FINANCIAL STATEMENTS OF SUBSIDIARIES OF VARUN BEVERAGES LIMITED AS AT DECEMBER 31, 2024

- VARUN BEVERAGES LANKA (PRIVATE) LIMITED
- VARUN BEVERAGES MOROCCO S.A.
- VARUN BEVERAGES (ZAMBIA) LIMITED
- VARUN BEVERAGES (ZIMBABWE) (PRIVATE) LIMITED
- VARUN BEVERAGES (NEPAL) PRIVATE LIMITED
- VARUN BEVERAGES RDC SAS
- VARUN BEVERAGES INTERNATIONAL DMCC
- VARUN BEVERAGES SOUTH AFRICA (PTY) LTD
- VBL MOZAMBIQUE, SA
- THE BEVERAGE COMPANY PROPRIETARY LIMITED
- VARUN FOODS (ZIMBABWE) (PRIVATE) LIMITED
- LUNARMECH TECHNOLOGIES PRIVATE LIMITED

VARUN BEVERAGES LANKA (PRIVATE) LIMITED

FINANCIAL STATEMENTS TOGETHER WITH
AUDITOR'S REPORT

FOR THE YEAR ENDED

31 DECEMBER 2024

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF VARUN BEVERAGES LANKA (PRIVATE) LTD

Report on the Audit of the Financial Statements

Qualified Opinion
We have audited the financial statements of Varun Beverages Lanka (Private) Ltd ("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 2024, 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 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 2024, 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 31st December 2024 is understated by Rs.24.2 million (2023- Rs.24.2 million) and accumulated profit of the Company and Group as of 31st December 2024 have been overstated by Rs.414.8 million (2023-439.1million) respectively. Further the net book value of property plant and equipment as of 31st December 2024 of the Company and the Group have been overstated by Rs.414.8 million (2023-Rs. 439.1). 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 for Professional Accountants 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.

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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
20 January 2025

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VARUN BEVERAGES LANKA (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Company Year Ended 31.12.2024 Rs.	Group Year Ended 31.12.2024 Rs.	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.
Revenue	4	11,936,422,909	13,589,652,743	9,189,619,575	11,027,471,376
Cost of sales	5	(6,849,458,831)	(7,754,631,634)	(5,792,161,313)	(6,809,591,558)
Gross profit		5,086,964,078	5,835,021,109	3,397,458,262	4,217,879,818
Other income	6	137,612,276	166,596,471	228,110,269	261,591,974
		5,224,576,354	6,001,617,580	3,625,568,531	4,479,471,792
Less: Expenditure					
Administrative expenses		(420,677,123)	(453,994,032)	(333,907,900)	(378,460,921)
Selling and distribution expenses		(2,287,137,370)	(2,653,241,451)	(1,771,665,232)	(2,257,028,871)
Profit from operations		2,516,761,861	2,894,382,097	1,519,995,400	1,843,982,000
Finance and other costs	8	(71,955,751)	(83,753,287)	(32,840,512)	(53,412,292)
Profit before tax	7	2,444,806,111	2,810,628,810	1,487,154,888	1,790,569,708
Income tax expenses	9	(332,649,618)	(432,427,335)	(229,779,267)	(339,560,472)
Profit for the year		**2,112,156,493**	**2,378,201,474**	**1,257,375,622**	**1,451,009,236**
Other comprehensive income/ (expense) not to be reclassified to income statement in subsequent period					
Actuarial (loss) on employee benefit obligations		(35,286,898)	(40,398,602)	(975,051)	(304,537)
Deferred tax on actuarial loss		5,293,035	6,826,546	(146,258)	(146,258)
Total comprehensive income for the year		**2,082,162,630**	**2,344,629,419**	**1,256,254,313**	**1,450,558,441**
Attributable to :					
Owners of the parent		2,082,162,630	2,344,629,419	1,256,254,313	1,450,558,441
Non-controlling interest		-	-	-	-
		2,082,162,630	**2,344,629,419**	**1,256,254,313**	**1,450,558,441**

The accounting policies and notes from 1 to 25 form an integral part of these financial statements.

