



**AUDITED FINANCIAL STATEMENTS OF SUBSIDIARIES OF VARUN  
BEVERAGES LIMITED AS AT DECEMBER 31, 2023**

- VARUN BEVERAGES (NEPAL) PRIVATE LIMITED
- VARUN BEVERAGES LANKA (PRIVATE) LIMITED
- OLE SPRING BOTTLERS PRIVATE LIMITED (STEP-DOWN SUBSIDIARY)
- VARUN BEVERAGES MOROCCO S.A.
- VARUN BEVERAGES (ZAMBIA) LIMITED
- VARUN BEVERAGES (ZIMBABWE) (PRIVATE) LIMITED
- VARUN BEVERAGES RDC SAS
- VARUN BEVERAGES INTERNATIONAL DMCC
- VARUN BEVERAGES SOUTH AFRICA (PTY) LTD
- LUNARMECH TECHNOLOGIES PRIVATE LIMITED

Varun Beverages (Nepal) Pvt. Ltd.  
Balance sheet as at 31st Dec, 2023

	Note	Post Ind AS	Post Ind AS
		NPR	NPR
		31 December 2023	31 December 2022
<b>Assets</b>			
<b>1) Non - Current Assets</b>			
(a) Property, Plant & Equipment	1A	3,522,582,246	3,682,755,018
(b) Capital Work In Progress	1B	1,035,267,382	272,349,277
(c) Right of Use Assets	1C	141,306,220	104,794,985
(d) Deferred Tax Assets	2	-	-
(e) Other Non - Current Assets	3	137,262,401	301,754,655
<b>Total Non - Current Assets</b>		<b>4,836,418,249</b>	<b>4,361,653,935</b>
<b>2) Current Assets</b>			
(a) Inventories	4	1,018,313,641	1,384,523,759
(b) Financial Assets			
(i) Trade Receivables	5	399,998,911	378,334,017
(ii) Cash and Cash Equivalents	6	25,012,239	27,948,876
(iii) Bank Balances Other Than (ii) above	7	2,376,283,604	1,859,619,921
(iv) Others	8	39,940,936	166,883,729
(c) Current Tax Assets (Net)	9	-	-
(d) Other Current Assets	10	357,349,081	239,102,346
<b>Total Current Assets</b>		<b>4,216,898,412</b>	<b>4,056,412,648</b>
<b>Total Assets</b>		<b>9,053,316,661</b>	<b>8,418,066,583</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
(a) Equity Share Capital	11	2,001,500,000	1,080,000,000
(b) Other Equity	12		
(i) Reserve and Surplus		1,754,001,200	1,204,348,348
(ii) Equity Contribution on Compounded Financial Instrument		1,982,277	-
<b>Total Equity</b>		<b>3,757,483,477</b>	<b>2,284,348,348</b>
<b>Liabilities</b>			
<b>1) Non - Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13A	-	0
(ii) Lease Liabilities	13A	156,442,159	110,111,082
(b) Provisions	14	23,472,373	22,776,260
(c) Deferred Tax Liabilities	2	181,085,996	160,804,554
(d) Other Non - Current Liabilities	15	-	-
<b>Total Non - Current Liabilities</b>		<b>361,000,528</b>	<b>293,691,896</b>
<b>2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	692,412,358	541,848,193
(ii) Trade Payables	17	496,236,358	1,273,748,073
(iii) Lease Liabilities	13B	1,428,937	6,024,933
(iv) Other financial Liabilities	18	962,985,507	1,360,639,989
(b) Other Current Liabilities	19	2,752,169,544	2,650,975,336
(c) Provisions	14	6,227,172	6,582,633
(d) Current Tax Liability (Net)	20	23,372,780	207,182
<b>Total Current Liabilities</b>		<b>4,934,832,656</b>	<b>5,840,026,339</b>
<b>Total Liabilities</b>		<b>5,295,833,184</b>	<b>6,133,718,235</b>
<b>Total Equity &amp; Liabilities</b>		<b>9,053,316,661</b>	<b>8,418,066,583</b>

In Terms of Our Report of Even Date Annexed  
SUBHASH & CO.  
CHARTERED ACCOUNTANTS

CA. S. K. Jhunjhunwala  
Partner  
Place: Kathmandu  
Dated: January 23, 2024

*[Signature]*  
Director

*[Signature]*  
Director



Varun Beverages (Nepal) Pvt. Ltd.  
Profit & Loss For The Period Ended 31st Dec, 2023

	Note	Post Ind AS	Post Ind AS
		NPR 31 December 2023	NPR 31 December 2022
<b>Income</b>			
I Revenue From Operations	21	10,620,673,156	10,567,777,048
II Other Income	22	253,777,611	202,902,435
III <b>Total Income (I + II)</b>		<b>10,874,450,766</b>	<b>10,770,679,484</b>
<b>IV Expenses</b>			
(a) Cost of Materials Consumed	23	3,212,235,976	3,448,797,206
(b) Excise Duty		2,904,830,812	2,461,233,385
(c) Purchase of Stock in Trade	24	1,300,639	314,414
(d) Changes in inventories of finished goods, stock-in-trade & WIP	25	97,966,069	(195,803,194)
(e) Employee Benefits Expense	26	686,320,795	573,627,038
(f) Finance Costs	27	124,645,510	226,770,014
(g) Depreciation & Amortisation Expenses	28	501,287,096	486,601,479
(h) Other Expenses	29	1,920,398,737	2,742,415,273
<b>Total Expenses (IV)</b>		<b>9,448,985,635</b>	<b>9,743,955,615</b>
V Profit/(loss) Before Prior Period Items (III-IV)		1,425,465,132	1,026,723,869
VI Prior Period Items	30	-	-
VII <b>Profit/(loss) Before Tax (V-VI)</b>		<b>1,425,465,132</b>	<b>1,026,723,869</b>
<b>Earnings Before Interest, Tax, Depn &amp; Amortization (EBITDA)</b>		<b>1,797,620,127</b>	<b>1,537,192,927</b>
<b>VIII Tax Expense:</b>			
(1) Current Tax		208,083,995	173,589,127
(2) Adjustment of Tax Related to Earlier Periods		73,279,344	352,712,006
(3) Deferred Tax		20,281,442	28,528,954
<b>Total Tax Expenses</b>		<b>301,644,781</b>	<b>554,830,087</b>
IX <b>Profit (Loss) For the Year (VII-VIII)</b>		<b>1,123,820,351</b>	<b>471,893,782</b>
<b>X OTHER COMPREHENSIVE INCOME</b>			
A <u>Items That Will Not to be Reclassified to Profit or Loss</u>	31		
(i) Remeasurement of the Defined Benefit Plans			-
Income tax relating to items that will not be reclassified to P & L			-
B <u>Items that will be reclassified to Profit or Loss</u>			
<b>Other Comprehensive Income for the Year, Net of Tax</b>			
XI <b>Total Comprehensive Income For The Year, Net of Tax (IX+X)</b>		<b>1,123,820,351</b>	<b>471,893,782</b>

In Terms of Our Report of Even Date Annexed  
SUBHASH & CO.

CHARTERED ACCOUNTANTS

CA. S. K. Jhunjunwala  
Partner

Place: Kathmandu

Dated: January 23, 2024



*Jayji Aross*  
Director

*Km*  
Director



Varun Beverages (Nepal) Pvt. Ltd.

Statement of Changes In Equity

12 Equity Share Capital

Equity Shares of Rs.1000 Each Issued, Subscribed & Fully Paid Up

Particulars	No. of Shares	Amount
Balance as at 1st January, 2022	1,080,000	1,080,000,000
Changes in Share Capital During the Year 2022	-	-
Balance as at 31st December, 2022	1,080,000	1,080,000,000
Fresh Equity Share Issued during the period	370,370	370,370,000
Bonus Share Issued during the period	551,130	551,130,000
Balance as at 31st Dec, 2023	2,001,500	2,001,500,000

13 Other Equity

Particulars	Share Premium	Retained Earnings	Capital Reserve	Promotor Contribution In Equity	Total
Balance as at 1st January, 2022	53,600,356	1,454,782,369	88,071,842	-	1,596,454,566
Profit for the Year Ended		471,893,782			471,893,782
Dividend Paid		(864,000,000)			(864,000,000)
Transferred During the Year					-
Balance as at 31st December, 2022	53,600,356	1,062,676,151	88,071,842	-	1,204,348,348
Profit for the Period Ended		1,123,820,351			1,123,820,351
Share Premium Collected during the Period	629,629,000				629,629,000
Bonus Shares Issued		(551,130,000)			(551,130,000)
Dividend Paid		(652,666,500)			(652,666,500)
ESOP granted to Employees				1,982,277	1,982,277
Transferred During the Year					-
Balance as at 31st Dec, 2023	683,229,356	982,700,001	88,071,842	1,982,277	1,755,983,476



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Varun Beverages (Nepal) Pvt. Ltd.  
Summary of Significant Accounting Policies and Other Explanatory Information For The Year Ended 31st Dec, 2023

YBL Nepal in NPR  
1A Property, Plant & Equipment

	Land		Buildings		Plant and Equipment		Furniture And Fixtures		Vehicles		Office Equipment		Computers		Containers		PM Vending Machines & Refrig (Visi Cooler)		Total
	Freehold																		
<b>Gross Block</b>																			
Balance as at 1st January, 2022	222,349,518	1,095,569,979	2,218,400,295	16,478,110	175,675,232	13,874,896	6,133,214	847,812,182	764,487,101	5,360,780,527									
Lease Transition Impact as at 1st January, 2022	-	-	72,346,038	-	14,593,067	60,215	1,209,499	25,466,583	225,210,681	338,886,084									
Additions	-	-	-	(354,351)	(8,408,468)	-	(320,457)	(105,905,042)	(15,799,312)	(130,787,630)									
Disposals & Reversals	-	-	-	-	-	-	-	-	-	-									
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-									
Other adjustments	-	-	-	-	-	-	-	-	-	-									
Balance as at 31st December, 2022	222,349,518	1,095,569,979	2,290,746,333	16,123,759	181,859,831	13,935,112	7,022,256	767,373,723	973,898,470	5,568,878,980									
Lease Transition Impact Additions	-	12,230,547	36,875,783	261,955	269,920	743,520	3,445,000	111,665,443	171,630,771	337,122,938									
Disposals & Reversals	-	-	-	-	(5,577,299)	-	-	(60,133,600)	-	(65,710,899)									
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-									
Other adjustments	-	-	-	-	-	-	-	-	-	-									
Balance as at 31st Dec, 2023	222,349,518	1,107,800,526	2,327,622,115	16,385,713	176,552,451	14,678,632	10,467,256	818,905,566	1,145,529,241	5,840,291,019									
<b>Accumulated Depreciation</b>																			
Balance as at 1st January, 2022	-	212,594,644	793,430,126	11,297,121	136,390,342	8,528,884	(1,619,418)	276,864,632	95,511,048	1,532,997,378									
Depreciation charge	-	35,514,794	94,429,087	949,566	3,284,415	2,420,206	998,706	96,842,439	101,165,015	335,604,227									
Ind AS Adj - Depn - Jan To Dec 2022	-	(8,899,922)	(51,267,532)	(802,235)	6,770,177	628,365	2,654,269	94,570,035	97,623,237	141,276,395									
Reversal on disposal of assets	-	-	-	(336,634)	(7,988,045)	-	(304,434)	(100,609,790)	(14,515,134)	(123,754,037)									
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-									
Balance as at 31st December, 2022	-	239,209,515	836,591,681	11,107,818	138,456,889	11,577,455	1,729,122	367,667,316	279,784,166	1,886,123,963									
Depreciation Charge for the Period Ended	-	35,708,147	97,679,297	951,175	4,607,674	788,607	1,169,778	91,630,566	102,321,841	334,857,084									
Ind AS Adj - Depn - Jan To Dec 2023	-	(15,520,235)	(102,468,641)	(1,295,787)	9,867,051	635,820	3,300,370	132,025,364	129,904,106	156,448,648									
Reversal on Disposal of Assets	-	-	-	-	(5,298,434)	-	-	(54,421,887)	-	(59,720,321)									
Balance as at 31st Dec, 2023	-	259,397,427	831,802,337	10,763,207	147,633,180	13,001,882	6,199,270	536,901,358	512,010,114	2,317,708,774									
<b>Net Block</b>																			
Balance as at 31st December, 2022	222,349,518	856,360,464	1,454,154,652	5,015,940	43,402,941	2,357,656	5,293,134	399,706,408	694,114,304	3,682,755,018									
Balance as at 31st Dec, 2023	222,349,518	848,403,099	1,495,819,778	5,622,507	28,919,272	1,676,750	4,267,986	282,004,208	633,519,127	3,522,582,246									

1B Capital Work In Progress

Particulars	Amount
Balance as at 1st January, 2022	1,509,897
Additions During the Year	578,103,232
Capitalisation During the Year	(307,263,852)
Balance as at 31st December, 2022	272,349,277
Additions During the Period	1,127,826,952
Capitalisation During the Period	(364,908,846)
Balance as at 31st Dec, 2023	1,035,267,382



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Varun Beverages (Nepal) Pvt. Ltd.  
Summary of Significant Accounting Policies and Other Explanatory Information  
For The Year Ended 31st Dec, 2023

VBL Nepal in NPR

1C Right of Use Assets

Particulars	Land Leasehold	Total
<b>Gross Carrying Amount</b>		
Balance as at 1st January, 2022	105,133,314	105,133,314
Additions for the year	26,203,859	26,203,859
Disposals for the year	-	-
<b>Balance as at 31st December, 2022</b>	<b>131,337,173</b>	<b>131,337,173</b>
<b>Accumulated Depreciation</b>		
Balance as at 1st January, 2022	16,821,330	16,821,330
Depreciation charge for the year	9,720,858	9,720,858
Reversal on disposals for the year	-	-
<b>Balance as at 31st December, 2022</b>	<b>26,542,188</b>	<b>26,542,188</b>
<b>Carrying amount as at 31 December 2022</b>	<b>104,794,985</b>	<b>104,794,985</b>
<b>Gross Carrying Amount</b>		
Balance as at 1st January, 2023	131,337,173	131,337,173
Additions for the year	46,493,198	46,493,198
Disposals for the year	-	-
<b>Balance as at 31st Dec, 2023</b>	<b>177,830,371</b>	<b>177,830,371</b>
<b>Accumulated Depreciation</b>		
Balance as at 1st January, 2023	26,542,188	26,542,188
Depreciation charge for the year	9,981,963	9,981,963
Reversal on disposals for the year	-	-
<b>Balance as at 31st Dec, 2023</b>	<b>36,524,151</b>	<b>36,524,151</b>
<b>Carrying amount as at 31st Dec, 2023</b>	<b>141,306,220</b>	<b>141,306,220</b>



Varun Beverages (Nepal) Pvt. Ltd.  
Summary of Significant Accounting  
Policies and Other Explanatory  
Information For The Year Ended 31st  
Dec, 2023

	Note	Post Ind AS	Post Ind AS
		NPR	NPR
		31 December 2023	31 December 2022
1A) Property, Plant & Equipment	R.N. 1A	3,522,582,246	3,682,755,018
1B) Capital Work in Progress	R.N. 1B	1,035,267,382	272,349,277
1C) Right of Use Assets	R.N. 1C	141,306,220	104,794,985
<b>2. Deferred Tax Assets/(Liability)</b>			
<b>(Net)</b>			
Unabsorbed Depn & Carry Forward Losses - Deffered Tax		(190,839,747)	(170,169,053)
Provision For Doubtful Debts - Deffered Tax		5,059,276	5,059,276
Provision For Retirement Benefits - Deffered Tax		4,694,475	4,305,223
		<b>(181,085,996)</b>	<b>(160,804,554)</b>
<b>3. Other Non - Current Assets</b>			
Capital advances		133,826,426	297,669,071
Less: Provision for Doubtful Advances		-	-
		<b>133,826,426</b>	<b>297,669,071</b>
<b>Advances other than capital advances</b>			
(a) Security Deposits		3,435,975	4,085,584
(b) Advances to Related Parties		-	-
(c) Other Advances		-	-
		<b>137,262,401</b>	<b>301,754,655</b>
<b>4. Inventories</b>			
(a) Raw material		636,575,234	891,636,726
(b) Raw Material in transit		7,850,838	2,643,190
(c) Work-in-progress		815,111	4,687,989
(d) Intermediate goods		32,047,922	-
(e) Finished goods		180,630,599	306,771,713
(f) Stores and spares		160,393,936	178,784,141
		<b>1,018,313,641</b>	<b>1,384,523,759</b>



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Varun Beverages (Nepal) Pvt. Ltd.  
Summary of Significant Accounting  
Policies and Other Explanatory  
information For The Year Ended 31st  
Dec, 2023

	Post Ind AS	Post Ind AS
Note	NPR 31 December 2023	NPR 31 December 2022
<b>5. Trade receivables</b>		
Trade Receivable, Considered Good - Unsecured	15,263,677	5,710,912
Trade Receivable, Considered Good - Secured	384,735,234	372,623,104
Trade Receivable - Credit Impaired	27,078,048	27,078,048
	427,076,958	405,412,064
(-) Allowances For Expected Credit Losses	(27,078,048)	(27,078,048)
	399,998,911	378,334,017
<b>6. Cash and cash equivalents</b>		
Balance with banks:		
- On current accounts	25,012,239	26,935,089
Cash on hand	-	1,013,787
	25,012,239	27,948,876
<b>7. Other Bank Balances</b>		
Deposits with original maturity > 3 months but < 12 months *	2,376,283,604	1,859,619,921
	2,376,283,604	1,859,619,921
<b>8. Other Current Financial Assets</b>		
Interest accrued on:		
Term deposits	35,629,321	26,138,868
Others	-	1,041,078
Employees****	-	4,048,169
Claims Receivable	4,311,615	135,655,615
	39,940,936	166,883,729
<b>9. Current Tax Assets</b>		
Advance Tax (Net of Provisions)		





Varun Beverages (Nepal) Pvt. Ltd.  
Summary of Significant Accounting  
Policies and Other Explanatory  
Information For The Year Ended 31st  
Dec, 2023

	Post Ind AS	
	Post Ind AS	Post Ind AS
	NPR	NPR
Note	31 December 2023	31 December 2022
<b>10. Other Current Assets</b>		
(Unsecured Considered Good, Unless Otherwise Stated)		
Other Advances:		
Contractors & Suppliers***	264,707,657	61,990,864
Prepaid Expenses	14,786,544	640,000
Balance With Statutory/Government Authorities	-	32,848,617
Others	77,854,880	143,622,865
	<b>357,349,081</b>	<b>239,102,346</b>
<b>11. Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
3,380,451 Equity Shares of '1000/- Each	3,380,451,000	3,380,451,000
<b>Issued, Subscribed &amp; Fully Paid - Up</b>		
1,442,370 Ordinary Shares of '1000/- Each	2,001,500,000	1,080,000,000
559,130 Bonus Shares of '1000/- Each		
	<b>2,001,500,000</b>	<b>1,080,000,000</b>
<b>12. Other Equity</b>		
<b>Securities Premium Reserve</b>		
Balance at the Beginning of the Year	53,600,356	53,600,356
Add: Premium collected during the Year	629,629,000	-
Less: Amount Utilised for Share Issue Expenses		
Balance at the End of the Year	<b>683,229,356</b>	<b>53,600,356</b>
<b>Capital Reserve</b>	88,071,842	88,071,842
<b>Promotor Contribution In Equity IAS</b>	1,982,277	-



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Varun Beverages (Nepal) Pvt. Ltd.  
Summary of Significant Accounting  
Policies and Other Explanatory  
Information For The Year Ended 31st  
Dec, 2023

Note	Post Ind AS	Post Ind AS
	NPR 31 December 2023	NPR 31 December 2022
<b>Surplus in the Statement of Profit and Loss</b>		
Balance At Beginning of the Year	1,062,676,151	1,454,782,369
Less: Dividend Paid	(620,033,175)	(820,800,000)
Less: Taxes on Dividend Paid	(32,633,325)	(43,200,000)
Less: Bonus shares issued	(551,130,000)	-
Add: Profit For the Year	1,123,820,351	471,893,782
Balance at the End of the Year	<u>982,700,002</u>	<u>1,062,676,151</u>
	<u>1,755,983,477</u>	<u>1,204,348,348</u>
<b><u>13A. Non - Current Financial Liabilities</u></b>		
Loan From Others	-	0
Lease Liabilities	156,442,159	110,111,082
	<u>156,442,159</u>	<u>110,111,082</u>
<b><u>13B. Current Financial Liabilities</u></b>		
Lease Liabilities	1,428,937	6,024,933
	<u>1,428,937</u>	<u>6,024,933</u>
<b>14. Provisions</b>		
<b>Non - Current</b>		
Gratuity	-	30,149
Compensated Absences	23,472,373	22,746,111
	<u>23,472,373</u>	<u>22,776,260</u>
<b>Current</b>		
Gratuity	-	-
Compensated Absences	6,227,172	6,582,633
	<u>6,227,172</u>	<u>6,582,633</u>



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Varun Beverages (Nepal) Pvt. Ltd.  
Summary of Significant Accounting  
Policies and Other Explanatory  
Information For The Year Ended 31st  
Dec, 2023

	Post Ind AS	Post Ind AS
Note	NPR 31 December 2023	NPR 31 December 2022
<b>15. Other Non - Current Liabilities</b>		
Provision for Contingent Liability (Net of tax paid under protest)	-	-
<b>16. Current borrowings</b>		
Loans repayable on demand from: A Body Corporate (unsecured)* Banks - Working Capital Facilities (Secured)	692,412,358	541,848,193
Current Maturities of Long Term Debts	-	-
	<b>692,412,358</b>	<b>541,848,193</b>
<b>17. Trade Payables</b>		
Total outstanding dues of creditors other than micro enterprises & small enterprises	496,236,358	1,273,748,073
	<b>496,236,358</b>	<b>1,273,748,073</b>
<b>18. Other Financial Liabilities</b>		
Interest Accrued But Not Due on Borrowings	6,843,050	9,240,058
Payable for Capital Expenditure	17,011,109	71,655,868
Employee Related Payables	66,529,883	60,112,462
Unpaid Dividend	620,033,175	820,800,000
Security Deposits	252,568,290	398,831,601
	<b>962,985,507</b>	<b>1,360,639,989</b>
<b>19. Other Current Liabilities</b>		
Advances From Customers	7,375,639	11,473,435
Statutory Dues Payable	2,744,793,905	2,639,501,901
	<b>2,752,169,544</b>	<b>2,650,975,336</b>



Varun Beverages (Nepal) Pvt. Ltd.  
Summary of Significant Accounting  
Policies and Other Explanatory  
Information For The Year Ended 31st  
Dec, 2023

	Post Ind AS	Post Ind AS
Note	NPR 31 December 2023	NPR 31 December 2022
<b>20. Current Tax Liabilities (Net)</b>		
Provision For Income Tax (Net of Taxes Paid)	23,372,780	207,182
	<u>23,372,780</u>	<u>207,182</u>
<b>21. Revenue From Operations</b>		
<b>Revenue From Operations (Gross)</b>		
Sale of Products	10,597,778,316	10,553,591,561
Other Operating Revenue	22,894,839	14,185,487
	<u>10,620,673,156</u>	<u>10,567,777,048</u>
<b>22. Other Income</b>		
Interest On:		
- Bank Deposits	171,185,512	176,563,800
- Others	21,262,033	13,967,373
Excess Provisions Written Back	1,007,959	2,808,946
Gain on Sale of Fixed Assets (Net)	18,386,784	6,124,896
Miscellaneous	41,935,323	3,437,421
	<u>253,777,611</u>	<u>202,902,435</u>
<b>23. Cost of Materials Consumed</b>		
<b>Raw Material &amp; Packing Material Consumed</b>		
Inventories at beginning of the year	894,279,916	381,823,069
Purchases during the year (net)	2,964,609,424	3,962,595,554
	<u>3,858,889,340</u>	<u>4,344,418,623</u>
Sold during the year	2,227,291	1,341,501
Inventories at end of the year	644,426,073	894,279,916
	<u>3,212,235,976</u>	<u>3,448,797,206</u>
<b>24. Purchases of Traded Goods</b>		
Others	1,300,639	314,414
	<u>1,300,639</u>	<u>314,414</u>





Varun Beverages (Nepal) Pvt. Ltd.  
Summary of Significant Accounting  
Policies and Other Explanatory  
Information For The Year Ended 31st  
Dec, 2023

	Post Ind AS	Post Ind AS
Note	NPR 31 December 2023	NPR 31 December 2022
<b>25. Changes in Inventories of Finished Goods</b>		
<b>As At the Beginning of The Year</b>		
Finished Goods	306,771,713	110,159,642
Intermediate Goods	-	-
Work In Progress	4,687,989	5,496,865
	<b>311,459,701</b>	<b>115,656,507</b>
<b>As At the Closing of The Year</b>		
Finished Goods	180,630,599	306,771,713
Intermediate Goods	32,047,922	-
Work In Progress	815,111	4,687,989
	<b>213,493,632</b>	<b>311,459,701</b>
	<b>97,966,069</b>	<b>(195,803,194)</b>
<u>Excise Paid</u>	2,904,830,812	2,461,233,385
	<b>2,904,830,812</b>	<b>2,461,233,385</b>
<b>26. Employee Benefits Expense</b>		
Salaries & Wages	614,596,992	514,707,233
Contribution to Provident & Other Funds	32,415,901	28,892,639
Share Based Payments	1,982,277	-
Staff Welfare Expenses	37,325,625	30,027,166
	<b>686,320,795</b>	<b>573,627,038</b>
<b>27. Finance Costs</b>		
<b>Interest On:</b>		
Working Capital Facilities	69,880,240	24,306,287
Financial Liabilities	12,041,883	10,075,568
Others	11,287,910	161,690,954
<b>Other Borrowing Costs:</b>		
Processing Fees	2,901,122	2,698,300
Bank Guarantee Fees to Others	28,534,355	27,998,905
	<b>124,645,510</b>	<b>226,770,014</b>
<b>28. Depreciation &amp; Amortisation Expense</b>		
Depreciation on Tangible Assets	491,305,133	476,880,621
Depreciation on Right of Use	9,981,963	9,720,858



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Varun Beverages (Nepal) Pvt. Ltd.  
Summary of Significant Accounting  
Policies and Other Explanatory  
Information For The Year Ended 31st  
Dec, 2023

Note	Post Ind AS	Post Ind AS
	NPR	NPR
	31 December 2023	31 December 2022
	501,287,096	486,601,479
<b>29. Other Expenses</b>		
Power and fuel	212,803,920	233,355,046
Repair to Plant & Equipment	127,915,467	112,362,365
Repair to Buildings	21,622,121	24,985,668
Repair to Others	31,548,556	28,697,086
Consumption of Stores & Spares	78,478,634	70,074,703
Rent	13,285,894	11,811,716
Rates and Taxes	11,018,355	79,762,413
Insurance	10,609,038	17,440,045
Printing and stationery	3,753,634	4,197,254
Communication	3,969,895	3,423,988
Travelling and Conveyance	44,972,265	25,534,885
Payment to the Auditors As		
Audit & Reviews	2,050,000	2,975,000
Vehicle Running & Maintenance	16,526,151	15,501,427
Security and service charges	27,840,983	23,528,953
Professional charges and consultancy	25,177,616	16,509,432
Bank charges	7,536,617	8,993,802
Advertisement and sales promotion	200,363,569	250,838,350
Meeting and conference	481,827	81,389
Freight, octroi and insurance paid (net)	576,940,270	601,814,963
Delivery vehicle running and maintenance	66,181,505	63,534,397
Distribution expenses	118,016,670	97,409,690
Loading and unloading charges	32,597,242	32,334,086
Donations	376,300	281,100
Allowance for Doubtful Debts	-	1,176,117
General office and other miscellaneous expenses	34,925,324	297,557,532
Management Fee	251,406,883	718,233,865
	<b>1,920,398,737</b>	<b>2,742,415,273</b>

**30. Prior Period Items**

Depreciation of Leasehold Land for  
Earlier Years

**31. Other Comprehensive Income**



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Varun Beverages (Nepal) Pvt. Ltd.  
 Summary of Significant Accounting  
 Policies and Other Explanatory  
 Information For The Year Ended 31st  
 Dec, 2023

	Post Ind AS	Post Ind AS
Note	NPR	NPR
	31 December 2023	31 December 2022
Remeasurement of the defined benefit plans		
IT relating to items that will not be reclassified to P & L		



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**VARUN BEVERAGES LANKA (PRIVATE)  
LIMITED**

**FINANCIAL STATEMENTS  
TOGETHER WITH AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
31 DECEMBER 2023**



## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VARUN BEVERAGES LANKA (PRIVATE) LIMITED**

### **Report on the Audit of the Financial Statements**

#### **Qualified Opinion**

We have audited the financial statements of Varun Beverages Lanka (Private) Limited ("the Company") and the consolidated financial statements of the Company and its subsidiary ("Group") which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and 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, except for the effects of the matters described to in the basis for qualified opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects of the financial position of the Company and the Group, as at 31 December 2023, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs).

#### **Basis for Qualified Opinion**

Since 2013 to 2017 Borrowing costs and exchange losses amounting to Rs. 658.8 million incurred on a loan obtained to finance property, plant and equipment acquisition (Building and Plant and Machinery) have been capitalized under cost of such items in these financial statements. This is not in compliance with the requirements of Sections 17,30 and 25 of the SLFRS for SMEs. Due to the misstatement, the profit of the Company and Group for the year ended 31 December 2023 is understated by Rs. 24.2 million (2022- Rs. 24.2 million) and accumulated profit of the Company and Group as of 31 December 2023 have been understated by Rs. 439.1 million (2022 - 463.6 million) respectively. Further the net book value of property plant and equipment as of 31 December 2023 of the Company and the Group have been overstated by Rs. 439.1 million (2022-Rs. 463.3). The misstatements represent the net impact of borrowing costs and exchange losses capitalized and the depreciation charged on the capitalized costs.

We conducted our audit in accordance with Sri Lanka Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Other Information**

Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. At the date of this auditor's report, other information was not made available to us.

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 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 of this other information, we are required to report that fact.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs), 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 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 Company's and Group's financial reporting process.



## **Auditor's 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 SLAuSs 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 Sri Lanka Auditing Standards, 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 and 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

## **Report on Other Legal and Regulatory Requirements**

As required by Section 163(2) of the Companies Act No. 07 of 2007; we have obtained all the information and explanations that were required for the audit and as far as appears from our examination, except for the matters referred in the basis for qualified opinion paragraph, proper accounting records have been kept by the Company.

*Deloitte Associates*

**Deloitte Associates**  
Chartered Accountants  
Colombo  
23 January 2024



**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Company Year Ended 31.12.2023	Group Year Ended 31.12.2023	Company Year Ended 31.12.2022	Group Year Ended 31.12.2022	
Note	Rs.	Rs.	Rs.	Rs.	
Revenue	4	9,189,619,575	11,027,471,376	6,908,669,452	8,873,068,352
Cost of sales	5	<u>(5,792,161,313)</u>	<u>(6,809,591,558)</u>	<u>(4,945,484,814)</u>	<u>(5,853,376,420)</u>
Gross profit		3,397,458,262	4,217,879,818	1,963,184,639	3,019,691,931
Other income	6	<u>668,348,684</u>	<u>701,830,388</u>	<u>1,029,932,208</u>	<u>1,046,073,920</u>
		4,065,806,945	4,919,710,206	2,993,116,847	4,065,765,851
<b>Less: Expenditure</b>					
Administrative expenses		(333,907,900)	(378,460,921)	(261,464,478)	(301,898,245)
Selling and distribution expenses		<u>(2,211,903,646)</u>	<u>(2,697,267,285)</u>	<u>(1,669,046,479)</u>	<u>(2,273,956,860)</u>
Profit from operations		1,519,995,400	1,843,982,000	1,062,605,890	1,489,910,747
Finance and other costs	8	<u>(32,840,512)</u>	<u>(53,412,292)</u>	<u>(384,382,232)</u>	<u>(559,313,264)</u>
Profit before tax	7	1,487,154,888	1,790,569,708	678,223,658	930,597,483
Income tax expense	9	(229,779,267)	(339,560,472)	(161,988,720)	(175,422,243)
<b>Profit for the year</b>		<u>1,257,375,622</u>	<u>1,451,009,236</u>	<u>516,234,937</u>	<u>755,175,240</u>
<b>Other comprehensive income/ (expense) not to be reclassified to income statement in subsequent period</b>					
Actuarial gain / (loss) on employee benefit obligations		(975,051)	(304,537)	347,063	2,011,863
Deferred tax on actuarial gain / loss		<u>(146,258)</u>	<u>(146,258)</u>	<u>(52,059)</u>	<u>(551,500)</u>
<b>Total comprehensive income / (expense) for the year</b>		<u>1,256,254,313</u>	<u>1,450,558,442</u>	<u>516,529,941</u>	<u>756,635,604</u>
<b>Attributable to :</b>					
Owners of the parent		1,256,254,313	1,450,558,442	516,529,941	765,332,868
Non-controlling interest		-	-	-	-
		<u>1,256,254,313</u>	<u>1,450,558,442</u>	<u>516,529,941</u>	<u>765,332,868</u>

The accounting policies and notes from 1 to 24 form an integral part of these financial statements.





**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	Company 31.12.2023 Rs.	Group 31.12.2023 Rs.	Company 31.12.2022 Rs.	Group 31.12.2022 Rs.
<b>Assets</b>					
<b>Non Current Assets</b>					
Property, plant and equipment	10	2,802,945,405	4,344,026,230	2,569,653,360	4,127,557,252
Capital work-in-progress	11	-	-	17,358,461	19,795,361
		<u>2,802,945,405</u>	<u>4,344,026,230</u>	<u>2,587,011,821</u>	<u>4,147,352,613</u>
Investment in subsidiary - Ole Springs Bottlers (Pvt) Ltd		940,828,790	-	940,828,790	-
<b>Current Assets</b>					
Inventories	12	2,143,250,964	2,644,826,009	1,162,618,057	1,480,023,606
Trade and other receivables	13	1,317,525,844	1,514,869,911	791,335,528	1,043,245,643
Amounts due from related parties	22	664,170,801	-	731,377,536	-
Fixed deposits with banks	15	887,818,739	945,613,856	906,998,582	906,998,582
Cash and cash equivalents	14	897,292,657	929,187,326	166,880,590	185,937,744
		<u>5,910,059,005</u>	<u>6,034,497,102</u>	<u>3,759,210,293</u>	<u>3,616,205,575</u>
<b>Total Assets</b>		<u>9,653,833,200</u>	<u>10,378,523,332</u>	<u>7,287,050,904</u>	<u>7,763,558,188</u>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Stated capital	16	6,438,536,700	6,438,536,700	6,438,536,700	6,438,536,700
Accumulated profit / (loss)		1,062,569,497	1,150,248,851	(193,684,816)	(300,309,591)
<b>Total Equity</b>		<u>7,501,106,197</u>	<u>7,588,785,551</u>	<u>6,244,851,884</u>	<u>6,138,227,109</u>
<b>Non Current Liabilities</b>					
Bottle deposit payable	17	67,799,690	180,906,148	61,127,342	181,966,818
Retirement benefit obligations	18	93,478,596	125,075,776	70,996,156	99,181,460
Deferred tax liability	9.2	292,373,707	619,925,763	120,181,552	362,664,966
		<u>453,651,993</u>	<u>925,907,687</u>	<u>252,305,050</u>	<u>643,813,244</u>
<b>Current Liabilities</b>					
Trade and other payables	19	1,415,900,154	1,571,872,371	635,609,670	801,555,284
Income tax payable	20	47,503,248	56,286,115	-	-
Amounts due to related parties	22	235,671,608	235,671,608	154,284,300	179,962,551
<b>Total Current Liabilities</b>		<u>1,699,075,010</u>	<u>1,863,830,094</u>	<u>789,893,970</u>	<u>981,517,835</u>
<b>Total Equity and Liabilities</b>		<u>9,653,833,200</u>	<u>10,378,523,332</u>	<u>7,287,050,904</u>	<u>7,763,558,188</u>

I certify that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

*Phil Kumar*  
Finance Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.  
Signed for and on behalf of the Board.

*Phil Kumar*  
Director  
23 January 2024



Director  
23 January 2024

The accounting policies and notes from 1 to 24 form an integral part of these financial statements.



**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

Company	Stated Capital Rs.	Accumulated Profit/ (Loss) Rs.	Total Rs.
Balance as at 01.01.2022	6,438,536,700	(710,214,757)	5,728,321,943
Profit for the year	-	516,234,938	516,234,938
Other comprehensive income / (loss) for the year	-	295,003	295,003
<b>Balance as at 31.12.2022</b>	<b>6,438,536,700</b>	<b>(193,684,816)</b>	<b>6,244,851,884</b>
Profit for the year	-	1,257,375,622	1,257,375,622
Other comprehensive income / (loss) for the year	-	(1,121,308)	(1,121,308)
<b>Balance as at 31.12.2023</b>	<b>6,438,536,700</b>	<b>1,062,569,497</b>	<b>7,501,106,197</b>

Group	Stated Capital Rs.	Accumulated Profit/ (Loss) Rs.	Total Rs.
Balance as at 01.01.2022	6,438,536,700	(964,472,254)	5,474,064,446
Loss for the year	-	(101,170,205)	(101,170,205)
Deferred tax adjustment of revalued gain on land	-	763,872,504	763,872,504
Other comprehensive income / (loss) for the year	-	1,460,364	1,460,364
<b>Balance as at 31.12.2022</b>	<b>6,438,536,700</b>	<b>(300,309,591)</b>	<b>6,138,227,109</b>
Profit for the year	-	1,451,009,236	1,451,009,236
Other comprehensive income / (loss) for the year	-	(450,795)	(450,795)
<b>Balance as at 31.12.2023</b>	<b>6,438,536,700</b>	<b>1,150,248,851</b>	<b>7,588,785,551</b>

The accounting policies and notes from 1 to 24 form an integral part of these financial statements.



