandal
Director

Pratima Burma
Director

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

Place: Kathmandu, Nepal

Date: 13th kartik, 2081 (29th October, 2024)

Troika Traders Pvt. Ltd.
Statement of Other Comprehensive Income
For the year ended 31st Ashad, 2081 (15th July, 2024)

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Net Profit for the year as per Statement of Profit or Loss	(86,160)	(9,768,300)
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	(86,160)	(9,768,300)

Notes 1 to 18 form an integral part of this Financial Statement

For & on behalf of the Board

As per our attached
report of even date

Ashok Mandal
Director

Pratima Burma
Director

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

Place: Kathmandu, Nepal
Date: 13th kartik, 2081 (29th October, 2024)

Troika Traders Pvt. Ltd.
Statement of Changes in Equity
For the year ended 31st Ashad, 2081 (15th July, 2024)

Figures in NPR

Particulars	Share Capital	Securities Premium Reserve	Retained Earnings	Total
Balance as at 1st Shrawan 2079	750,000	-	(2,242,901)	(1,492,901)
Profit for the year	-	-	(9,768,300)	(9,768,300)
Other comprehensive income	-	-	-	-
Dividends				
Balance as at 31st Ashad, 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)

Notes 1 to 18 form an integral part of this Financial Statement

For & on behalf of the Board

As per our attached
report of even date

Ashok Mandal
Director

Pratima Burma
Director

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

Place: Kathmandu, Nepal
Date: 13th kartik, 2081 (29th October, 2024)

Troika Traders Pvt. Ltd.
Statement of Cash Flows
For the year ended 31st Ashad, 2081 (15th July, 2024)

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	(86,160)	(9,768,300)
Adjustments for non cash and non operating:	-	-
Working capital adjustments:		
Increase / (Decrease) in trade payable and other liabilities	96,560	19,147,000
Decrease / (Increase) in trade and other receivables	(10,400)	(49,400)
Decrease / (Increase) in loans and advances	-	(9,329,300)
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

For & on behalf of the Board

As per our attached
report of even date

Ashok Mandal
Director

Pratima Burma
Director

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

Place: Kathmandu, Nepal
Date: 13th kartik, 2081 (29th October, 2024)

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July, 2024)

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 13th Kartik, 2081 (29th October 2024) and has recommended for approval of shareholders in the 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 basis.

2.3 Presentations

The figures for previous years are rearranged and reclassified wherever necessary for the purpose of facilitating comparison. 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.

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July, 2024)

The company operating cycle has been defined as 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

NAS 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.

2.5 Accounting Estimates

The preparation of financial statements in line with NFRSs 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	31 st Ashad, 2081	15 th July, 2024
Current Reporting Period	1 st Shrawan 2080– 31 st Ashad 2081	17 th July 2023 – 15 th July 2024
Comparative SFP* Date	31 st Ashad, 2080	16 th July, 2023
Comparative reporting period	1 st Shrawan 2079– 31 st Ashad 2080	17 th July 2022 – 16 th July 2023

*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.

2.8 New Standards issued and not yet effective

The Company has not opted for the early adoption of any of the new set of NFRS pronounced by ICAN, which may relate to it, but whose application was not mandatory for financial year 2080-81 (2023-24). These standards include:

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July, 2024)

NFRS 17 “Insurance Contracts” applicable from 16th July 2025, and the Company is currently assessing the impact and plans to adopt the new standard on the required effective date as applicable.

3. Other Assets

3.1 Advances

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
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 31st Ashad 2081	As at 31st Ashad 2080
VAT Receivable (Net)	83,824	73,424
Total	83,824	73,424

3.3 Income Tax Receivable

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
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.

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July, 2024)

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.

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 is 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 31st Ashad 2081	As at 31st Ashad 2080
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.

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July, 2024)

5. Share Capital

Particulars	As at 31st Ashad 2081		As at 31st Ashad 2080	
	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:

Shareholder Category	As at 31st Ashad 2081		As at 31st Ashad 2080	
	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 and Surplus

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Share Premium		
Retained earnings	(12,097,361)	(12,011,201)
(As per Statement of Changes in Equity)		
Total	(12,097,361)	(12,011,201)

7. Trade Payables

Figures in NPR

Particulars	As at 31st Ashad 2081	As at 31st Ashad 2080
Trade Payable	286,303	286,303
Trade Payable to related parties	27,042,094	26,945,534
Total	27,328,397	27,231,837

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.