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VARUN BEVERAGES LANKA (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	Company 31.12.2024 Rs.	Group 31.12.2024 Rs.	Company 31.12.2023 Rs.	Group 31.12.2023 Rs.
Assets					
Non Current Assets					
Property, plant and equipment	10	3,562,835,704	5,147,677,236	2,802,945,405	4,344,026,230
Capital work-in-progress	11.1 & 11.2	378,372,572	378,372,572	-	-
		3,941,208,276	5,526,049,808	2,802,945,405	4,344,026,230
Investment in subsidiary - Ole Springs Bottlers (Pvt) Ltd		940,828,790	-	940,828,790	-
Current Assets					
Inventories	12	1,576,261,895	1,732,021,409	2,143,250,964	2,644,826,009
Trade and other receivables	13	1,578,757,497	2,014,854,192	1,317,525,844	1,514,869,911
Amounts due from related parties	22	367,426,604	16,863,510	664,170,801	-
Fixed deposits with banks	15	945,252,108	1,007,963,261	887,818,739	945,613,856
Cash and cash equivalents	14	999,775,804	1,047,470,227	897,292,657	929,187,326
		5,467,473,908	5,819,172,599	5,910,059,005	6,034,497,102
Total Assets		10,349,510,974	11,345,222,407	9,653,833,200	10,378,523,332
Equity and Liabilities					
Equity					
Stated capital	16	6,438,536,700	6,438,536,700	6,438,536,700	6,438,536,700
Accumulated profit		2,017,988,204	2,368,134,346	1,062,569,497	1,150,248,851
Total Equity		8,456,524,904	8,806,671,046	7,501,106,197	7,588,785,551
Non Current Liabilities					
Bottle deposit payable	17	92,812,770	223,454,147	67,799,690	180,906,148
Retirement benefit obligations	18	134,361,244	173,249,247	93,478,596	125,075,776
Deferred tax liability	9.2 & 9.3	259,599,631	571,924,991	292,373,707	619,925,763
		486,773,645	968,628,385	453,651,993	925,907,687
Current Liabilities					
Trade and other payables	19	937,747,584	1,034,758,240	1,415,900,154	1,571,872,371
Income tax payable	20	260,383,529	327,083,424	47,503,248	56,286,115
Amounts due to related parties	22	208,081,312	208,081,312	235,671,608	235,671,608
Total Current Liabilities		1,406,212,425	1,569,922,976	1,699,075,010	1,863,830,094
Total Equity and Liabilities		10,349,510,974	11,345,222,407	9,653,833,200	10,378,523,332

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

....
Chief 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
20 January 2025

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CHARTERED ACCOUNTANTS

....
Director
20 January 2025

The accounting policies and notes from 1 to 25 form an integral part of these financial statements.

VARUN BEVERAGES LANKA (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Stated Capital Rs.	Accumulated Profit/ (Loss) Rs.	Total Rs.
Company			
Balance as at 01.01.2023	6,438,536,700	(193,684,816)	6,244,851,884
Profit for the year	-	1,257,375,622	1,257,375,622
Other comprehensive loss for the year	-	(1,121,308)	(1,121,308)
Balance as at 31.12.2023	**6,438,536,700**	**1,062,569,497**	**7,501,106,197**
Profit for the year	-	2,112,156,493	2,112,156,493
Dividends	-	(1,126,743,923)	(1,126,743,923)
Other comprehensive loss for the year	-	(29,993,863)	(29,993,863)
Balance as at 31.12.2024	**6,438,536,700**	**2,017,988,204**	**8,456,524,904**

	Stated Capital Rs.	Accumulated Profit/ (Loss) Rs.	Total Rs.
Group			
Balance as at 01.01.2023	**6,438,536,700**	**(300,309,591)**	**6,138,227,109**
Profit for the year		1,451,009,236	1,451,009,236
Other comprehensive loss for the year		(450,795)	(450,795)
Balance as at 31.12.2023	**6,438,536,700**	**1,150,248,850**	**7,588,785,551**
Profit for the year	-	2,378,201,474	2,378,201,474
Dividends	-	(1,126,743,923)	(1,126,743,923)
Other comprehensive loss for the year	-	(33,572,056)	(33,572,056)
Balance as at 31.12.2024	**6,438,536,700**	**2,368,134,346**	**8,806,671,046**

The accounting policies and notes from 1 to 25 form an integral part of these financial statements.