**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.	Company Year Ended 31.12.2022 Rs.	Group Year Ended 31.12.2022 Rs.
<b>Cash Flows from Operating Activities</b>					
Profit before tax		1,487,154,888	1,790,569,708	678,223,658	939,294,747
<b>Adjustment for:</b>					
Depreciation		228,691,519	342,819,795	209,405,514	365,485,495
Bad debt write off & provision for doubtful debts		3,625,824	4,251,240	1,416,333	9,464,830
Asset Scrap loss	8	1,511,973	7,809,974	29,244,513	142,212,283
Provision for inventory obsolescences	8	-	-	34,852,635	55,719,977
Provision for gratuity	18	25,511,341	33,999,719	15,588,484	19,772,313
Leakages and Brokerages		100,265,276	114,193,287	16,708,850	25,406,114
CWIP opening balance transfer to expense		-	2,436,900	-	-
Operating profit before working capital changes		<u>1,846,760,822</u>	<u>2,296,080,623</u>	<u>985,439,988</u>	<u>1,557,355,759</u>
<b>Working Capital Changes</b>					
(Increase) in inventories		(1,080,898,183)	(1,278,995,690)	(559,371,492)	(675,335,563)
Increase in amounts due to related parties		81,387,308	55,709,057	87,605,226	91,643,745
Decrease in amounts due from related parties		67,206,735	-	716,875,046	5,307,891
(Increase) in trade and other receivable		(522,687,801)	(484,676,866)	(609,400,746)	(467,412,709)
Increase/(decrease) in accounts payable		786,962,832	769,256,417	(179,254,562)	(285,419,708)
Cash generated from operations		<u>1,178,731,713</u>	<u>1,357,373,541</u>	<u>441,893,459</u>	<u>226,139,415</u>
Gratuity paid	18	<u>(4,003,953)</u>	<u>(8,409,939)</u>	<u>(2,720,956)</u>	<u>(3,251,774)</u>
Cash generated from operations		<u>1,174,727,760</u>	<u>1,348,963,602</u>	<u>439,172,504</u>	<u>222,887,641</u>
<b>Cash Flows from Investing Activities</b>					
Acquisition of property, plant and equipment	10.1 & 10.2	(458,514,011)	(562,117,224)	(298,592,815)	(318,247,267)
Expenditure on capital work in progress	11	(11,142,424)	(11,142,424)	(17,358,461)	(19,795,361)
Proceeds on sale of property, plant and equipment		6,160,900	6,160,898	1,621,324	1,621,324
Withdrawal/(addition) to fixed deposits with banks		19,179,841	(38,615,273)	(849,083,807)	(645,501,635)
Net cash used in investing activities		<u>(444,315,694)</u>	<u>(605,714,020)</u>	<u>(1,163,413,760)</u>	<u>(981,922,940)</u>
Net increase/(decrease)/ in cash and cash equivalents		730,412,067	743,249,582	(724,241,256)	(759,035,299)
Cash and cash equivalents at the beginning of the year (Note 14)		<u>166,880,590</u>	<u>185,937,744</u>	<u>891,121,846</u>	<u>944,973,043</u>
Cash and cash equivalents at the end of the year (Note 14)		<u><u>897,292,657</u></u>	<u><u>929,187,326</u></u>	<u><u>166,880,590</u></u>	<u><u>185,937,744</u></u>
Cash in hand and cash at bank		<u><u>897,292,657</u></u>	<u><u>929,187,326</u></u>	<u><u>166,880,590</u></u>	<u><u>185,937,744</u></u>

The accounting policies and notes from 01 to 24 form an integral part of these financial statements.





**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**1. General**

**1.1 Reporting Entity**

Varun Beverages Lanka (Private) Limited is a limited liability company incorporated and domiciled in Sri Lanka. The registered office and its principal place of business is located at No.140, Low Level Road, Embulgama, Ranala.

**1.2 Principal Activities and Nature of Operations**

**The Company – Varun Beverages Lanka (Private) Limited**

The principle activity of the company is manufacturing, selling and distribution of non-alcoholic beverages & purified drinking water.

**Subsidiary – Ole Springs Bottlers (Pvt) Ltd**

The company is engaged in the business of manufacturing, selling and distribution of non-alcoholic beverages and purified drinking water.

**1.3 Parent and Ultimate Parent Enterprises**

The company's parent undertaking is Varun Beverages Limited and in the opinion of the directors, the company's ultimate parent undertaking is RJ Corp Limited. Both intermediate parent and ultimate parent are incorporated in India.

**1.4 Date of Authorization for Issue**

The financial statements were approved for issue by the Board of Directors on 23 January 2024.

**2. Summary of Significant Accounting Policies**

**2.1 Basis of Preparation**

**2.1.1 Basis of Consolidation**

These consolidated financial statements have been prepared in compliance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs) laid down by The Institute of Chartered Accountants of Sri Lanka except for Notes 2.2.1 and 2.4.1 These three policies which deviate from SLFRS for SMEs, are adopted to be in line with group accounting policies.

All values presented in these financial statements are in Sri Lankan Rupees (Rs.) rounded to the nearest rupee. The measurement basis used is the historical cost basis.

The previous period figures and phrases have been reclassified whenever necessary to conform to current period presentation.

**2.1.2 Going Concern**

When preparing the financial statements the directors have assessed the ability of the company and the group to continue as a going concern. The directors have a reasonable expectation that the company and the group has adequate resources to continue in operational existence for the foreseeable future. The company and the group do not foresee a need for liquidation or cessation of trading, taking into account all available information about the future and accordingly, they continue to adopt the going concern basis in preparing these financial statements.

**2.1.3 Consolidation**

**2.1.3.1 Consolidation Financial Statements**

The consolidated financial statements of the company for year ended 31 December 2023 includes Ole Springs Bottlers (Pvt) Ltd which is a subsidiary of the company.



**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**2.1.3.2 Subsidiaries**

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date the control ceases

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized is recorded as goodwill.

All intragroup transactions, balances, income and expenses are eliminated on consolidation.

Appropriate adjustments have been made where necessary to ensure consistency with the policies adopted by the group.

**2.1.3.3 Investment in Subsidiary**

Investment in subsidiary is recognized at cost less impairment losses in separate financial statements.

**2.2 Functional and Presentation Currency**

The financial statements are presented in Sri Lankan Rupees which is the company's and the group's functional and presentation currency. All financial information presented has been rounded to the nearest rupee, unless otherwise stated.

**2.2.1 Transactions and Balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of such transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the comprehensive income except for the exchange gain/loss on the translation of the foreign currency loans taken to finance fixed asset acquisition is capitalized with the respective asset.

**2.3 Revenue**

**2.3.1 Sale of Goods**

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

**2.3.2 Other Income**

**2.3.2.1 Foreign Services Income**

Foreign service income and subsidies are recognized in the financial statements at their fair value. When the foreign service income or subsidy relates to an expense it is recognized as income over the period necessary to match it with the costs, which it is intended to compensate for on a systematic basis.

**2.3.2.2 Rent Income**

Rent income is recognized on an accrual basis.

**2.3.2.3 Interest Income**

Interest income is recognized based on the effective interest rate.





**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**2.4 Expenditure Recognition**

Expenses are recognized in the comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditures incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency have been charged to revenue in arriving at the profit/ (loss) for the year.

**2.4.1 Borrowing Costs**

Borrowing cost incurred on acquisition of property plant and equipment are capitalized as a part of the cost of the asset .All other borrowing costs are recognised in the statement of comprehensive in the period in which they are incurred.

**2.5 Leases**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating lease.

Rights to assets held under finance lease are recognized as assets of the company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the commencement of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment and depreciated and assessed for impairment losses in the same way as owned assets. Rental payables under operating leases are charged to comprehensive income on a straight-line basis over the term of the relevant lease.

**2.6 Income Tax Expense**

**2.6.1 Company**

For a period of six (06) years reckoned from the year of assessment already determined by the Board of Investment of Sri Lanka (BOI) ("tax exemption period") the provisions of the Inland Revenue Act. No 45 of 2022 relating to the imposition, payment and recovery of income tax in respect of the profits and income of the company shall not apply to the profit and income of the company.

For the above purpose the year of assessment shall be reckoned from the year in which the enterprise commences to make profits or any year of assessment not later than two (02) years reckoned from the date of commencement of commercial operations, whichever year is earlier, as specified in a certificate issued by the Board of Investment of Sri Lanka (BOI).

After the aforesaid tax exemption period referred to above, the profit and income of the Enterprise shall be charged at the rate of fifteen per centum (15%). Accordingly, current applicable tax rate is 15%.

**Deferred Tax (Company & Subsidiary)**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in comprehensive income. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.





**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
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**FOR THE YEAR ENDED 31 DECEMBER 2023**

**2.6.2 Subsidiary**

**Income tax expense**

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the comprehensive income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity

**Current tax**

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provision of the Inland Revenue Act. No 45 of 2022 and subsequent amendment there to.

**2.7 Stated Capital**

**2.7.1 Ordinary Shares**

Ordinary shares are classified as equity.

**2.8 Tangible Assets**

**2.8.1 Property, Plant and Equipment**

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to comprehensive income during the year in which they are incurred. Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method is as follows:

Assets	Rate (%)
Computers	25
Furniture and fittings	10
Motor vehicles	14.29
Trade equipment	12.5
Office equipment	25
Buildings	3.34
Plant and machinery	4.75
Bottles and crates	12.5

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within finance and other costs in the statement of comprehensive income.

**2.8.2 Capital Work-in-Progress**

Capital work-in-progress is carried at cost. In respect of Projects under construction, incidental and attributable expenses (net of incidental income) including interest expenses is carried as part of incidental expenditure during construction to be allocated on major immovable project assets other than land and infrastructural facilities, on commissioning of the project.





**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**2.9 Impairment of Non-Financial Assets**

At each reporting date, property, plant and equipment, investment property and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in comprehensive income.

If an impairment loss for a non-financial asset other than goodwill subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in comprehensive income.

**2.10 Inventories**

Inventories are measured at the lower of cost and net realizable value. Net realisable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale. The costs incurred in bringing the inventories to its present location and condition, are accounted for as follows:

**Raw materials** - On actual cost on a weighted average basis

**Finished goods** - Valued at standard cost basis

**Other inventories** - On actual cost on a weighted average basis

**2.11 Cash and Cash Equivalent**

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

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in bank net of outstanding bank overdrafts.

**3.1 Financial Instruments**

Trade and other receivables are initially recognized at the transaction price. All sales are made on the basis of normal credit terms, and the receivables do not bear interest. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss.

Financial liabilities are initially recognized at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortized cost using the effective interest method.

**Bottle Deposit Payable**

Deposit on returnable containers and crates represents the cash deposits collected from distributors when issuing returnable containers and crates by the company. At the time of termination of a distributor the deposit is refunded in case the returnable containers and crates were returned to the company or the deposit was forfeited to the extent the returnable containers and crates were not returned to the company.

At each reporting date, the company evaluates the liability based on a mathematical formula that considers the tenure of the distributorship and number of return crates and containers and any difference between the calculated liability and the book balance is transferred to the comprehensive income.





**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
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**3.2 Defined Benefit Plan – Gratuity**

Gratuity is a defined benefit plan. In order to meet this liability, a provision is carried forward in the Statement of financial position. The provision is made on the basis of an actuarial valuation as recommended by the Sri Lanka Accounting Standards for SMEs considering the Projected Unit Credit (PUC) method and premium for the period is charged as an expense to the Income Statement in the period which is relate. The fund is not externally funded.

However, as per the Payment of Gratuity Act No. 12 of 1983, the liability arises only upon the completion of five years of continuous service.

**3.3 Defined Contribution Plan - EPF & ETF**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the comprehensive income as in the periods during which services are rendered by employees.

**Employees' Provident Fund**

The company and employees contribute 12% and 8% respectively on the salary of each employee to the approved Provident Fund.

**Employees' Trust Fund**

The company contributes 3% of the salary of each employee to the Employees' Trust Fund.

**3.4 Judgments and Key Sources of Estimation Uncertainty**

The preparation of the company's and group's financial statements require management to make judgments, estimates and assumptions that effect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised or in the period of revision and future periods, only if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

**a) Defined benefit plans**

The carrying value of defined benefit plans is determined using a formula which considers the actuarial assumption. This involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexity of the valuation, the underlying assumptions and their long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The assumptions used in the valuation and sensitivities there on are disclosed in note 18.

**3.5 Events after the reporting period date**

All material events after the reporting period date are considered and where necessary adjustments have been made in the financial statements.

**3.6 Capital commitments and contingencies**

Capital expenditures and contingent liabilities as at the reporting period date are disclosed in the notes to the accounts.





**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.	Company Year Ended 31.12.2022 Rs.	Group Year Ended 31.12.2022 Rs.
<b>4. Revenue</b>				
Local sales	10,531,370,741	12,671,508,464	7,576,004,744	9,894,996,447
Export sales	4,135,612	4,135,612	19,130,453	21,140,153
Trade discounts & Haulage	(517,917,809)	(637,158,773)	(116,636,352)	(280,818,177)
	<u>10,017,588,544</u>	<u>12,038,485,303</u>	<u>7,478,498,844</u>	<u>9,635,318,424</u>
Social Security Contribution Levy	(211,010,805)	(265,343,039)	(37,997,311)	(47,728,917)
Excise duty	(616,958,165)	(745,670,888)	(531,832,081)	(714,521,155)
	<u>9,189,619,575</u>	<u>11,027,471,376</u>	<u>6,908,669,452</u>	<u>8,873,068,352</u>
<b>5. Cost of Finished Goods Manufactured</b>				
Finished goods at the at the beginning of the year	376,803,024	421,341,619	97,403,013	128,647,006
Finished goods purchase	64,679,651	66,376,624	47,748,806	4,626,781
Factory cost transferred (Note 5.1)	5,749,205,434	6,757,541,920	5,177,136,019	6,141,444,253
Finished goods at the end of the	(398,526,796)	(435,668,604)	(376,803,024)	(421,341,621)
	<u>5,792,161,313</u>	<u>6,809,591,558</u>	<u>4,945,484,814</u>	<u>5,853,376,420</u>
<b>5.1 Factory Cost Transferred</b>				
Raw materials at the beginning of the year	431,864,593	652,376,463	369,445,899	570,513,692
Raw materials purchase	5,358,001,537	6,053,072,914	4,235,977,528	4,812,767,108
Raw materials at the end of the	(1,415,469,534)	(1,822,636,118)	(431,864,593)	(652,376,463)
Raw materials consumed	4,374,396,596	4,882,813,258	4,173,558,834	4,730,904,337
Production overheads (Note 5.2)	1,374,808,839	1,874,728,662	1,003,577,184	1,410,539,917
	<u>5,749,205,434</u>	<u>6,757,541,920</u>	<u>5,177,136,019</u>	<u>6,141,444,253</u>
<b>5.2 Production Overheads</b>				
Salaries	150,658,850	177,542,902	131,229,894	157,768,866
Wages	21,779,421	82,441,550	20,218,691	99,426,618
Overtime	78,781,403	95,281,394	79,775,996	99,917,273
Bonus	18,184,496	22,446,405	17,498,093	21,630,746
Allowance	30,054,597	32,792,982	15,615,075	16,625,877
Employees' Provident Fund	19,020,295	22,260,733	16,568,634	19,768,425
Employees' Trust Fund	4,745,971	5,556,081	4,142,158	4,942,106
Staff Incentives	1,214,000	1,214,000	-	-
Staff welfare	4,849,374	4,999,574	7,702,986	8,066,536
Medical	3,377,930	3,628,416	2,822,266	3,079,340
Terminal gratuity	2,935,850	3,651,348	2,387,350	3,209,537
Fuel	134,316,669	154,556,223	192,657,192	206,471,668
Chemicals	85,559,661	123,943,620	64,634,058	93,877,762
Lab consumables	-	1,711,733	-	1,985,177
Lab testing charges	18,755,952	18,755,952	8,925,242	8,925,242
Tea and food	19,688,624	19,688,624	15,003,717	15,003,717
Foreign travelling	6,650,917	6,650,917	547,922	547,922
Electricity	313,779,737	454,728,599	155,403,134	219,139,222
Postage and courier charges	1,656,146	1,656,146	1,575,674	1,575,674
Telephone	286,718	1,056,718	258,536	1,324,353
General insurance	9,091,228	13,796,602	6,051,828	9,089,343
Printing and stationery	2,661,248	2,661,248	2,816,643	2,816,643
Security charges	6,923,429	18,068,449	5,510,718	15,099,610
Depreciation				
- Factory building	-	3,582,746	-	3,585,351
- Plant and machinery	114,436,018	137,493,584	109,221,450	132,357,188
- Office equipment	-	52,777	-	28,501
- Furniture and fittings	-	20,666	-	105,604
- Motor vehicles and forklift	-	406,908	-	940,870
- Computers	-	48,198	-	43,635
- Bottles and crates	-	43,922,545	-	60,815,307
Building repairs and maintenance	22,905,548	49,260,064	4,664,799	13,634,534
Equipment maintenance	300,909,574	369,265,774	135,085,364	184,977,557
Travelling and transport	1,585,183	1,585,183	3,259,765	-
	<u>1,374,808,839</u>	<u>1,874,728,662</u>	<u>1,003,577,184</u>	<u>1,410,539,917</u>



**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
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	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.	Company Year Ended 31.12.2022 Rs.	Group Year Ended 31.12.2022 Rs.
<b>6. Other Income</b>				
Foreign services income	440,238,414	440,238,414	768,188,307	768,188,307
Scrap sales	11,935,815	31,179,709	6,712,678	21,023,349
Rent income	2,550,879	2,550,879	-	-
Miscellaneous income	61,500	61,500	79,000	79,000
Exchange gain	30,952,843	38,089,618	-	-
Interest income	182,609,233	189,710,268	254,952,223	256,783,264
	<u>668,348,684</u>	<u>701,830,388</u>	<u>1,029,932,208</u>	<u>1,046,073,920</u>
<b>7. Profit before Tax is Stated after Charging all Expenses Including the Following:</b>				
Personnel cost	641,211,884	795,502,435	556,045,284	715,308,929
Defined contribution plan costs - EPF &ETF	68,416,686	75,166,933	61,391,144	67,952,412
Provision for gratuity	7,762,303	18,909,238	9,156,158	7,734,472
Bonus	43,360,752	48,987,565	52,757,809	58,443,424
Depreciation	228,691,519	342,819,795	209,405,514	365,485,495
Insurance	13,770,000	18,475,374	11,704,110	14,741,625
Auditor's fee	2,264,799	3,664,666	2,036,958	3,298,484
<b>8. Finance Cost and Other Costs</b>				
Bank overdraft and loan interest	6,442,447	12,458,850	33,083,260	36,737,261
Loss on disposal of fixed assets	1,511,973	7,809,974	29,244,513	142,212,283
Loans and customer's guarantee interest	2,229,057	2,229,057	2,229,057	5,158,552
Impairment of inventory	-	-	34,852,635	55,719,977
Bank charges	4,907,995	5,837,193	15,757,925	19,990,133
Exchange loss	-	-	260,058,683	278,759,954
Interest cost on gratuity	17,749,039	25,077,218	9,156,158	12,037,839
	<u>32,840,512</u>	<u>53,412,292</u>	<u>384,382,232</u>	<u>559,313,264</u>
<b>9. Taxation</b>				
<b>Income tax expenses</b>				
Deferred tax expense / (benefit) (Note 9.2)	172,192,156	257,260,797	162,040,780	175,973,742
Deferred tax charge against other comprehensive income	(146,258)	(146,258)	(52,059)	(551,500)
Income tax expenses (Note 9.1)	57,733,368	82,445,932	-	-
	<u>229,779,267</u>	<u>339,560,472</u>	<u>161,988,720</u>	<u>175,422,243</u>
<b>9.1 Reconciliation of the total tax charge</b>				
A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows:				
Accounting profit / (loss) as per financial statement	1,487,154,888	1,792,326,478	678,223,658	939,294,747
Less: Investment income	(182,609,233)	(189,710,268)	(254,952,223)	(273,796,491)
Allowable credits	(244,773,367)	(299,119,951)	(503,175,076)	(429,326,743)
Non- deductible expenses	315,254,437	455,533,045	295,776,626	783,488,389
Investment income	182,609,233	189,710,268	254,952,223	273,796,491
Tax loss claimed	(1,172,746,837)	(1,481,475,236)	(470,825,207)	(1,293,456,393)
Tax profit / (loss) for the year of assessment	<u>384,889,121</u>	<u>467,264,336</u>	<u>-</u>	<u>-</u>
Tax expense	<u>57,733,368</u>	<u>82,445,933</u>	<u>-</u>	<u>-</u>

Income tax rates are explained in "Note 2.6 Income Tax Expense"





**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
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	Impairment of Inventory	Property, Plant & Equipment	Retirement Benefit Obligation	Bad Debt Provision	Unused Tax Losses	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>9.2 Deferred tax balances</b>						
<b>Company</b>						
Balance as at 1 January 2022	-	(309,828,601)	8,771,354	2,603,573	340,312,902	41,859,228
Recognised in changes in equity	-	-	-	-	-	-
Recognised in profit or loss	5,227,895	(3,467,169)	1,878,070	139,753	(165,819,328)	(162,040,780)
Balance as at 31 December 2022	<u>5,227,895</u>	<u>(313,295,770)</u>	<u>10,649,423</u>	<u>2,743,326</u>	<u>174,493,574</u>	<u>(120,181,552)</u>
Balance as at 1 January 2023	5,227,895	(313,295,770)	10,649,423	2,743,326	174,493,574	(120,181,551)
Recognised in profit or loss	-	(1,130,462)	3,372,366	59,515	(174,493,574)	(172,192,156)
Balance as at 31 December 2023	<u>5,227,895</u>	<u>(314,426,233)</u>	<u>14,021,789</u>	<u>2,802,841</u>	<u>-</u>	<u>(292,373,707)</u>

Deferred tax of the company has been calculated at the rate of 15% which is future tax rate applicable to the entity as per agreement with BOI.

Deferred tax balances	Impairment of Inventory	Property, Plant & Equipment	Retirement Benefit Obligation	Bad Debt Provision	Unused Tax Losses	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Group</b>						
Balance as at 1 January 2022	-	(580,090,195)	13,486,831	27,090,184	453,992,161	(85,521,019)
Recognised in changes in equity	-	(101,170,205)	-	-	-	(101,170,205)
Recognised in profit or loss	11,488,098	(27,135,829)	5,618,184	15,005,810	(180,950,004)	(175,973,742)
Balance as at 31 December 2022	<u>11,488,098</u>	<u>(708,396,229)</u>	<u>19,105,015</u>	<u>42,095,994</u>	<u>273,042,157</u>	<u>(362,664,966)</u>
Balance as at 1 January 2023	11,488,098	(708,396,229)	19,105,015	42,095,994	273,042,157	(362,664,966)
Recognised in profit or loss	-	10,657,540	4,395,929	727,892	(273,042,157)	(257,260,797)
Balance as at 31 December 2023	<u>11,488,098</u>	<u>(697,738,689)</u>	<u>23,500,943</u>	<u>42,823,886</u>	<u>-</u>	<u>(619,925,763)</u>

Deferred tax of the subsidiary has been calculated at the rate of 30% which is the future tax rate applicable to the entity.



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	Company 31.12.2023 Rs.	Group 31.12.2023 Rs.	Company 31.12.2022 Rs.	Group 31.12.2022 Rs.
<b>10. Property, Plant and Equipment</b>				
Freehold property, plant and equipment (Note 10.1 and 10.2)	2,802,945,405	4,344,026,230	2,569,653,360	4,127,557,252
	<u>2,802,945,405</u>	<u>4,344,026,230</u>	<u>2,569,653,360</u>	<u>4,127,557,252</u>

**10.1 Freehold Property, Plant and Equipment**

Company	Balance at the Beginning of the Year Rs.	Additions Rs.	Reclassification Rs.	Disposals/ Write off Rs.	Balance at the End of the Year Rs.
<b>Cost</b>					
Buildings	915,563,567	32,923,413	-	-	948,486,980
Computers	16,065,707	6,586,198	-	-	22,651,905
Furniture and fittings	17,561,274	5,408,564	-	-	22,969,837
Machinery and other equipment	2,384,308,707	59,046,629	-	-	2,443,355,336
Motor vehicles	211,407,686	-	-	-	211,407,686
Office equipment	7,362,000	1,758,776	-	-	9,120,776
Bottle and crates	143,935,221	50,422,942	-	(15,656,960)	178,701,203
Trade equipment	659,232,422	313,509,914	-	(4,594,837)	968,147,500
<b>Total</b>	<u>4,355,436,583</u>	<u>469,656,435</u>	<u>-</u>	<u>(20,251,796)</u>	<u>4,804,841,223</u>
<b>Accumulated Depreciation</b>					
Buildings	259,642,410	30,912,794	-	-	290,555,204
Computers	7,658,207	4,305,042	-	-	11,963,248
Furniture and fittings	2,414,836	2,244,833	-	-	4,659,668
Machinery and other equipment	903,542,168	114,436,018	-	-	1,017,978,186
Motor vehicles	196,677,490	6,210,649	-	-	202,888,139
Office equipment	3,240,151	1,767,742	-	-	5,007,892
Bottle and crates	24,012,573	12,285,425	-	(8,602,590)	27,695,408
Trade equipment	388,595,390	56,529,017	-	(3,976,334)	441,148,072
<b>Total</b>	<u>1,785,783,223</u>	<u>228,691,519</u>	<u>-</u>	<u>(12,578,924)</u>	<u>2,001,895,818</u>
<b>Written Down Value</b>	<u>2,569,653,360</u>				<u>2,802,945,405</u>





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**10.2 Freehold Property, Plant and Equipment**

Group	Balance at the Beginning of the Year Rs.	Additions Rs.	Reclassification Rs.	Disposals/ Write off Rs.	Balance at the End of the Year Rs.
<b>Cost</b>					
Land	972,314,280	-	-	-	972,314,280
Buildings	1,059,590,763	32,923,413	-	-	1,092,514,176
Computers	20,777,103	6,586,198	-	-	27,363,301
Furniture and fittings	23,930,555	6,925,062	-	-	30,855,617
Machinery and other equipment	2,870,394,138	59,250,319	-	-	2,929,644,457
Motor vehicles	240,985,236	-	-	-	240,985,236
Office equipment	10,529,591	1,758,776	-	-	12,288,367
Bottle and crates	1,215,105,138	152,305,966	-	(39,058,142)	1,328,352,963
Trade equipment	874,670,272	313,509,914	-	(5,483,167)	1,182,697,019
<b>Total</b>	<u>7,288,297,076</u>	<u>573,259,648</u>	<u>-</u>	<u>(44,541,309)</u>	<u>7,817,015,415</u>
<b>Accumulated Depreciation</b>					
Buildings	324,133,005	34,858,550	-	-	358,991,555
Computers	12,275,209	4,358,127	-	-	16,633,336
Furniture and fittings	7,063,610	2,616,895	-	-	9,680,505
Machinery and other equipment	1,147,623,571	137,493,584	-	-	1,285,117,155
Motor vehicles	224,362,521	7,370,712	-	-	231,733,233
Office equipment	6,059,994	1,963,359	-	-	8,023,353
Bottle and crates	918,427,375	56,207,970	-	(25,729,701)	948,905,644
Trade equipment	520,794,540	97,950,601	-	(4,840,735)	613,904,405
<b>Total</b>	<u>3,160,739,825</u>	<u>342,819,796</u>	<u>-</u>	<u>(30,570,437)</u>	<u>3,472,989,185</u>
<b>Written Down Value</b>	<u>4,127,557,251</u>				<u>4,344,026,230</u>

**11. Capital Work-in-Progress**

11.1 Company	Balance at the Beginning of the Year Rs.	Additions Rs.	Transfers Rs.	Balance at the End of the Year Rs.
<b>Description</b>				
Buildings	10,752,537	11,142,424	(21,894,961)	-
Plant and machinery	6,605,924	-	(6,605,924)	-
	<u>17,358,461</u>	<u>11,142,424</u>	<u>(28,500,886)</u>	<u>-</u>
<b>11.2 Groups</b>				
Buildings	13,189,437	11,142,424	(24,331,861)	-
Plant and machinery	6,605,924	-	(6,605,924)	-
	<u>19,795,361</u>	<u>11,142,424</u>	<u>(30,937,786)</u>	<u>-</u>



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	Company 31.12.2023 Rs.	Group 31.12.2023 Rs.	Company 31.12.2022 Rs.	Group 31.12.2022 Rs.
<b>12. Inventories</b>				
Finished goods	398,526,796	435,668,604	376,803,024	421,341,621
Raw materials	1,415,469,534	1,822,636,118	431,864,593	652,376,463
Chemicals and fuel	43,497,759	66,485,221	34,934,177	53,762,152
Goods in transit	66,115,362	66,115,362	177,987,477	190,826,603
Spare parts	254,494,149	309,640,680	175,881,422	217,436,745
Less: Impairment of spare parts	<u>(34,852,635)</u>	<u>(55,719,977)</u>	<u>(34,852,635)</u>	<u>(55,719,977)</u>
	<u>2,143,250,964</u>	<u>2,644,826,009</u>	<u>1,162,618,057</u>	<u>1,480,023,606</u>
<b>13. Trade and Other Receivables</b>				
Trade debtors	739,333,576	1,049,176,391	521,897,004	853,478,252
Less: Impairment provision for trade debtors	<u>(18,685,604)</u>	<u>(152,089,086)</u>	<u>(18,288,839)</u>	<u>(149,464,397)</u>
	720,647,972	897,087,305	503,608,164	704,013,855
Other receivables	449,674,121	453,549,563	210,437,849	229,072,704
Deposits and prepayments	94,743,790	109,521,118	65,995,012	81,372,996
VAT receivable	41,740,132	41,740,132	-	-
Staff loans and festival advances	5,432,999	6,213,486	5,894,995	6,607,540
Tax receivables	5,286,830	6,758,306	5,399,507	22,178,548
	<u>1,317,525,844</u>	<u>1,514,869,911</u>	<u>791,335,528</u>	<u>1,043,245,643</u>
<b>14. Cash and Cash Equivalents</b>				
Standard Chartered Bank - Fort Branch	7,078,345	7,620,324	1,942,638	5,586,846
Nations Trust Bank PLC	11,366,898	15,386,538	6,510,978	9,729,284
Nations Trust Bank PLC-USD	148,416	148,416	167,587	167,587
Hatton National Bank - Kaduwela	16,867,509	19,405,983	3,128,829	7,508,852
HSBC-Head Office	5,570,581	5,570,581	6,813,966	6,813,966
Sampath Bank	3,678,676	3,678,676	882,225	882,225
Commercial Bank of Ceylon PLC	33,379,275	48,357,770	794,989	7,004,665
Commercial Bank of Ceylon PLC-USD	899,606	899,606	1,024,894	1,024,894
Pan Asia Banking Corporation PLC	191,024	191,024	-	-
People's Bank - Hanwella	-	616,201	-	458,418
People's Bank - Corporate Division	1,197,971	1,313,598	574,534	692,410
Standard Chartered Bank - Fort Branch (USD)	538,659,493	538,659,493	112,993,055	112,993,055
Saving AC - Hatton National Bank	5,520,288	5,520,288	3,349,483	3,349,483
Marginal AC - Nation Trust Bank	-	8,096,539	-	-
Marginal AC - Commercial Bank of Ceylon PLC	268,390,000	268,390,000	24,931,798	24,931,798
Cash in hand	4,344,576	5,332,291	3,765,616	4,794,261
	<u>897,292,657</u>	<u>929,187,325</u>	<u>166,880,590</u>	<u>185,937,744</u>
<b>15. Fixed Deposits in Banks</b>				
Fixed deposits - Nations Trust Bank PLC	583,917,369	641,712,486	29,079,404	29,079,404
Fixed deposits - Commercial Bank of Ceylon PLC	-	100,410,959	521,082,192	521,082,192
Pan Asia Banking Corporation PLC	100,410,959	-	-	-
Fixed deposit - Hatton National Bank PLC	203,490,411	203,490,411	356,836,986	356,836,986
	<u>887,818,739</u>	<u>945,613,856</u>	<u>906,998,582</u>	<u>906,998,582</u>





**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
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	Company 31.12.2023 Rs.	Group 31.12.2023 Rs.	Company 31.12.2022 Rs.	Group 31.12.2022 Rs.
<b>16. Stated Capital</b>				
<b>Issued and fully paid shares</b>				
Value of a share	10	10	10	10
<b>Ordinary shares</b>				
No. of shares	643,853,670	643,853,670	643,853,670	643,853,670
Total value	<u>6,438,536,700</u>	<u>6,438,536,700</u>	<u>6,438,536,700</u>	<u>6,438,536,700</u>
<b>17. Bottle Deposits Payable</b>				
Deposits against assets	58,799,690	168,406,148	42,177,342	150,676,756
Dealership deposits	9,000,000	12,500,000	18,950,000	31,290,061
	<u>67,799,690</u>	<u>180,906,148</u>	<u>61,127,342</u>	<u>181,966,818</u>
<b>18. Retirement Benefit Obligations</b>				
Balance at the beginning of the year	70,996,156	99,181,459	58,475,690	84,672,786
Current service cost	7,762,303	18,909,238	9,156,158	7,734,472
Interest charge for the year	17,749,039	15,090,481	6,432,326	12,037,839
	<u>96,507,497</u>	<u>133,181,178</u>	<u>74,064,174</u>	<u>104,445,097</u>
losses/(gains) arising from changes in actuarial valuation	975,051	304,537	(347,063)	(2,011,863)
Payments during the year	(4,003,953)	(8,409,939)	(2,720,956)	(3,251,774)
Balance at the end of the year	<u>93,478,596</u>	<u>125,075,776</u>	<u>70,996,156</u>	<u>99,181,460</u>
<b>The following assumptions were used in determining the post employment benefit obligations :</b>				
Expected future salary increments	9%	9%	18%	18%
Discount rate	12.8%	12.8%,13.5%	25%	25% & 26%
Staff turnover rate	3%	3%	3%	3%
Retirement age	60 Years	60 Years	60 Years	60 Years
<b>19. Trade and Other Payables</b>				
Trade payables	713,375,920	720,545,229	181,128,156	199,682,565
Stamp duty	92,975	110,350	94,450	119,375
Excise duty	125,589,550	146,911,797	109,238,814	136,692,980
Accrued and other payables	327,370,957	328,026,617	151,803,753	258,176,452
VAT payable	-	10,504,904	21,621,223	35,160,635
Other creditors	249,470,752	365,773,475	171,723,274	171,723,277
	<u>1,415,900,154</u>	<u>1,571,872,371</u>	<u>635,609,670</u>	<u>801,555,284</u>
<b>20. Income tax payable</b>				
Balance at the beginning of the year	-	-	-	-
Tax expense for the year	57,733,368	82,445,932	-	-
Payments made during the year	-	-	-	-
Tax credits	(10,230,120)	(26,159,817)	-	-
Balance at the end of the year	<u>47,503,248</u>	<u>56,286,115</u>	<u>-</u>	<u>-</u>





**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
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**FOR THE YEAR ENDED 31 DECEMBER 2023**

**21. Securities Pledged for Short Terms Loans & Bank Overdrafts**

a) Standard Chartered Bank	Corporate Guarantee from Varun Beverages Ltd .
b) Commercial Bank	Primary Concurrent mortgage along with Standard Chartered Bank over Stocks & Book debtors. General terms and conditions relating to overdraft, import Demand Loans & Short Term Loans signed by the Company. Corporate Guarantee from Varun Beverages Lanka (Pvt) Ltd for the facility given for Ole Springs Bottlers (Pvt) Ltd.

**22. Related Party Transactions**

**Identification of Related Parties**

Related parties include companies under common control and key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company. Transactions with related parties during the year was taken place at agreed commercial terms.

During the year, Mr. Ravi Kant Jaipuriya, Mr. Achal Kumar, Mr. Amit Joshi, and Mr. Tilak de Zoysa were the directors of the company.