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July, 2024)

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 2080-81	For the Year 2079-80
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 2080-81	For the Year 2079-80
Finished goods stock		
At 1st Shrawan	-	-
Purchase	-	-
Less: Inventory Written off	-	-
At 31st Ashad	-	-
Net change in finished goods stock	-	-
Cost of goods sold	-	-

10. Selling and Distribution Expenses

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Rent	-	-
Freight Charges	-	-
Liquid leakages and damages	-	-
Total	-	-

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July, 2024)

11. Administrative and Operating expenses

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Office expenses	6,160	-
Audit fees	50,000	50,000
Legal and other professional fees	30,000	280,000
Total	86,160	330,000

11.1 Audit Fees Disclosure

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Audit fees	50,000	50,000
Total	50,000	50,000

12. Finance Income

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Interest income	-	-
Total	-	-

13. Income Tax

13.1 Current Income Tax

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Current tax on profit for the year	-	-
Adjustment for prior periods	-	9,438,300
Total	-	9,438,300

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 2080-81	For the Year 2079-80
Accounting profit before income tax	(86,160)	(330,000)
Adjustment as per Income Tax Act 2058	-	-
Total profit as per Income Tax	(86,160)	(330,000)
Tax Rate	25%	25%
Tax Expenses	-	-

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July, 2024)

14. Earnings Per Share

Figures in NPR

Particulars	For the Year 2080-81	For the Year 2079-80
Numerator		
Profit for the year and earnings used in basic EPS (NPR)	(86,160)	(9,768,300)
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)	(11)	(1,302)

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.

15.1.1 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 up to balance Sheet date
Income-Tax	4,684,602	-	4,684,602	710,136
VAT	1,974,572	-	1,974,572	425,556
Total	6,659,174	-	6,659,174	1,135,692

- 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 up to balance Sheet date
Income-Tax	8,855,217	1,079,917	7,775,300	1,185,989
Total	8,855,217	1,079,917	7,775,300	1,185,989

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July, 2024)

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 up to balance Sheet date
Income-Tax	33,907,264	7,634,608	26,272,656	2,158,866
VAT	11,042,390	-	11,042,390	864,483
Total	44,949,654	7,634,608	37,315,046	3,023,349

Total

Figures in NPR

Particulars	Additional Demand	Accepted amount	Appeal against demand	Estimated Interest Liabilities up to balance Sheet date
Income-Tax	47,447,083	8,714,525	38,732,559	4,054,990
VAT	13,016,962	-	13,016,962	1,290,039
Total	60,464,045	8,714,525	51,749,521	5,345,029

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

Related Party Transactions	For the Year 2080-81	For the Year 2079-80
Amounts owed to related parties		
Bottlers Nepal Limited	27,042,094	26,945,534

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July, 2024)

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 15th July 2024, 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.

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.

Troika Traders Pvt. Ltd.
Significant Accounting Policies and Explanatory Notes
For the year ended 31st Ashad, 2081 (15th July, 2024)

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.

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 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	-	-	-	601
Total	601	-	-	-	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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FY 2079-80

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	-	-	-	-
Total	601	-	-	-	-
Financial Liabilities:					
Trade Payable	27,231,837	-	-	-	27,231,837
Total	27,231,837	-	-	-	27,231,837

Net Financial Assets	(27,231,236)	-	-	-	(27,231,837)
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For & on behalf of the Board

As per our attached
report of even date

Ashok Mandal
Director

Pratima Burma
Director

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

Place: Kathmandu, Nepal
Date: 13th kartik, 2081 (29th October, 2024)

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, Balaju, Kathmandu, Nepal

INDUSTRY ADDRESS:

Balaju Industrial District, Balaju, Kathmandu, Nepal

BOARD OF DIRECTORS:

Mr. Narmadeshwar Narayan Singh- Chairperson

Mr. Lukas Zapletal- Director

Mr. Deepak Senthil Nath Gunalan- Managing Director

Mr. Gunjan Dhawan- Director

Ms. Shalini Ratwatte- Director

Mr. Surendra Silwal- Director

Mr. Kishore Kumar Maharjan- Independent Director

COMPANY SECRETARY:

Ms. Pratima Burma

STATUTORY AUDITORS:

M/s PKF T.R. Upadhya & 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

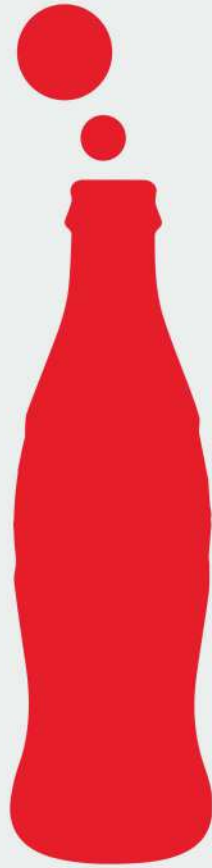
INSURANCE PARTNERS:

M/s Sidhartha Premier Insurance

M/s MetLife

M/s Himalayan Insurance

M/s Neco Insurance



Coca-Cola
Beverages Nepal

Regd Office: Balaju Industrial District, Balaju, Kathmandu, Nepal
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Tel: +977-1-4352294, 1-4351871 (Hunting Number) 1-4352988