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VARUN BEVERAGES LANKA (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Company Year Ended 31.12.2024 Rs.	Group Year Ended 31.12.2024 Rs.	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.
Cash Flows from Operating Activities					
Profit before tax		2,444,806,111	2,810,628,810	1,487,154,888	1,790,569,708
Adjustment for:					
Depreciation	10.1 & 10.2	287,576,879	407,621,637	228,691,519	342,819,795
Bad debt write off & provision for doubtful debts		8,165,666	6,463,797	3,625,824	4,251,240
Expiries and breakages		110,101,314	133,680,331	100,265,276	114,193,287
Asset Scrap loss	8	2,186,465	8,096,796	1,511,973	7,809,974
Provision for gratuity	18	22,325,884	27,935,991	25,511,341	33,999,719
CWIP opening balance transfer to expense		-	-	-	2,436,900
Operating profit before working capital changes		2,875,162,320	3,394,427,361	1,846,760,822	2,296,080,623
Working Capital Changes					
Decrease / (increase) in inventories		566,989,070	912,804,600	(980,632,907)	(1,164,802,403)
(Decrease)/ increase in amounts due to related parties		(27,590,296)	(27,590,296)	81,387,308	55,709,057
Decrease / increase) in amounts due from related parties		296,744,197	(16,863,510)	67,206,735	-
(Increase) in trade and other receivable		(379,498,633)	(640,128,408)	(622,953,077)	(598,870,153)
(Decrease) / increase in accounts payable		(453,139,490)	(494,566,132)	786,962,832	769,256,417
Cash generated from operations		2,878,667,167	3,128,083,613	1,178,731,713	1,357,373,542
Gratuity paid	18	(16,730,134)	(20,161,120)	(4,003,953)	(8,409,939)
Income tax paid during the year and WHT credits	20	(147,250,378)	(202,804,252)	-	-
Cash generated from operations		2,714,686,655	2,905,118,242	1,174,727,760	1,348,963,602
Cash Flows from Investing Activities					
Acquisition of property, plant and equipment	10.1 & 10.2	(633,835,656)	(803,551,452)	(458,514,011)	(562,117,224)
Expenditure on capital work in progress	11.1 & 11.2	(938,605,484)	(938,605,484)	(11,142,424)	(11,142,424)
Proceeds on sale of property, plant and equipment		144,414,925	144,414,925	6,160,900	6,160,898
Net investment to fixed deposits with banks		(57,433,370)	(62,349,408)	19,179,841	(38,615,273)
Net cash used in investing activities		(1,485,459,585)	(1,660,091,419)	(444,315,694)	(605,714,020)
Cash Flows from Financing Activities					
Payment of dividends		(1,126,743,923)	(1,126,743,923)	-	-
Net cash outflow from investing activities		(1,126,743,923)	(1,126,743,923)	-	-
Net increase in cash and cash equivalents		102,483,147	118,282,901	730,412,067	743,249,582
Cash and cash equivalents at the beginning of the year (Note 14)		897,292,657	929,187,326	166,880,590	185,937,744
Cash and cash equivalents at the end of the year (Note 14)		**999,775,804**	**1,047,470,227**	**897,292,657**	**929,187,326**
Cash in hand and cash at bank		**999,775,804**	**1,047,470,227**	**897,292,657**	**929,187,326**

The accounting policies and notes from 1 to 25 form an integral part of these financial statements.

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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 to 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 20 January 2025.

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.

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2. Summary of Significant Accounting Policies – (Contd.)

2.1 Basis of Preparation – (Contd.)

2.1.3 Consolidation

2.1.3.1 Consolidation Financial Statements

The consolidated financial statements of the company for year ended 31 December 2024 includes Ole Springs Bottlers (Pvt) Ltd which is a subsidiary of the company.

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 aquisition is capitalized with the respective asset.

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2. Summary of Significant Accounting Policies – (Contd.)

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.

2.4 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. Rentals payable under operating leases are charged to comprehensive income on a straight-line basis over the term of the relevant lease.

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2. Summary of Significant Accounting Policies – (Contd.)

2.6 Income Tax Expense

2.6.1 Current Tax

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 24 of 2017 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 profits and income of the Enterprise shall be charged at the rate of fifteen per centum (15%).

Subsidiary

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 24 of 2017 and subsequent amendment there to.

2.6.2 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.

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.

2.7 Stated Capital

2.7.1 Ordinary Shares

Ordinary shares are classified as equity.

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2. Summary of Significant Accounting Policies – (Contd.)

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 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.

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2. Summary of Significant Accounting Policies – (Contd.)

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.