	Amount due from related parties		Amount due to related parties	
	Company	Group	Company	Group
	31.12.2023	31.12.2023	31.12.2023	31.12.2023
	Rs.	Rs.	Rs.	Rs.
Ole Springs Bottlers (Pvt) Ltd - Subsidiary	664,170,801	-	-	-
Varun Beverages Ltd-Parent Company	-	-	208,892,398	208,892,398
<b>Fellow Subsidiaries</b>				
Lunarmech Technologies (Pvt) Ltd	-	-	26,779,210	26,779,210
	664,170,801	-	235,671,608	235,671,608

	Amount due from related parties		Amount due to related parties	
	Company	Group	Company	Group
	31.12.2022	31.12.2022	31.12.2022	31.12.2022
	Rs.	Rs.	Rs.	Rs.
Ole Springs Bottlers (Pvt) Ltd	731,377,536	-	-	-
Varun Beverages Ltd-Parent Company	-	-	60,614,597	86,292,848
<b>Fellow Subsidiaries</b>				
Lunarmech Technologies (Pvt) Ltd	-	-	93,669,703	93,669,703
	731,377,536	-	154,284,300	179,962,551



**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**22. Related Party Transactions (Contd...)**

During the year, the Company and the group entered into the following transactions with related parties at agreed commercial terms

	2023 Rs.	2022 Rs.
<b><u>Company</u></b>		
<b>Ole Springs Bottlers (Pvt) Ltd-Subsidiary</b>		
Sales	322,482,327	3,063,832,387
Purchases	650,464,842	116,689,374
Payments/ settlements	259,803,540	3,632,631,652
Land lease expenses	3,326,400	3,546,840
Discounts and expenses	-	54,763,261
Other transactions	4,298,639	32,231,585
<b>Varun Beverages Ltd, India -Parent Company</b>		
Purchases	671,297,444	1,068,215,737
Guarantee fee	6,902,702	-
Software license fee	19,801,019	19,309,909
Payments/ settlements	517,521,986	1,086,714,505
<b>Varun Beverages Zambia Ltd-Fellow Subsidiary</b>		
Export sales	-	12,400,444
Payments received for export sales	-	(16,497,000)
<b>Lunarmech Technologies (Pvt) Ltd-Fellow Subsidiary</b>		
Purchases	206,087,356	236,103,405
Payments	269,391,794	227,355,456
<b>Devyani Food International (Pvt) Ltd -Fellow Subsidiary</b>		
Export sales	-	-
Payments received for export sales	-	(5,208,450)
<b><u>Group</u></b>		
<b>Varun Beverages Ltd, India -Parent Company</b>		
Purchases	1,042,226,951	1,255,811,037
Software license fee	19,801,019	19,309,909
Guarantee fee	6,902,702	-
Payments / settlements	902,265,340	1,274,180,727
<b>Varun Beverages Zambia Ltd-Fellow Subsidiary</b>		
Export sales	-	12,400,444
Payments received for export sales	-	(16,497,000)
<b>Lunarmech Technologies (Pvt) Ltd-Fellow Subsidiary</b>		
Purchases	220,691,008	236,103,405
Payments	284,108,412	240,386,988
<b>Devyani Food International (Pvt) Ltd-Fellow Subsidiary</b>		
Sales	-	-
Payments received for export sales	-	(5,208,450)





**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**22. Related Party Transactions (Contd...)**

Key management personnel include members of the Board of Directors of the Company and its subsidiaries, and the ultimate parent company, RJ Corp Limited, India.

There was no compensations paid to key management personnel during the year other than the following:

	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.	Company Year Ended 31.12.2022 Rs.	Group Year Ended 31.12.2022 Rs.
Directors emoluments	118,684,042	118,684,042	96,104,229	96,104,229
	<u>118,684,042</u>	<u>118,684,042</u>	<u>96,104,229</u>	<u>96,104,229</u>

**23. Capital Commitments and Contingencies**

**Assessment issued on subsidiary company**

The Department of Inland Revenue has issued a notice of assessment for the subsidiary company on VAT for the quarter ended December 31 2013 for Rs. 556,020, on which an appeal has been made.

The Department of Inland Revenue has issued a notice of assessment for the subsidiary company on VAT for the quarter ended 31 March 2018 for Rs. 541,221, on which an appeal has been made.

The Department of Inland Revenue has issued a notice of assessment for the subsidiary company on VAT for the quarter ended 31 March 2020 for Rs. 21,691,777, on which an appeal has been made.

The Department of Inland Revenue has issued a notice of assessment for the subsidiary company on VAT for the quarter ended 31 March 2021 for Rs. 1,647,673, on which an appeal has been made.

The Department of Inland Revenue has issued a notice of assessment for the subsidiary company on VAT for the quarter ended 30 September 2021 for Rs. 540,467 on which an appeal has been made.

Legal cases have been filed against the company bearing the case numbers 99747/23 and 65150/23 for products and Civil matters respectively.

Estimated amount of contracts remaining to be executed on capital commitments not provided for (net of advance) is Rs. 13,161,790/-.

Apart from the above, there were no significant contingent liabilities and capital commitments as at the reporting period end that would require adjustments to/or disclosures in the financial statements.

**24. Events after the Reporting Period End**

There were no significant events after the balance sheet date which require adjustments to or disclosures in the financial statements.



**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**

**DETAILED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**



**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
**DETAILED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.	Company Year Ended 31.12.2022 Rs.	Group Year Ended 31.12.2022 Rs.
<b>1. Administrative Expenses</b>				
Salaries - staff	73,374,393	79,026,248	61,106,687	67,068,812
Wages	4,283,789	7,573,096	1,825,230	4,089,251
Overtime	4,014,633	4,667,750	2,015,423	3,383,049
Bonus	4,812,271	5,707,139	17,191,115	17,889,896
Tea and food	13,726,858	13,726,858	3,632,105	17,603,070
Medical expenses	4,910,098	5,641,281	4,108,462	4,884,470
Terminal gratuity	1,429,828	1,580,247	1,111,660	1,296,368
Employees' Provident Fund	9,727,151	10,532,759	7,973,520	8,818,374
Employees' Trust Fund	2,464,975	2,666,377	2,013,401	2,224,615
Lease rental	3,168,000	-	3,168,000	-
Foreign travelling	3,180,796	3,180,796	4,695,883	4,897,179
External auditor's remuneration	2,264,799	3,664,666	2,036,958	3,298,484
Internal auditor's remuneration	3,175,010	3,175,010	2,810,413	2,810,413
Telephone	2,513,787	3,151,127	2,737,410	3,168,392
Printing and stationery	2,964,259	8,295,867	2,254,601	7,849,818
Stamp duty	232,800	317,400	132,500	294,075
Repairs and maintenance - vehicles	33,941	33,941	4,746,251	4,746,251
Depreciation - Buildings	30,912,794	31,275,804	30,187,700	30,362,759
- Furniture and fittings	2,244,833	2,596,228	1,267,218	1,353,621
- Office equipment	1,767,742	1,910,581	1,357,628	1,614,133
- Motor vehicles	6,210,649	6,963,804	7,051,205	7,323,401
- Computer and software	4,305,042	4,309,928	3,450,327	3,522,443
Computer maintenance	25,706,440	27,195,760	25,251,364	27,566,964
Fees and penalties	-	1,867,697	-	-
Motor vehicle insurance	950	48,758	-	96,318
Staff welfare	18,439,338	28,033,301	14,719,110	14,798,702
Rent and accommodation charges	3,898,732	3,898,732	6,842,840	6,842,840
Courier charges	97,183	97,183	3,774,580	3,774,580
Staff recruitment	256,799	256,799	101,105	101,105
Subscriptions and periodicals	2,565,943	3,166,793	2,823,377	3,440,741
Staff Incentives	22,053	22,053	7,427,747	7,427,747
Electricity charges	1,855,722	1,855,722	1,045,827	1,045,827
Staff insurance	4,678,772	4,678,772	5,652,282	5,652,282
Other allowance to staff	17,259,487	19,017,307	8,382,477	9,792,006.28
Legal and professional charges	13,239,080	14,967,013	6,957,364	8,490,851.38
Travelling and transport	10,955,359	13,501,614	5,300,890	7,524,812
Other taxes	1,415,448	4,646,605	5,609,721	5,609,721
Tax on tax on employees' salary	51,280,360	54,692,118	-	-
Sundry balances written off	-	-	653,009	1,185,785
Water	244,850	244,848	68,424	68,424
	<u>333,907,900</u>	<u>378,460,921</u>	<u>261,464,478</u>	<u>301,898,245</u>



**VARUN BEVERAGES LANKA (PRIVATE) LIMITED**  
**DETAILED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.	Company Year Ended 31.12.2022 Rs.	Group Year Ended 31.12.2022 Rs.
<b>2. Selling and distribution expenses</b>				
Salaries - staff	174,304,460	185,361,689	161,241,058	170,771,286
Wages	19,905,681	45,191,943	15,843,890	25,136,368
Overtime	17,024,164	17,471,086	14,350,648	17,626,711
Bonus	20,363,985	20,834,022	18,068,601	18,922,782
Employees' Provident Fund	25,978,399	27,325,435	24,554,745	25,759,114
Employees' Trust Fund	6,479,894	6,825,548	6,138,686	6,439,778
Medical expenses	8,559,968	8,624,129	6,931,939	7,052,355
Conference and meeting expenses	16,480,518	16,480,518	1,171,955	1,171,955
Terminal gratuity	3,396,625	3,690,905	2,933,316	3,228,566
Telephone	5,584,719	5,584,719	4,529,793	4,529,793
Printing and stationery	3,875,882	3,875,882	7,583,768	7,583,768
Sales promotions and discounts	1,038,548,582	1,264,794,996	687,282,960	1,064,475,594
Leakage and breakages	100,265,276	114,193,287	16,708,850	25,406,114
Tea and food	24,900,919	32,040,314	23,800,369	24,246,281
Other allowances to staff	67,030,492	68,151,794	52,822,692	53,444,868
Staff incentives	80,887,686	81,810,852	143,534,548	145,930,555
Rent and accommodation expenses	9,366,459	9,942,459	10,096,722	10,636,722
Staff welfare	4,747,011	4,747,011	4,761,859	4,761,859
Travelling expenses	17,632,452	17,632,452	13,003,280	13,021,766
Transport expenses	128,406,702	232,493,433	216,836,811	309,095,272
Foreign travelling	9,194,736	9,194,736	2,923,935	2,923,935
Motor vehicle maintenance and repairs	127,144,567	144,127,832	40,191,369	45,783,689
Motor vehicle fuel	55,590,983	85,461,404	54,255,750	70,614,500
Staff recruitment charges	-	-	35,000	35,000
Export handling charges	5,113,636	5,113,636	9,021,104	9,021,104
Contract outlet expenses	125,689,701	125,689,701	44,677,182	44,677,182
Repairs and maintenance	-	902,432	56,050	56,050
Provision for bad debts	-	2,227,924	-	-
Bad debts written off	3,625,824	4,251,240	1,416,333	9,464,830
Depreciation - trade equipment	68,814,442	110,236,026	56,869,986	123,432,682
Trade equipment maintenance	42,989,881	42,989,881	27,403,281	28,706,382
	<u>2,211,903,646</u>	<u>2,697,267,285</u>	<u>1,669,046,479</u>	<u>2,273,956,860</u>





**OLE SPRINGS BOTTLERS (PVT) LTD**  
**FINANCIAL STATEMENTS**  
**TOGETHER WITH AUDITOR'S REPORT**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2023**

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OLE SPRINGS BOTTLERS (PVT) LTD

### Report on the Audit of the Financial statements

#### Opinion

We have audited the financial statements of Ole Springs Bottlers (Pvt) Ltd ("the Company") which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and 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 give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs).

#### Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. At the date of this auditor's report, other information was not made available to us.

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 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 of this other information, we are required to report that fact.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs), 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.



## Auditor's 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 Sri Lanka Auditing Standards 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 Sri Lanka Auditing Standards, we exercise professional judgment 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

As required by Section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

*Deloitte Associates*  
Deloitte Associates  
Chartered Accountants  
Colombo  
23 January 2024



**OLE SPRINGS BOTTLERS (PVT) LTD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Year Ended 31.12.2023 Rs.	Year Ended 31.12.2022 Rs.
Revenue		2,678,362,480	4,862,533,052
Cost of sales		<u>(1,856,184,149)</u>	<u>(3,809,808,608)</u>
Gross profit		822,178,331	1,052,724,444
Other income	4	36,649,705	19,309,711
Administrative expenses		(47,721,023)	(43,601,807)
Selling and distribution expenses		(471,435,631)	(596,213,076)
Profit from operations	5	<u>339,671,382</u>	<u>432,219,272</u>
Finance and other costs	6	(34,499,791)	(174,931,031)
Profit before tax		<u>305,171,590</u>	<u>257,288,241</u>
Income tax	7	(109,580,051)	(13,433,522)
<b>Profit for the year</b>		<u>195,591,539</u>	<u>243,854,719</u>
<b>Other comprehensive income/ (expense) not to be reclassified to income statement in subsequent period</b>			
Actuarial gain / (loss) on employee benefit obligations		670,514	1,664,800
Deferred tax on actuarial gain/(loss)		(201,154)	(499,440)
<b>Total comprehensive income for the year</b>		<u>196,060,899</u>	<u>245,020,079</u>

The accounting policies and notes from 1 to 22 form an integral part of these financial statements.





**OLE SPRINGS BOTTLERS (PVT) LTD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	31.12.2023 Rs.	31.12.2022 Rs.
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	8	1,163,080,825	1,179,903,890
Capital work-in progress	8.2	-	2,436,900
Investment property	9	378,000,000	378,000,000
		<u>1,541,080,825</u>	<u>1,560,340,790</u>
<b>Current assets</b>			
Inventories	10	502,435,350	316,509,078
Trade and other receivables	11	182,566,738	236,532,131
Deposits and prepayments	12	14,777,329	15,377,984
Fixed deposits with banks	13	57,795,117	-
Cash and cash equivalents		31,894,668	19,057,154
		<u>789,469,202</u>	<u>587,476,347</u>
<b>Total assets</b>		<u>2,330,550,027</u>	<u>2,147,817,137</u>
<b>Equity and liabilities</b>			
Stated capital	14	802,872,070	802,872,070
Accumulated profit		226,496,374	30,435,475
		<u>1,029,368,444</u>	<u>833,307,545</u>
<b>Non current liabilities</b>			
Deposits payable	15	113,106,458	120,839,475
Retirement benefit obligations	16	31,597,179	28,185,303
Deferred tax liability	7.3	327,552,056	242,483,415
		<u>472,255,693</u>	<u>391,508,193</u>
<b>Current liabilities</b>			
Trade and other payables	18	155,972,222	165,945,611
Amounts due to related parties	21	664,170,801	757,055,788
Income tax payable	19	8,782,867	-
<b>Total current liabilities</b>		<u>828,925,890</u>	<u>923,001,399</u>
<b>Total equity and liabilities</b>		<u>2,330,550,027</u>	<u>2,147,817,137</u>

I certify that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

  
 Finance Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.  
 Signed for and on behalf of the Board.

  
 Director  
 23 January 2024



Director  
 23 January 2024

The accounting policies and notes from 1 to 22 form an integral part of these financial statements.

**OLE SPRINGS BOTTLERS (PVT) LTD  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Stated capital Rs.	Accumulated profit Rs.	Total Rs.
<b>Balance as at 01.01.2022</b>	802,872,070	(113,414,398)	689,457,672
Profit for the year	-	243,854,718	243,854,718
Other comprehensive income for the year	-	1,165,360	1,165,360
Deferred tax adjustment on revaluation gain on land	-	(101,170,205)	(101,170,205)
<b>Balance as at 31.12.2022</b>	<u>802,872,070</u>	<u>30,435,475</u>	<u>833,307,545</u>
Profit for the year	-	195,591,539	195,591,539
Other comprehensive income for the year	-	469,360	469,360
<b>Balance as at 31.12.2023</b>	<u><u>802,872,070</u></u>	<u><u>226,496,374</u></u>	<u><u>1,029,368,444</u></u>

The accounting policies and notes from 1 to 22 form an integral part of these financial statements.





**OLE SPRINGS BOTTLERS (PVT) LTD**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Year Ended 31.12.2023 Rs.	Year Ended 31.12.2022 Rs.
<b>Cash flows from operating activities</b>			
Profit before tax		305,171,590	257,288,241
<b>Adjustments for:</b>			
Depreciation	8.1	114,128,277	156,080,018
Asset scrapped	6	6,298,001	112,967,770
Allowance for impairment of trade receivables	4	2,227,924	-
CWIP opening balance transfer to expense		2,436,900	-
Bad debt write off	4	625,417	-
Breakages	6	13,928,011	8,697,263
Provision for gratuity	16	8,488,376	4,183,827
Operating profit before working capital changes		<u>453,304,497</u>	<u>539,217,119</u>
Increase in inventories		(199,854,279)	(100,011,143)
Decrease in trade and other receivables		51,737,469	153,692,324
Decrease/(increase) in deposits and prepayments		600,655	(3,655,820)
(Decrease) in trade and other payables		(34,261,524)	(106,165,144)
(Decrease) in amounts due to related parties		(92,884,987)	(698,831,371)
Cash generated from/(used in) operations		<u>178,641,830</u>	<u>(215,754,035)</u>
Gratuity paid	16	(4,405,987)	(530,819)
Cash flows from/(used in) operating activities		<u>174,235,843</u>	<u>(216,284,854)</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	8.1	(103,603,213)	(19,654,463)
Expenditure in capital working progress		-	(2,436,900)
(Investment)/ withdrawal of fixed deposits with banks	13	(57,795,117)	203,582,173
Net cash flows (used in)/from investing activities		<u>(161,398,330)</u>	<u>181,490,810</u>
Net increase/(decrease) in cash and cash equivalents		12,837,514	(34,794,043)
Cash and cash equivalents at the beginning of the year		<u>19,057,154</u>	<u>53,851,197</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>31,894,668</u>	<u>19,057,154</u>
<b>Analysis of cash and cash equivalents at the end of the year</b>			
Cash in hand and cash at bank		<u>31,894,668</u>	<u>19,057,154</u>
		<u>31,894,668</u>	<u>19,057,154</u>

The accounting policies and notes from 1 to 22 form an integral part of these financial statements.



**OLE SPRINGS BOTTLERS (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**1. General**

**1.1 Reporting entity**

Ole Springs Bottlers (Pvt) Ltd (the "Company") is a limited liability Company incorporated and domiciled in Sri Lanka. The registered office and the principle place of business is located at 140, Low Level Road, Embulgama, Ranala.

**1.2 Principal activities and nature of operations**

The company is engaged in the business of manufacturing, selling and distribution of non-alcoholic beverages and purified drinking water.

**1.3 Parent and ultimate parent enterprises**

The Varun Beverages Lanka (Private) Limited is the parent company and the company's ultimate parent undertaking is RJ Corporation Ltd. Intermediate parent and ultimate parent are incorporated in Sri Lanka and India respectively.

**1.4 Date of authorization for issue**

The financial statements were approved for issue by the Board of Directors on 23 January 2024.

**2. Summary of significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared on a going concern basis and in compliance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs) laid down by The Institute of Chartered Accountants of Sri Lanka.

All values presented in the financial statements are in Sri Lankan Rupees (LKR) Rounded to the nearest rupee. The measurement basis used is the historical cost basis.

The previous period figures and phrases have been reclassified whenever necessary to conform to the current year presentation. The current year figures cannot be directly compared with comparative figures in relation to the Statetement of Changes in equity due to the difference in reporting periods.

**2.2 Foreign currency and presentation currency**

The financial statements are presented in Sri Lankan Rupees, which is the company's functional and presentation currency. All financial information presented have been rounded to the nearest rupee, unless otherwise stated.

**2.3 Revenue**

**2.3.1 Sale of goods**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

**2.3.2 Interest income**

Interest income is recognized based on the effective interest rate.





**OLE SPRINGS BOTTLERS (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**2.3.3 Other gains and losses**

Net gains and losses of a revenue nature arising from disposal of plant and equipment and other non-current assets are accounted for in the comprehensive income statement after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

**2.3.4 Rent income and other revenues**

Rent income and other revenues are recognized on an accrual basis.

**2.4 Expenditure recognition**

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining property, plant and equipment in a state of efficiency has been charged to the revenue in arriving at the profit/ (loss) for the year.

**2.5 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognized as assets of the company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the commencement of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

**2.6. Income tax expense**

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the comprehensive income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

**Current tax**

The provision for income tax is based on the elements of income and expenditures as reported in the financial statements and computed in accordance with the provision of the Inland Revenue Act. No 45 of 2022 and subsequent amendment there to.

**Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.





**OLE SPRINGS BOTTLERS (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**2.6. Income tax expense (Contd.)**

**Deferred tax (Contd.)**

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in comprehensive income. Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

**2.7 Stated capital**

**2.7.1 Ordinary shares**

Ordinary shares are classified as equity.

**2.8 Tangible assets**

**2.8.1 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to comprehensive income during the year in which they have incurred. Land is not depreciated. Depreciation on other assets are charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method which is as follows:

Assets	Rate (%)
Computers	25
Furniture and fittings	10
Motor vehicles	14.29
Trade equipment	12
Office equipment	25
Buildings	3.34
Plant and machinery	4.75
Bottles and crates	12.5

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other gains/ (losses) – net' in the statement of comprehensive income.





**OLE SPRINGS BOTTLERS (PVT) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**2.8.2 Investment property**

Investment property, which is a property held to earn rentals and/ or for capital appreciation is measured at cost including transaction cost. Subsequent to the initial recognition, investment property is measured at cost less any impairment losses. The investment property consist of a freehold land which is occupied by the parent company.

**2.8.3 Capital work-in-progress**

Capital work-in-progress is carried at cost. In respect of Projects under construction, incidental and attributable expenses (net of incidental income) including interest expenses is carried as part of incidental expenditure during construction to be allocated on major immovable project assets other than land and infrastructural facilities, on commissioning of the project.

**2.8.4 Impairment of non-financial assets**

At each reporting date, property, plant and equipment, investment property and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the comprehensive income.

If an impairment loss for a non-financial asset other than goodwill subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss recognized for the asset (or group of related assets) in prior periods. A reversal of an impairment loss is recognized immediately in the comprehensive income.

**3.1 Financial instruments**

Trade and other receivables are initially recognized at the transaction price. All sales are made on the basis of normal credit terms, and the receivables do not bear interest. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in comprehensive income.

Financial liabilities are initially recognized at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortized cost using the effective interest method.

**3.2 Defined benefit plan – Gratuity**

Gratuity is a defined benefit plan. In order to meet this liability, a provision is carried forward in the statement of financial position. The provision is made on the basis of an actuarial valuation as recommended by the Sri Lanka Accounting Standards for SMEs considering the Projected Unit Credit (PUC) method and premium for the period is charged as an expense to the income statement for the related period. The fund is not externally funded.

However, as per the Payment of Gratuity Act No. 12 of 1983, the liability arises only upon the completion of five years of continuous service.





**OLE SPRINGS BOTTLERS (PVT) LTD**  
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**3.3 Defined contribution plan - EPF & ETF**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the comprehensive income as in the periods during which the services are rendered by the employees.

**Employees' Provident Fund**

The company and employees contribute 12% and 8% respectively of the salary of each employee to the approved Provident Fund.

**Employees' Trust Fund**

The company contributes 3% of the salary of each employee to the Employees' Trust Fund.

**3.4 Bottle deposit payable**

Deposit on returnable containers and crates represents the cash deposits collected from distributors when issuing returnable containers and crates by the Company. At the time of termination of a distributor the deposit is refunded when containers and crates were returned to the Company. However, the deposit is forfeited if the returnable containers and crates were not returned to the Company.

At each reporting date, the Company evaluates the liability based on a mathematical formula which considers the tenure of the distributorship and the number of return crates and containers and any difference between the calculated liability and the book balance is transferred to the Income Statement .

**3.5 Inventories**

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale. The costs incurred in bringing the inventories to its present location and condition, are accounted for as follows:

**Raw materials** - On actual cost on a weighted average basis

**Finished goods** - Valued at standard cost basis

**Other inventories** – On actual cost on a weighted average basis

**3.6 Judgments and Key Sources of Estimation Uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are disclosed below.

**a) Defined benefit plans**

The carrying value of defined benefit plans is determined using a formula which considers the actuarial assumption. This involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexity of the valuation, the underlying assumptions and their long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The assumptions used in the valuation and sensitivities thereon are disclosed in Note 16.



**OLE SPRINGS BOTTLERS (PVT) LTD  
NOTES TO THE FINANCIAL STATEMENTS  
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**3.7 Events after the reporting period date**

All material events after the reporting period date are considered and where necessary adjustments have been made in the financial statements.

**3.8 Capital commitments and contingencies**

Capital expenditure and contingent liabilities as at the reporting period date are disclosed in the notes to the accounts.



**OLE SPRINGS BOTTLERS (PVT) LTD**  
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	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>4. Other income</b>		
Scrap sales	19,243,894	14,310,671
Rent income	3,168,000	3,168,000
Exchange gain	7,136,776	-
Interest income	7,101,035	1,831,041
	<b>36,649,705</b>	<b>19,309,712</b>
<b>5. Profit before tax is stated after charging all expenses including the following:</b>		
Personnel cost	43,593,137	42,031,326
Defined contribution plan costs - EPF &ETF	6,750,247	6,561,267
Provision for gratuity	1,160,198	1,302,146
Bonus	5,626,814	5,685,615
Depreciation	114,128,277	156,080,018
Auditor's fees - audit related	1,399,868	1,261,526
<b>6. Finance and other costs</b>		
Bank overdraft and loan interest	6,016,403	6,583,496
Bank charges	929,198	4,232,208
Exchange loss	-	18,701,271
Assets scrapped	6,298,001	112,967,770
Impairment of inventory	-	20,867,342
Breakages	13,928,011	8,697,263
Interest charge on gratuity	7,328,179	2,881,680
	<b>34,499,791</b>	<b>174,931,030</b>
<b>7. Taxation</b>		
<b>7.1 Income tax expense / (benefit)</b>		
Deferred tax expense (Note 7.3)	85,068,641	13,932,963
Income tax expense (Note 7.2)	24,712,564	-
Deferred tax on actuarial (gain)/loss	(201,154)	(499,440)
	<b>109,580,051</b>	<b>13,433,523</b>
<b>7.2 Reconciliation of the total tax charge</b>		
A reconciliation between tax expense and the accounting profit multiplied by the statutory tax rate is as follows:		
Accounting profit as per income tax computation	305,171,590	257,288,241
Less: Investment income	(7,101,035)	-
Allowable credits	(54,346,584)	(103,478,352)
Non - deductible expenses	140,278,607	302,763,426
Taxable profit	<b>384,002,577</b>	<b>456,573,315</b>
Income from investments	7,101,035	4,999,041
Tax loss claimed	(308,728,399)	(461,572,356)
Tax profit for the period of assessment	<b>82,375,214</b>	<b>-</b>
Tax @ 30%	<b>24,712,564</b>	<b>-</b>





**OLE SPRINGS BOTTLERS (PVT) LTD**  
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**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Impairment of Inventory	Property, plant & equipment	Impairment of trade debtors	Retirement benefit obligation	Unused tax losses	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>7. Taxation (Contd.)</b>						
<b>7.3 Deferred tax</b>						
Balance as at 1 January 2022	-	(270,261,594)	24,486,610	4,715,477	113,679,259	(127,380,248)
Recognized in profit or loss	6,260,203	(23,668,660)	14,866,057	3,740,114	(15,130,676)	(13,932,962)
Recognized in changes in equity	-	(101,170,205)	-	-	-	(101,170,205)
Balance as at 31 December 2022	<u>6,260,203</u>	<u>(395,100,459)</u>	<u>39,352,667</u>	<u>8,455,591</u>	<u>98,548,583</u>	<u>(242,483,415)</u>
Balance as at 1 January 2023	6,260,203	(395,100,459)	39,352,667	8,455,591	98,548,583	(242,483,415)
Recognized in profit or loss	-	11,788,002	668,377	1,023,563	(98,548,583)	(85,068,641)
Recognized in changes in equity	-	-	-	-	-	-
Balance as at 31 December 2023	<u>6,260,203</u>	<u>(383,312,457)</u>	<u>40,021,045</u>	<u>9,479,154</u>	<u>-</u>	<u>(327,552,056)</u>

Deferred tax has been calculated at the rate of 30% which is the future tax rate applicable to the entity and substantially enacted as of the period end.



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	<b>31.12.2023</b>	<b>31.12.2022</b>
	Rs.	Rs.
<b>8. Property, plant and equipment</b>		
Freehold property, plant and equipment (Note 8.1)	1,163,080,825	1,179,903,890
	1,163,080,825	1,179,903,890

**8.1 Freehold property, plant and equipment**

<b>Cost</b>	<b>Balance as at 01.01.2023</b>	<b>Additions/ transfers</b>	<b>Disposals/ write off</b>	<b>Balance as at 31.12.2023</b>
	Rs.	Rs.	Rs.	Rs.
Land	594,314,280		-	594,314,280
Buildings	144,027,196		-	144,027,196
Plant and machinery	486,085,431	203,690	-	486,289,121
Office equipment	3,167,590		-	3,167,590
Furniture & fittings	6,369,281	1,516,498	-	7,885,779
Computers	4,711,396		-	4,711,396
Trade equipment	350,847,061		(888,331)	349,958,730
Motor vehicles	29,577,550		-	29,577,550
Bottles and crates	593,085,607	101,883,025	(23,401,182)	671,567,450
<b>Total</b>	2,212,185,393	103,603,213	(24,289,513)	2,291,499,092

<b>Accumulated depreciation</b>	<b>Balance as at 01.01.2023</b>	<b>Depreciation charged</b>	<b>Disposals/ write off</b>	<b>Balance as at 31.12.2023</b>
	Rs.	Rs.	Rs.	Rs.
Buildings	64,490,596	3,945,756	-	68,436,352
Plant and machinery	244,081,402	23,057,566		267,138,968
Office equipment	2,819,844	195,617	-	3,015,461
Furniture and fittings	4,648,774	372,062	-	5,020,836
Computers	4,640,877	53,085	-	4,693,962
Trade equipment	236,793,619	41,421,584	(864,401)	277,350,802
Motor vehicles	27,685,030	1,160,063	-	28,845,093
Bottles and crates	447,121,360	43,922,545	(17,127,111)	473,916,793
<b>Total</b>	1,032,281,502	114,128,277	(17,991,512)	1,128,418,266
<b>Net book value</b>	1,179,903,890			1,163,080,825

<b>8.2 Capital working progress</b>	<b>Balance as at 01.01.2023</b>	<b>Additions</b>	<b>Transfers</b>	<b>Balance as at 31.12.2023</b>
	Rs.	Rs.	Rs.	Rs.
Building	2,436,900		(2,436,900)	-
Machinery	-		-	-
	2,436,900	-	(2,436,900)	-





**OLE SPRINGS BOTTLERS (PVT) LTD**  
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**FOR THE YEAR ENDED 31 DECEMBER 2023**

	31.12.2023	31.12.2022
	Rs.	Rs.
<b>9. Investment property</b>		
Land	378,000,000	378,000,000
<b>10. Inventories</b>		
Finished goods	38,002,113	43,642,126
Raw materials	407,166,585	220,511,870
Chemicals and fuel	20,127,821	18,827,975
Spare parts	58,006,173	41,555,323
Less: Impairment of spare parts	(20,867,342)	(20,867,342)
Goods in transit	-	12,839,126
	502,435,350	316,509,078
<b>11. Trade and other receivables</b>		
Trade debtors	309,842,815	331,581,248
Less: Impairment of trade debtors	(133,403,482)	(131,175,558)
	176,439,333	200,405,690
Other receivables	3,875,442	18,634,855
Tax receivables	1,471,476	16,779,041
Staff loans and festival advances	780,487	712,544
	182,566,738	236,532,131
<b>12. Deposits and prepayments</b>		
Security deposits and prepayments	14,777,329	15,377,984
	14,777,329	15,377,984
<b>13. Fixed deposits with banks</b>		
Fixed deposit - Nations Trust Bank PLC	57,795,117	-
	57,795,117	-
<b>14. Stated capital</b>	<i>No. of shares</i>	
Fully paid ordinary shares	126	1,260
Fully paid Class "A" ordinary shares	80,287,081	802,870,810
		802,872,070
<b>15. Deposit payables</b>		
Deposits against assets	109,606,458	108,499,414
Dealership deposits	3,500,000	12,340,061
	113,106,458	120,839,475



**OLE SPRINGS BOTTLERS (PVT) LTD**  
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	31.12.2023	31.12.2022
	Rs.	Rs.
<b>16. Retirement benefit obligations</b>		
Balance at the beginning of the year	28,185,303	26,197,096
Gratuity charge for the year	1,160,198	1,302,146
Interest charge for the year	7,328,179	2,881,680
Payments made during the year	(4,405,987)	(530,819)
Actuarial (gain) / loss	(670,514)	(1,664,800)
Balance at the end of the year	<u>31,597,179</u>	<u>28,185,303</u>

The following assumptions were used in determining the post employment benefit obligation.

Expected future salary increment	9%	18%
Discount rate	13.50%	26.00%
Retirement age	60 years	60 years
Employee turnover ratio	3%	3%

**17. Securities pledged for short term loans and bank overdrafts**

**Name of the bank and nature of the security**

Commercial Bank of Ceylon PLC

General terms and conditions relating to short term loan / import loan and Corporate guarantee of Varun Beverages Lanka (Pvt) Ltd.

Standard Chartered Bank

Corporate guarantee from Varun Beverages Ltd.

	31.12.2023	31.12.2022
	Rs.	Rs.
<b>18. Trade and other payables</b>		
Trade payables	7,169,314	18,554,409
Stamp duty	17,375	24,925
Excise duty	21,322,247	27,454,167
Value Added Tax	10,504,904	13,539,411
Accrued and other payables	116,958,383	106,372,699
	<u>155,972,223</u>	<u>165,945,611</u>
<b>19. Income tax payable</b>		
Balance at the beginning of the year	-	-
Tax expense for the year	24,712,564	-
Payments made during the year	-	-
Tax credits	(15,929,697)	-
Balance at the end of the year	<u>8,782,867</u>	<u>-</u>





**OLE SPRINGS BOTTLERS (PVT) LTD**  
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**FOR THE YEAR ENDED 31 DECEMBER 2023**

**20 Related party transactions**

**20.1 Identification of related parties**

Related parties include companies under common control and key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company. Transactions with related parties during the year had taken place at the agreed commercial terms.

During the period Mr. Ravi Kant Jaipuria, Mr. Amit Joshi, Mr. Achal Kumar, were the Directors of the company.

	31.12.2023 Rs.	31.12.2022 Rs.
<b>20.2 Amounts due to related parties</b>		
Varun Beverages Lanka (Pvt) Ltd (Parent)	664,170,801	731,377,537
Varun Beverages Ltd (Intermediate parent)	-	25,678,251
	<u>664,170,801</u>	<u>757,055,788</u>

**20.3 The company entered into the following transactions with the related parties on the basis of the agreed commercial term.**

	Year Ended 31.12.2023 Rs.	Year Ended 31.12.2022 Rs.
<b>Varun Beverages Lanka (Pvt) Ltd ( Parent)</b>		
Purchases	322,482,327	3,063,832,387
Sales	650,464,842	116,689,374
Settlements / payment	259,803,540	3,632,631,652
Discounts and expenses	-	54,763,261
Other	4,298,639	32,231,585
Land lease income	3,326,400	3,546,840
<b>Varun Beverages Ltd - India (Intermediate Parent)</b>		
Purchase of finished goods and raw materials	370,929,508	187,595,299
Settlements	384,743,354	187,466,222
<b>Lunarmech Technologies (Pvt) Ltd (Fellow Subsidiary)</b>		
Purchased goods	14,603,652	-
Settlements	14,716,618	13,031,532

**20.4 Remuneration to key management personnel**

Key Management Personnel include members of the Board of Directors of the Company and its related companies. During the period no remuneration was paid to its key management personnel.



**OLE SPRINGS BOTTLERS (PVT) LTD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**21. Capital commitments and contingencies**

There were no capital commitments as at the end of the reporting period that would require adjustments to/or disclosure in the financial statements.

The Department of Inland Revenue has issued a notice of assessment on VAT for the quarter ended March 31, 2020 for Rs 21,691,777, for which an appeal has been made.

The Department of Inland Revenue has issued a notice of assessment on VAT for the quarter ended March 2021 for Rs 1,647,673, for which an appeal has been made.

The Department of Inland Revenue has issued a notice of assessment on VAT for the quarter ended December 2013 for Rs 556,020, for which an appeal has been made.

The Department of Inland Revenue has issued a notice of assessment on VAT for the quarter ended March 2018 for Rs 541,221, for which an appeal has been made.

The Department of Inland Revenue has issued a notice of assessment on VAT for the quarter ended September 2021 for Rs. 540,467, for which an appeal has been made.

Apart from the above, there were no significant contingent liabilities as at the end of the reporting period that would require adjustments to/or disclosure in the financial statements.

**22. Events after the reporting period end**

There were no significant events after the balance sheet date which require adjustments to or disclosures in the financial statements.