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3.1 Financial Instruments

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.

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.

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3.4 Judgments and Key Sources of Estimation Uncertainty (Contd.)

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

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VARUN BEVERAGES LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

		Company Year Ended 31.12.2024 Rs.	Group Year Ended 31.12.2024 Rs.	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.
4.	**Revenue**				
	Local sales	13,736,411,929	15,648,151,515	10,531,370,741	12,671,508,464
	Export sales	-	-	4,135,612	4,135,612
	Trade discounts & Haulage	(671,935,636)	(761,880,632)	(517,917,809)	(637,158,773)
		13,064,476,293	14,886,270,883	10,017,588,544	12,038,485,303
	Social Security Contribution Levy	(275,540,314)	(325,391,638)	(211,010,805)	(265,343,039)
	Excise duty	(852,513,070)	(971,226,501)	(616,958,165)	(745,670,888)
		11,936,422,909	13,589,652,743	9,189,619,575	11,027,471,376
5.	**Cost of Finished Goods Manufactured**				
	Finished goods at the at the beginning of the year	398,526,796	435,668,604	376,803,024	421,341,619
	Finished goods purchase	36,315,378	59,835,093	64,679,651	66,376,624
	Factory cost transferred (Note 5.1)	6,781,563,414	7,651,405,290	5,749,205,434	6,757,541,920
	Finished goods at the end of the	(366,946,756)	(392,277,354)	(398,526,796)	(435,668,604)
		6,849,458,831	7,754,631,634	5,792,161,313	6,809,591,558
5.1	**Factory Cost Transferred**				
	Raw materials at the beginning of the year	1,415,469,534	1,822,636,119	431,864,593	652,376,463
	Raw materials purchase	4,767,409,725	4,766,904,653	5,358,001,537	6,053,072,914
	Raw materials at the end of the	(789,856,470)	(845,771,892)	(1,415,469,534)	(1,822,636,118)
	Raw materials consumed	5,393,022,789	5,743,768,880	4,374,396,596	4,882,813,258
	Production overheads (Note 5.2)	1,388,540,625	1,907,636,411	1,374,808,839	1,874,728,662
		6,781,563,414	7,651,405,290	5,749,205,434	6,757,541,920

	Company Year Ended 31.12.2024 Rs.	Group Year Ended 31.12.2024 Rs.	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.
5. Cost of Finished Goods Manufactured - (Contd.)				
5.2 Production Overheads				
Salaries	177,691,814	203,569,839	150,658,850	177,542,902
Wages	26,683,387	74,981,455	21,779,421	82,441,550
Overtime	97,092,033	138,393,620	78,781,403	95,281,394
Bonus	22,022,355	26,069,593	18,184,496	22,446,405
Allowance	32,053,993	34,435,253	30,054,597	32,792,982
Employees' Provident Fund	22,553,122	25,674,385	19,020,295	22,260,733
Employees' Trust Fund	5,637,630	6,417,945	4,745,971	5,556,081
Staff Incentives	-	-	1,214,000	1,214,000
Staff welfare	3,151,099	3,156,899	4,849,374	4,999,574
Medical	3,205,874	3,405,874	3,377,930	3,628,416
Terminal gratuity	3,985,412	4,815,659	2,935,850	3,651,348
Fuel	113,638,806	141,026,981	134,316,669	154,556,223
Chemicals	100,164,151	124,171,848	85,559,661	123,943,620
Lab testing charges	6,655,283	8,054,591	18,755,952	20,467,685
Tea and food	24,043,149	24,043,149	19,688,624	19,688,624
Foreign travelling	15,068,423	15,068,423	6,650,917	6,650,917
Electricity	281,967,813	419,680,479	313,779,737	454,728,599
Postage and courier charges	3,417,279	3,417,279	1,656,146	1,656,146
Telephone	332,059	332,059	286,718	1,056,718
General insurance	11,134,850	14,459,089	9,091,228	13,796,602
Printing and stationery	1,713,517	1,713,517	2,661,248	2,661,248
Security charges	16,001,622	20,918,847	6,923,429	18,068,449
Depreciation				
- Factory building	-	3,421,516	-	3,582,746
- Plant and machinery	121,038,162	144,219,540	114,436,018	137,493,584
- Office equipment	-	48,131	-	52,777
- Furniture and fittings	-	26,555	-	20,666
- Motor vehicles and forklift	-	256,917	-	406,908
- Computers	-	17,488	-	48,198
- Bottles and crates	-	58,805,664	-	43,922,545
Building repairs and maintenance	58,868,629	103,658,671	22,905,548	49,260,064
Equipment maintenance	229,777,167	292,732,148	300,909,574	369,265,774
Travelling and transport	10,627,999	10,627,999	1,585,183	1,585,183
	1,388,540,625	1,907,636,411	1,374,808,839	1,874,728,662
6. Other Income				
Scrap sales	12,697,624	31,561,794	11,935,815	31,179,709
Rent income	4,470,029	4,470,029	2,550,879	2,550,879
Miscellaneous income	51,420	51,420	61,500	61,500
Exchange gain	-	4,932,055	30,952,843	38,089,618
Interest income	120,393,204	125,581,173	182,609,233	189,710,268
	137,612,276	166,596,471	228,110,269	261,591,974