**OLE SPRINGS BOTTLERS (PVT) LTD**

**DETAILED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**OLE SPRINGS BOTTLERS (PVT) LTD**  
**DETAILED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Year Ended 31.12.2023</b>	<b>Year Ended 31.12.2022</b>
	Rs.	Rs.
<b>1. Revenue</b>		
Local sales	2,980,648,402	5,217,125,856
Export sales	-	2,009,700
Trade discounts	<u>(119,240,965)</u>	<u>(164,181,825)</u>
	<u>2,861,407,438</u>	<u>5,054,953,731</u>
Social Security Contribution Leavy (SSCL)	(54,332,235)	(9,731,606)
Excise duty	<u>(128,712,723)</u>	<u>(182,689,074)</u>
	<u>2,678,362,480</u>	<u>4,862,533,051</u>
<b>2. Cost of sales</b>		
Finished goods at the beginning of the period	43,642,126	34,130,371
Finished goods purchased during the period	189,973,545	2,197,711,912
Factory cost transferred ( <i>Schedule 2.1</i> )	<u>1,660,570,592</u>	<u>1,621,608,451</u>
	<u>1,894,186,263</u>	<u>3,853,450,734</u>
Finished goods at the end of the period	<u>(38,002,113)</u>	<u>(43,642,126)</u>
	<u>1,856,184,149</u>	<u>3,809,808,608</u>
<b>2.1 Cost of finished goods manufactured</b>		
Raw materials at the beginning of the period	220,511,870	138,649,099
Raw materials purchased during the period	1,347,305,484	1,296,508,490
Raw materials at the end of the period	<u>(407,166,585)</u>	<u>(220,511,870)</u>
Raw materials consumed during the period	<u>1,160,650,769</u>	<u>1,214,645,719</u>
Production overheads ( <i>Schedule 2.2</i> )	499,919,823	406,962,732
	<u>1,660,570,592</u>	<u>1,621,608,451</u>





**OLE SPRINGS BOTTLERS (PVT) LTD**  
**DETAILED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	31.12.2023	31.12.2022
	Rs.	Rs.
<b>2.2 Production overheads</b>		
Salaries	26,884,053	26,538,972
Wages	60,662,129	79,262,872
Overtime	16,499,991	20,136,282
Bonus	4,261,909	4,132,653
Allowance	2,738,385	1,010,802
Employees' Provident Fund	3,240,439	3,199,791
Employees' Trust Fund	810,109	799,948
Staff welfare	150,200	363,550
Medical	250,486	257,074
Terminal gratuity	715,498	822,187
Fuel	20,239,554	13,814,476
Chemicals	38,383,959	29,243,704
Lab consumables	1,711,733	1,985,177
Electricity	140,948,862	63,736,088
Telephone	770,000	1,065,817
General insurance	4,705,374	3,037,515
Security charges	11,145,020	9,588,891
Depreciation - Factory building	3,582,746	3,585,351
- Plant and machinery	23,057,566	23,135,738
- Office equipment	52,777	28,501
- Furniture and fittings	20,666	105,604
- Motor vehicles and forklift	406,908	940,870
- Computers	48,198	43,635
- Bottles and crates	43,922,545	60,815,307
Building repairs and maintenance	26,354,516	8,969,736
Equipment maintenance	68,356,199	49,892,193
Loading charges	-	450,000
	<u>499,919,823</u>	<u>406,962,734</u>



**OLE SPRINGS BOTTLERS (PVT) LTD**  
**DETAILED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Year Ended 31.12.2023 Rs.	Year Ended 31.12.2022 Rs.
<b>3. Administrative expenses</b>		
Salaries - staff	5,651,856	5,962,125
Wages	3,289,307	2,792,883
Overtime	653,117	838,765
Allowance	1,757,820	1,409,529
Bonus	894,868	698,781
Tax on Tax of Employees Salary	3,411,758	-
Sundry balances written off	-	532,779
Employees' Provident Fund	805,608	844,854
Employees' Trust Fund	201,402	211,214
Medical expenses	731,183	776,008
Staff welfare	559,382	79,592
Terminal gratuity	150,420	184,709
Tea and food	9,034,581	13,970,965
External auditor's remuneration	1,399,868	1,261,526
Telephone	637,340	430,983
Printing and stationery	5,331,608	5,595,217
Stamp duty	84,600	161,575
Depreciation - Building	363,010	175,098
- Furniture and fittings	351,395	86,403
- Office equipment	142,840	256,505
- Motor vehicle	753,155	272,196
- Computer & software	4,886	72,116
Computer maintenance	1,489,320	2,315,600
Fees and penalties	1,867,697	-
Motor vehicle insurance	47,808	96,318
Foreign travel	314,528	201,296
Consultancy fees	413,733	326,632
Legal fees	1,314,200	1,206,855
Subscriptions and periodicals	600,850	617,363
Motor vehicle fuel	2,189,056	976,276
Other tax	3,231,157	-
Travelling and transport	42,671	1,247,646
	<u>47,721,023</u>	<u>43,601,809</u>



**OLE SPRINGS BOTTLERS (PVT) LTD**  
**DETAILED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Year Ended 31.12.2023 Rs.	Year Ended 31.12.2022 Rs.
<b>4. Selling and distribution expenses</b>		
Salaries - staff	11,057,229	9,530,229
Wages	25,286,262	12,061,566
Other allowance to staff	1,121,302	622,176
Overtime	446,921	506,975
Bonus	470,037	854,181
Staff incentives	923,166	2,396,007
Employees' Provident Fund	1,347,035	1,204,369
Employees' Trust Fund	345,654	301,092
Terminal gratuity	294,280	295,250
Medical expenses	64,161	120,416
Motor vehicle fuel	29,870,421	16,358,750
Freight expenses	-	52,620
Tea and food	7,139,395	445,912
Discount and claims	226,246,414	377,192,634
Rent expenses	576,000	540,000
Provision for doubtful debts	2,227,924	-
Bad debts - written off	625,417	8,048,497
Motor vehicle maintenance and repairs	16,983,265	5,592,320
Transport charges	104,086,731	92,205,841
Trade equipment maintenance	902,432	1,303,060
Travelling	-	18,486
Depreciation - trade equipment	41,421,584	66,562,696
	<u>471,435,631</u>	<u>596,213,077</u>
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>5. Cash at bank and cash in hand</b>		
<b>Cash at bank</b>		
Margin money Nations Trust Bank	8,096,538.50	-
Commercial Bank of Ceylon	14,978,495	6,209,676
People's Bank - Hanwella	616,201	458,418
Hatton National Bank - Kaduwela	2,538,474	4,380,023
Commercial Bank of Ceylon	-	-
Standard Chartered Bank - Fort Branch 3	541,979	3,644,208
Nations Trust Bank PLC	4,019,639	3,218,306
People's Bank - International	115,627	117,877
Cash in hand	987,715	1,028,645
	<u>31,894,668</u>	<u>19,057,154</u>





M. Ahmed CHAHBI  
 EXPERT COMPTABLE DPLE  
 421.Bd Abdelmoumen, Imprim B N°16  
 CASABLANCA

Tableau n°1

Balance Sheet (Assets)

VARUN BEVERAGES MOROCCO

EXERCISE CLOSED ON 31/12/2023

Assets	EXERCICE			PREVIOUS YEAR
	Gross	Depreciations and provisions	Net 31/12/2023	Net 31/12/2022
<b>PROPERTY VALUE IN NO (a)</b>	<b>9 049 879,40</b>	<b>6 691 684,91</b>	<b>2 358 194,49</b>	<b>3 835 870,43</b>
Preliminary expenses				
Expences Deferred	9 049 879,40	6 691 684,91	2 358 194,49	3 835 870,43
Bond redemption premiums				
<b>INTANGIBLE ASSETS (b)</b>	<b>126 646,00</b>	<b>51 149,62</b>	<b>75 496,38</b>	
Capital Research & Development				
Patents, trademarks, rights, and similar goodwill	126 646,00	51 149,62	75 496,38	
Other intangible assets				
<b>PROPERTY &amp; EQUIPMENT (c)</b>	<b>870 709 444,61</b>	<b>336 503 694,20</b>	<b>534 205 750,41</b>	<b>412 029 339,24</b>
Land	80 551 444,10		80 551 444,10	79 059 094,10
Constructions	96 542 520,02	34 909 545,70	61 632 974,32	61 866 007,21
Plant, machinery and equipment	531 509 012,25	281 768 154,41	249 740 857,84	263 680 752,90
Transportation Equipment	17 104 905,57	13 631 967,90	3 472 937,67	1 108 402,28
Furniture, office equipment & facilities various	10 846 078,67	6 194 026,19	4 652 052,48	3 396 818,27
Other tangible assets				
Assets under construction and Asset in progress	134 155 484,00		134 155 484,00	2 918 264,48
<b>FINANCIAL ASSETS (d)</b>	<b>5 237 516,13</b>		<b>5 237 516,13</b>	<b>2 900 942,28</b>
Term loans				
Other financial receivables	5 237 516,13		5 237 516,13	2 900 942,28
Equity securities				
Other investments				
<b>TRANSLATION ADJUSTMENTS - ASSETS (e)</b>	<b>7 102 919,93</b>		<b>7 102 919,93</b>	<b>14 296 847,72</b>
Decrease in nonperforming loans				
Increase in borrowings	7 102 919,93		7 102 919,93	14 296 847,72
<b>TOTAL I ( a+b+c+d+e)</b>	<b>892 226 406,07</b>	<b>343 246 528,73</b>	<b>548 979 877,34</b>	<b>433 062 999,67</b>
<b>STOCKS (f)</b>	<b>221 237 276,10</b>		<b>221 237 276,10</b>	<b>195 354 431,30</b>
Trading Goods	64 257 556,76		64 257 556,76	39 463 587,46
Consumable raw materials and supplies	104 085 469,67		104 085 469,67	112 674 176,18
Work in progress				
Intermediate products and residual products				
Finished goods	52 894 250		52 894 250	43 216 668
<b>CURRENT ASSETS (g)</b>	<b>289 353 009,92</b>	<b>7 473 481,29</b>	<b>281 879 528,63</b>	<b>183 452 433,07</b>
Supplier receivables, advances	49 323 163,39		49 323 163,39	8 495 920,92
Accounts receivable	164 370 181,84	7 473 481,29	156 896 700,55	119 359 855,08
Staff and Employees	1 332 020,76		1 332 020,76	1 195 924,48
State and taxes	46 119 820,56		46 119 820,56	28 820 301,14
Accounts associated & Account of shareholder				
Other receivables	1 127,18		1 127,18	1 127,18
Accrued Assets& Prepaid Exp	28 206 696,19		28 206 696,19	25 579 304,27
<b>SECURITIES AND INVESTMENT SECURITIES (h)</b>				
<b>Exchange difference- ASSETS (i)</b> (Circulating items)	<b>1 000 270,01</b>		<b>1 000 270,01</b>	<b>1 035 606,29</b>
<b>TOTAL II ( f+g+h+i)</b>	<b>511 590 556,03</b>	<b>7 473 481,29</b>	<b>504 117 074,74</b>	<b>379 842 470,66</b>
<b>CASH - ASSETS</b>	<b>9 642 083,04</b>		<b>9 642 083,04</b>	<b>7 101 389,00</b>
Checks and cash values ...	7 845 338,84		7 845 338,84	6 032 146,08
Bank T.G. and C.C.P.	1 641 196,22		1 641 196,22	871 293,43
Cash, Imprest and flow-	155 547,98		155 547,98	197 949,49
<b>TOTAL III</b>	<b>9 642 083,04</b>		<b>9 642 083,04</b>	<b>7 101 389,00</b>
<b>TOTAL GENERAL I-II+III</b>	<b>1 413 459 045,14</b>	<b>350 720 010,02</b>	<b>1 062 739 035,12</b>	<b>820 006 859,33</b>

Tableau n°1

**Balance Sheet (Liabilities)**

**VARUN BEVERAGES MOROCCO**

**EXERCISE CLOSED ON 31/12/2023**

	Exercise 31/12/2023	Exercise PREVIOUS YEAR 31/12/2022
<b>Liabilities</b>		
<b>EQUITY</b>		
Capital	869 638 000,00	869 638 000,00
fewer shareholders, subscribed capital uncalled		
called capital		
which paid .....		
Premium, merger, contribution		
Revaluation		
Legal reserve		
Other reserves		
Retained earnings (2)& Acumulation of losses and gains	-557 585 140,71	-574 942 216,12
Net results pending allocation (2)		
Net profit for the year (2)	52 049 530,68	17 357 075,41
<b>TOTAL Equity (a)</b>	<b>364 102 389,97</b>	<b>312 052 859,29</b>
<b>ALLIED CAPITAL (b)</b>		
Investment grants		
Regulated provisions		
Donations		
<b>DEBT FINANCING (c)</b>	<b>288 889 885,71</b>	<b>211 983 942,29</b>
Bonds		
Other borrowings	288 889 885,71	211 983 942,29
Others Debt Financing		
<b>SUSTAINABLE PROVISIONS FOR LIABILITIES AND CHARGES (d)</b>	<b>7 102 919,93</b>	<b>14 296 847,72</b>
Provisions for charges		
Provisions for risks	7 102 919,93	14 296 847,72
<b>Exchange difference- Liabilities (e)</b>		
Increase in nonperforming loans		
Decrease in borrowings	-	
<b>TOTAL I ( a+b+c+d+e )</b>	<b>660 095 195,61</b>	<b>538 333 649,30</b>
<b>DEBT FOR CURRENT LIABILITIES</b>	<b>258 180 019,89</b>	<b>229 437 857,34</b>
Accounts payable	189 428 426,59	182 440 220,77
Customers payable, advance payments	11 167 545,47	7 008 618,25
Staff and Employees	409 503,87	359 392,33
Social security	3 403 743,84	3 367 897,38
State and Taxes	38 248 887,37	28 332 799,34
Accounts associated&Account of shareholder	13 124 335,31	6 892 153,73
Other creditors		
Adjustment accounts - liabilities (Interest Payable)	2 397 577,44	1 036 775,54
<b>OTHER PROVISIONS FOR LIABILITIES AND CHARGES(EXCHANGE) (g)</b>	<b>1 000 270,01</b>	<b>1 035 606,29</b>
Exchange difference- Liabilities (Circulating items)	1 430 316,13	152 286,04
<b>TOTAL II ( f+g+h )</b>	<b>260 610 606,03</b>	<b>230 625 749,67</b>
<b>CASH - LIABILITIES</b>	<b>142 033 233,48</b>	<b>51 047 460,36</b>
Discount credits	32 494 214,68	5 087 914,39
Credits CASH	25 000 000,00	
Banking regulation(credit balance)	84 539 018,80	45 959 545,97
<b>TOTAL III</b>	<b>142 033 233,48</b>	<b>51 047 460,36</b>
<b>TOTAL I+II+III</b>	<b>1 062 739 035,12</b>	<b>820 006 859,33</b>

(1) Capital personnel debiteur  
 (2) Beneficiaire (+) . deficitaire (-)

**PROFIT & LOSS****VARUN BEVERAGES MOROCCO**

EXERCISE CLOSED IN 31/12/2023

		OPERATIONS		Totals of the exercise 31/12/2023 3 = 1 + 2	Totals of the exercise PREVIOUS YEAR 31/12/2022
		Relating to the year 1	for earlier years 2		
I	<b>OPERATING INCOME</b>				
	Sales of Trading goods (Turnover trading)	231 133 415,53		231 133 415,53	94 303 502,20
	Sales goods&services produced &Turnover Manufact	1 112 762 477,60		1 112 762 477,60	842 503 074,05
	Change in product inventory (+ -) I& stock	9 677 582,01		9 677 582,01	14 608 708,69
	Asset Produced by the company itself				
	Operating subsidies				
	Other operating income				
	Operating Provision Reversed, transfers charges				
	<b>TOTAL I</b>	<b>1 353 573 475,14</b>		<b>1 353 573 475,14</b>	<b>951 415 284,94</b>
II	<b>OPERATING EXPENSES</b>				
	Purchases resold merchandise &Trading goods	168 127 876,59		168 127 876,59	89 990 802,88
	Purchases consumed raw materials and supplies	480 171 689,90		480 171 689,90	367 800 551,34
	Other external expenses	385 284 847,33		385 284 847,33	242 158 804,54
	Taxes	96 310 996,02		96 310 996,02	66 085 710,54
	Staff costs	101 100 690,72		101 100 690,72	78 490 769,46
	Other operating expenses				
	Operating allowances &Depreciation	43 109 621		43 109 620,67	43 787 391,84
	<b>TOTAL II</b>	<b>1 274 105 721,23</b>		<b>1 274 105 721,23</b>	<b>888 314 030,60</b>
III	<b>OPERATING INCOME ( I - II )</b>			<b>79 467 753,91</b>	<b>63 101 254,34</b>
IV	<b>FINANCIAL PRODUCTS</b>				
	Income from equity securities and other investments				
	Foreign exchange gains	3 509 112,45		3 509 112,45	1 150 876,09
	Interest and other financial products				
	Financial times, transfers charges	15 332 454		15 332 454,01	308 362,49
	<b>TOTAL IV</b>	<b>18 841 566,46</b>		<b>18 841 566,46</b>	<b>1 459 238,58</b>
V	<b>FINANCIAL CHARGES</b>				
	Interest expense	18 447 056,98		18 447 056,98	12 104 909,37
	Foreign exchange loss	4 253 892,15		4 253 892,15	5 456 241,39
	Other financial charges				
	Provision exchange loss	8 103 189,92		8 103 189,92	15 332 454,01
	<b>TOTAL V</b>	<b>30 804 139,05</b>		<b>30 804 139,05</b>	<b>32 893 604,77</b>
VI	<b>FINANCIAL RESULTS ( IV - V )</b>			<b>-11 962 572,59</b>	<b>-31 434 366,19</b>
VII	<b>CURRENT INCOME ( III - VI )</b>			<b>67 505 181,32</b>	<b>31 666 888,15</b>

1) Variation de stocks : stocks final - stocks initial ;augmentation (+) ;diminution (-)

2) Achats revendus ou consommés : achats - variation de stocks.

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Tableau n°2

**PROFIT & LOSS****VARUN BEVERAGES MOROCCO**

EXERCISE CLOSED ON 31/12/2023

		OPERATIONS		Totals of The exercise 31/12/2023 3 = 1 + 2	Totals of L'exercice PREVIOUS YEAR 31/12/2022
		Relating to the year	for earlier years		
			1	2	
VII	<b>CURRENT RESULT( Report )</b>			<b>67 505 181,32</b>	<b>31 666 888,15</b>
VIII	<b>NO-CURRENT RESULT</b>				
	Proceeds from sale of Asset	20 446 881,21		20 446 881,21	38 621 491,41
	Balancing subsidy				
	Reversal of capital grants				
	Other No-current income	26 947,79		26 947,79	215 220,56
	Non-current times, transfers charges				
	<b>TOTAL VIII</b>	<b>20 473 829,00</b>		<b>20 473 829,00</b>	<b>38 836 711,97</b>
IX	<b>NO-RECURRING EXPENSES</b>				
	Net value of depreciation assets sold	20 454 286,14		20 454 286,14	49 208 232,30
	Grants				
	Other non-current expenses	12 103 418,54		12 103 418,54	189 309,72
	Allocations to non-current amortization and provisions				
	<b>TOTAL IX</b>	<b>32 557 704,68</b>		<b>32 557 704,68</b>	<b>49 397 542,02</b>
X	<b>NO-CURRENT INCOME ( VIII- IV )</b>			<b>-12 083 875,68</b>	<b>-10 560 830,05</b>
XI	<b>PROFIT AND LOSS BEFORE TAXES ( VII+ X )</b>			<b>55 421 305,64</b>	<b>21 106 058,10</b>
XII	<b>INCOME TAX</b>			<b>3 371 774,96</b>	<b>3 748 982,69</b>
XIII	<b>NET PROFIT AND LOSS ( XI - XII )</b>			<b>52 049 530,68</b>	<b>17 357 075,41</b>

XIV	<b>TOTAL INCOME ( I + IV + VIII )</b>			<b>1 392 888 870,60</b>	<b>991 711 235,49</b>
XV	<b>TOTAL EXPENSES( II + V + IX + XII )</b>			<b>1 340 839 339,92</b>	<b>974 354 160,08</b>
XVI	<b>NET PROFIT AND LOSS ( XIV - XV )</b>			<b>52 049 530,68</b>	<b>17 357 075,41</b>

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 CASABLANCA



Varun Beverages (Zambia) Limited  
Balance sheet as at 31 December 2023

Note	Before IND AS		IND AS-ADJUSTMENT		Total		
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	
<b>Assets</b>							
<b>1) Non-current assets</b>							
(a) Property, plant and equipment	1A	309,479,949	321,174,774	-	-	309,479,949	321,174,774
(b) Capital work in progress	1B	7,267,298	-	-	-	7,267,298	-
(c) Right of use assets	1C	55,173,458	55,782,736	-	-	55,173,458	55,782,736
(c) Intangible assets	2	59,101	67,725	-	-	59,101	67,725
(d) Financial assets							
(i) Loans	3	-	-	-	-	-	-
(ii) Others	4	450,743	352,049	-	-	450,743	352,049
(e) Deferred tax assets (Net)	5	-	-	-	-	-	-
(f) Other non-current assets	6	21,441,721	6,227,413	-	-	21,441,721	6,227,413
<b>Total non-current assets</b>		<b>393,872,270</b>	<b>383,604,696</b>	<b>-</b>	<b>-</b>	<b>393,872,270</b>	<b>383,604,696</b>
<b>2) Current assets</b>							
(a) Inventories	7	164,705,322	127,319,475	-	-	164,705,322	127,319,475
(b) Financial assets							
(i) Trade receivables	8	91,090,447	107,763,487	(20,246,874)	(16,144,879)	70,843,574	91,618,608
(ii) Cash and cash equivalents	9	5,406,468	5,243,805	-	-	5,406,468	5,243,805
(iii) Others	10	5,459,666	1,020,304	-	-	5,459,666	1,020,304
(c) Other current assets	11	6,768,291	37,513,550	-	-	6,768,291	37,513,550
<b>Total current assets</b>		<b>273,430,194</b>	<b>278,860,621</b>	<b>(20,246,874)</b>	<b>(16,144,879)</b>	<b>253,183,320</b>	<b>262,715,742</b>
<b>Total assets</b>		<b>667,302,464</b>	<b>662,465,318</b>	<b>(20,246,874)</b>	<b>(16,144,879)</b>	<b>647,055,591</b>	<b>646,320,438</b>
Branch Balances		-	-	-	-	-	-
<b>Equity and liabilities</b>							
<b>3) Equity</b>							
(a) Equity share capital	12	207,890,000	207,890,000	-	-	207,890,000	207,890,000
(b) Other equity	13						
Reserve and Surplus		(46,563,145)	48,061,497	(20,246,874)	(16,144,879)	(66,810,018)	31,916,618
Equity contribution in compounded financial instruments		36,856	-	-	-	36,856	-
<b>Total equity</b>		<b>161,363,711</b>	<b>255,951,497</b>	<b>(20,246,874)</b>	<b>(16,144,879)</b>	<b>141,116,838</b>	<b>239,806,618</b>
<b>4) Liabilities</b>							
<b>A) Non-current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings	14	251,035,156	176,014,265	-	-	251,035,156	176,014,265
(b) Provisions	15	4,319,199	4,850,564	-	-	4,319,199	4,850,564
<b>Total non-current liabilities</b>		<b>255,354,355</b>	<b>180,864,829</b>	<b>-</b>	<b>-</b>	<b>255,354,355</b>	<b>180,864,829</b>
<b>B) Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings	16	74,725,780	60,523,592	-	-	74,725,780	60,523,592
(ii) Trade Payables	17	113,264,878	116,690,720	-	-	113,264,878	116,690,720
(iii) Other financial liabilities	18	56,658,670	40,781,309	-	-	56,658,670	40,781,309
(b) Other current liabilities	19	5,428,902	7,143,673	-	-	5,428,902	7,143,673
(c) Provisions	15	506,167	509,698	-	-	506,167	509,698
<b>Total current liabilities</b>		<b>250,584,398</b>	<b>225,648,991</b>	<b>-</b>	<b>-</b>	<b>250,584,398</b>	<b>225,648,991</b>
<b>Total liabilities</b>		<b>505,938,753</b>	<b>406,513,820</b>	<b>-</b>	<b>-</b>	<b>505,938,753</b>	<b>406,513,820</b>
<b>Total equity and liabilities</b>		<b>667,302,464</b>	<b>662,465,318</b>	<b>(20,246,874)</b>	<b>(16,144,879)</b>	<b>647,055,591</b>	<b>646,320,438</b>

For PKF Zambia  
Chartered Accountants

Partner 

Place: Lusaka

Date: 20/01/2024



Varun Beverages (Zambia) Limited  
Statement of Profit and Loss for the period ended 31 December 2023

	Note	Before IND AS		IND AS-ADJUSTMENT		Total	
		ZMW 31 Dec 2023	ZMW 31 Dec 2022	ZMW 31 Dec 2023	ZMW 31 Dec 2022	ZMW 31 Dec 2023	ZMW 31 Dec 2022
<b>Income</b>							
I	Revenue from operations	829,842,125	849,062,404	-	-	829,842,125	849,062,404
II	Other Income	810,655	807,738	-	-	810,655	807,738
III	<b>Total Income (I + II)</b>	<b>830,652,780</b>	<b>849,870,142</b>	<b>-</b>	<b>-</b>	<b>830,652,780</b>	<b>849,870,142</b>
<b>Expenses</b>							
IV	Cost of materials consumed	461,438,203	483,262,887	-	-	461,438,203	483,262,887
	Excise duty	2,076,003	2,055,994	-	-	2,076,003	2,055,994
	Purchase of stock-in-trade	3,624,382	5,188,514	-	-	3,624,382	5,188,514
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(5,555,157)	3,207,664	-	-	(5,555,157)	3,207,664
	Employee benefits expense	104,533,598	92,244,759	-	-	104,533,598	92,244,759
	Finance costs	20,950,463	19,262,939	-	-	20,950,463	19,262,939
	Depreciation and amortization expense	43,089,044	34,810,067	-	-	43,089,044	34,810,067
	Other expenses	295,120,887	180,970,899	4,101,994	4,197,339	299,222,881	185,168,239
	<b>Total expenses (IV)</b>	<b>925,277,423</b>	<b>821,003,724</b>	<b>4,101,994</b>	<b>4,197,339</b>	<b>929,379,417</b>	<b>825,201,063</b>
V	Profit before prior period items (III-IV)	(94,624,643)	28,866,418	(4,101,994)	(4,197,339)	(98,726,638)	24,669,079
VI	Prior period items	-	-	-	-	-	-
VII	<b>Profit before tax (V-VI)</b>	<b>(94,624,643)</b>	<b>28,866,418</b>	<b>(4,101,994)</b>	<b>(4,197,339)</b>	<b>(98,726,638)</b>	<b>24,669,079</b>
	Earnings before interest, tax, depreciation and amortization (EBITDA)	(31,395,791)	82,131,687	(4,101,994)	(4,197,339)	(35,497,785)	77,934,348
VIII	Tax expense:						
	(1) Current tax	-	-	-	-	-	-
	(2) Adjustment of tax relating to earlier periods	-	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-	-
IX	<b>Profit for the reporting period (VII-VIII)</b>	<b>(94,624,643)</b>	<b>28,866,418</b>	<b>(4,101,994)</b>	<b>(4,197,339)</b>	<b>(98,726,638)</b>	<b>24,669,079</b>
X	<b>Total comprehensive income for the year, net of tax</b>	<b>(94,624,643)</b>	<b>28,866,418</b>	<b>(4,101,994)</b>	<b>(4,197,339)</b>	<b>(98,726,638)</b>	<b>24,669,079</b>

For PKF Zambia  
Chartered Accountants

Partner

Place: Lusaka

Date: 20/01/2024





**Varun Beverages (Zambia) Ltd.**  
**Cash Flow Statement**  
**(Indirect Method)**

(Amount in million)

Particulars	Year ended on 31 Dec 2023 (Audited)
<b>A. Operating activities</b>	
Profit before tax and share of profit in associates & Joint Venture	(98,726,638)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>	
Depreciation and impairment on property, plant and equipment	42,471,236
Amortisation of intangible assets and Right of use assets	617,807
Interest expense at amortised cost	20,950,463
Interest income at amortised cost	-
Profit on sale of current investments	-
Excess provisions written back	810,655
Share based payment to employees	36,856
Loss on disposal/written off of property, plant and equipment (Net)	3,065,220
Bad debts and advances written off	33,750
Allowance for expected credit loss	10,746,267
Unrealised foreign exchange fluctuation	67,615,189
Operating profit before working capital changes	<u>47,620,807</u>
<b>Working capital adjustments</b>	
Increase in inventories	(37,385,847)
Increase in trade receivables	9,995,017
Increase in current and non-current financial assets and other current and non-current	26,207,203
Increase in current financial liabilities and other current and non-current liabilities and provisions	9,391,199
<b>Total cash from operations</b>	<u>55,828,378</u>
Income tax paid	-
<b>Net cash flows from operating activities (A)</b>	<u>55,828,378</u>
<b>B. Investing activities</b>	
Purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advance paid and capital creditors)	(56,323,143)
Proceeds from disposal of property, plant and equipment and intangible assets	(0)
Interest received	-
Decrease in other bank balances	-
<b>Net cash used in investing activities (B)</b>	<u>(56,323,143)</u>
<b>C. Financing activities</b>	
Proceeds from long term borrowings	-
Repayments of long term borrowings	-
Repayment of lease liabilities	-
Proceeds/(repayments) from/(of) short term borrowings (Net)	14,202,188
Proceeds from issue of share capital (including share premium thereon)	-
Interest paid (inclusive of interest paid on lease liabilities)	(13,544,761)
Dividends paid	-
<b>Net cash used in financing activities (C)</b>	<u>657,427</u>
<b>Net change in cash and cash equivalents (D=A+B+C)</b>	<u>162,662</u>
Cash and cash equivalents at the beginning of year (E)	5,243,805
<b>Cash and cash equivalents at the end of year (F= D+E)</b>	<u>5,406,467</u>



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Varun Beverages (Zambia) Limited  
Statement of changes in equity

11 Equity Share Capital

Equity shares of ZMW 10 each issued, subscribed and fully paid up

		(In ZMW)	
Particulars	No of shares	Amount	
Balance as at 01 January 2022	20,789,000	207,890,000	
Changes in share capital during the period	-	-	
Balance as at 31 December 2022	20,789,000	207,890,000	
Changes in share capital during the period	-	-	
Balance as at 31 December 2023	20,789,000	207,890,000	

12 Other Equity

				(In ZMW)
Particulars	Promoter Contribution in Equity	Retained earnings	Total	
Balance as at 01 January 2022	-	7,247,539	7,247,539	
Profit for the year ended	-	24,669,079	24,669,079	
Balance as at 31 December 2022	-	31,916,618	31,916,618	
Profit for the period ended	-	(98,726,638)	(98,726,638)	
ESOP granted	36,856	-	36,856	
Balance as at 31 December 2023	36,856	(66,810,020)	(66,773,163)	

For PKF Zambia  
Chartered Accountants

For and on behalf of Varun Beverages (Zambia) Limited

Partner

Whole Time Director

Place: Lusaka  
Date:



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Varun Beverages (Zambia) Limited  
Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023

1A Property, plant and equipment

(In ZMW)

Gross block	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipments	Containers	Post-mix vending machines and refrigerators (Visi Cooler)	Total
Balance as at 1 January 2022	85,543,247	155,140,859	1,831,142	30,217,812	1,010,468	2,289,017	112,332,607	63,711,379	452,076,621
Additions for the year ended	2,457,793	45,945,289	227,700	990,765	288,886	976,505	24,436,917	805,259	76,129,113
Disposal for the year ended	(471,832)	(16,838,072)	(525,701)	(808,871)	(436,897)	(180,055)	-	(16,462,560)	(35,723,987)
<b>Balance as at 31 December 2022</b>	<b>87,529,207</b>	<b>184,248,076</b>	<b>1,533,142</b>	<b>30,399,706</b>	<b>862,457</b>	<b>3,085,467</b>	<b>136,769,614</b>	<b>48,054,078</b>	<b>492,481,747</b>
Additions for the year ended	529,480	264,178	58,947	8,771,734	392,354	413,712	19,917,007	3,494,126	33,841,537
Disposal for the year ended	(1,390,721)	(640)	-	(2,795,734)	(67,782)	(239,799)	(34,702,926)	-	(39,197,601)
<b>Balance as at 31 December 2023</b>	<b>86,667,966</b>	<b>184,511,613</b>	<b>1,592,088</b>	<b>36,375,706</b>	<b>1,187,029</b>	<b>3,259,380</b>	<b>121,983,696</b>	<b>51,548,204</b>	<b>487,125,683</b>
<b>Accumulated depreciation</b>									
Balance as at 01 January 2022	9,718,300	38,307,221	1,415,126	23,862,302	480,387	1,773,949	55,058,192	30,712,406	161,327,883
Depreciation charge during the period ended	1,606,259	7,600,497	76,984	2,714,190	107,798	311,289	16,427,897	5,354,027	34,198,940
Reversal on disposal of assets	(106,165)	(7,323,204)	(467,435)	(737,638)	(299,786)	(156,579)	-	(15,129,043)	(24,219,849)
<b>Balance as at 31 December 2022</b>	<b>11,218,395</b>	<b>38,584,514</b>	<b>1,024,675</b>	<b>25,838,854</b>	<b>288,399</b>	<b>1,928,659</b>	<b>71,486,089</b>	<b>20,937,390</b>	<b>171,306,973</b>
Depreciation charge during the period ended	1,636,544	8,358,297	153,236	1,955,622	129,012	480,660	23,789,955	5,067,910	42,471,236
Reversal on disposal of assets	(1,390,721)	-	-	(2,576,355)	(14,394)	(178,701)	(31,971,696)	(608)	(36,132,476)
<b>Balance as at 31 December 2023</b>	<b>11,464,217</b>	<b>46,942,811</b>	<b>1,177,911</b>	<b>25,218,121</b>	<b>403,017</b>	<b>2,230,617</b>	<b>63,304,348</b>	<b>26,904,692</b>	<b>177,645,734</b>
<b>Net block</b>									
Balance as at 31 December 2022	76,310,813	145,663,562	508,467	4,560,853	574,058	1,156,808	65,283,526	27,116,688	321,174,774
Balance as at 31 December 2023	75,203,749	137,568,803	414,178	11,157,586	784,011	1,028,762	58,679,348	24,643,512	309,479,949

1B Capital work in progress

Particulars	Amount
Balance as at 01 January 2021	-
Addition during the year	46,280,346
Capitalisation during the year	(46,280,346)
<b>Balance as at 31 December 2022</b>	<b>-</b>
Addition during the year	7,267,298
Capitalisation during the year	-
<b>Balance as at 31 December 2023</b>	<b>7,267,298</b>



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Varun Beverages (Zambia) Limited

Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023

2 Intangible assets

Gross block	(In ZMW)		
	Franchise rights/ trademarks	Software	Total
Balance as at 1 January 2022	129,977	8,726	138,703
Additions for the year ended	-	-	-
Disposal for the year ended	-	-	-
<b>Balance as at 31 December 2022</b>	<b>129,977</b>	<b>8,726</b>	<b>138,703</b>
Additions for the year ended	-	-	-
Disposal for the year ended	-	(3,526)	(3,526)
<b>Balance as at 31 December 2023</b>	<b>129,977</b>	<b>5,200</b>	<b>135,177</b>
<b>Accumulated amortisation</b>			
Balance as at 1 January 2022	62,027	929	62,956
Amortisation for the year	6,174	1,849	8,023
Reversal on disposal of assets	-	-	-
<b>Balance as at 31 December 2022</b>	<b>68,201</b>	<b>2,778</b>	<b>70,979</b>
Amortisation for the year	7,613	917	8,529
Reversal on disposal of assets	-	(3,432)	(3,432)
<b>Balance as at 31 December 2023</b>	<b>75,813</b>	<b>263</b>	<b>76,076</b>
<b>Balance as at 31 December 2022</b>	<b>61,777</b>	<b>5,948</b>	<b>67,725</b>
<b>Balance as at 31 December 2023</b>	<b>54,164</b>	<b>4,937</b>	<b>59,101</b>



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Varun Beverages (Zambia) Limited

Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023

1C Right of use assets

	Land leasehold	Total
<b>Gross carrying amount</b>		
Balance as at 01 January 2023	57,296,605	57,296,605
Additions for the year	-	-
Disposals for the year	-	-
Balance as at 31 December 2023	<u>57,296,605</u>	<u>57,296,605</u>
<b>Accumulated Depreciation</b>		
Balance as at 01 January 2023	1,513,869	1,513,869
Depreciation charge for the period	609,278	609,278
Reversal on disposals for the year	-	-
Balance as at 31 December 2023	<u>2,123,147</u>	<u>2,123,147</u>
<b>Carrying amount as at 31 December 2023</b>	<u><u>55,173,458</u></u>	<u><u>55,173,458</u></u>
<b>Gross carrying amount</b>		
Balance as at 01 January 2022	57,296,605	57,296,605
Additions for the year	-	-
Disposals for the year	-	-
Balance as at 31 December 2022	<u>57,296,605</u>	<u>57,296,605</u>
<b>Accumulated Depreciation</b>		
Balance as at 01 January 2022	910,765	910,765
Depreciation charge for the year	603,104	603,104
Reversal on disposals for the year	-	-
Balance as at 31 December 2022	<u>1,513,869</u>	<u>1,513,869</u>
<b>Carrying amount as at 31 December 2022</b>	<u><u>55,782,736</u></u>	<u><u>55,782,736</u></u>