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	Company Year Ended 31.12.2024 Rs.	Group Year Ended 31.12.2024 Rs.	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.
7. Profit before Tax is Stated after Charging all Expenses Including the Following:				
Personnel cost	744,913,704	926,030,666	641,211,884	795,502,435
Defined contribution plan costs - EPF &ETF	80,114,566	86,749,249	68,416,686	75,166,933
Provision for gratuity	10,360,624	13,309,748	7,762,303	18,909,238
Bonus	49,063,710	54,444,761	43,360,752	48,987,565
Depreciation	287,576,879	407,621,637	228,691,519	342,819,795
Insurance	17,815,075	21,139,315	13,770,000	18,475,374
Auditor's fee	2,392,906	3,853,698	2,264,799	3,664,666
8. Finance Cost and Other Costs				
Interest charges	1,400,760	2,412,541	8,671,504	14,687,907
Loss on disposal of fixed assets	2,186,465	8,096,796	1,511,973	7,809,974
Corporate guarantee fee for banks	8,250,013	8,250,013	-	-
Bank charges	3,500,952	4,110,757	4,907,995	5,837,193
Exchange loss	44,652,301	44,652,301	-	-
Interest cost on gratuity	11,965,260	16,230,879	17,749,039	25,077,218
	71,955,751	83,753,287	32,840,512	53,412,292

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9. Taxation

	Company Year Ended 31.12.2024 Rs.	Group Year Ended 31.12.2024 Rs.	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.
Income tax expenses				
Deferred tax (benefit) / expense (Note 9.2 & 9.3)	(32,774,076)	(48,000,772)	172,192,156	257,260,797
Deferred tax charge against other comprehensive income	5,293,035	6,826,546	(146,258)	(146,258)
Income tax expenses (Note 9.1)	367,871,645	490,776,614	57,733,368	82,445,932
Prior year income tax (over) provision	(7,740,986)	(17,175,053)	-	-
	332,649,618	432,427,335	229,779,267	339,560,472

9.1 Reconciliation of the total tax charge

A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows:

	Company Year Ended 31.12.2024 Rs.	Group Year Ended 31.12.2024 Rs.	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.
Accounting profit as per financial statement	2,444,806,111	2,809,953,377	1,487,154,888	1,792,326,478
Less: Investment income	(120,393,204)	(128,749,173)	(182,609,233)	(189,710,268)
Allowable credits	(476,449,711)	(563,797,446)	(244,773,367)	(299,119,951)
Non- deductible expenses	484,121,233	616,004,933	315,254,437	455,533,045
Investment income	120,393,204	128,749,173	182,609,233	189,710,268
Tax loss claimed	-	-	(1,172,746,837)	(1,481,475,236)
Tax profit for the year of assessment	2,452,477,633	2,862,160,864	384,889,121	467,264,336
Tax expense	367,871,645	490,776,614	57,733,368	82,445,932

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

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9. Taxation - (Contd.)

9.2 Deferred tax balances

	Unrealized Exchange Loss	Unrealized Exchange Gain	Impairment of Inventory	Property, Plant & Equipment	Retirement Benefit Obligation	Bad Debt Provision	Unused Tax Losses	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Company								
Balance as at 1 January 2023	-	-	5,227,895	(313,295,770)	10,649,423	2,743,326	174,493,574	(120,181,552)
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	-	-	5,227,895	(314,426,232)	14,021,789	2,802,841	-	(292,373,707)
Balance as at 1 January 2024	-	-	5,227,895	(314,426,232)	14,021,789	2,802,841	-	(292,373,707)
Recognised in profit or loss	15,406,446	(3,679,146)		13,736,180	6,132,397	1,178,199	-	32,774,076
Balance as at 31 December 2024	15,406,446	(3,679,146)	5,227,895	(300,690,052)	20,154,187	3,981,040	-	(259,599,631)

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.

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9. Taxation - (Contd.)

9.2 Deferred tax balances - (Contd.)

	Unrealized exchange Loss	Unrealised exchange gain	Impairment of Inventory	Property, Plant & Equipment	Retirement Benefit Obligation	Bad Debt Provision	Unused Tax Losses	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Group								
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	-	-	11,488,098	(697,738,689)	23,500,943	42,823,886	-	(619,925,763)
Balance as at 1 January 2024		-	11,488,098	(697,738,689)	23,500,943	42,823,886	-	(619,925,763)
Recognised in profit or loss	15,406,446	(3,793,614)	-	27,470,601	8,319,644	597,695	-	48,000,772
Balance as at 31 December 2024	15,406,446	(3,793,614)	11,488,098	(670,268,088)	31,820,587	43,421,581	-	(571,924,991)

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 31.12.2024 Rs.	Group 31.12.2024 Rs.	Company 31.12.2023 Rs.	Group 31.12.2023 Rs.
10. Property, Plant and Equipment				
Freehold property, plant and equipment (Note 10.1 and 10.2)	3,562,835,704	5,147,677,236	2,802,945,405	4,344,026,230
	3,562,835,704	5,147,677,236	2,802,945,405	4,344,026,230

10.1 Freehold Property, Plant and Equipment

Company	Balance at the Beginning of the Year Rs.	Additions Rs.	Disposals/ Write off Rs.	Balance at the End of the Year Rs.
Cost				
Buildings	948,486,980	300,000		948,786,980
Computers	22,651,905	9,120,900		31,772,805
Furniture and fittings	22,969,837	3,320,667		26,290,504
Machinery and other equipment	2,443,355,336	803,472,275		3,246,827,611
Motor vehicles	211,407,686	-		211,407,686
Office equipment	9,120,776	558,570		9,679,346
Bottle and crates	178,701,203	161,325,729	(15,238,331)	324,788,600
Trade equipment	968,147,500	215,970,427	(141,328,847)	1,042,789,081
Total	4,804,841,223	1,194,068,568	(156,567,178)	5,842,342,613
Accumulated Depreciation				
Buildings	290,555,204	31,515,258		322,070,462
Computers	11,963,248	5,487,228		17,450,476
Furniture and fittings	4,659,668	2,496,374		7,156,042
Machinery and other equipment	1,017,978,186	121,038,162		1,139,016,349
Motor vehicles	202,888,139	3,350,082		206,238,221
Office equipment	5,007,892	1,673,172		6,681,064
Bottle and crates	27,695,408	40,061,846	(8,792,608)	58,964,646
Trade equipment	441,148,072	81,954,758	(1,173,180)	521,929,650
Total	2,001,895,818	287,576,879	(9,965,787)	2,279,506,910
Written Down Value	2,802,945,405			3,562,835,704

10.2 Freehold Property, Plant and Equipment

Group	Balance at the Beginning of the Year Rs.	Additions Rs.	Disposals/ Write off Rs.	Balance at the End of the Year Rs.
Cost				
Land	972,314,280		-	972,314,280
Buildings	1,092,514,176	300,000	-	1,092,814,176
Computers	27,363,301	9,262,700	-	36,626,001
Furniture and fittings	30,855,616	3,871,020	-	34,726,637
Machinery and other equipment	2,929,644,457	809,113,677	-	3,738,758,134
Motor vehicles	240,985,236	-	-	240,985,236
Office equipment	12,288,367	710,570		12,998,937
Bottle and crates	1,328,352,963	324,555,969	(36,426,943)	1,616,481,989
Trade equipment	1,182,697,019	215,970,427	(141,328,847)	1,257,338,600
Total	7,817,015,415	1,363,784,364	(177,755,790)	9,003,043,989
Accumulated Depreciation				
Buildings	358,991,555	35,283,448	-	394,275,003
Computers	16,633,336	5,506,488	-	22,139,824
Furniture and fittings	9,680,504	2,974,451	-	12,654,955
Machinery and other equipment	1,285,117,155	144,219,540	-	1,429,336,694
Motor vehicles	231,733,232	4,082,531	-	235,815,764
Office equipment	8,023,353	1,851,568	-	9,874,921
Bottle and crates	948,905,644	98,867,510	(24,070,889)	1,023,702,265
Trade equipment	613,904,405	114,836,101	(1,173,180)	727,567,327
Total	3,472,989,184	407,621,637	(25,244,068)	3,855,366,753
Written Down Value	4,344,026,231			5,147,677,236