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Varun Beverages (Zambia) Limited

Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023

	Before IND AS		IND AS-ADJUSTMENT		Total	
	ZMW As at 31 Dec 2023	ZMW As at 31 Dec 2022	ZMW As at 31 Dec 2023	ZMW As at 31 Dec 2022	ZMW As at 31 Dec 2023	ZMW As at 31 Dec 2022
<b>1A. Property, plant and equipment</b>	309,479,949	321,174,774	-	-	309,479,949	321,174,774
<b>1B. Capital work in progress</b>	7,267,298	-	-	-	7,267,298	-
<b>1C. Right of use assets</b>	55,173,458	55,782,736			55,173,458	55,782,736
<b>2. Intangible assets</b>	59,101	67,725	-	-	59,101	67,725
<b>3. Non-current loans</b>						
(Unsecured considered good, unless otherwise stated)						
Loan to related Parties					-	-
Other Loans						
	-	-	-	-	-	-
<b>4. Other financial assets</b>						
Bank deposits having maturity more than 12 months						
Security deposits	450,743	352,049	-	-	450,743	352,049
	450,743	352,049	-	-	450,743	352,049
<b>5. Non Current tax assets</b>						
MAT credit entitlement						
Income tax paid (includes amount paid under protest)						
	-	-	-	-	-	-
<b>6. Other non-current assets</b>						
Capital advances						
Advances other than capital advances	20,709,422	5,495,114	-	-	20,709,422	5,495,114
(a) Security Deposits						
(b) Advances to related parties	732,300	732,300	-	-	732,300	732,300
(c) Other Advances						
Balance with statutory authorities (paid under protest)						
Prepaid expenses						
	21,441,721	6,227,413	-	-	21,441,721	6,227,413
<b>7. Inventories</b>						
(a) Raw material						
(b) Raw material in transit	109,254,529	82,070,328	-	-	109,254,529	82,070,328
(c) Work-in-progress						
(d) Intermediate goods	76,586	-	-	-	76,586	-
(e) Finished goods	26,271,070	20,792,500	-	-	26,271,070	20,792,500
(f) Stores and spares	29,103,137	24,456,647	-	-	29,103,137	24,456,647
	164,705,322	127,319,475	-	-	164,705,322	127,319,475



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Varun Beverages (Zambia) Limited  
Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023

8. Trade receivables

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Trade receivable, considered good - Unsecured	91,090,447	107,763,487	(20,246,874)	(16,144,879)	70,843,574	91,618,608
Trade receivable, considered good - Secured	-	-	-	-	-	-
Trade receivable - Credit impaired	6,644,273	-	20,246,874	16,144,879	26,891,147	16,144,879
	97,734,720	107,763,487	-	-	97,734,720	107,763,487
Less : Allowance for expected credit losses	6,644,273	-	20,246,874	16,144,879	26,891,147	16,144,879
	91,090,447	107,763,487	(20,246,874)	(16,144,879)	70,843,574	91,618,608

9. Cash and cash equivalents

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Balance with banks						
- On current accounts	4,904,509	4,794,594	-	-	4,904,509	4,794,594
- Deposits with original maturity of less than three months	-	-	-	-	-	-
Cash and cash equivalents						
- Cheques/drafts on hand	-	-	-	-	-	-
- Cash on hand	501,959	449,211	-	-	501,959	449,211
	5,406,468	5,243,805	-	-	5,406,468	5,243,805

10. Other current financial assets

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Claims receivable	3,641,381	140,026	-	-	3,641,381	140,026
Advance to Employees	1,818,285	880,278	-	-	1,818,285	880,278
	5,459,666	1,020,304	-	-	5,459,666	1,020,304

11. Other current assets

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
(Unsecured considered good, unless otherwise stated)						
Advances to:						
Contractors and suppliers	5,942,199	26,293,978	-	-	5,942,199	26,293,978
Prepaid expenses	826,092	1,011,428	-	-	826,092	1,011,428
Balance with statutory/government authorities	-	-	-	-	-	-
Advances Recoverable in cash or kind	-	10,208,144	-	-	-	10,208,144
	6,768,291	37,513,550	-	-	6,768,291	37,513,550

12. Equity share capital

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Authorised share capital	35,000,000	35,000,000	-	-	35,000,000	35,000,000
	-	-	-	-	-	-
Issued, subscribed and fully paid-up						
Equity shares of ZMK 10 each issued, subscribed and fully paid up	207,890,000	207,890,000	-	-	207,890,000	207,890,000
	207,890,000	207,890,000	-	-	207,890,000	207,890,000

13. Other equity

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Foreign currency translation reserve						
Balance at the beginning of the year	-	-	-	-	-	-
Add: Adjustment during the year	-	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-	-
Retained earnings						
Balance at the beginning of the reporting period/year	48,061,499	19,195,079	(16,144,879)	(11,947,540)	31,916,619	7,247,539
Less: Transfer to debenture redemption reserve	-	-	-	-	-	-
Less: Dividend Paid	-	-	-	-	-	-
Less: Taxes on Dividend Paid	-	-	-	-	-	-
Add: Profit for the reporting period/year	(94,624,643)	28,866,418	(4,101,994)	(4,197,339)	(98,726,638)	24,669,079
Balance at the end of the reporting period/year	(46,563,145)	48,061,497	(20,246,874)	(16,144,879)	(66,810,018)	31,916,618
Equity contribution in compounded financial instruments	36,856	-	-	-	-	-
	(46,526,289)	48,061,497	(20,246,874)	(16,144,879)	(66,810,018)	31,916,618



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<b>14. Borrowings</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Term loans (secured)						
From banks	-	-	-	-	-	-
Term loan (unsecured) from a Parent Company	251,035,156	176,014,265	-	-	251,035,156	176,014,265
Deferred value added tax (unsecured)	-	-	-	-	-	-
	<b>251,035,156</b>	<b>176,014,265</b>	<b>-</b>	<b>-</b>	<b>251,035,156</b>	<b>176,014,265</b>
<b>Varun Beverages (Zambia) Limited</b>						
<b>Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023</b>						
<b>15. Provisions</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
<b>Non-Current</b>						
Provision for employee benefits						
Gratuity	4,319,199	4,850,564	-	-	4,319,199	4,850,564
Compensated absences	-	-	-	-	-	-
Liability for foreign currency derivative contract	-	-	-	-	-	-
	<b>4,319,199</b>	<b>4,850,564</b>	<b>-</b>	<b>-</b>	<b>4,319,199</b>	<b>4,850,564</b>
<b>Current</b>						
Provision for employee benefits						
Gratuity	-	-	-	-	-	-
Compensated absences	506,167	509,698	-	-	506,167	509,698
	<b>506,167</b>	<b>509,698</b>	<b>-</b>	<b>-</b>	<b>506,167</b>	<b>509,698</b>
<b>16. Current borrowings</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Loans repayable on demand from:						
A body corporate (unsecured)	-	-	-	-	-	-
Others (Unsecured)	-	-	-	-	-	-
Banks-working capital facilities (secured)	74,725,780	60,523,592	-	-	74,725,780	60,523,592
Current maturities of long-term debt	-	-	-	-	-	-
	<b>74,725,780</b>	<b>60,523,592</b>	<b>-</b>	<b>-</b>	<b>74,725,780</b>	<b>60,523,592</b>
<b>17. Trade payables</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Trade payables						
Total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	113,264,878	116,690,720	-	-	113,264,878	116,690,720
	<b>113,264,878</b>	<b>116,690,720</b>	<b>-</b>	<b>-</b>	<b>113,264,878</b>	<b>116,690,720</b>
<b>18. Other Current financial liabilities</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Interest payable to parent company	23,778,965	10,582,036	-	-	23,778,965	10,582,036
Capital creditors	-	-	-	-	-	-
Employee related payables	3,569,667	70,462	-	-	3,569,667	70,462
Unpaid Dividend	-	-	-	-	-	-
Security deposits	29,143,757	29,154,284	-	-	29,143,757	29,154,284
BG Commission Payable to Holding Company	166,280	974,527	-	-	166,280	974,527
	<b>56,658,670</b>	<b>40,781,309</b>	<b>-</b>	<b>-</b>	<b>56,658,670</b>	<b>40,781,309</b>
<b>19. Other current liabilities</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Advances from customers	781,918	1,318,823	-	-	781,918	1,318,823
Statutory dues payable	4,646,984	5,824,850	-	-	4,646,984	5,824,850
	<b>5,428,902</b>	<b>7,143,673</b>	<b>-</b>	<b>-</b>	<b>5,428,902</b>	<b>7,143,673</b>
<b>20. Revenue from operations</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Revenue from operations (gross)						
Sale of products	828,902,424	848,071,541	-	-	828,902,424	848,071,541
Other operating revenue						
Scrap sales	939,701	990,863	-	-	939,701	990,863
	<b>829,842,125</b>	<b>849,062,404</b>	<b>-</b>	<b>-</b>	<b>829,842,125</b>	<b>849,062,404</b>



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Varun Beverages (Zambia) Limited  
Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
<b>21. Other income</b>						
Interest on:						
-bank deposits	-	-	-	-	-	-
Net gain on foreign currency transactions and translations	-	-	-	-	-	-
Excess provisions written back	810,655	807,738	-	-	810,655	807,738
Gain on sale of fixed assets (net)	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Amortisation of government grant	-	-	-	-	-	-
	<b>810,655</b>	<b>807,738</b>	<b>-</b>	<b>-</b>	<b>810,655</b>	<b>807,738</b>
<b>22. Cost of materials consumed</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
<b>Raw material and packing material consumed</b>						
Inventories at beginning of the reporting period/year	82,070,328	93,039,459	-	-	82,070,328	93,039,459
Purchases during the reporting period/year (net)	501,808,212	512,917,902	-	-	501,808,212	512,917,902
	583,878,540	605,957,361	-	-	583,878,540	605,957,361
Sold during the reporting period/year	13,185,809	40,624,146	-	-	13,185,809	40,624,146
Inventories at end of the reporting period/year	109,254,529	82,070,328	-	-	109,254,529	82,070,328
	<b>461,438,203</b>	<b>483,262,887</b>	<b>-</b>	<b>-</b>	<b>461,438,203</b>	<b>483,262,887</b>
<b>23. Purchases of traded goods</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Beverages	3,624,382	5,188,514	-	-	3,624,382	5,188,514
Others	-	-	-	-	-	-
	<b>3,624,382</b>	<b>5,188,514</b>	<b>-</b>	<b>-</b>	<b>3,624,382</b>	<b>5,188,514</b>
<b>24. Changes in inventories of finished goods, work-in-progress and traded goods</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
<b>As at the beginning of the reporting period/year</b>						
Finished goods	20,792,500	24,000,164	-	-	20,792,500	24,000,164
Intermediate goods	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-
	<b>20,792,500</b>	<b>24,000,164</b>	<b>-</b>	<b>-</b>	<b>20,792,500</b>	<b>24,000,164</b>
<b>As at the closing of the reporting period/year</b>						
Finished goods	26,271,070	20,792,500	-	-	26,271,070	20,792,500
Intermediate goods	-	-	-	-	-	-
Work in progress	76,586	-	-	-	76,586	-
	<b>26,347,656</b>	<b>20,792,500</b>	<b>-</b>	<b>-</b>	<b>26,347,656</b>	<b>20,792,500</b>
<b>Finished goods used as fixed assets</b>						
	-	-	-	-	-	-
	<b>(5,555,157)</b>	<b>3,207,664</b>	<b>-</b>	<b>-</b>	<b>(5,555,157)</b>	<b>3,207,664</b>
<b>25. Employee benefits expense</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Salaries and wages	98,201,404	85,688,829	-	-	98,201,404	85,688,829
Contribution to provident and other funds	2,475,768	2,040,983	-	-	2,475,768	2,040,983
Staff welfare expenses	3,819,570	4,514,947	-	-	3,819,570	4,514,947
Share based payments	36,856	-	-	-	36,856	-
	<b>104,533,598</b>	<b>92,244,759</b>	<b>-</b>	<b>-</b>	<b>104,533,598</b>	<b>92,244,759</b>
<b>26. Finance costs</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
<b>Interest on:</b>						
Term loans	-	-	-	-	-	-
Working capital facilities	-	-	-	-	-	-
Others	5,056,107	9,652,348	-	-	5,056,107	9,652,348
Loan from Parent Company	14,847,227	8,040,662	-	-	14,847,227	8,040,662
<b>Other borrowing costs:</b>						
Processing fees	688,675	551,300	-	-	688,675	551,300
Finance Costs (INDAS)	-	-	-	-	-	-
Corporate Guarantee Commission	358,455	1,018,629	-	-	358,455	1,018,629
	<b>20,950,463</b>	<b>19,262,939</b>	<b>-</b>	<b>-</b>	<b>20,950,463</b>	<b>19,262,939</b>



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Varun Beverages (Zambia) Limited

Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023

27. Depreciation and amortisation expense

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Depreciation on tangible assets	43,080,514	34,802,044	(609,278)	(603,104)	42,471,236	34,198,940
Amortisation of intangible assets	8,529	8,023	-	-	8,529	8,023
Depreciation on right of use assets			609,278	603,104	609,278	603,104
	43,089,044	34,810,067	-	-	43,089,044	34,810,067

28. Other expenses

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Power and fuel	27,886,491	21,198,283	-	-	27,886,491	21,198,283
Repairs to plant and equipment	12,763,499	8,756,970	-	-	12,763,499	8,756,970
Repairs to buildings	858,300	659,702	-	-	858,300	659,702
Other repairs	6,043,872	6,817,887	-	-	6,043,872	6,817,887
Consumption of stores and spares	7,074,859	6,975,247	-	-	7,074,859	6,975,247
Rent	3,416,123	3,342,811	-	-	3,416,123	3,342,811
Rates and taxes	119,384	392,537	-	-	119,384	392,537
Insurance	2,221,027	1,401,012	-	-	2,221,027	1,401,012
Printing and stationery	711,996	826,816	-	-	711,996	826,816
Communication	1,275,480	1,146,925	-	-	1,275,480	1,146,925
Travelling and conveyance	8,174,885	6,801,138	-	-	8,174,885	6,801,138
Payment to the auditors as						
Audit and reviews	831,856	634,192	-	-	831,856	634,192
Taxation matters	-	-	-	-	-	-
Other matters	-	-	-	-	-	-
Reimbursement of expenses	-	-	-	-	-	-
Vehicle running and maintenance	5,279,830	4,418,374	-	-	5,279,830	4,418,374
Lease and hire charges	-	4,500	-	-	-	4,500
Management fee	-	-	-	-	-	-
Security and service charges	2,328,046	2,295,315	-	-	2,328,046	2,295,315
Professional charges and consultancy	2,489,446	6,796,079	-	-	2,489,446	6,796,079
Bank charges	1,385,988	3,029,959	-	-	1,385,988	3,029,959
Advertisement and sales promotion	11,624,432	9,244,781	-	-	11,624,432	9,244,781
Meeting and conference	-	-	-	-	-	-
Royalty	-	-	-	-	-	-
Freight, octroi and insurance paid (net)	61,424,571	52,449,424	-	-	61,424,571	52,449,424
Delivery vehicle running and maintenance	10,914,937	10,035,465	-	-	10,914,937	10,035,465
Distribution expenses	3,444,531	3,402,023	-	-	3,444,531	3,402,023
Loading and unloading charges	1,898,738	1,733,236	-	-	1,898,738	1,733,236
Donations	-	-	-	-	-	-
Property, plant and equipment written off	-	-	-	-	-	-
Loss on disposal of property, plant and equipment (net)	3,065,220	4,181,282	-	-	3,065,220	4,181,282
Bad debts and advances written off	33,750	1,644,204	-	-	33,750	1,644,204
Allowance for expected credit losses	6,644,273	-	-	-	-	-
Net loss on foreign currency transactions and translations	110,732,573	20,593,526	4,101,994	4,197,339	10,746,267	4,197,339
General office and other miscellaneous expenses	2,476,779	2,189,213	-	-	2,476,779	2,189,213
	295,120,887	180,970,899	4,101,994	4,197,339	299,222,881	185,168,239

29. Prior period items

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
	-	-	-	-	-	-
	-	-	-	-	-	-



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Varun Beverages (Zimbabwe) (Private) Limited  
Balance sheet as at 31 December 2023

Particulars	Note	Total	Total
		USD 31 Dec 2023	USD 31 Dec 2022
<b>Assets</b>			
<b>1) Non-current assets</b>			
(a) Property, plant and equipment	1A	30,195,286	27,312,372
(b) Capital work in progress	1B	8,230,662	3,859,684
(c) Right of use assets	1C	2,224,470	-
(d) Financial assets			
(i) Others	2	81,556	63,298
(e) Other non-current assets	3	1,072,614	205,026
<b>Total non-current assets</b>		<b>41,804,588</b>	<b>31,440,380</b>
<b>2) Current assets</b>			
(a) Inventories	4	26,583,556	24,850,704
(b) Financial assets			
(i) Trade receivables	5	4,537,852	5,528,503
(ii) Cash and cash equivalents	6	6,973,249	2,862,523
(iii) Bank balances other than (ii) above	7	-	-
(iv) Others	8	143,473	233,328
(c) Current tax assets	9	-	-
(d) Other current assets	10	7,795,761	3,092,472
<b>Total current assets</b>		<b>46,033,890</b>	<b>36,567,529</b>
<b>Total assets</b>		<b>87,838,478</b>	<b>68,007,910</b>
<b>Equity and liabilities</b>			
<b>3) Equity</b>			
(a) Equity share capital	11	1,100	1,100
(b) Other equity	12		
Reserve and Surplus		58,334,033	32,767,906
Equity contribution in compounded financial instruments		35,270	-
<b>Total equity</b>		<b>58,370,403</b>	<b>32,769,006</b>
<b>4) Liabilities</b>			
<b>A) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	11,840,000	14,850,000
<b>Total non-current liabilities</b>		<b>11,840,000</b>	<b>14,850,000</b>
<b>B) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	-	1,000,000
(ii) Trade payables	15	9,143,751	11,581,967
(iii) Other financial liabilities	16	5,904,607	3,515,805
(b) Other current liabilities	17	2,579,717	4,291,131
(c) Current tax liabilities (Net)	18	-	-
<b>Total current liabilities</b>		<b>17,628,075</b>	<b>20,388,904</b>
<b>Total liabilities</b>		<b>29,468,075</b>	<b>35,238,904</b>
<b>Total equity and liabilities</b>		<b>87,838,478</b>	<b>68,007,910</b>

**PKF**

For PKF Zimbabwe  
Chartered Accountants



Sydney Bvurere (Partner)

For Varun Beverages (Zimbabwe) (Private) Ltd



Director



Director

Place: Harare

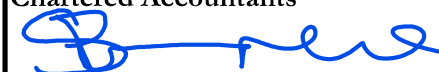
Date: 23-01-2024

Varun Beverages (Zimbabwe) (Private) Limited  
Statement of Profit and Loss for the period ended 31 December 2023

			Total	Total
			USD	USD
	Particulars	Note	31 Dec 2023	31 Dec 2022
	<b>Income</b>			
I	Revenue from operations	19	174,080,557	121,143,019
II	Other income	20	39,457	41,872
III	<b>Total Income (I + II)</b>		<b>174,120,014</b>	<b>121,184,891</b>
IV	<b>Expenses</b>			
	Cost of materials consumed	21	72,594,465	46,959,718
	Excise duty		1,717,081	533,368
	Purchase of traded goods	22	7,607,297	7,228,031
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	60,930	(602,310)
	Employee benefits expense	24	14,021,378	9,459,915
	Finance costs	25	1,360,767	1,683,262
	Depreciation expense	26	4,357,090	3,279,381
	Other expenses	27	46,834,880	30,201,845
	<b>Total expenses (IV)</b>		<b>148,553,888</b>	<b>98,743,210</b>
V	<b>(Loss)/profit/ before prior period items (III-IV)</b>		<b>25,566,126</b>	<b>22,441,681</b>
VI	Prior period items		-	-
VII	<b>(Loss)/profit before tax (V-VI)</b>		<b>25,566,126</b>	<b>22,441,681</b>
	<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>31,244,526</b>	<b>27,362,453</b>
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Adjustment of tax relating to earlier periods		-	-
	(3) Deferred tax		-	-
	<b>Total Tax expenses</b>		<b>-</b>	<b>-</b>
IX	<b>(Loss)/profit for the year (VII-VIII)</b>		<b>25,566,126</b>	<b>22,441,681</b>
X	<b>Other comprehensive income for the reporting period/year, net of tax</b>		<b>25,566,126</b>	<b>22,441,681</b>

PKF

For PKF Zimbabwe  
Chartered Accountants



Sydney Bvurere (Partner)

Place: Harare

Date: 23-01-2024

For Varun Beverages (Zimbabwe) (Private) Ltd



Director



Director



**Varun Beverages (Zimbabwe) (Private) Limited**  
**Statement of changes in equity**

**1. Equity Share Capital**

Equity shares of USD 1 each issued, subscribed and fully paid up

(Amount in USD)

Particulars		Number of shares	Amount
Balance as at 01 January 2022		1,100	1,100
Changes in share capital during the year		-	-
Balance as at 31 December 2022		1,100	1,100
Changes in share capital during the year		-	-
Balance as at 31 December 2023		1,100	1,100

**2. Other equity**

Particulars	Promoter contribution in equity	Retained earnings	Total
Balance as at 01 January 2022	-	50,114,246	50,114,246
Profit for the year ended	-	(17,346,340)	(17,346,340)
Balance as at 31 December 2022	-	32,767,906	32,767,906
Profit for the year ended	-	25,566,126	25,566,126
ESOP granted	35,270		35,270
Balance as at 31 December 2023	35,270	58,334,032	58,369,302

For and on behalf of Varun Beverages (Zimbabwe) (Private) Limited

*PKF*

For PKF Zimbabwe  
Chartered Accountants

*Sydney Bvurere*  
Sydney Bvurere (Partner)

*[Signature]*

Director

*[Signature]*

Director

Place: Harare

Date: 23-01-2024

Varun Beverages (Zimbabwe) (Private) Limited  
 Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023

1A Property, plant and equipment

Gross block	Land	Building	Plant & Machinery	Furniture & Fixtures		Vehicles	Office Equipment		Computer	Containers	Post-mix vending machines and refrigerators (Visi Cooler)	Grand
	Freehold											Total
Balance as at 01 January 2022	716,122	7,734,621	15,977,147	405,951	1,321,984	354,577	183,819	2,024,033	-	-	28,718,254	
Additions during the year	-	170,294	8,915,293	26,422	144,966	74,078	44,493	730,090	-	-	10,105,638	
Disposals during the year	-	-	732,206	-	-	-	-	-	-	-	(732,206)	
Balance as at 31 December 2022	716,122	7,904,915	24,160,235	432,373	1,466,951	428,655	228,312	2,754,123	-	-	38,091,686	
Additions during the year	-	2,916,121	1,482,874	23,036	472,019	89,712	131,450	2,102,012	-	-	7,217,224	
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	
Balance as at 31 December 2023	716,122	10,821,036	25,643,109	455,409	1,938,969	518,368	359,762	4,856,135	-	-	45,308,909	
Accumulated depreciation												
Balance as at 01 January 2022	-	1,264,889	4,620,176	158,142	644,034	136,230	68,751	880,331	-	-	7,772,553	
Depreciation charge during the period ended	-	389,521	1,940,490	84,028	272,513	76,258	41,091	475,480	-	-	3,279,381	
Reversal on disposal of assets	-	-	272,620	-	-	-	-	-	-	-	(272,620)	
Balance as at 31 December 2022	-	1,654,410	6,288,047	242,170	916,548	212,488	109,841	1,355,810	-	-	10,779,314	
Depreciation charge during the period ended	-	469,159	2,484,448	87,603	348,040	90,495	58,249	796,314	-	-	4,334,309	
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	
Balance as at 31 December 2023	-	2,123,569	8,772,495	329,773	1,264,588	302,983	168,090	2,152,124	-	-	15,113,623	
Net block												
Balance as at 31 December 2022	716,122	6,250,506	17,872,188	190,203	550,403	216,167	118,471	1,398,313	-	-	27,312,372	
Balance as at 31 December 2023	716,122	8,697,467	16,870,614	125,636	674,381	215,384	191,671	2,704,011	-	-	30,195,286	

1B Capital work in progress

Particulars	Amount
Balance as at 01 January 2022	2,547,976
Additions during the year	1,311,708
Capitalisation during the year	-
Balance as at 31 December 2022	3,859,684
Additions during the year	7,400,222
Capitalisation during the year	3,029,244
Balance as at 31 December 2023	8,230,662

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**Varun Beverages (Zimbabwe) (Private) Limited**  
**Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023**

**1C Right of use assets**

	Land leasehold	Total
<b>Gross carrying amount</b>		
Balance as at 01 January 2023	-	-
Additions for the year	2,247,250	2,247,250
Disposals for the year	-	-
Balance as at 31 December 2023	<u>2,247,250</u>	<u>2,247,250</u>
<b>Accumulated Depreciation</b>		
Balance as at 01 January 2023	-	-
Depreciation charge for the period	22,780	22,780
Reversal on disposals for the year	-	-
Balance as at 31 December 2023	<u>22,780</u>	<u>22,780</u>
<b>Carrying amount as at 31 December 2023</b>	<u>2,224,470</u>	<u>2,224,470</u>
<b>Gross carrying amount</b>		
Balance as at 01 January 2022	-	-
Additions for the year	-	-
Disposals for the year	-	-
Balance as at 31 December 2022	<u>-</u>	<u>-</u>
<b>Accumulated Depreciation</b>		
Balance as at 01 January 2022	-	-
Depreciation charge for the year	-	-
Reversal on disposals for the year	-	-
Balance as at 31 December 2022	<u>-</u>	<u>-</u>
<b>Carrying amount as at 31 December 2022</b>	<u>-</u>	<u>-</u>

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Varun Beverages (Zimbabwe) (Private) Limited  
Summary of significant accounting policies and other explanatory information on the financial statements for the period  
ended 31 December 2023

		Total	Total
		USD	USD
		As at 31 Dec 2023	As at 31 Dec 2022
<b>Property, plant and equipment</b>	Refer Note 1A	30,195,286	27,312,372
		<b>As at 31 Dec 2023</b>	<b>As at 31 Dec 2022</b>
<b>Capital work in progress</b>	Refer Note 1B	8,230,662	3,859,684
<b>1C. Right of use assets</b>	Refer Note 1C	2,224,470	-
<b>2. Other financial assets</b>			
(Unsecured considered good, unless otherwise stated)			
Security deposits		81,556	63,298
Loan to related parties		-	-
Other loans		-	-
		<b>81,556</b>	<b>63,298</b>
<b>3. Other non-current assets</b>			
		<b>As at 31 Dec 2023</b>	<b>As at 31 Dec 2022</b>
Capital advances		1,072,614	205,026
		<b>1,072,614</b>	<b>205,026</b>
<b>4. Inventories</b>			
		<b>As at 31 Dec 2023</b>	<b>As at 31 Dec 2022</b>
Raw material		18,971,544	19,097,149
Stores and spares		4,254,193	2,334,805
Intermediate Goods		1,978,366	-
Work in Progress		6,026	256
Finished goods		1,373,427	3,418,493
		<b>26,583,556</b>	<b>24,850,704</b>
<b>5. Trade receivables</b>			
		<b>As at 31 Dec 2023</b>	<b>As at 31 Dec 2022</b>
Trade receivable, considered good - Unsecured		4,537,852	5,528,503
Trade receivable, considered good - Secured		-	-
Trade receivable - Credit impaired		-	112
		4,537,852	5,528,615
Less : Allowance for expected credit losses		-	112
		<b>4,537,852</b>	<b>5,528,503</b>
<b>6. Cash and cash equivalents</b>			
		<b>As at 31 Dec 2023</b>	<b>As at 31 Dec 2022</b>
Balance with banks:			
- On current accounts		6,424,029	2,633,284
- Deposits with original maturity of less than three months		-	-
Cash and cash equivalents:			
- Cheques/drafts on hand		-	-
- Cash on hand		549,220	229,239
		<b>6,973,249</b>	<b>2,862,523</b>
<b>7. Other bank balances</b>			
		<b>As at 31 Dec 2023</b>	<b>As at 31 Dec 2022</b>
Deposits with original maturity more than 3 months but less than 12 months *		-	-
		-	-
<b>8. Other current financial assets</b>			
		<b>As at 31 Dec 2023</b>	<b>As at 31 Dec 2022</b>
Security deposits		-	-
Advance to Employees		143,473	233,328

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	143,473	233,328
<b>Varun Beverages (Zimbabwe) (Private) Limited</b>		
<b>9. Current tax assets</b>		
	<b>As at</b>	<b>As at</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Advance tax (net of provisions)	-	-
	-	-
<b>10. Other current assets</b>		
	<b>As at</b>	<b>As at</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
(Unsecured considered good, unless otherwise stated)		
Advances to:		
Contractors and suppliers	7,771,200	3,005,138
Prepaid expenses	24,561	87,333
Balance with statutory/government authorities	-	-
	<b>7,795,761</b>	<b>3,092,472</b>
<b>11. Equity share capital</b>		
	<b>As at</b>	<b>As at</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
<b>Authorised share capital</b>	-	-
	-	-
<b>Issued, subscribed and fully paid-up</b>		
Equity shares of USD 1 each	1,100	1,100
	<b>1,100</b>	<b>1,100</b>
<b>12. Other equity</b>		
	<b>As at</b>	<b>As at</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	-	(12,308,175)
Add: Adjustment during the year	0	(39,788,021)
Balance at the end of the year	<b>0</b>	<b>(52,096,196)</b>
<b>Retained earnings</b>		
Balance at the beginning of the reporting period/year	32,767,906	62,422,421
Add: (Loss)/profit for the reporting period/year	25,566,126	22,441,681
Balance at the end of the reporting period/year	<b>58,334,033</b>	<b>84,864,102</b>
Promoter contribution in equity	35,270	-
	<b>58,369,303</b>	<b>32,767,906</b>
<b>13. Non Current Borrowings</b>		
	<b>As at</b>	<b>As at</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Loans from bank (secured)	-	-
Loan from Parent Company (unsecured)	11,840,000	14,850,000
	<b>11,840,000</b>	<b>14,850,000</b>
<b>Varun Beverages (Zimbabwe) (Private) Limited</b>		
	<b>As at</b>	<b>As at</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
<b>14. Current Borrowings</b>		
Working capital facilities		
-from banks- (secured)	-	1,000,000
Current maturities of long term debt	-	-
	-	<b>1,000,000</b>
<b>15. Trade payables</b>		
	<b>As at</b>	<b>As at</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Trade payables		
Total outstanding dues to micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,143,751	11,581,967
	<b>9,143,751</b>	<b>11,581,967</b>
<b>16. Other financial liabilities</b>		

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	<b>As at</b>	<b>As at</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Interest accrued but not due on borrowings	-	583
Payable for capital expenditure	3,975,582	50,626
Employee related payables	517,099	619,404
Interest payable to parent company on Loan	1,263,208	2,737,103
Commission payable to parent company	148,718	108,088
	<b>5,904,607</b>	<b>3,515,805</b>
<b>17. Other current liabilities</b>		
	<b>As at</b>	<b>As at</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Advances from customers	218,806	427,158
Statutory dues payable	2,360,911	3,863,973
	<b>2,579,717</b>	<b>4,291,131</b>
<b>18. Current tax liability</b>		
	<b>As at</b>	<b>As at</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Provision for income tax (net of taxes paid)	-	-
	-	-
<b>19. Revenue from operations</b>		
	<b>For the period</b>	<b>For the period</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
<b>Revenue from operations (gross)</b>		
Sale of products	173,978,770	121,090,245
<b>Other operating revenue</b>		
Scrap sales	101,787	52,775
	<b>174,080,557</b>	<b>121,143,019</b>
<b>20. Other income</b>		
	<b>For the period</b>	<b>For the period</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Interest on:		
-bank deposits	19,221	41,857
Net gain on foreign currency transactions and translations	-	0
Gain on sale of fixed assets (net)	15,821	-
Miscellaneous	-	15
Excess provisions written back	4,415	-
	<b>39,457</b>	<b>41,872</b>
<b>21. Cost of materials consumed</b>		
	<b>For the period</b>	<b>For the period</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
<b>Raw material and packing material consumed</b>		
Inventories at beginning of the year	19,097,149	12,895,822
Purchases during the year (net)	72,969,957	53,667,759
	92,067,106	66,563,581
Sold during the year	501,098	506,714
Inventories at end of the year	18,971,544	19,097,149
	<b>72,594,465</b>	<b>46,959,718</b>
<b>22. Purchases of traded goods</b>		
	<b>For the period</b>	<b>For the period</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Beverages	7,607,297	7,228,031
	<b>7,607,297</b>	<b>7,228,031</b>
<b>Varun Beverages (Zimbabwe) (Private) Limited</b>		
<b>23. Changes in inventories of traded goods</b>		
	<b>For the period</b>	<b>For the period</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
<b>As at the beginning of the year</b>		
Finished goods	3,418,493	2,816,202
Intermediate goods	-	-
Work In Progress	256	237
	<b>3,418,749</b>	<b>2,816,439</b>
<b>As at the closing of the year</b>		

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Finished goods	1,373,427	3,418,493
Intermediate goods	1,978,366	-
Work In Progress	6,026	256
	3,357,819	3,418,749
	<b>60,930</b>	<b>(602,310)</b>
<b>24. Employee benefits expense</b>		
	<b>For the period</b>	<b>For the period</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Salaries and wages	11,837,940	7,868,542
Staff welfare expenses	2,148,168	1,591,372
Share based payments	35,270	-
	<b>14,021,378</b>	<b>9,459,915</b>
<b>25. Finance costs</b>		
	<b>For the period</b>	<b>For the period</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
<b>Interest on:</b>		
Term loans	124,750	516,387
Bank guarantee fees to Parent Company	40,630	100,346
Loan from parent company	1,195,387	1,066,530
	<b>1,360,767</b>	<b>1,683,262</b>
<b>26. Depreciation expense</b>		
	<b>For the period</b>	<b>For the period</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Depreciation on tangible assets	4,334,309	3,279,381
Depreciation on ROU	22,780	-
	<b>4,357,090</b>	<b>3,279,381</b>
<b>Varun Beverages (Zimbabwe) (Private) Limited</b>		
<b>27. Other expenses</b>		
	<b>For the period</b>	<b>For the period</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Power and fuel	5,575,912	3,513,004
Repairs to plant and equipment	3,440,621	1,828,198
Repairs to buildings	174,118	19,817
Other repairs	191,292	192,794
Consumption of stores and spares	962,171	234,024
Rent	1,424,258	938,468
Rates and taxes	41,748	29,236
Insurance	398,482	206,065
Printing and stationery	144,865	75,051
Communication	397,432	236,252
Travelling and conveyance	1,160,802	551,060
Payment to the auditors as		
Audit and reviews	33,549	50,023
Taxation matters	-	-
Other matters	-	-
Reimbursement of expenses	-	-
Vehicle running and maintenance	111,934	13,428
Lease and hire charges	915,811	1,065,972
Security and service charges	689,768	402,593
Professional charges and consultancy	205,046	155,227
Bank charges	1,803,040	1,369,702
Advertisement and sales promotion	1,475,476	1,153,384
Meeting and conference	-	-
Royalty	-	-
Freight, octroi and insurance paid (net)	12,134,541	8,125,492
Delivery vehicle running and maintenance	1,480,937	1,321,299
Distribution expenses	101,749	6,622
Loading and unloading charges	1,833,484	990,223
Donations	-	0
Property, plant and equipment written off	-	-
Loss on disposal of property, plant and equipment (net)	-	30,950
Bad debts and advances written off	-	85,635
Allowance for expected credit losses	-	-
Corporate Social Responsibility expenditure	-	-
Net loss on foreign currency transactions and translations	5,388,104	2,977,369
General office and other miscellaneous expenses	119,018	80,585
Management Fees	6,630,722	4,549,371
	<b>46,834,880</b>	<b>30,201,845</b>

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Varun Beverages RDC SAS  
Balance sheet as at 31 December 2023