11. Capital Work-in-Progress

11.1 Company

Description	Balance at the Beginning of the Year Rs.	Additions Rs.	Transfers Rs.	Balance at the End of the Year Rs.
Plant and machinery	-	938,605,484	(560,232,912)	378,372,572
	-	938,605,484	(560,232,912)	378,372,572

11.2 Groups

Plant and machinery	-	938,605,484	(560,232,912)	378,372,572
	-	938,605,484	(560,232,912)	378,372,572

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Colombo - 02.
Tel: 0115 444 400
CHARTERED ACCOUNTANTS

VARUN BEVERAGES LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Company 31.12.2024 Rs.	Group 31.12.2024 Rs.	Company 31.12.2023 Rs.	Group 31.12.2023 Rs.
12. Inventories				
Finished goods	366,946,756	392,277,354	375,029,478	412,171,285
Trading Inventory	51,120,694	51,120,694	23,497,318	23,497,318
Raw materials	789,856,470	845,771,892	1,415,469,534	1,822,636,118
Chemicals and fuel	44,981,262	54,522,955	43,497,759	66,485,221
Goods in transit	-	29,782,515	66,115,362	66,115,362
Spare parts	358,209,348	414,265,976	254,494,149	309,640,680
Less: Impairment of spare parts	(34,852,635)	(55,719,977)	(34,852,635)	(55,719,977)
	1,576,261,895	1,732,021,409	2,143,250,964	2,644,826,009
13. Trade and Other Receivables				
Trade debtors	902,626,492	1,432,650,844	739,333,576	1,049,176,391
Less: Impairment provision for trade debtors	(26,540,263)	(158,008,732)	(18,685,604)	(152,089,086)
	876,086,228	1,274,642,111	720,647,972	897,087,305
Other receivables	591,378,677	617,641,130	449,674,121	453,549,563
Deposits and prepayments	99,976,938	109,603,581	94,743,790	109,521,118
Staff loans and festival advances	6,028,823	6,209,190	5,432,999	6,213,486
VAT receivable	-	-	41,740,132	41,740,132
Tax receivables	5,286,830	6,758,179	5,286,830	6,758,306
	1,578,757,497	2,014,854,192	1,317,525,844	1,514,869,911
14. Cash and Cash Equivalents				
Standard Chartered Bank - Fort Branch	24,344,182	28,891,146	7,078,345	7,620,324
Nations Trust Bank PLC	7,543,662	9,925,543	11,366,898	15,386,538
Nations Trust Bank PLC-USD	134,382	134,382	148,416	148,416
Hatton National Bank - Kaduwela	5,987,626	7,576,104	16,867,509	19,405,983
HSBC-Head Office	5,474,581	5,474,581	5,570,581	5,570,581
Sampath Bank	15,337	15,337	3,678,676	3,678,676
Commercial Bank of Ceylon PLC	8,469,629	37,984,087	33,379,275	48,357,770
Commercial Bank of Ceylon PLC-USD	804,718	804,718	899,606	899,606
Pan Asia Banking Corporation PLC	188,774	188,774	191,024	191,024
People's Bank - Hanwella	-	896,917	-	616,201
People's Bank - Corporate Division	4,178,631	4,291,817	1,197,971	1,313,598
Standard Chartered Bank - Fort Branch (USD)	557,704,226	557,704,226	538,659,493	538,659,493
Saving AC - Hatton National Bank	378,497,389	378,497,389	5,520,288	5,520,288
Marginal AC - Nation Trust Bank	-	8,096,539	-	8,096,539
Marginal AC - Commercial Bank of Ceylon PLC	2,000,000	2,000,000	268,390,000	268,390,000
Cash in hand	4,432,667	4,988,667	4,344,576	5,332,292
	999,775,804	1,047,470,227	897,292,657	929,187,326
15. Fixed Deposits in Banks				
Fixed deposits - Nations Trust Bank PLC	633,490,589	696,201,743	583,917,369	641,712,486
Fixed deposits - Commercial Bank of Ceylon PLC	-	109,351,682	-	100,410,959
Pan Asia Banking Corporation PLC	109,351,682	-	100,410,959	-
Fixed deposit - Hatton National Bank PLC	202,409,836	202,409,836	203,490,411	203,490,411
	945,252,108	1,007,963,261	887,818,739	945,613,856