Note	Before IND AS		IND AS-ADJUSTMENT		Total		
	As at	As at	As at	As at	As at	As at	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	
<b>Assets</b>							
<b>1) Non-current assets</b>							
(a) Property, plant and equipment	1	991.873.190	111.239.071	-	-	991.873.190	111.239.071
(b) Capital work in progress	1B	37.726.909.557	4.124.116.741	(139.579.385)	-	37.587.330.171	4.124.116.741
(c) Right of use assets	1C	-	-	2.249.341.046	-	2.249.341.046	-
(d) Intangible assets	2	-	-	-	-	-	-
(e) Financial assets							
(i) Loans	2	-	-	-	-	-	-
(ii) Others	4	238.511.128	105.760.000	-	-	238.511.128	105.760.000
(f) Deferred tax assets (Net)	5	-	-	-	-	-	-
(g) Other non-current assets	6	36.552.543.676	-	-	-	36.552.543.676	-
<b>Total non-current assets</b>		<b>75.509.837.551</b>	<b>4.341.115.812</b>	<b>2.109.761.661</b>	<b>-</b>	<b>77.619.599.212</b>	<b>4.341.115.812</b>
<b>2) Current assets</b>							
(a) Inventories	7	22.964.906	-	-	-	22.964.906	-
(a) Financial assets							
(i) Trade receivables	8	-	-	-	-	-	-
(ii) Cash and cash equivalents	3	12.368.367.042	895.690.860	-	-	12.368.367.042	895.690.860
(iii) Others	10	22.945.740	-	-	-	22.945.740	-
(b) Other current assets	4	369.780.691	194.643.776	-	-	369.780.691	194.643.776
<b>Total current assets</b>		<b>12.784.058.379</b>	<b>1.090.334.636</b>	<b>-</b>	<b>-</b>	<b>12.784.058.379</b>	<b>1.090.334.636</b>
<b>Branch Balances</b>		<b>88.293.895.929</b>	<b>5.431.450.448</b>	<b>2.109.761.661</b>	<b>-</b>	<b>90.403.657.591</b>	<b>5.431.450.448</b>
<b>Total assets</b>		<b>88.293.895.929</b>	<b>5.431.450.448</b>	<b>2.109.761.661</b>	<b>-</b>	<b>90.403.657.591</b>	<b>5.431.450.448</b>
<b>Equity and liabilities</b>							
<b>3) Equity</b>							
(a) Equity share capital	5	20.000.000	20.000.000	-	-	20.000.000	20.000.000
(b) Other equity	6						
Reserve and Surplus		(126.464.029)	(62.595.312)	-	-	(126.464.029)	(62.595.312)
Equity contribution in compounded financial instruments		6.300.681	-	-	-	6.300.681	-
<b>Total equity</b>		<b>(100.163.348)</b>	<b>(42.595.312)</b>	<b>-</b>	<b>-</b>	<b>(100.163.348)</b>	<b>(42.595.312)</b>
<b>4) Liabilities</b>							
<b>A) Non-current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings	7	84.463.268.632	5.200.000.000	-	-	84.463.268.632	5.200.000.000
(ii) Lease liabilities		-	-	2.074.625.016	-	2.074.625.016	-
(b) Provisions	15	-	-	-	-	-	-
<b>Total non-current liabilities</b>		<b>84.463.268.632</b>	<b>5.200.000.000</b>	<b>2.074.625.016</b>	<b>-</b>	<b>86.537.893.648</b>	<b>5.200.000.000</b>
<b>B) Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings	8	-	-	-	-	-	-
(ii) Trade Payables	8	2.526.821.214	92.098.760	-	-	2.526.821.214	92.098.760
(iii) Lease liabilities		-	-	35.136.645	-	35.136.645	-
(iii) Other financial liabilities	9	934.527.511	97.008.000	-	-	934.527.511	97.008.000
(b) Other current liabilities	19	469.441.922	84.939.000	-	-	469.441.922	84.939.000
(c) Provisions	15	-	-	-	-	-	-
(d) Current tax liabilities (Net)		-	-	-	-	-	-
<b>Total current liabilities</b>		<b>3.930.790.646</b>	<b>274.045.760</b>	<b>35.136.645</b>	<b>-</b>	<b>3.965.927.291</b>	<b>274.045.760</b>
<b>Total liabilities</b>		<b>88.394.059.278</b>	<b>5.474.045.760</b>	<b>2.109.761.661</b>	<b>-</b>	<b>90.503.820.939</b>	<b>5.474.045.760</b>
<b>Total equity and liabilities</b>		<b>88.293.895.930</b>	<b>5.431.450.448</b>	<b>2.109.761.661</b>	<b>-</b>	<b>90.403.657.591</b>	<b>5.431.450.448</b>

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For and on behalf of Varun Beverages RDC SAS

Whole Time Director

Place: Kinshasa, Democratic Republic of Congo  
Date: 17 January 2024



Varun Beverages RDC SAS  
Statement of Profit and Loss for the year ended 31 December 2023

	Note	Before IND AS		IND AS-ADJUSTMENT		Total	
		CDF	CDF	CDF	CDF	CDF	CDF
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
<b>Income</b>							
I	Revenue from operations	-	64.873.465	-	-	-	64.873.465
II	Other Income	38.167.480	300.000	-	-	38.167.480	300.000
III	<b>Total Income (I + II)</b>	<b>38.167.480</b>	<b>65.173.465</b>	<b>-</b>	<b>-</b>	<b>38.167.480</b>	<b>65.173.465</b>
<b>Expenses</b>							
IV	Cost of materials consumed	-	-	-	-	-	-
	Excise duty	-	-	-	-	-	-
	Purchase of stock-in-trade	-	104.734.728	-	-	-	104.734.728
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	-	-	-	-	-	-
	Employee benefits expense	10	-	-	-	-	-
	Finance costs	11	-	-	-	-	-
	Depreciation and amortization expense	12	22.946.929	-	-	102.036.198	22.946.929
	Other expenses	13	-	-	-	-	-
	<b>Total expenses (IV)</b>	<b>102.036.198</b>	<b>127.681.657</b>	<b>-</b>	<b>-</b>	<b>102.036.198</b>	<b>127.681.657</b>
V	Profit before prior period items (III-IV)	(63.868.718)	(62.508.192)	-	-	(63.868.718)	(62.508.192)
VI	Prior period items	-	-	-	-	-	-
VII	<b>Profit before tax (V-VI)</b>	<b>(63.868.718)</b>	<b>(62.508.192)</b>	<b>-</b>	<b>-</b>	<b>(63.868.718)</b>	<b>(62.508.192)</b>
VIII	<b>Tax expense:</b>						
	(1) Current tax	-	-	-	-	-	-
	(2) Adjustment of tax relating to earlier periods	-	-	-	-	-	-
	(2) Deferred tax	-	-	-	-	-	-
		-	-	-	-	-	-
IX	<b>Profit for the reporting period (VII-VIII)</b>	<b>(63.868.718)</b>	<b>(62.508.192)</b>	<b>-</b>	<b>-</b>	<b>(63.868.718)</b>	<b>(62.508.192)</b>
X	<b>Total comprehensive income for the year, net of tax</b>	<b>(63.868.718)</b>	<b>(62.508.192)</b>	<b>-</b>	<b>-</b>	<b>(63.868.718)</b>	<b>(62.508.192)</b>



Place: Kinshasa, Democratic Republic of Congo  
Date: 17 January 2024





Cash Flow (CDF)	As at 31st Dec 2023	As at 31st Dec 2022
<b>Cash Flow From operations</b>		
PAT	(63.868.718)	(62.508.192)
Depreciation		
Interest on Loan		
Interest Income		
<b>Working Capital Changes</b>		
Inventory	(22.964.906)	
Debtors		
Security deposit paid	(132.751.128)	(105.760.000)
Prepaid expenses		-
<b>Other current assets</b>		
i) Contractors and suppliers	(175.136.915)	(194.643.776)
ii) Advance to Employee	(22.945.740)	-
Trade Payable	2.434.722.454	92.098.760
<b>Other Current Liabilities</b>		
Interest accrued but not due on borrowings	837.519.511	91.008.000
Employee related payables		6.000.000
Duties & taxes payables	384.502.922	84.939.000
Security deposit received		
<b>Total (A)</b>	<b>3.239.077.480</b>	<b>(88.866.208)</b>
<b>Cash Flow From Investments</b>		
Capex		
(a) Property, plant and equipment	(880.634.119)	(111.239.071)
(b) Capital work in progress	(33.602.792.816)	(4.124.116.741)
(c) Other non-current assets	(36.552.543.676)	-
Interest Income		
<b>Total (B)</b>	<b>(71.035.970.611)</b>	<b>(4.235.355.812)</b>
<b>Cash Flow From Financing</b>		
Equity Change in Sahreholders Equity	6.300.681	19.912.880
Debt i) From Financial Institution	15.999.448.067	-
ii) From Parent Company	63.263.820.564	5.200.000.000
Interest	-	
<b>Total (C)</b>	<b>79.269.569.313</b>	<b>5.219.912.880</b>
<b>Total Cash Flow (A+B+C)</b>	<b>11.472.676.182</b>	<b>895.690.860</b>
Opening Cash & Cash Equivalents	895.690.860	-
Closing Cash & Cash Equivalents	12.368.367.042	895.690.860
<b>Diff check</b>	<b>0</b>	<b>0</b>




Varun Beverages RDC SAS

Statement of changes in equity for the year ended 31 December 2023

11 Equity Share Capital

Equity shares of CDF 20,000 each issued, subscribed and fully paid up

(In CDF)

Particulars	Number of shares	Amount
Balance as at 01 January 2022	1.000	20.000.000
Changes in share capital during the period		-
Balance as at 31 December 2022	1.000	20.000.000
Changes in share capital during the period	-	-
Balance as at 31 December 2023	1.000	20.000.000

12 Other Equity

Particulars	Promoter contribution in equity	Retained earnings	Total
Balance as at 01 January 2022	-	(87.120)	(87.120)
Profit for the year ended	-	(62.508.192)	(62.508.192)
Balance as at 31 December 2022	-	(62.595.312)	(62.595.312)
Profit for the year ended	-	(63.868.718)	(63.868.718)
ESOP granted	6.300.681		6.300.681
Balance as at 31 December 2023	6.300.681	(126.464.029)	(120.163.348)



For and on behalf of Varun Beverages RDC SAS

Whole Time Director

Plac Kinshasa, Democratic Republic of Congo

Date 17 January 2024



**Varun Beverages RDC SAS**

Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023

**1A Property, plant and equipment**

(In CDF)

Gross block	Land leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipments	Containers	Post-mix vending machines and refrigerators (Visi Cooler)	Total
Balance as at 1 January 2022	-	-	-	-	-	-	-	-	-	-
Additions for the year ended	-	-	-	48.738.000	49.000.000	22.204.000	14.244.000	-	-	134.186.000
Disposal for the year ended	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2022</b>	-	-	-	<b>48.738.000</b>	<b>49.000.000</b>	<b>22.204.000</b>	<b>14.244.000</b>	-	-	<b>134.186.000</b>
Additions for the period ended	-	-	366.491.944	155.838.719	308.729.346	85.075.063	66.535.244	-	-	982.670.316
Disposal for the period ended	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2023</b>	-	-	<b>366.491.944</b>	<b>204.576.719</b>	<b>357.729.346</b>	<b>107.279.063</b>	<b>80.779.244</b>	-	-	<b>1.116.856.316</b>
<b>Accumulated depreciation</b>										
Balance as at 01 January 2022	-	-	-	-	-	-	-	-	-	-
Depreciation charge during the year ended	-	-	-	2.933.323	13.691.781	3.841.904	2.479.921	-	-	22.946.929
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2022</b>	-	-	-	<b>2.933.323</b>	<b>13.691.781</b>	<b>3.841.904</b>	<b>2.479.921</b>	-	-	<b>22.946.929</b>
Depreciation charge during the year ended	-	-	11.585.968	11.031.517	56.950.655	14.439.614	8.028.443	-	-	102.036.198
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2023</b>	-	-	<b>11.585.968</b>	<b>13.964.840</b>	<b>70.642.437</b>	<b>18.281.518</b>	<b>10.508.363</b>	-	-	<b>124.983.126</b>
<b>Net block</b>										
Balance as at 31 December 2022	-	-	-	45.804.677	35.308.219	18.362.096	11.764.079	-	-	111.239.071
Balance as at 31 December 2023	-	-	354.905.976	190.611.879	287.086.909	88.997.545	70.270.881	-	-	991.873.190

**1B Capital work in progress**

(In CDF)

Particulars	Amount
Balance as at 01 January 2022	-
Addition during the year	4.124.116.741
Capitalisation during the year	-
<b>Balance as at 31 December 2022</b>	<b>4.124.116.741</b>
Addition during the period	33.602.792.816
Capitalisation during the period	-
<b>Balance as at 31 December 2023</b>	<b>37.726.909.557</b>





Varun Beverages RDC SAS

1C Right of use assets

	(IN CDF)	
	Land leasehold	Total
<b>Gross carrying amount</b>		
Balance as at 01 January 2023	-	-
Additions for the year	2.345.398.315	2.345.398.315
Disposals for the year	-	-
Balance as at 31 December 2023	<u>2.345.398.315</u>	<u>2.345.398.315</u>
<b>Accumulated Depreciation</b>		
Balance as at 01 January 2023	-	-
Depreciation charge for the period	96.057.269	96.057.269
Reversal on disposals for the year	-	-
Balance as at 31 December 2023	<u>96.057.269</u>	<u>96.057.269</u>
<b>Carrying amount as at 31 December 2023</b>	<u><u>2.249.341.046</u></u>	<u><u>2.249.341.046</u></u>

**Gross carrying amount**

Balance as at 01 January 2022

Additions for the year

Disposals for the year

Balance as at 31 December 2022

**Accumulated Depreciation**

Balance as at 01 January 2022

Depreciation charge for the year

Reversal on disposals for the year

Balance as at 31 December 2022

**Carrying amount as at 31 December 2022**




		Before IND AS		IND AS-ADJUSTMENT		Total	
		CDF	CDF	CDF	CDF	CDF	CDF
		As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
1 Property, plant and equipment	Note 1A	991.873.190	111.239.071	-	-	991.873.190	111.239.071
		As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
1B. Capital work in progress	Note 1B	37.726.909.557	4.124.116.741	(139.579.385)	-	37.587.330.171	4.124.116.741
		As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
1C) Right of use assets		-	-	2.249.341.046	-	2.249.341.046	-
2. Intangible assets	Note 2	-	-	-	-	-	-
2. Non-current loans		As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
(Unsecured considered good, unless otherwise stated)							
Loan to related Parties						-	-
Other Loans		-	-	-	-	-	-
4. Other financial assets		As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Bank deposits having maturity more than 12 months						-	-
Security deposits		238.511.128	105.760.000	-	-	238.511.128	105.760.000
Interest accrued on loans							
Income accrued on Investments							
		238.511.128	105.760.000	-	-	238.511.128	105.760.000
5. Non Current tax assets		As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
MAT credit entitlement		-	-	-	-	-	-
Income tax paid (includes amount paid under protest)		-	-	-	-	-	-
6. Other non-current assets		As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Capital advances		36.552.543.676	-	-	-	36.552.543.676	-
Advances other than capital advances							
(a) Security Deposits		-	-	-	-	-	-
(b) Advances to related parties							
(c) Other Advances							
Balance with statutory authorities (paid under protest)							
Prepaid expenses							
		36.552.543.676	-	-	-	36.552.543.676	-
7. Inventories		As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
(a) Raw material		-	-	-	-	-	-
(b) Raw material in transit		-	-	-	-	-	-
(c) Work-in-progress		-	-	-	-	-	-
(d) Intermediate goods		-	-	-	-	-	-
(e) Finished goods		-	-	-	-	-	-
(f) Stores and spares		22.964.906	-	-	-	22.964.906	-
		22.964.906	-	-	-	22.964.906	-



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Varun Beverages RDC SAS

Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023

8. Trade receivables

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Trade receivable, considered good - Unsecured	-	-	-	-	-	-
Trade receivable, considered good - Secured	-	-	-	-	-	-
Trade receivable - Credit impaired	-	-	-	-	-	-
Less : Allowance for expected credit losses	-	-	-	-	-	-

3. Cash and cash equivalents

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Balance with banks						
- On current accounts	4.500.121.122	891.830.340	-	-	4.500.121.122	891.830.340
- Deposits with original maturity of less than three months	7.852.404.965	-	-	-	7.852.404.965	-
Cash and cash equivalents						
- Cheques/drafts on hand	-	-	-	-	-	-
- Cash on hand	15.840.955	3.860.520	-	-	15.840.955	3.860.520
	12.368.367.042	895.690.860	-	-	12.368.367.042	895.690.860

10. Other current financial assets

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Claims receivable	-	-	-	-	-	-
Advance to Employees	22.945.740	-	-	-	22.945.740	-
	22.945.740	-	-	-	22.945.740	-

4. Other current assets

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
(Unsecured considered good, unless otherwise stated)						
Advances to:						
Contractors and suppliers	264.308.610	194.643.776	-	-	264.308.610	194.643.776
Prepaid expenses	101.591.070	-	-	-	101.591.070	-
Balance with statutory / government authorities	3.881.011	-	-	-	3.881.011	-
Advances Recoverable in cash or kind	-	-	-	-	-	-
	369.780.691	194.643.776	-	-	369.780.691	194.643.776

*[Handwritten signature]*





5. Equity share capital

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
<b>Authorised share capital</b>	10,000	10,000			10,000	10,000
	-	-	-	-	10,000	10,000
<b>Issued, subscribed and fully paid-up</b>						
Equity shares of CDF 10 each issued, subscribed and fully paid up	20,000,000	20,000,000	-	-	20,000,000	20,000,000
	20,000,000	20,000,000	-	-	20,000,000	20,000,000

6. Other equity

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
<b>Foreign currency translation reserve</b>						
Balance at the beginning of the year					-	-
Add: Adjustment during the year					-	-
Balance at the end of the year	-	-	-	-	-	-
<b>Retained earnings</b>						
Balance at the beginning of the reporting period/year	(62,595,312)	(87,120)	-	-	(62,595,312)	(87,120)
Add: Profit for the reporting period/year	(63,868,718)	(62,508,192)	-	-	(63,868,718)	(62,508,192)
Balance at the end of the reporting period/year	(126,464,029)	(62,595,312)	-	-	(126,464,029)	(62,595,312)
Promoter contribution in equity	6,300,681	-	-	-	6,300,681	-
	(120,163,348)	(62,595,312)	-	-	(120,163,348)	(62,595,312)

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Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023

7. Borrowings

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Term loans (secured)						
From banks	15.999.448.067	-	-	-	15.999.448.067	-
Term loan (unsecured)						
from a Parent Company	68.463.820.564	5.200.000.000	-	-	68.463.820.564	5.200.000.000
Deferred value added tax (unsecured)						
	84.463.268.632	5.200.000.000	-	-	84.463.268.632	5.200.000.000

Varun Beverages RDC SAS

Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023

Non Current lease liabilities

Lease Liabilities	-	-	2.074.625.016	-	2.074.625.016	-
	-	-	2.074.625.016	-	2.074.625.016	-

15. Provisions

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
<b>Non-Current</b>						
Provision for employee benefits						
Gratuity	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-
Liability for foreign currency derivative contract	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Current</b>						
Provision for employee benefits						
Gratuity	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-
	-	-	-	-	-	-

16. Current borrowings

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Loans repayable on demand from:						
A body corporate (unsecured)						
Others (Unsecured)						
Banks-working capital facilities (secured)	-	-	-	-	-	-
	-	-	-	-	-	-

8. Trade payables

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Trade payables						
Total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.526.821.214	92.098.760	-	-	2.526.821.214	92.098.760
	2.526.821.214	92.098.760	-	-	2.526.821.214	92.098.760

Current lease liabilities

Lease liabilities	-	-	35.136.645	-	35.136.645	-
	-	-	35.136.645	-	35.136.645	-

9. Other Current financial liabilities



	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Current maturities of long-term debt	-	-	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	-	-	-
Interest payable to parent company	835.380.537	91.008.000	-	-	835.380.537	91.008.000
Capital creditors	-	-	-	-	-	-
Employee related payables	-	6.000.000	-	-	-	6.000.000
Unpaid Dividend	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-
BG commission payable to Parent company	99.146.974	-	-	-	99.146.974	-
	<b>934.527.511</b>	<b>97.008.000</b>	-	-	<b>934.527.511</b>	<b>97.008.000</b>
<b>19. Other current liabilities</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Advances from customers	-	-	-	-	-	-
Statutory dues payable	469.441.922	84.939.000	-	-	469.441.922	84.939.000
	<b>469.441.922</b>	<b>84.939.000</b>	-	-	<b>469.441.922</b>	<b>84.939.000</b>
<b>20. Current tax liabilities (net)</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Provision for tax, net of prepaid taxes	-	-	-	-	-	-
	-	-	-	-	-	-
<b>10. Revenue from operations</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Revenue from operations (gross)	-	64.873.465	-	-	-	64.873.465
Sale of products	-	64.873.465	-	-	-	64.873.465
Other operating revenue	-	-	-	-	-	-
Scrap sales	-	-	-	-	-	-
	-	<b>64.873.465</b>	-	-	-	<b>64.873.465</b>
<b>Varun Beverages RDC SAS</b>						
Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023						
<b>21. Other income</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Interest on:						
-bank deposits	38.167.480	-	-	-	38.167.480	-
Net gain on foreign currency transactions and translations	-	-	-	-	-	-
Excess provisions written back	-	-	-	-	-	-
Gain on sale of fixed assets (net)	-	-	-	-	-	-
Miscellaneous Income	-	300.000	-	-	-	300.000
Amortisation of government grant	-	-	-	-	-	-
	<b>38.167.480</b>	<b>300.000</b>	-	-	<b>38.167.480</b>	<b>300.000</b>
<b>22. Cost of materials consumed</b>						
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Raw material and packing material consumed						
Inventories at beginning of the reporting period/year	-	-	-	-	-	-
Purchases during the reporting period/year (net)	-	-	-	-	-	-
Sold during the reporting period/year	-	-	-	-	-	-
Inventories at end of the reporting period/year	-	-	-	-	-	-
	-	-	-	-	-	-

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23. Purchases of traded goods

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Beverages	-	104.734.728	-	-	-	104.734.728
Others	-	-	-	-	-	-
	-	104.734.728	-	-	-	104.734.728

24. Changes in inventories of finished goods, work-in-progress and traded goods

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
<b>As at the beginning of the reporting period/year</b>						
Finished goods	-	-	-	-	-	-
Intermediate goods	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-
	-	-	-	-	-	-
<b>As at the closing of the reporting period/year</b>						
Finished goods	-	-	-	-	-	-
Intermediate goods	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Finished goods used as fixed assets</b>						
	-	-	-	-	-	-
	-	-	-	-	-	-

10. Employee benefits expense

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Salaries and wages	-	-	-	-	-	-
Contribution to provident and other funds	-	-	-	-	-	-
Staff welfare expenses	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-
	-	-	-	-	-	-

11. Finance costs

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
<b>Interest on:</b>						
Term loans	-	-	-	-	-	-
Working capital facilities	-	-	-	-	-	-
Others	-	-	-	-	-	-
Loan from Parent Company/ Subsidiary	-	-	-	-	-	-
<b>Other borrowing costs:</b>						
Processing fees	-	-	-	-	-	-
Finance Costs (INDAS)	-	-	-	-	-	-
	-	-	-	-	-	-

Varun Beverages RDC SAS

Summary of significant accounting policies and other explanatory information on the financial statements for the period ended 31 December 2023

12. Depreciation and amortisation expense

	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Depreciation on tangible assets	102.036.198	22.946.929	-	-	102.036.198	22.946.929
Amortisation of intangible assets	-	-	-	-	-	-
Depreciation on ROU	-	-	-	-	-	-
	102.036.198	22.946.929	-	-	102.036.198	22.946.929





**INDEPENDENT AUDITOR'S REPORT**

**The Shareholder**  
**Varun Beverages International DMCC**  
**Dubai, United Arab Emirates**

**Report on the audit of the standalone financial statements of Varun Beverages International DMCC for the year ended December 31, 2023.**

**Opinion**

We have audited the accompanying financial statements of Varun Beverages International DMCC ("the Company"), which comprises the statement of financial position as at December 31, 2023, and statement of comprehensive income, statement of changes in equity and statement of cash flows for year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and its financial performance and its cash flows for year ended December 31, 2023 in accordance with International Financial Reporting Standards (IFRS) for Small and Medium Sized Entities.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA's). Our responsibilities under those standards are further described in the auditors responsibilities for the audit of the financial statements of our report. We are independent of the Company in accordance with the 'International Ethics Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other Ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and their preparation in compliance with the implementing regulations of DMCC authority, 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, the management is responsible for assessing the Company's ability to continue as a going concern, 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.





**VARUN BEVERAGES INTERNATIONAL DMCC**

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**INDEPENDENT AUDITOR'S REPORT**

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

**Auditors responsibilities for the audit of the financial statements**

Objectives of our audit 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 ISA's 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 ISA's, we exercise professional judgment and maintain professional skepticism through out 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.*



**VARUN BEVERAGES INTERNATIONAL DMCC**

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**INDEPENDENT AUDITOR'S REPORT**

**Report on other legal and regulatory requirements**

We confirm that the financial statements comply with provisions of Implementing Regulation 2020 issued by the Dubai Multi Commodities Centre.

**TRC PAMCO ME**

TRC PAMCO Middle East Auditing & Accounting

Reg No: 423

Dubai

January 20, 2024



Varun Beverages International DMCC			
Statement of financial position as at 31 December 2023			
(Figures in AED)			
	Note	As on 31 Dec 2023	As on 31 Dec 2022
<b>Assets</b>			
<b>1) Non-current assets</b>			
(a) Property, plant and equipment	1	92,719,426	6,531,777
(b) Capital work in progress	18	-	-
(c) Intangible assets	2	-	-
(b) Financial assets			
(i) Investment	2	37	-
(ii) Others	4	31,630	31,630
(e) Deferred tax assets (Net)	5	-	-
(f) Other non-current assets	6	1,836,250	80,639,359
<b>Total non-current assets</b>		<b>94,587,343</b>	<b>87,202,766</b>
<b>2) Current assets</b>			
(a) Inventories	7	4,773,167	3,148,534
(b) Financial assets			
(i) Trade receivables	8	3,676,004	9,489,316
(i) Cash and cash equivalents	3	5,714,869	1,476,532
(iii) Bank balances other than (ii) above		1,100,000	-
(iv) Others	10	24,275,556	6,654,695
(c) Other current assets	4	19,536,016	1,015,380
<b>Total current assets</b>		<b>59,075,612</b>	<b>21,784,457</b>
<b>Total assets</b>		<b>153,662,955</b>	<b>108,987,223</b>
<b>Equity and liabilities</b>			
<b>3) Equity</b>			
(a) Equity share capital	5	1,000,000	1,000,000
(b) Other equity	6		
Reserve and Surplus		26,325,593	13,063,699
Equity contribution in compounded financial instruments		108,229	-
<b>Total equity</b>		<b>27,433,823</b>	<b>14,063,699</b>
<b>4) Liabilities</b>			
<b>A) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	7	88,874,361	85,200,660
(b) Provisions	15	206,996	55,188
<b>Total non-current liabilities</b>		<b>89,081,357</b>	<b>85,255,848</b>
<b>B) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	19,110,468	-
(i) Trade Payables	8	9,772,287	8,613,252
(ii) Other financial liabilities	9	8,265,021	1,054,424
(b) Other current liabilities	19	-	-
(c) Provisions	15	-	-
<b>Total current liabilities</b>		<b>37,147,775</b>	<b>9,667,676</b>
<b>Total liabilities</b>		<b>126,229,132</b>	<b>94,923,524</b>
<b>Total equity and liabilities</b>		<b>153,662,955</b>	<b>108,987,223</b>

These financial statements were approved by the Board of Directors on January 20, 2024 and signed on their behalf by:

For Varun Beverages International DMCC

Mr. Satyanarayan Sharma  
Director

January 20, 2024







Varun Beverages International DMCC				
Statement of comprehensive income for the year ended 31 December 2023				
(Figures in AED)				
	Note	Year Ended 31 Dec 2023	Year Ended 31 Dec 2022	
<b>Income</b>				
I	Revenue from operations	20	151,052,708	37,129,750
II	Other Income	21	34,614	7,346,389
III	<b>Total Income (I + II)</b>		<b>151,087,321</b>	<b>44,476,139</b>
<b>Expenses</b>				
IV	Cost of materials consumed		-	-
	Excise duty		-	-
	Purchase of stock-in-trade	23	92,041,595	20,090,740
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(1,624,633)	(3,148,534)
	Employee benefits expense	25	6,029,534	1,194,922
	Finance costs	10	8,882,332	1,058,292
	Depreciation and amortization expense	11	3,293,516	251,713
	Other expenses	12	29,203,083	11,965,306
	<b>Total expenses (IV)</b>		<b>137,825,427</b>	<b>31,412,440</b>
V	Profit before prior period items (III-IV)		13,261,894	13,063,699
VI	Prior period items		-	-
VII	<b>Profit before tax (V-VI)</b>		<b>13,261,894</b>	<b>13,063,699</b>
	Earnings before interest, tax, depreciation and amortization (EBITDA)		25,403,129	7,027,316
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Adjustment of tax relating to earlier periods		-	-
	(2) Deferred tax		-	-
IX	<b>Profit for the reporting period (VII-VIII)</b>		<b>13,261,894</b>	<b>13,063,699</b>
X	<b>Total comprehensive income for the year, net of tax</b>		<b>13,261,894</b>	<b>13,063,699</b>


These financial statements were approved by the Board of Directors on January 20, 2024 and signed on their behalf by:




For Varun Beverages International DMCC



Mr. Satyanarayan Sharma  
Director  
January 20, 2024





Varun Beverages International DMCC	
Cash Flow Statement (Indirect Method)	
(Amount in AED)	
Particulars	Year ended on 31 Dec 2023
<b>A. Operating activities</b>	
Profit before tax and share of profit in associates & Joint Venture	13,261,894
<b>Adjustments to reconcile profit before tax to net cash flows:</b>	
Depreciation and impairment on property, plant and equipment	3,293,516
Amortisation of intangible assets and Right of use assets	-
Interest expense at amortised cost	8,882,332
Interest income at amortised cost	(34,614)
Profit on sale of current investments	-
Excess provisions written back	-
Share based payment to employees	108,229
Loss on disposal/written off of property, plant and equipment (Net)	-
Bad debts and advances written off	-
Allowance for expected credit loss	-
Unrealised foreign exchange fluctuation	-
Operating profit before working capital changes	25,511,358
<b>Working capital adjustments</b>	
Increase in inventories	(1,624,633)
Increase in trade receivables	5,813,312
Increase in current and non-current financial assets and other current and non-current assets	(36,141,534)
Increase in current financial liabilities and other current and non-current liabilities and provisions	8,521,439
<b>Total cash from operations</b>	<b>2,079,942</b>
Income tax paid	-
<b>Net cash flows from operating activities (A)</b>	<b>2,079,942</b>
<b>B. Investing activities</b>	
Purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advance paid and capital creditors)	(10,678,053)
Proceeds from disposal of property, plant and equipment and intangible assets	-
Interest received	34,614
Decrease in other bank balances	(1,100,000)
<b>Net cash (used in) investing activities (B)</b>	<b>(11,743,440)</b>
<b>C. Financing activities</b>	
Proceeds from long term borrowings	3,673,701
Repayments of long term borrowings	-
Repayment of lease liabilities	-
Proceeds/(repayments) from/(of) short term borrowings (Net)	19,110,468
Proceeds from issue of share capital (including share premium thereon)	-
Interest paid (inclusive of interest paid on lease liabilities)	(8,882,332)
Dividends paid	-
<b>Net cash generated from financing activities (C)</b>	<b>13,901,836</b>
<b>Net change in cash and cash equivalents (D=A+B+C)</b>	<b>4,238,338</b>
Cash and cash equivalents at the beginning of year (E)	1,476,532
<b>Cash and cash equivalents at the end of year (F= D+E)</b>	<b>5,714,870</b>
These financial statements were approved by the Board of Directors on January 20, 2024 and signed on their behalf by:	
For Varun Beverages International DMCC	
	
Mr. Satyanarayan Sharma Director January 20, 2024	
 	

**Varun Beverages International DMCC**

**Statement of changes in equity for the year ended 31 December 2023**

**11 Equity Share Capital**

Equity shares of AED 1000 each issued, subscribed and fully paid up

(Figures In AED)

Particulars	Number of shares	Amount
Balance as at 01 January 2022		
Changes in share capital during the period	1,000	1,000,000
Balance as at 31 December 2022	1,000	1,000,000
Changes in share capital during the period	-	-
Balance as at 31 December 2023	1,000	1,000,000

**12 Other Equity**

(Figures In AED)

Particulars	Promoter contribution in equity	Retained earnings	Total
Balance as at 01 January 2022	-	-	-
Profit for the year ended		13,063,699	13,063,699
Balance as at 31 December 2022	-	13,063,699	13,063,699
Profit for the period ended		13,261,894	13,261,894
ESOP given to employess	108,229		108,229
Balance as at 31 December 2023	108,229	26,325,593	26,433,823

These financial statements were approved by the Board of Directors on January 20, 2024 and signed on their behalf by:

For Varun Beverages International DMCC



Mr. Satyanarayan Sharma  
Director  
January 20, 2024





Varun Beverages International DMCC

Summary of significant accounting policies and other explanatory information on the financial statements for the year ended 31 December 2023

IA Property, plant and equipment

(In AED)

Gross block	Buildings	Furniture and fixtures	Vehicles	Office equipment	Computer equipments	Aircraft	Total
Balance as at 1 January 2022	-	-	-	-	-	-	-
Additions for the year ended	3,335,121	93,882	3,177,400	166,278	10,810	-	6,783,491
Disposal for the year ended	-	-	-	-	-	-	-
<b>Balance as at 31 December 2022</b>	<b>3,335,121</b>	<b>93,882</b>	<b>3,177,400</b>	<b>166,278</b>	<b>10,810</b>	<b>-</b>	<b>6,783,491</b>
Additions for the period ended	5,254,241	1,886,947	1,728,600	-	-	80,611,375	89,481,163
Disposal for the period ended	-	-	-	-	-	-	-
<b>Balance as at 31 December 2023</b>	<b>8,589,362</b>	<b>1,980,828</b>	<b>4,906,000</b>	<b>166,278</b>	<b>10,810</b>	<b>80,611,375</b>	<b>96,264,654</b>
<b>Accumulated depreciation</b>							
Balance as at 01 January 2022	-	-	-	-	-	-	-
Depreciation charge during the period	83,677	2,389	159,910	4,759	978	-	251,713
Reversal on disposal of assets	-	-	-	-	-	-	-
<b>Balance as at 31 December 2022</b>	<b>83,677</b>	<b>2,389</b>	<b>159,910</b>	<b>4,759</b>	<b>978</b>	<b>-</b>	<b>251,713</b>
Depreciation charge during the period	157,557	113,899	667,684	33,256	2,162	2,318,957	3,293,516
Reversal on disposal of assets	-	-	-	-	-	-	-
<b>Balance as at 31 December 2023</b>	<b>241,234</b>	<b>116,288</b>	<b>827,595</b>	<b>38,015</b>	<b>3,140</b>	<b>2,318,957</b>	<b>3,545,229</b>
<b>Net block</b>							
Balance as at 31 December 2022	3,251,444	91,493	3,017,490	161,519	9,832	-	6,531,777
<b>Balance as at 31 December 2023</b>	<b>8,348,128</b>	<b>1,864,540</b>	<b>4,078,405</b>	<b>128,263</b>	<b>7,670</b>	<b>78,292,418</b>	<b>92,719,426</b>



Varun Beverages International DMCC			
Summary of significant accounting policies and other explanatory information on the financial statements for the year ended 31 December 2023			
(Figures in AED)			
		As on 31 Dec 2023	As on 31 Dec 2022
<b>1. Property, plant and equipment</b>	Refer Separate Note	92,719,426	6,531,777
		As on 31 Dec 2023	As on 31 Dec 2022
<b>1B. Capital work in progress</b>	Refer Separate Note	-	-
		As on 31 Dec 2023	As on 31 Dec 2022
<b>2. Intangible assets</b>	Refer Separate Note	-	-
<b>2. Non-current financial assets</b>			
		As on 31 Dec 2023	As on 31 Dec 2022
Investments		37	-
		<b>37</b>	-
<b>4. Other financial assets</b>			
		As on 31 Dec 2023	As on 31 Dec 2022
Bank deposits having maturity more than 12 months		-	-
Security deposits		31,630	31,630
Interest accrued on loans			
Income accrued on Investments			
		<b>31,630</b>	31,630
<b>5. Non Current tax assets</b>			
		As on 31 Dec 2023	As on 31 Dec 2022
MAT credit entitlement		-	-
Income tax paid (Includes amount paid under protest)		-	-
		-	-



Varun Beverages International DMCC		
Summary of significant accounting policies and other explanatory information on the financial statements for the year ended 31 December 2023		
6. Other non-current assets		
	As on 31 Dec 2023	As on 31 Dec 2022
Capital advances	1,836,250	80,639,359
Advances other than capital advances		
(a) Security Deposits	-	-
(b) Advances to related parties		
(c) Other Advances		
Balance with statutory authorities (paid under protest)		
Prepaid expenses		
	<b>1,836,250</b>	<b>80,639,359</b>
7. Inventories		
	As on 31 Dec 2023	As on 31 Dec 2022
(a) Raw material	-	-
(b) Raw material in transit	-	-
(c) Work-in-progress	-	-
(d) Intermediate goods		
(e) Finished goods	4,773,167	3,148,534
(f) Stores and spares	-	-
	<b>4,773,167</b>	<b>3,148,534</b>
Varun Beverages International DMCC		
Summary of significant accounting policies and other explanatory information on the financial statements for the year ended 31 December 2023		
8. Trade receivables		
	As on 31 Dec 2023	As on 31 Dec 2022
Trade receivable, considered good - Unsecured	3,676,004	9,489,316
Trade receivable, considered good - Secured	-	-
Trade receivable - Credit impaired	-	-
	<b>3,676,004</b>	<b>9,489,316</b>
Less : Allowance for expected credit losses	-	-
	<b>3,676,004</b>	<b>9,489,316</b>





Varun Beverages International DMCC		
Summary of significant accounting policies and other explanatory information on the financial statements for the year ended 31 December 2023		
3. Cash and cash equivalents		
	As on 31 Dec 2023	As on 31 Dec 2022
Balance with banks		
- On current accounts	5,653,514	1,439,685
- Deposits with original maturity of less than three months	-	-
Cash and cash equivalents		
- Cheques/drafts on hand	-	-
- Cash on hand	61,354	36,846
	<b>5,714,869</b>	<b>1,476,532</b>
4. Other bank balances		
	As on 31 Dec 2023	As on 31 Dec 2022
Deposits with original maturity more than 3 months but less than 12 months	1,100,000	-
	<b>1,100,000</b>	<b>-</b>
10. Other current financial assets		
	As on 31 Dec 2023	As on 31 Dec 2022
Claims receivable	-	-
Advance to Employees	70,410	-
Other receivable	24,205,146	6,654,695
	<b>24,275,556</b>	<b>6,654,695</b>
4. Other current assets		
	As on 31 Dec 2023	As on 31 Dec 2022
(Unsecured considered good, unless otherwise stated)		
Advances to:		
Contractors and suppliers	19,386,894	825,605
Prepaid expenses	149,122	189,774
Balance with statutory/government authorities	-	-
Other Advances	-	-
	<b>19,536,016</b>	<b>1,015,380</b>



<b>Varun Beverages International DMCC</b>		
<b>Summary of significant accounting policies and other explanatory information on the financial statements for the year ended 31 December 2023</b>		
<b>5. Equity share capital</b>		
	<b>As on 31 Dec 2023</b>	<b>As on 31 Dec 2022</b>
<b>Authorised share capital</b>	-	-
<b>Issued, subscribed and fully paid-up</b>		
Equity shares of AED 1000 each issued, subscribed and fully paid up	1,000,000	1,000,000
	<b>1,000,000</b>	<b>1,000,000</b>
<b>6. Other equity</b>		
	<b>As on 31 Dec 2023</b>	<b>As on 31 Dec 2022</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	-	-
Add: Adjustment during the year	-	-
Balance at the end of the year	-	-
<b>Retained earnings</b>		
Balance at the beginning of the reporting period/year	13,063,699	-
Less: Transfer to debenture redemption reserve	-	-
Less: Dividend Paid	-	-
Less: Taxes on Dividend Paid	-	-
Add: Profit for the reporting period/year	13,261,894	13,063,699
Balance at the end of the reporting period/year	<b>26,325,594</b>	<b>13,063,699</b>
	<b>26,325,594</b>	<b>13,063,699</b>
<b>7. Borrowings</b>		
	<b>As on 31 Dec 2023</b>	<b>As on 31 Dec 2022</b>
Term loans (secured)		
From banks	-	-
Term loan (unsecured)		
from a Parent Company	88,874,361	85,200,660
Deferred value added tax (unsecured)	-	-
	<b>88,874,361</b>	<b>85,200,660</b>



**Varun Beverages International DMCC**

**Summary of significant accounting policies and other explanatory information on the financial statements for the year ended 31 December 2023**

**15. Provisions**

	As on 31 Dec 2023	As on 31 Dec 2022
<b>Non-Current</b>		
Provision for employee benefits		
Gratuity	206,996	55,188
Compensated absences	-	-
Liability for foreign currency derivative contract	-	-
	<b>206,996</b>	<b>55,188</b>
<b>Current</b>		
Provision for employee benefits		
Gratuity	-	-
Compensated absences	-	-
	-	-

**16. Current borrowings**

	As on 31 Dec 2023	As on 31 Dec 2022
Loans repayable on demand from:		
A body corporate (unsecured)	-	-
Others (Unsecured)	-	-
Banks-working capital facilities (secured)	19,110,468	-
	<b>19,110,468</b>	-

**8. Trade payables**

	As on 31 Dec 2023	As on 31 Dec 2022
Trade payables		
Total outstanding dues to micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and sma	9,772,287	8,613,252
	<b>9,772,287</b>	<b>8,613,252</b>





**Varun Beverages International DMCC**

Summary of significant accounting policies and other explanatory information on the financial statements for the year ended 31 December 2023

**9. Other Current financial liabilities**

	As on 31 Dec 2023	As on 31 Dec 2022
Current maturities of long-term debt	-	-
Interest payable to parent company	8,078,733	877,609
Capital creditors	-	-
Employee related payables	7,345	2,567
Unpaid Dividend	-	-
Security deposits	-	-
BG Commission payable	178,943	174,248
	<b>8,265,021</b>	<b>1,054,424</b>

**19. Other current liabilities**

	As on 31 Dec 2023	As on 31 Dec 2022
Advances from customers	-	-
Statutory dues payable	-	-
Other payables	-	-
	-	-

**20. Revenue from operations**

	Year ended 31 Dec 2023	Year ended 31 Dec 2022
<b>Revenue from operations (gross)</b>		
Sale of products	108,731,773	19,682,995
Rendering of services	42,320,935	17,446,755
<b>Other operating revenue</b>		
Scrap sales	-	-
	<b>151,052,708</b>	<b>37,129,750</b>

**21. Other income**

	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Interest on:		
-bank deposits	34,614	-
Net gain on foreign currency transactions and translations	-	-
Excess provisions written back	-	-
Gain on sale of fixed assets (net)	-	-
Miscellaneous Income	-	7,346,389
Amortisation of government grant	-	-
	<b>34,614</b>	<b>7,346,389</b>



Varun Beverages International DMCC		
Summary of significant accounting policies and other explanatory information on the financial statements for the year ended 31 December 2023		
22. Cost of materials consumed		
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
<b>Raw material and packing material consumed</b>		
Inventories at beginning of the reporting period/year	-	-
Purchases during the reporting period/year (net)	-	-
Sold during the reporting period/year	-	-
Inventories at end of the reporting period/year	-	-
	-	-
<b>23. Purchases of traded goods</b>		
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Beverages	-	-
Others	92,041,595	20,090,740
	<b>92,041,595</b>	<b>20,090,740</b>
<b>24. Changes in inventories of finished goods, work-in-progress and traded goods</b>		
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
<b>As at the beginning of the reporting period/year</b>		
Finished goods	3,148,534	-
Intermediate goods	-	-
Work in progress	-	-
	<b>3,148,534</b>	<b>-</b>
<b>As at the closing of the reporting period/year</b>		
Finished goods	4,773,167	3,148,534
Intermediate goods	-	-
Work in progress	-	-
	<b>4,773,167</b>	<b>3,148,534</b>
<b>Finished goods used as fixed assets</b>		
	<b>(1,624,633)</b>	<b>(3,148,534)</b>



Varun Beverages International DMCC		
Summary of significant accounting policies and other explanatory information on the financial statements for the year ended 31 December 2023		
25. Employee benefits expense		
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Salaries and wages	5,522,166	1,178,628
Contribution to provident and other funds	-	-
Staff welfare expenses	507,369	16,294
	<b>6,029,534</b>	<b>1,194,922</b>
10. Finance costs		
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
<b>Interest on:</b>		
Term loans	-	-
Working capital facilities	1,014,462	7,708
Bank Guarantee fees to Parent company	646,836	174,248
Loan from Parent Company/ Subsidiary	7,221,033	876,336
<b>Other borrowing costs:</b>		
Processing fees	-	-
Finance Costs (INDAS)	-	-
	<b>8,882,332</b>	<b>1,058,292</b>
11. Depreciation and amortisation expense		
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Depreciation on tangible assets	3,293,516	251,713
Amortisation of intangible assets	-	-
	<b>3,293,516</b>	<b>251,713</b>





Varun Beverages International DMCC		
Summary of significant accounting policies and other explanatory information on the financial statements for the year ended 31 December 2023		
12. Other expenses		
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Power and fuel	2,872	2,655
Repairs to plant and equipment	-	-
Repairs to buildings	163,755	2,159,713
Other repairs	10,253	-
Consumption of stores and spares	-	-
Rent	68,750	239,705
Rates and taxes	1,213,238	112,144
Insurance	25,275	13,130
Printing and stationery	50,626	19,905
Communication	108,029	49,664
Travelling and conveyance	3,778,114	6,286,818
Payment to the auditors as	-	-
Audit and reviews	52,500	51,500
Taxation matters	-	-
Other matters	-	-
Reimbursement of expenses	-	-
Vehicle running and maintenance	16,706,587	326,404
Lease and hire charges	-	-
Management Fee	-	-
Security and service charges	21,867	16,922
Professional charges and consultancy	3,707,645	2,208,712
Bank charges	677,926	348,756
Advertisement and sales promotion	-	-
Meeting and conference	2,206,717	-
Royalty	-	-
Freight, octroi and insurance paid (net)	-	-
Delivery vehicle running and maintenance	-	-
Distribution expenses	-	-
Loading and unloading charges	-	-
Donations	-	-
Property, plant and equipment written off	-	-
Loss on disposal of property, plant and equipment (net)	-	-
Bad debts and advances written off	-	-
Allowance for expected credit losses	-	-
Net loss on foreign currency transactions and translations	145,741	30,506
General office and other miscellaneous expenses	263,190	98,772
	<b>29,203,083</b>	<b>11,965,306</b>
29. Prior period items		
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
	-	-
	-	-



**Varun Beverages South Africa (PTY) Ltd**

**Balance sheet as on 31 December 2023**

Particular	Amount in ZAR
<b>Assets</b>	
Bank account	1,683.47
Advance to vendor	6,242.50
<b>Total Assets</b>	<b>7,925.97</b>
Equity Share capital	10,000.00
Other Equity	(2,074.03)
<b>Total Liabilities</b>	<b>7,925.97</b>

For Varun Beverages South Africa (PTY) Ltd



Date: Dubai  
Place: 19/01/2024

Y.P. Gulati  
(Director)

Varun Beverages South Africa (PTY) Ltd

Statement of Profit or loss for the year ended 31 December 2023

Particular	Amount in ZAR
Revenue	-
Expenses	
Professional Fee	2,012.50
Bank Charges	61.53
	<b>2,074.03</b>
Profit before tax	<b>(2,074.03)</b>
Tax expenses	-
Profit After tax	<b>(2,074.03)</b>

For Varun Beverages South Africa (PTY) Ltd



Date: Dubai  
Place: 19/01/2024

Y.P. Gulati  
(Director)



**LUNARMECH TECHNOLOGIES PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31st DECEMBER, 2023**

(Amount in Rupees Lacs, unless otherwise stated)

Particulars	Note No.	AS AT	AS AT
		31ST DECEMBER 2023	31ST DECEMBER 2022
<b>Assets</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	3(a)	9,637.61	5,419.89
b) Capital work in progress	3(b)	236.85	-
c) Right-of-use asset	3(c)	-	92.03
d) Financial assets			
i) Other financial assets	4	80.77	102.64
e) Other non current assets	5	716.61	1,375.99
<b>Total non-current assets</b>		<b>10,671.84</b>	<b>6,990.55</b>
<b>Current assets</b>			
a) Inventories	6	2,329.63	1,836.26
b) Financial assets			
i) Trade receivables	7	1,287.88	6,243.98
ii) Cash & cash equivalents	8	2,205.06	4,341.38
iii) Other bank balances	9	5,690.37	1,416.33
iv) Other financial assets	4	220.54	118.34
c) Other current assets	5	1,145.29	392.15
<b>Total current assets</b>		<b>12,878.77</b>	<b>14,348.44</b>
<b>Total assets</b>		<b>23,550.61</b>	<b>21,338.99</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	10	99.50	99.50
b) Other equity	11	17,637.39	13,565.20
<b>Total equity</b>		<b>17,736.89</b>	<b>13,664.70</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	12	1,002.82	2,368.93
ii) Lease liabilities	13	-	32.21
b) Provisions	14	82.76	63.14
c) Deferred tax liabilities (net)	15	532.68	68.55
<b>Total non-current liabilities</b>		<b>1,618.26</b>	<b>2,532.83</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	12	1,479.71	2,894.86
ii) Lease liabilities	13	-	82.82
iii) Trade payables			
Dues to micro enterprises and small enterprises	16	1.72	57.77
Dues to Others	16	1,546.33	993.68
iv) Other financial liabilities	17	78.92	58.92
b) Other current liabilities	18	825.15	301.40
c) Provisions	14	9.69	7.99
d) Current tax liabilities (Net)	19	253.93	744.02
<b>Total current liabilities</b>		<b>4,195.45</b>	<b>5,141.46</b>
<b>Total liabilities</b>		<b>5,813.71</b>	<b>7,674.29</b>
<b>Total equity &amp; liabilities</b>		<b>23,550.61</b>	<b>21,338.99</b>

**Significant accounting policies**  
The accompanying notes are an integral part of the

In terms of our report of even date annexed

FOR O P BAGLA & CO LLP  
CHARTERED ACCOUNTANTS  
FRN 000018/N/500091

ATUL AGGARWAL  
PARTNER

M.No. 92656

Place: New Delhi

Dated: 24/1/24



VIVEK GUPTA SHARAD KUMAR GARG  
MG. DIRECTOR (DIN:-00061354)      DIRECTOR (DIN:-02745454)

**LUNARMECH TECHNOLOGIES PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER 2023**

(Amount in Rupees Lacs, unless otherwise stated)

Particulars	Note No.	For the Year ended '31st December 2023	For the Year ended '31st December 2022
<b>Income</b>			
Revenue from operations	20	20,011.04	22,813.70
Other income	21	365.56	569.89
<b>Total income</b>		<b>20,376.60</b>	<b>23,383.59</b>
<b>Expenses</b>			
Cost of material consumed	22	10,707.12	11,532.34
Purchases of Stock-in-Trade		491.10	1,589.20
Changes in Inventories of finished goods, stock-in-trade and Work-in-progress	23	-207.92	380.88
Employee benefit expenses	24	791.74	723.27
Finance costs	25	120.22	152.73
Depreciation and amortization expense	26	961.16	819.02
Other expenses	27	2,112.10	1,668.85
<b>Total expenses</b>		<b>14,975.52</b>	<b>16,866.29</b>
<b>Profit before exceptional items &amp; tax</b>		<b>5,401.08</b>	<b>6,517.29</b>
Exceptional items			
Depreciation of earlier years		-	-
<b>Profit before tax</b>		<b>5,401.08</b>	<b>6,517.29</b>
<b>Tax expenses</b>			
<b>Current tax</b>			
Current year		825.24	1,685.74
Adjustment of earlier years		36.18	75.26
Deferred Tax		464.97	-32.22
<b>Profit for the year</b>		<b>4,074.70</b>	<b>4,788.51</b>
<b>Other comprehensive income</b>			
<b>a) Items that will not be reclassified to statement of profit &amp; loss</b>			
Remeasurement of post employment benefit		-3.35	-3.40
Less: Deferred tax on above item		-0.84	-0.86
<b>Total Other comprehensive income</b>		<b>-2.50</b>	<b>-2.54</b>
<b>Total comprehensive income</b>		<b>4,072.19</b>	<b>4,785.97</b>
<b>Earning per share (Basic / Diluted) ( Rs.)</b>	44	<b>409.51</b>	<b>481.25</b>

**Significant accounting policies**  
The accompanying notes are an integral part of the financial statements.

In terms of our report of even date annexed

FOR O P BAGLA & CO LLP  
CHARTERED ACCOUNTANTS  
FRN 000018/N/500091

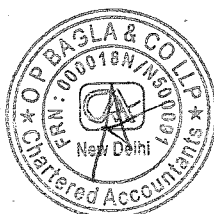
ATUL AGGARWAL  
PARTNER

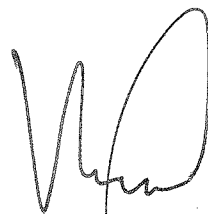

M.No. 92656

Place: New Delhi

Dated:

24/1/24



  
  
**VIVEK GUPTA SHARAD KUMAR GARG**  
MG. DIRECTOR DIRECTOR  
(DIN:-00061354) (DIN:-02745454)

## LUNARMECH TECHNOLOGIES PRIVATE LIMITED

Statement of changes in equity for the year ended 31 Dec, 2023

I) Equity share capital

(Amount in Rupees Lacs, unless otherwise stated)

Balance as at January 1, 2022	99.50
Changes in equity share capital during the year	-
Balance as at December 31, 2022	99.50
Changes in equity share capital during the year	-
Balance as at Dec 31, 2023	99.50

II) Other equity

Particulars	Reserve & Surplus		Other comprehensive income	Total
	Retained earnings	Capital Reserve		
As at January 1, 2022	8,847.53	-66.00	-2.31	8,779.22
Profit / Loss for the year	4,788.51	-	-	4,788.51
Remeasurement gains/losses on defined employment benefit (Net of Taxes)	-	-	-2.54	-2.54
As at December 31, 2022	13,636.04	-66.00	-4.85	13,565.20

Particulars	Reserve & Surplus		Other comprehensive income	Total
	Retained earnings	Capital Reserve		
As at January 1, 2023	13,636.04	-66.00	-4.85	13,565.20
Profit / Loss for the year	4,074.70	-	-	4,074.70
Remeasurement gains/losses on defined employment benefit (Net of Taxes)	-	-	-2.50	-2.50
Balance as at Dec 31, 2023	17,710.74	-66.00	-7.35	17,637.39

In terms of our report of even date annexed  
FOR O P BAGLA & CO LLP  
CHARTERED ACCOUNTANTS  
FRN 000018/N/50009

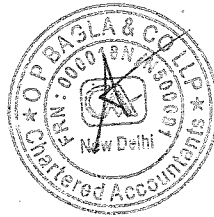
ATUL AGGARWAL  
PARTNER

M.No. 92656

PLACE : NEW DELHI

DATED :

24/1/24



VIVEK GUPTA SHARAD KUMAR GARG  
MG. DIRECTOR (DIN:-00061354) DIRECTOR (DIN:-02745454)



**LUNARMECH TECHNOLOGIES PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR Y.E. 31.12.2023**

(Amount in Rupees Lacs, unless otherwise stated)

Particulars	31.12.2023	31.12.2022
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax and extra ordinary items	5,401.08	6,517.29
Adjustment for :		
Depreciation	961.16	819.02
Interest Paid	120.22	152.73
Remeasurement of post employment benefit	-3.35	-3.40
(Profit)/Loss on sale of Fixed Assets	-5.64	1.48
Interest on Lease liabilities	7.52	15.61
Unwinding of interest on security deposit	-3.17	-2.42
Gain on Derecognition of Financial instrument	-8.07	-
Interest Received	-360.82	-175.76
<b>Operating Profit before Working Capital Facilities</b>	<b>6,108.93</b>	<b>7,324.55</b>
Adjustment for :		
Trade & Other Receivable	4,785.18	-4,948.09
Inventories	-493.36	34.66
Trade Payable	1,061.67	317.48
<b>Cash generated from operation</b>	<b>11,462.42</b>	<b>2,728.60</b>
Direct Taxes Paid	-1,351.37	-1,584.54
<b>Net Cash Flow from operating activities</b>	<b>10,111.05</b>	<b>1,144.06</b>
<b>B. Cash Flow From Investing activities</b>		
Purchase of fixed assets	-5,111.49	-1,092.95
Capital work in progress	-236.85	-
Sale of Fixed Assets	6.00	-
Interest Received	360.82	175.76
Outflow for Bank Deposits with more than 3 months maturity	-4,274.04	1,398.19
<b>Net Cash used In investing activities</b>	<b>-9,255.56</b>	<b>481.01</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from/Repayment of long term borrowings	-1,366.11	-1,748.44
Proceeds from/Repayment of Short Term borrowings	-1,415.15	2,894.86
Payment of lease liabilities	-90.33	-90.70
Interest Paid	-120.22	-152.73
<b>Net Cash used in financing activities</b>	<b>-2,991.81</b>	<b>903.00</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>-2,136.32</b>	<b>2,528.07</b>
<b>Cash &amp; Cash equivalent Opening</b>	<b>4,341.38</b>	<b>1,813.32</b>
<b>Cash &amp; Cash equivalent Closing</b>	<b>2,205.06</b>	<b>4,341.38</b>

**Notes:**

The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

In terms of our report of even date annexed  
FOR O P BAGLA & CO LLP  
CHARTERED ACCOUNTANTS  
FRN 000018N/N500091

ATUL AGGARWAL  
PARTNER  
M.No. 92656  
PLACE : DELHI  
DATED : 24/1/24



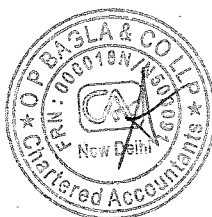
VIVEK GUPTA SHARAD KUMAR GARG  
MG. DIRECTOR DIRECTOR  
(DIN:-00061354) (DIN:-02745454)

**LUNARMECH TECHNOLOGIES PVT. LTD.**

(Amount in Rupees Lacs, unless otherwise stated)

3(a) Property, plant and equipment

PARTICULAR	Free Hold Land & Site Development	Building Renovation	Plant & Equipment	Office Equipment	Air conditioner	Furniture & Fixtures	Generator	Computers	Lab Equipment	Vehicles	Solar Plant	Total
<b>Cost</b>												
As at January 01, 2022	-0.00	88.01	9,188.58	12.17	21.83	18.81	16.04	11.74	19.24	2.59	-	9,377.02
Additions			1,077.76	13.46	0.40	-		1.22	-	0.11		1,092.95
Disposals	-		-									-
As at December 31, 2022	-0.00	88.01	10,266.34	25.63	22.23	18.81	16.04	12.96	19.24	2.70	-	10,469.97
Additions	333.01		1,781.02		9.89	1.28		4.45	3.01	-	2,978.73	5,111.49
Disposals	-		7.16									7.16
As at December 31, 2023	333.01	88.01	12,040.20	25.63	32.23	20.09	16.04	17.41	22.25	2.70	2,978.73	15,574.30
<b>Accumulated Depreciation</b>												
As at January 01, 2022	-	60.72	4,167.51	7.86	15.79	11.88	15.24	7.63	15.63	0.41	-	4,302.57
Depreciation charge for the year		8.60	733.38	1.95	0.59	0.62	-	1.78	0.39	0.22		747.52
Disposals												
As at December 31, 2022	-	69.32	4,900.89	9.81	16.38	12.50	15.24	9.31	16.02	0.63	-	5,050.09
Depreciation charge for the year		8.63	785.13	3.87	1.39	1.18	0.00	2.91	0.68	0.32	89.30	893.41
Disposals		-	6.80									6.80
As at December 31, 2023	-	77.95	5,679.23	13.68	17.77	13.67	15.24	12.22	16.70	0.95	89.30	5,936.70
<b>Net Block :</b>												
As at December 31, 2023	333.01	8.06	6,360.98	11.96	14.46	6.42	0.80	5.19	5.55	1.75	2,889.44	9,637.60
As at December 31, 2022	-0.00	16.69	5,366.45	15.83	6.88	6.32	0.80	3.66	3.23	2.07	-	5,419.89



**LUNARMECH TECHNOLOGIES PVT. LTD.**

(Amount in Rupees Lacs, unless otherwise stated)

3(b)CWIP as at 31 December 2023

Particular	Amount
<b>Gross Carrying amount</b>	
Balance as at 01 January 2023	-
Addition for the year	236.85
Transfer to Property/ Plant & Machinery	-
<b>Balance as at 31 December 2023</b>	<b>236.85</b>

CWIP as at 31 December 2022

Particular	Amount
<b>Gross Carrying amount</b>	
Balance as at 01 January 2022	-
Addition for the year	-
Transfer to Property/ Plant & Machinery	-
<b>Balance as at 31 December 2022</b>	<b>-</b>





**LUNARMECH TECHNOLOGIES PVT. LTD.**

(Amount in Rupees Lacs, unless otherwise stated)

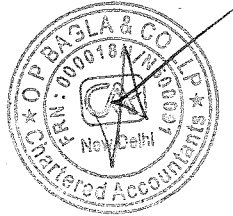
**3(c) Right-of-use asset**

Particulars	AS AT 31ST DECEMBER 2023	AS AT 31ST DECEMBER 2022
-------------	--------------------------------	--------------------------------

Buildings (Refer Note- 35)	-	92.03
	-	92.03

Set out below are the carrying amounts of right-of-use assets recognized and movements during the period.

	BUILDINGS	BUILDINGS
As at January 01, 2022	163.53	235.03
Addition/(Deletion)	-	-
Amortization expense	71.50	71.50
As at December 31, 2022	92.03	163.53
Addition/(Deletion)	-	-
Amortization expense	67.75	71.50
Derecognition of ROU	24.28	
As at December 31, 2023	-0.00	92.03

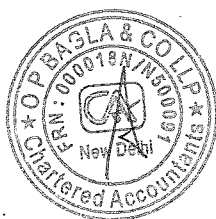


**LUNARMECH TECHNOLOGIES PRIVATE LIMITED**  
Notes of the financial statements

(Amount in Rupees Lacs, unless otherwise stated)

4 Other Financial Assets	Non-current		Current	
	AS AT '31ST DECEMBER 2023	AS AT '31ST DECEMBER 2022	AS AT '31ST DECEMBER 2023	AS AT '31ST DECEMBER 2022
<b>PARTICULARS</b>				
Security deposits	80.77	102.64	17.46	2.51
Claim Receivable	-	-	37.88	53.17
Other recoverable	-	-	165.20	62.65
Pre-Spent Corporate Social Responsibility (CSR) Expenses	-	-	-	-
	<b>80.77</b>	<b>102.64</b>	<b>220.54</b>	<b>118.34</b>

5 Other Assets	Non-current		Current	
	AS AT '31ST DECEMBER 2023	AS AT '31ST DECEMBER 2022	AS AT '31ST DECEMBER 2023	AS AT '31ST DECEMBER 2022
<b>PARTICULARS</b>				
Capital Advance	716.61	1,375.99	-	-
Balance With Govt. Authorities	-	-	950.25	21.55
Advances to Suppliers, Contractors & Others	-	-	30.43	321.00
Prepaid expenses/Amount recoverable	-	-	164.61	49.59
	<b>716.61</b>	<b>1,375.99</b>	<b>1,145.29</b>	<b>392.15</b>



# **LUNARMECH TECHNOLOGIES PRIVATE LIMITED**

## **Notes of the financial statements**

(Amount in Rupees Lacs, unless otherwise stated)

PARTICULARS	As At	As At
	31ST DECEMBER 2023	31ST DECEMBER 2022
<b>6 Inventories</b>		
(As certified by the management)		
Raw Material	1,446.73	1,408.08
Raw Material Inventories in transit	269.49	56.87
Packing Material	15.47	24.13
Semi Finished Goods	-	33.50
Fuel (Deisel)	2.76	-
Finished Goods	130.59	0.75
Finished Goods-in Transit	320.52	208.94
Stores, Spares and Others	144.07	103.98
<b>TOTAL</b>	<b>2,329.63</b>	<b>1,836.26</b>

**Note:**

For mode of valuation refer Accounting policy number 2.8





## LUNARMECH TECHNOLOGIES PRIVATE LIMITED

### Notes of the financial statements

(Amount in Rupees Lacs, unless otherwise stated)

PARTICULARS	AS AT 31ST DECEMBER 2023	AS AT 31ST DECEMBER 2022
<b>7 Trade receivables</b>		
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	1,287.88	6,243.98
Trade Receivable which have significant increase in credit Risk, and	-	-
Trade Receivable - Credit Impaired	-	-
<b>TOTAL</b>	<b>1,287.88</b>	<b>6,243.98</b>

TOTAL

Note:

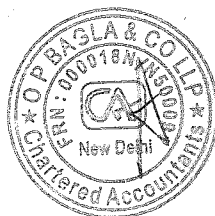
- 1 Refer Note no 34 for related party disclosures
- 2 Additional disclosures

AS ON 31-12-2023

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables considered good	-	1,287.88	-	-	-	-	1,287.88
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit impaired	-	-	-	-	-	-	-

AS ON 31-12-2022

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables considered good	-	4903.85	1340.13	0	0	0	6243.98
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit impaired	-	-	-	-	-	-	-



**8 Cash and cash equivalents**

Balances with banks

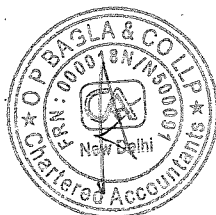
-In Current Account	1,007.91	5.82
-Deposits with maturity with in three months (Lien Marked Rs 980.16 lacs) (Previous year Rs 577.89 lacs)	1,144.06	3,267.88
-Cheques/Remittance in transit	51.11	1,066.90
Cash on hand	1.98	0.78

**TOTAL****2,205.06****4,341.38****For the purpose of statement of cash flow, cash and cash equivalent comprises of the following:**

Balances with banks	2,203.08	4,340.60
Cash on hand	1.98	0.78
<b>TOTAL</b>	<b>2,205.06</b>	<b>4,341.38</b>

**9 Other bank balances**

Bank Deposit with more than three months maturity (Lien Marked Rs.NIL (Previous year Rs.NIL )	5,690.37	1,416.33
<b>TOTAL</b>	<b>5,690.37</b>	<b>1,416.33</b>



## 10 Equity share capital

### AUTHORISED

1,100,000 Shares of par value of Rs. 10/- each  
(Previous Year 1,100,000, equity shares of Rs. 10/- each)

110.00

110.00

110.00

110.00

### ISSUED, SUBSCRIBED AND FULLY PAID-UP

995,020 Shares of par value of Rs. 10/- each  
(Previous year 995,020 Shares of par value of Rs. 10/- each)

99.50

99.50

99.50

99.50

### Notes:

a) The reconciliation of number of shares outstanding as at the beginning and end of the year.

Equity share capital	31ST DECEMBER 2023	31ST DECEMBER 2022
No. of Shares outstanding at the beginning of the year	9,95,020	9,95,020
Add: Equity shares issued as fully paid up shares.	-	-
No. of Shares outstanding at the end of the year	9,95,020	9,95,020

b) The company has only one class of equity shares having a par value of ` 10/- each. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

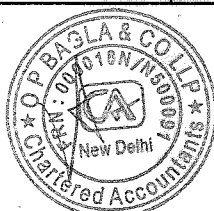
c) Varun Beverages Limited is the holding company of the company, holding 597645 equity shares of the company.

d) Following Shareholders hold shares more than 5% of the total equity shares of the company.

Name of the shareholder	31ST DECEMBER 2023	31 December , 2022
Varun Beverages Limited	597645(50.07%)	547645(55.04%)
Lunarmech Investments & Holdings	NIL	50000(5.03%)
Mr.Vivek Gupta	397159(39.91%)	397159(39.91%)

e) The company has not issued any bonus shares or shares pursuant to contract without payment being recovered in cash during the period of last 5 years immediately preceding the balance sheet date. However the company has issued 735000 equity shares during the FY 20-21 in pursuant to the scheme of amalgamation without payment being recovered in cash.

S. No.	Promoter' Name	No. of Shares	%age of shares held
1	Varun Beverages Limited	597645	60.07
2	Vivek Gupta	397159	39.91
3	Vivek gupta (HUF)	108	0.01
4	Shalini Gupta Jointly with Vivek Gupta	108	0.01





11 Other equity

a) Retained Earning

As per Last balance Sheet	13,631.20	8,845.23
Add: Net Profit after Tax	4,074.70	4,788.51
Remeasurement gains/losses on defined employment benefit	-2.50	-2.54

Total-(A) 

17,703.39	13,631.20
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b) Capital Reserve

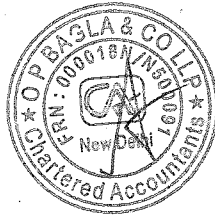
As per Last balance Sheet	-66.00	-66.00
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Total-(B) 

-66.00	-66.00
--------	--------

Total-(A+B) 

17,637.39	13,565.20
-----------	-----------



12 Borrowings	Non-current		Current	
	AS AT '31ST DECEMBER 2023	AS AT '31ST DECEMBER 2022	AS AT '31ST DECEMBER 2023	AS AT '31ST DECEMBER 2022
<b>PARTICULARS</b>				
Secured term loan from Banks :				
- Foreign Currency Loans (Buyers credit)				
-IndusInd Bank -SBLC-3B (Repayable on 10/01/2024 and rate of interest is Euribor+88 bps PA)	992.82	951.22	-	-
-IndusInd Bank -SBLC-3A (Repayable on 28/12/2023 and rate of interest is Euribor+88 bps PA))	-	951.22	-	-
- IndusInd Bank -SBLC-2 (Repayable on 20/02/2023 and rate of interest is Euribor+55 bps PA)	-	950.96	-	-
- IndusInd Bank -SBLC-1 (Repayable on 10/01/2023 and rate of interest is Euribor+48 bps PA)	-	950.96	-	-
IndusInd Bank Buyer's Credit ( CG )-SBLC-4 (Repayable on 31/05/2024 rate of interest is Euribor+88 bps PA))	486.89	466.49	-	-
IndusInd Bank Buyer's Credit ( CG )-SBLC-5 (Repayable on 14/04/2025 rate of interest is Euribor+75 bps PA))	992.82	951.22	-	-
Term Loan Hdfc Bank Jammu Project	10.00	-	-	-
HDFC BANK C.A. - 05720330000235	-	-	-	41.73
Current maturities of long term debt, disclosed under current borrowing	-1,479.71	-2,853.14	1,479.71	2,853.14
	<b>1,002.82</b>	<b>2,368.93</b>	<b>1,479.71</b>	<b>2,894.86</b>

**Notes:**

**A) Term loan in the form of Buyers credit against Standby letter of Credit (SBLC) taken from Indusind Bank**

i) The securities are as follows:

- First and Exclusive charge on Hypothecation of entire Plant & Machinery funded by Indusind Bank.
- First Pari passu charge over entire current assets of the company, both present and future.
- First pari passu charge on Hypothecation of entire fixed assets of the borrower.

**B) The Working capital limit taken from Indusind Bank is secured against following securities**

- Against first Pari passu charge entire current assets of the company, both present and future.
- First pari passu charge on Hypothecation of entire fixed assets of the borrower.
- The working capital limits carry an interest rate ranging 8.70%.
- The limit is not utilised as on balance sheet date.

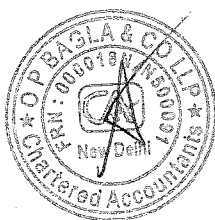
**C) The Term Loan taken from HDFC Bank is secured against following securities**

- The term loan from HDFC Bank were secured against first Pari passu charge over current assets, entire movable & immovable fixed assets of the Jammu project, both present and future.
- The Term loan carry an interest rate 8.10% P.A

D) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

E) The Company has registered/satisfied all the charges wherever required with Registrar of Companies within the statutory period.

F) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

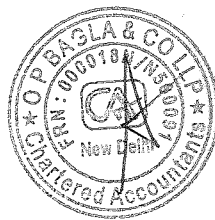


13 Lease Liabilities	Non-current		Current	
	AS AT '31ST DECEMBER 2023	AS AT '31ST DECEMBER 2022	AS AT '31ST DECEMBER 2023	AS AT '31ST DECEMBER 2022
PARTICULARS				
Lease Liabilities	-	32.21	-	82.82
	-	32.21	-	82.82

a) The following is the lease liabilities movement for year ended:

Balance at beginning of the year	115.03	190.12	-	-
Additions	-	-	-	-
Finance cost incurred during the period (Refer Note 25)	7.52	15.61	-	-
Payment of lease liabilities	-90.33	-90.70	-	-
Derecognition of lease liability	-32.21	-	-	-
Balance at end of the year	0.00	115.03	-	-
Non Current	-	32.21	-	-
Current	-	82.82	-	-
	-	115.03	-	-

14 Provisions	Non-current		Current	
	AS AT '31ST DECEMBER 2023	AS AT '31ST DECEMBER 2022	AS AT '31ST DECEMBER 2023	AS AT '31ST DECEMBER 2022
PARTICULARS				
(Refer note 24)				
Defined benefit liability (net) - Gratuity	63.93	49.38	7.46	6.08
Other employee obligations - Leave encashment	18.83	13.76	2.23	1.91
	82.76	63.14	9.69	7.99





**15 Deferred tax liabilities (net)**

Deferred tax arising from temporary differences

As at beginning of the year

68.55

101.62

Adjustment during the year

464.13

-33.07

**Total**

**532.68**

**68.55**



(Amount in Rupees Lacs, unless otherwise stated)

PARTICULARS	AS AT	AS AT
	31ST DECEMBER 2023	31ST DECEMBER 2022
<b>16 Trade payables</b>		
<b>Dues to Micro Enterprises and Small Enterprises(as per the intimation received from vendors)</b>		
i) Principal amount due to suppliers under MSMED Act	1.72	57.77
ii) Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
iii) Payment made to suppliers (other than interest) beyond appointed day during the year	-	-
iv) Interest paid to suppliers under MSMED Act	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the	-	-
v) Interest due and payable to suppliers under MSMED Act towards payments already made	-	-
vi) Interest accrued and remaining unpaid at the end of the accounting year	-	-
vii) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small	-	-
Other trade payables	1,546.33	993.68
<b>TOTAL</b>	<b>1,548.05</b>	<b>1,051.46</b>

**Notes:**

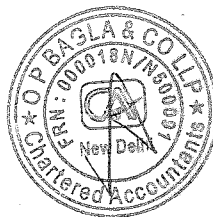
Disclosure with respect to related party transactions is given in note 34

31-12-2023

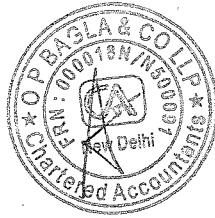
Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i.MSME	-	-	1.72	-	-	-	1.72
ii.Others	312.66	-	1,227.12	5.85	-	0.70	1,546.33
iii.Disputed dues- MSME	-	-	-	-	-	-	-
iv.Disputed dues- Others	-	-	-	-	-	-	-

31-12-2022

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i.MSME	-	-	57.77	-	-	-	57.76
ii.Others	221.29	-	771.29	0.41	0.70	-	993.68
iii.Disputed dues- MSME	-	-	-	-	-	-	-
iv.Disputed dues- Others	-	-	-	-	-	-	-



17 Other financial liabilities	Non-current		Current	
	AS AT '31ST DECEMBER 2023	AS AT '31ST DECEMBER 2022	AS AT '31ST DECEMBER 2023	AS AT '31ST DECEMBER 2022
Security Received From Transporters	-	-	8.50	-
Interest accrued but not due on borrowings	-	-	70.42	58.92
	-	-	<b>78.92</b>	<b>58.92</b>





PARTICULARS	As At	As At
	31ST DECEMBER 2023	31 DECEMBER 2022
<b>18 Other Current liabilities</b>		
Statutory Dues Payable	821.77	85.38
Advances from customers and others	3.38	216.02
<b>TOTAL</b>	<b>825.15</b>	<b>301.40</b>

**19 Current tax liabilities (Net)**

**Provision for current tax**

As per last balance sheet	744.02	567.55
Add:- Provision for Current Year	825.24	1,685.74
Less:-Amount adjusted during the year	-31.24	33.84
Less:-Set off against Taxes paid/Mat credit	-1,284.10	-1,543.11

**Provision for current tax ( Net )**

<b>253.93</b>	<b>744.02</b>
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**TOTAL**

<b>253.93</b>	<b>744.02</b>
---------------	---------------

PARTICULARS	As At	As At
	31ST DECEMBER 2023	31 DECEMBER 2022

**20 Revenue from operations**

Sale of Products	19,681.81	22,735.70
Sale of Solar Power	265.30	-

<b>19,947.11</b>	<b>22,735.70</b>
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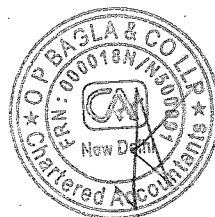
**Other operating revenue**

Export Incentive	19.36	37.99
Scrap Sales	44.57	40.01

<b>63.93</b>	<b>78.00</b>
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**TOTAL INCOME**

<b>20,011.04</b>	<b>22,813.70</b>
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**Disclosure on revenue pursuant to Ind AS 115- Revenue from contract with customers:**

**A) Reconciliation of revenue recognised with the contracted price:**

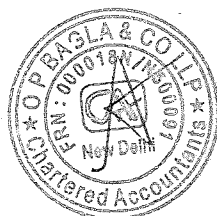
Gross revenue/Contracted price	19,685.53	22,739.17
Adjustments:		
Sales return	-3.72	-3.47
<b>Revenue as per Statement of Profit and Loss</b>	<b>19,681.81</b>	<b>22,735.70</b>

**B) Disclosure of disaggregated revenue recognised in the Statement of Profit and Loss based on geographical segme**

Revenue from customers outside India	2,373.74	5,916.49
Revenue from customers within India	17,308.07	16,819.21
<b>Revenue as per the Statement of Profit and Loss</b>	<b>19,681.81</b>	<b>22,735.70</b>

**C) Contract balances:**

The following table provides information about receivables and contract liabilities from contract with customers:



**Receivables**

Trade receivables	1,287.88	6,243.98
Less: Allowances for expected credit loss	-	-
	<b>1,287.88</b>	<b>6,243.98</b>

**Contract liabilities**

Advance from Customers	1.29	213.66
	<b>1.29</b>	<b>213.66</b>

- D) Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are on account of the advance payment received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls in the range to 120 days from the completion of performance obligation.

There is no significant financing component in any transaction with the customers.





**21 Other income**

Interest On Fixed Deposit Receipts	360.82	175.76
Interest Received on Electricity Security	3.73	2.97
Net Gain in Foreign Currency Transactions	-15.87	390.22
Profit on Sale of Fixed assets	-	-1.48
Profir on Sale of Transformer	5.64	
Unwinding of interest on security deposit	3.17	2.42
Gain on Derecognition of Financial instrument	8.07	-

<b>TOTAL</b>	<b>365.56</b>	<b>569.89</b>
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**22 Cost of material consumed****Raw material and packing material consumed**

Inventories at Beginning of the Year	1,489.09	1,159.22
Add : Purchases during the year (Net)	11,006.01	12,510.39
	12,495.10	13,669.62
Less : Sale of Raw material	56.30	648.18
Less : Inventories at the end of the year	1,731.68	1,489.09

Consumed	<b>10,707.12</b>	<b>11,532.34</b>
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Packing Material Consumed	-	-
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<b>TOTAL</b>	<b>10,707.12</b>	<b>11,532.34</b>
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**23 Changes in Inventories of finished goods, stock-in-trade and work-in-progress****AS AT THE BEGINNING OF THE YEAR**

Finished Goods	0.75	7.30
Finished Goods-in Transit	208.94	594.57
Semi Finished Goods	33.50	22.20

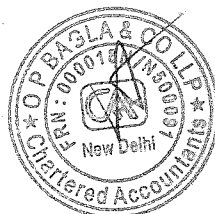
	<b>243.18</b>	<b>624.07</b>
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**AS AT THE CLOSING OF THE YEAR**

Finished Goods	130.59	0.75
Finished Goods-in Transit	320.52	208.94
Semi Finished Goods	-	33.50

	<b>451.11</b>	<b>243.18</b>
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<b>NET</b>	<b>-207.92</b>	<b>380.88</b>
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## 24 Employee benefit expenses

Salaries and wages *	751.26	684.58
Employer's contribution to provident and other funds	16.49	14.81
Staff welfare expenses	23.99	23.88

<b>TOTAL</b>	<b>791.74</b>	<b>723.27</b>
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* Managerial Remuneration paid to Directors	180.00	171.00
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### Employee benefits

#### I Defined contribution plans

Contribution to defined contribution plans, recognised as expense for the year is as under:

Employer's contribution to provident and other funds	16.49	14.81
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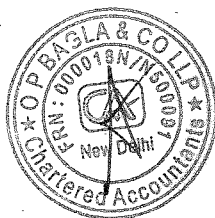
#### II Defined benefit plans

The Company operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act.

The following table sets out the status of the gratuity plan as required under Ind AS 19 - Employee Benefits as at 31 December 2022, 31 December 2023 :

##### i. Changes in present value are as follows:

Particulars	31ST DECEMBER 2023	31 December , 2022
Balance at the beginning of the year	55.46	49.42
Interest cost	4.13	2.66
Current service cost	8.46	5.06
Benefits settled	-	-6.49
Actuarial loss/(gain)	3.35	4.81
<b>Balance at the end of the year</b>	<b>71.39</b>	<b>55.46</b>



**ii. Expense recognised in the Statement of Profit and Loss:**

Particulars	31ST DECEMBER 2023	31ST DECEMBER 2022
Current service cost	8.46	5.06
Interest cost	4.13	2.66
Liability taken of transferred employees from holding company		
<b>Total</b>	<b>12.59</b>	<b>7.72</b>

**Amount recognised in Other Comprehensive Income:**

Particulars	31ST DECEMBER 2023	31ST DECEMBER 2022
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	-3.35	-4.81
Actuarial gain /(loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) for the year	<b>-3.35</b>	<b>-4.81</b>

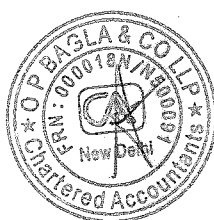
**Amount recognised in the balance sheet**

Particulars	31ST DECEMBER 2023	31ST DECEMBER 2022
Present value of defined benefit obligation	71.39	55.46
Fair value of plan assets		
Net assets/(liability) recognized in balance sheet as provision	<b>-71.39</b>	<b>-55.46</b>
<b>Bifurcation of closing net liability at the end of year</b>	<b>31ST DECEMBER 2023</b>	<b>31ST DECEMBER 2022</b>
Current	7.46	6.08
Non-Current	63.93	49.38

**iii. Actuarial assumptions**

**a) Economic assumptions**

Particulars	31ST DECEMBER 2023	31ST DECEMBER 2022
i) Discounting rate	7.39%	0.08
ii) Future salary increase	6.00%	0.06



**b) Demographic assumption**

Particulars	31ST DECEMBER 2023	31 December , 2022
i) Retirement age (years)		58.00
ii) Mortality table	100% Of IALM(2012-14)	100% Of IALM(2012-14)
iii) Ages	Withdrawal rate (%)	Withdrawal rate (%)
Up to 30 years	3	3.00
From 31 to 44 years	2	2.00
Above 44 years	1	1.00

**A quantitative sensitivity analysis for significant assumption is as shown below:**

**A) Impact of the change in discount rate**

Present Value obligation at the end of the period

a) Impact due to increase of 0.5%

b) Impact due to decrease of 0.5%

	71.39	55.46
	-3.85	-2.99
	4.22	3.27
	-	-
	-	-
	71.39	55.46
	4.14	3.30
	-3.92	-3.04

**B) Impact of the change in salary increase**

Present Value obligation at the end of the period

a) Impact due to increase of 0.5%

b) Impact due to decrease of 0.5%

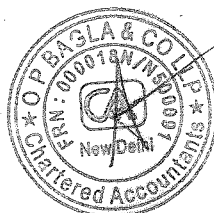
The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**Risk associated:**

Investment risk	funded then
Interest risk (discount rate risk)	discount rate
Mortality risk	and disability
Salary risk	increases will
Withdrawals	withdrawals

The following payments are maturity profile of Defined Benefit Obligations in future years:

Year	31ST DECEMBER 2023	31 December , 2022
0 to 1 year	7.46	6.08
1 to 2 year	2.13	0.87
2 to 3 year	1.17	3.40
3 to 4 year	1.46	0.83
4 to 5 year	1.16	0.99
5 to 6 year	1.50	0.81
6 year onwards	56.52	42.48





### III. Compensated absences (Other benefits)

The Company recognises the compensated absences expenses in the Statement of Profit and Loss based on actuarial valuation.

Actuarial valuation of compensated absences has been performed by an independent actuary using the following assumptions:

#### i. Changes in present value are as follows:

Particulars	31ST DECEMBER 2023	31 December , 2022
Balance at the beginning of the year	15.67	13.25
Add: Interest cost	1.17	0.71
Add: Current service cost	3.61	1.74
Less: Benefits paid	-	-1.26
Add: Net actuarial gain/loss during the year	0.61	1.22
<b>Balance at the end of the year</b>	<b>21.06</b>	<b>15.67</b>

#### ii. Change in the fair value of plan assets:

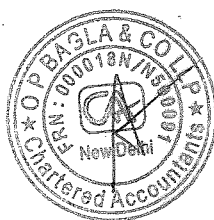
The scheme does not have any assets as at the valuation date to meet the compensated absence liability.

#### iii. Amount recognised in the balance sheet

Particulars	31ST DECEMBER 2023	31 December , 2022
Present value of defined benefit obligation	21.06	15.67
Fair value of plan assets	-	-
Net assets/(liability) recognized in balance sheet as provision	-21.06	-15.67

#### iv. Expense recognised in the Statement of Profit and Loss

Particulars	31ST DECEMBER 2023	31 December , 2022
Current service cost	3.61	1.74
Interest on defined benefit obligation	1.17	0.71
Net actuarial gain/loss in the year	0.61	1.22
<b>Total</b>	<b>5.38</b>	<b>3.68</b>



**Actuarial assumptions****a) Economic assumptions**

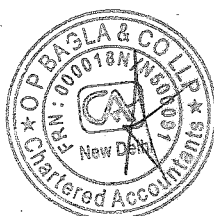
Particulars	31ST DECEMBER 2023	31 December , 2022
i) Discounting rate		0.08
ii) Future salary increase*		0.06

\*The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**b) Demographic assumption**

Particulars	31ST DECEMBER 2023	31 December , 2022
i) Retirement age (years)	58	58.00
ii) Mortality table	100% of IALM(2012-14)	100% of IALM(2012-14)
iii) Ages	Withdrawal rate (%)	Withdrawal rate (%)
Up to 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

Particulars	31ST DECEMBER 2023	31 December , 2022
<b>Bifurcation of closing net liability</b>		
Current	2.23	1.91
Non-current	18.83	13.76



A quantitative sensitivity analysis for significant assumption is as shown below:

A) Impact of the change in discount rate

Present Value obligation at the end of the period

- a) Impact due to increase of 0.5%  
b) Impact due to decrease of 0.5%

	21.06	15.67
a) Impact due to increase of 0.5%	-1.17	-0.83
b) Impact due to decrease of 0.5%	1.27	0.90
	21.06	15.67
a) Impact due to increase of 0.5%	1.28	0.91
b) Impact due to decrease of 0.5%	-1.18	-0.84

B) Impact of the change in salary increase

Present Value obligation at the end of the period

- a) Impact due to increase of 0.5%  
b) Impact due to decrease of 0.5%

The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**Risk associated:**

Investment risk funded then  
Interest risk (discount rate risk) discount rate  
Mortality risk and disability  
Salary risk increases will  
Withdrawals withdrawals

The following payments are maturity profile of Defined Benefit Obligations in future years:

Year	31ST DECEMBER 2023	31 December , 2022
0 to 1 year	2.23	1.91
1 to 2 year	0.82	0.27
2 to 3 year	0.35	1.59
3 to 4 year	0.49	0.22
4 to 5 year	0.34	0.27
5 to 6 year	0.85	0.21
6 year onwards	15.98	11.19

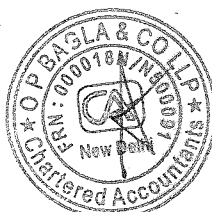
**25 Finance costs**

**Interest on :**

- Term loans(Including buyers credit)	109.63	133.74
- Working capital Loans	0.30	0.07
- Lease Liability	7.52	15.61
- Others	2.78	3.31

**TOTAL**

<b>120.22</b>	<b>152.73</b>
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<b>26 Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment (Refer Note 3(a))	804.11	747.52
Depreciation of property, Solar	89.30	-
Depreciation of right-of-use asset (Refer Note 3(b))	67.75	71.50
	<b>961.16</b>	<b>819.02</b>

**27 Other expenses**

**Manufacturing Expenses**

Power and Fuel	797.61	747.76
Stores & Spares Consumed	33.37	28.26

**Repairs & Maintenance**

- Plant & Machinery	75.53	71.82
- Building	42.59	25.71
- Miscellaneous	37.86	14.18

Bank Charges	15.75	16.46
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Rent, Rates & Taxes	17.31	17.37
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Printing & Stationery	2.41	2.45
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Communication Expenses	3.89	3.79
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Conveyance & Travelling	52.55	24.28
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Insurance	38.17	50.30
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Legal & Professional Charges	22.56	64.81
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General Office & Misc. Expenses	49.04	34.59
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Irrecoverable balance written off	-	69.89
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Computer Expenses	1.61	0.95
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Vehicle Running & Maintenance	24.39	26.65
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**Auditors' Remuneration**

- As Audit Fees	2.75	2.75
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- For Tax Audit and Income Tax Matters	0.35	0.33
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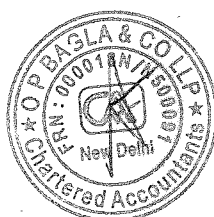
- For Other Services	0.00	1.49
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Director Sitting Fee	7.50	0.50
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Freight Outward & Octroi Charges	777.65	389.18
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Corporate Social Responsibility Expenses	109.21	75.33
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<b>TOTAL</b>	<b>2,112.10</b>	<b>1,668.85</b>
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## 28 Income Taxes

The major components of income tax expense for the year ended 31 December 2023 and 31 December 2022 are:

### A. Statement of profit and loss:

#### (i) Profit & loss section

	31-12-2023	31-12-2022
Current income tax charge	825.24	1,685.74
MAT credit entitlement	-	-
Adjustments in respect of current income tax of previous year	36.18	75.26
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	464.97	-32.22
<b>Income tax expense reported in the statement of Profit &amp; loss</b>	<b>1,326.39</b>	<b>1,728.78</b>

#### (ii) OCI Section

Deferred tax related to items recognised in OCI during the year:

Net loss/(gain) on remeasurements of defined benefit plans	-0.84	-0.86
<b>Income tax charged to OCI</b>	<b>-0.84</b>	<b>-0.86</b>

### B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for FY ended 31 December 2023 and 31 December 2022:

	31-12-2023	31-12-2022
Accounting profit before tax from continuing operations	5,401.08	6,517.29
Profit/(loss) before tax from a discontinued operation	-	-
<b>Accounting profit before Income tax</b>	<b>5,401.08</b>	<b>6,517.29</b>
At India's statutory income tax rate of 25.17% (31 December 2022: 25.17%)	1,359.34	1,640.27
Expenses not allowed as deduction	16.51	17.59
Adjustments in respect of current income tax of previous year	36.18	75.26
Impact of change in provisional and actual tax liability	-85.64	-4.35
<b>At the effective income tax rate of 24.56% (31 December 2022: 26.52%)</b>	<b>1,326.39</b>	<b>1,728.78</b>
Income tax expense reported in the statement of profit and loss	1,326.39	1,728.78
Income tax attributable to a discontinued operation	-	-
	<b>1,326.39</b>	<b>1,728.78</b>

### C. Deferred tax

Deferred tax relates to the following:

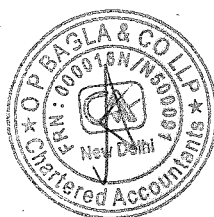
	Balance sheet		Statement of profit and loss	
	31-12-2023	31-12-2022	31-12-2023	31-12-2022
Deferred tax arising from temporary differences	-532.68	-68.55	464.97	-32.22
Tax (income)/expense during the period recognised in OCI			-0.84	-0.86
<b>Deferred tax expense/(income)</b>			<b>464.13</b>	<b>-33.07</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>-532.68</b>	<b>-68.55</b>	<b>-</b>	<b>-</b>

Reflected in the balance sheet as follows:

	31-12-2023	31-12-2022
Deferred tax assets (continuing operations)	-	-
Deferred tax liabilities (continuing operations)	-532.68	-68.55
<b>Deferred tax liabilities, net</b>	<b>-532.68</b>	<b>-68.55</b>

#### Reconciliation of deferred tax liabilities (net):

	31-12-2023	31-12-2022
Opening balance	68.55	101.62
Tax (income)/expense during the period recognised in Profit & loss	464.97	-32.22
Tax (income)/expense during the period recognised in OCI	-0.84	-0.86
Discontinued operation	-	-
<b>Closing balance</b>	<b>532.68</b>	<b>68.55</b>



## 29 Fair values measurements

(Amount in Rupees Lacs, unless otherwise stated)

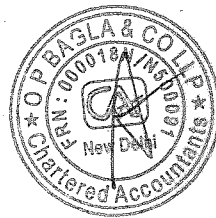
## (i) Financial instruments by category

Particulars	31 December 2023		31 December 2022	
	FVTOCI	Amortised cost	FVTOCI	Amortised cost
<b>Financial assets</b>				
Other financial assets (non current)	-	80.77	-	102.64
Trade receivables	-	1,287.88	-	6,243.98
Cash and cash equivalents	-	2,205.06	-	4,341.38
Other bank balance	-	5,690.37	-	1,416.33
Other financial assets (current)	-	220.54	-	118.34
<b>Total financial assets</b>	<b>0</b>	<b>9,484.63</b>	<b>-</b>	<b>12,222.68</b>
<b>Financial liabilities</b>				
Borrowings (non current)	-	1,002.82	-	2,368.93
Borrowings (current)	-	1,479.71	-	2,894.86
Lease Liabilities(non current)		-		32.21
Lease Liabilities(current)		-		82.82
Trade payables	-	1,548.05	-	1,051.46
Other financial liabilities	-	78.92	-	58.92
<b>Total financial liabilities</b>	<b>0</b>	<b>4,109.51</b>	<b>-</b>	<b>6,489.19</b>

There have been no transfers between Level 1 and Level 2 during the period.

For cash and cash equivalents, trade receivables, other receivables, short term borrowing, trade payables and other current financial liabilities the management assessed that their fair value is approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the Company's long-term interest free security deposits are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the market borrowing rate as at the end of the reporting period. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.



(Amount in Rupees Lacs, unless otherwise stated)

### 30 Components of other comprehensive income (OCI)

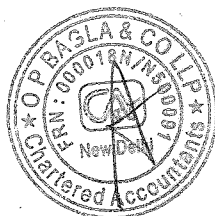
The disaggregation of changes to OCI by each type of reserve in equity is shown below:

#### During the year ended 31 December 2023

	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	-3.35	-3.35
Income tax effect	-0.84	-0.84
	<u>-2.50</u>	<u>-2.50</u>

#### During the year ended 31 December 2022

	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	-3.40	-3.40
Income tax effect	-0.86	-0.86
	<u>-2.54</u>	<u>-2.54</u>



### 31 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise, trade and other payables, security deposits, employee liabilities. The Company's principal financial assets include trade and other receivables and cash and short-term deposits/ loan that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the

#### I. 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 risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include, deposits. the sensitivity analyses of the above mentioned risk in the following sections relate to the position as at 31 December 2023 and 31 December 2022.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in Note 24.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2023 and 31 December 2022.

##### A. 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 exposu

	Increase/ decrease in basis points	Effect on profit before tax
		(` Rs in Lacs)
<b>31-Dec-23</b>		
INR	+ 0.5%	-12.41
INR	- 0.5%	12.41
<b>31-Dec-22</b>		
INR	+ 0.5%	(26.32)
INR	- 0.5%	26.32

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

##### B. Foreign currency sensitivity

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

	Change in Foreign currency rate	Effect on profit before tax
		(` Rs in Lacs)
<b>31-Dec-23</b>	5%	-123.65
	-5%	123.65
<b>31-Dec-22</b>	5%	-261.13
	-5%	261.13

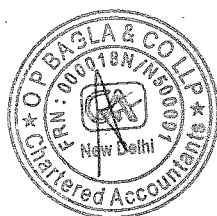
The movement in the pre-tax effect on profit and loss is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in INR, where the functional currency of the entity is a currency other than INR.

#### II. Credit risk

Credit risk is the risk that 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 trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Credit risk from investments with banks and other financial institutions is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assess the Company's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date





#### A. Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

At the year end the Company does not have any significant concentrations of bad debt risk other than that disclosed in note 8.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 29. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

#### B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

### III. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Year ended</b>				
<b>31-Dec-23</b>				
Borrowings	1,479.71	1,002.82	-	2,482.54
Lease liabilities	-	-	-	-
Trade payables	1,548.05	-	-	1,548.05
Other financial liabilities	78.92	-	-	78.92
	<b>3,106.69</b>	<b>1,002.82</b>	<b>-</b>	<b>4,109.51</b>
<b>Year ended</b>				
<b>31-Dec-22</b>				
Borrowings	2,894.86	2,368.93	-	5,263.80
Lease liabilities	90.33	33.43	-	123.76
Trade payables	1,051.46	-	-	1,051.46
Other financial liabilities	58.92	-	-	58.92
	<b>4,095.57</b>	<b>2,402.36</b>	<b>-</b>	<b>6,497.93</b>

### IV. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.



### 32 Capital Management

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

	31 December 2023	31 December 2022
Total Liabilities	5,813.72	7,674.30
Less: Cash & Cash Equivalents	2,205.06	4,341.38
Net debts	3,608.65	3,332.91
Total equity	17,736.89	13,664.70
Gearing ratio (%)	20.3%	24.4%

### 33 Derivative instruments and unhedged foreign currency exposure

The Company has no outstanding derivative instrument at the year end. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under -

Particulars	Currency	31 December 2023	31 December 2023	31 December 2022	31 December 2022
		Foreign Currency (In Lacs)	(Rs in Lacs)	Foreign Currency (In Lacs)	(Rs in Lacs)
<b>Liabilities</b>					
IndusInd BANK (CAPEX)	EURO	26.87	2,472.54	59.24	5,222.07
Interest Payable	EURO	0.76	70.37	0.62	55.02
Trade Payable	USD	6.53	542.82	6.85	566.95
Trade Payable	EURO	-	-	-	-
Advance from Customers	USD	-	-	2.55	210.94
<b>Assets</b>					
Trade Receivable	USD	8.91	740.87	38.87	3,217.93
HDFC Bank (EEFC A/c)	USD	-	-	-	-
-Cheques/Remittance in transit	USD	0.62	51.68	12.89	1,066.90



34 Related party disclosures

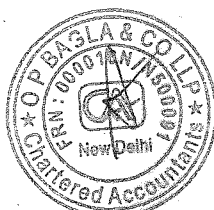
In accordance with the Accounting Standards (Ind AS-24) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence

A)		
i) Holding / Fellow Subsidiaries*		
M/s Varun Beverages Ltd	Holding	
M/s Varun Beverages (Nepal) Private Limited	Fellow Subsidiary	
M/s Varun Beverages Lanka (Private) Limited	Fellow Subsidiary	
M/s Varun Beverages Morocco SA	Fellow Subsidiary	
M/s Varun Beverages (Zambia) Limited;	Fellow Subsidiary	
M/s Varun Beverages (Zimbabwe) (Private) Limited	Fellow Subsidiary	
M/s Varun Beverages DMC , Dubai	Fellow Subsidiary	
M/s Ole Spring Bottler Pvt. Ltd.	Fellow Subsidiary	
M/s Devyani Food Industries Kenya Limited	Subsidiary of ultimate parent company	
ii) Entities with joint control or significant influence over the entity *		
Shri NSMM Charitable And Welfare Trust	Directors and their relatives having common control.	
iii) Key Managerial Personnel*		
Ø Mr. Vivek Gupta	Whole time director	
Ø Mr. Praveen Jain	Chief Financial Officer (upto 12/08/2022)	

\* With whom the company has transactions during the current year and/or previous year.

B) Transactions during the year				
Description	Relationship	Entities with joint control or sign	Entities with joint control or sign	
		31-Dec-23	31-Dec-22	
Purchase Of Rm/Pm				
M/S Varun Beverages Ltd	Holding	608.31	1,273.79	
Reimbursement Of Taxes & Expenses Paid To				
M/S Varun Beverages Ltd	Holding	-	0.36	
Remuneration paid to KMP				
Mr. Vivek Gupta	Key Managerial Personnel	180.00	171.00	
Mr. Praveen Jain	Key Managerial Personnel	-	9.12	
Sale of Finished goods (Net of GST & inculsive of freight & insurance in case of Exports )				
M/S Varun Beverages Ltd	Holding	17,694.79	16,510.63	
M/s Varun Beverages (Zimbabwe) (Private) Ltd	Fellow Subsidiary	1,093.22	5,391.66	
M/s Varun Beverages Morocco SA	Fellow Subsidiary	571.29	852.45	
M/s Varun Beverages (Zambia) Ltd	Fellow Subsidiary	197.96	686.69	
M/s Varun Beverages (Lanka) Pvt Ltd	Fellow Subsidiary	505.15	539.27	
M/s Varun Beverages Nepal Pvt. Ltd., Nawalprasi Nepal	Fellow Subsidiary	18.10	26.20	
M/s Ole Springs Bottlers (Pvt.) Ltd.	Fellow Subsidiary	37.51	-	
M/s Varun Beverages DMC , Dubai	Fellow Subsidiary	-	290.25	
M/s Devyani Food Industries Kenya Limited	Fellow Subsidiary	28.33	37.76	

C) Balances outstanding as at the year end				
Description		31 Dec 2023 (Negative	31 Dec 2022 (Negative	
		Indicates credit balance)	Indicates credit balance)	
Mr. Vivek Gupta	Key Managerial Personnel	9.95	9.88	
M/S Varun Beverages Ltd	Holding	781.87	3,026.06	
M/s Varun Beverages (Zimbabwe) (Private) Ltd	Fellow Subsidiary	292.38	1,928.23	
M/s Varun Beverages Morocco SA	Fellow Subsidiary	32.04	254.93	
M/s Varun Beverages (Zambia) Ltd	Fellow Subsidiary	90.55	481.68	
M/s Varun Beverages (Lanka) Pvt Ltd	Fellow Subsidiary	67.70	208.11	
Varun Beverages Nepal Pvt. Ltd., Nawalprasi Nepal	Fellow Subsidiary	4.39	5.15	
M/s Varun Beverages DMC , Dubai	Fellow Subsidiary	-	78.42	
M/s Ole Springs Bottlers (Pvt.) Ltd.	Fellow Subsidiary	-	-	
M/s Devyani Food Industries Kenya Limited	Fellow Subsidiary	-	-	
D Provision for doubtful debts/expenses recognised during the period in respect of bad or doubtful debts due from related parties.		Nil	Nil	



### 35 Leases

#### A. Leases where the Company is a lessee

The Company has taken buildings on lease for Factory & Warehouse. Lease payments are generally fixed as defined in agreement and average lease term is 5 years. The lease is, however, terminated during the year as the company is shifting its factory to other location.

#### i. Right-of-use asset

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented on face of balance sheet below property, plant

	31-12-2023	31-12-2022
Opening balance (refer note 3B)	92.03	163.53
Additions	-	-
Depreciation	-67.75	-71.50
Derecognition of ROU	-24.28	-
Closing balance	-0.00	92.03

#### ii. For lease liabilities refer note 13

#### iii. Amounts recognised in the statement of profit or loss

	Note	31-12-2023	31-12-2022
Depreciation	26	67.75	71.50
Interest on lease liabilities	25	7.52	15.61
Expense relating to short term lease/variable lease payments not included in the m	27	8.62	2.00
Net impact on statement of profit and loss		83.88	89.11

#### iv. Amounts recognised in the cash flow statement

	For the year ended 31-12-2023	For the year ended 31-12-2022
Payment for finance cost	7.52	15.61
Principal repayments	82.82	75.09
Total cash outflows	90.33	90.70

#### v. Payments associated with short-term leases of equipment, vehicles & others and all leases of low-value assets are recognised on a straight-line basis

#### vi. The average effective interest rate contracted approximates 10.00 per cent.

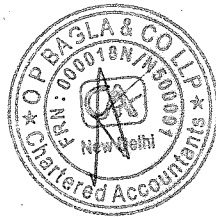




36 Financial Ratios

Ratio	Numerator	Denominator	31-12-2023	31-12-2022	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	3.07	2.79	10.00	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.14	0.39	-63.67	Increase in total Equity
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses+Interest	Debt service = Interest & Lease Payments + Principal Repayments	25.38	25.27	0.44	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.26	0.42	-38.21	Decrease in Profit
Inventory Turnover ratio	Cost of goods sold	Average Inventory	5.68	7.70	-26.30	Decrease in COGS
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.31	5.24	1.41	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	8.85	13.24	-33.19	Decrease in Purchase
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.30	2.48	-7.08	
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.20	0.21	-3.04	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.27	0.35	-23.98	
Return on Investment	Earnings before interest and taxes	Average total assets	0.25	0.37	-33.51	Decrease in EBIT

\* Average= (Opening+Closing)/2



37 Segment information:

The Company is engaged in manufacturing of Plastic (PP) Closures & Solar Power Generation. There are, therefore, two separate reportable segments within the company as defined by Ind As -108 "Operating Segments" issued by ICAI. These operating segments are reviewed by chief operating decision maker - ('CODM'). Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company.

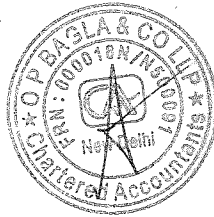
(Amount in Rupees Lacs, unless otherwise stated)

Particulars	For the period ended '31st December 2023			For the period ended '31st December 2022		
	Plastic Cap & Closure	Solar	Total	Plastic Cap & Closure	Solar	Total
<b>Revenue</b>						
Revenue from customers	19,745.74	265.30	20,011.04	22,813.70	-	22,813.70
<b>Total Revenue</b>	<b>19,745.74</b>	<b>265.30</b>	<b>20,011.04</b>	<b>22,813.70</b>	<b>-</b>	<b>22,813.70</b>
<b>Result</b>						
Segment Result	4,635.59	159.33	4,794.92			5,924.37
Finance cost			120.22			152.73
Finance income			360.82			175.76
Non operating income			365.56			569.89
<b>Profit Before Tax</b>			<b>5,401.08</b>			<b>6,517.29</b>
<b>Other Segment items</b>						
Depreciation and amortization expense	871.86	89.30	961.16	819.02		819.02
Impairment of non-financial assets	-	-	-			
<b>Other Information</b>						
Segment Assets	18,438.22	2,907.32	21,345.55	16,997.61		16,997.61
Unallocated Assets			2,205.06			4,341.38
<b>Total Assets</b>			<b>23,550.61</b>			<b>21,338.99</b>
Segment Liabilities	23,550.61	2,907.32	23,550.61	21,338.99	-	21,338.99
<b>Total Liabilities</b>			<b>23,550.61</b>			<b>21,338.99</b>

As part of Secondary reporting, the company reports following geographical information

(Amount in Rupees Lacs, unless otherwise stated)

Particulars	31 December 2023	31 December 2022
Revenue from customers outside India	2,393.10	5,954.49
Revenue from customers within India	17,617.93	16,859.21
<b>Total</b>	<b>20,011.04</b>	<b>22,813.70</b>



**OTHER NOTES ON ACCOUNTS**

**38. Contingent liabilities and commitments**

Particulars	31 December 2023 (₹)	31 December 2022 (₹)
Contingent liabilities:		
In respect of TDS defaults (As per 26AS Statement).	-	Nil
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,029.86	3,399.62
Letters of Credit opened in favour of inland/overseas suppliers	102.40	478.47
	<b>4,132.26</b>	<b>3,878.09</b>

39 In the opinion of the Management current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

40 The Company is engaged in manufacturing of Plastic (PP) Closures. The Company is managed organizationally as a unified entity with various functional heads reporting to the top management and is not organized along product lines. There are therefore, no separate segments within the company as defined by Ind As -108 (Segmental Reporting) issued by ICAI.

41 The company is required to form a committee on Corporate Social Responsibility (CSR) under section 135 of Companies Act 2013 and required to spend 2% of its average net profits during the three immediately preceding financial years. Relevant information is given hereunder:

	31 December 2023	31 December 2022
Amount required to be spent for the year on CSR activities as per section 135(5) of companies Act 2013	96.30	45.35
Carry forward from previous year	12.91	29.98
Gross amount required to be spent	109.21	75.33
Amount spent during the year	43.67	62.42
Unspent amount/(Pre-spent)	65.54	12.91

42 Value of imported/indigenous raw material and packing material consumed and the percentage of each to total consumption:-

Particulars	%	31.12.2023	%	31.12.2022
RAW MATERIAL & PACKING MATERIAL				
- Imported	90.44	9,683.52	88.68	10,227.29
- Indigenous	9.56	1,023.60	11.32	1,305.06
		<b>10,707.12</b>		<b>11,532.34</b>

43 Additional regulatory information required by Schedule III

(i) **Details of benami property held** No proceedings have been initiated on or are pending against the entity for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) **Borrowing secured against current assets** Entity has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the entity with banks and financial institutions are in agreement with the books of accounts.

(iii) **Wilful defaulter** Entity hasn't been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) **Relationship with struck off companies** Entity has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) **Compliance with number of layers of companies** Entity has complied with the number of layers prescribed under the Companies Act, 2013.

a)

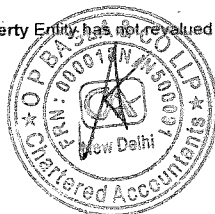
(vi) **Compliance with approved scheme(s) of arrangements** Entity has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) **Utilisation of borrowed funds and share premium** Entity has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries Entity has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall: a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) **Undisclosed income** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) **Details of crypto currency or virtual currency** Entity has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) **Valuation of PP&E, intangible asset and investment property** Entity has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.



44 Earnings per share (EPS)

	Year ended	
	31 December 2023	31 December 2022
Profit/(Loss) for the year	5,401.08	6,517.29
Less: Provision for Income Tax	825.24	1,685.74
Less: Income Tax Adjustment	36.18	75.26
Less: Deferred Tax	464.97	-32.22
Profit/(Loss) attributable to the Equity Shareholders – (A)	4,074.70	4,788.51
Basic /Weighted average number of Equity Shares outstanding during the year (B) (Refer Note-43)	9,95,020.00	9,95,020.00
Nominal value of Equity Shares (Rs)	10.00	10.00
Basic/Diluted Earnings per share (Rs) – (A)/(B)	409.51	481.25

In terms of our report of even date annexed  
 FOR O P BAGLA & CO LLP  
 CHARTERED ACCOUNTANTS  
 FRN 000018/IN/600091

ATUL AGGARWAL  
 PARTNER  
 M.No. 92656

PLACE : Delhi  
 DATED :

24/11/2024



VIVEK GUPTA SHARAD KUMAR GARG  
 MG DIRECTOR DIRECTOR  
 (DIN:-00061354) (DIN:-02745454)