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		Company 31.12.2024 Rs.	Group 31.12.2024 Rs.	Company 31.12.2023 Rs.	Group 31.12.2023 Rs.
16.	**Stated Capital**				
	Issued and fully paid shares				
	Value of a share	10	10	10	10
	Ordinary shares No. of shares	643,853,670	643,853,670	643,853,670	643,853,670
	Total value	6,438,536,700	6,438,536,700	6,438,536,700	6,438,536,700
17.	**Bottle Deposits Payable**				
	Deposits against assets	88,112,770	215,254,147	58,799,690	168,406,148
	Dealership deposits	4,700,000	8,200,000	9,000,000	12,500,000
		92,812,770	223,454,147	67,799,690	180,906,148
18.	**Retirement Benefit Obligations**				
	Balance at the beginning of the year	93,478,596	125,075,774	70,996,156	99,181,459
	Current service cost	10,360,624	13,309,748	7,762,303	18,909,238
	Interest charge for the year	11,965,260	14,626,243	17,749,039	15,090,481
		115,804,480	153,011,764	96,507,497	133,181,178
	Losses arising from changes in actuarial valuation	35,286,898	40,398,602	975,051	304,537
	Payments during the year	(16,730,134)	(20,161,120)	(4,003,953)	(8,409,939)
	Balance at the end of the year	134,361,244	173,249,247	93,478,596	125,075,776

The following assumptions were used in determining the post employment benefit obligations :

	Company 31.12.2024	Group 31.12.2024	Company 31.12.2023	Group 31.12.2023
Expected future salary increments	9%	9%	9%	9%
Discount rate	11.5%	11.5%,11.25%	12.8%	12.8%,13.5%
Staff turnover rate	11%	11%,7%	3%	3%
Retirement age	60 Years	60 Years	60 Years	60 Years

		Company 31.12.2024 Rs.	Group 31.12.2024 Rs.	Company 31.12.2023 Rs.	Group 31.12.2023 Rs.
19.	**Trade and Other Payables**				
	Trade payables	220,108,076	221,991,448	713,375,920	720,545,229
	Stamp duty	97,275	117,725	92,975	110,350
	Excise duty	157,646,271	182,545,304	125,589,550	146,911,797
	Accrued and other payables	339,440,478	339,440,474	327,370,957	328,026,617
	VAT payable	77,597,295	90,966,334	-	10,504,904
	Other creditors	142,858,187	199,696,956	249,470,752	365,773,475
		937,747,584	1,034,758,240	1,415,900,154	1,571,872,371
20	**Income tax payable**				
	Balance at the beginning of the year	47,503,248	56,286,115	-	-
	Tax expense for the year	367,871,645	490,776,614	57,733,368	82,445,932
	Prior year income tax (over) provision	(7,740,986)	(17,175,053)		
	Payments made during the year-Income Tax	(141,447,254)	(196,412,396)	-	-
	Tax credits-Withholding Tax	(5,803,124)	(6,391,856)	(10,230,120)	(26,159,817)
	Balance at the end of the year	260,383,529	327,083,424	47,503,248	56,286,115

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CHARTERED ACCOUNTANTS

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.
c) Nation Trust Bank PLC	Ole Springs Bottlers (Pvt) Ltd (Subsidiary) has obtained bank guarantees against the fixed deposits.

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. Sandeep Kumar, 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
	31.12.2024	31.12.2024	31.12.2024	31.12.2024
	Rs.	Rs.	Rs.	Rs.
Ole Springs Bottlers (Pvt) Ltd - Subsidiary	350,563,094	-	-	-
Varun Beverages Ltd-Immediate Parent Company	-	-	208,081,312	208,081,312
Fellow Subsidiaries				
Lunarmech Technologies (Pvt) Ltd	16,863,510	16,863,510	-	-
	367,426,604	16,863,510	208,081,312	208,081,312

	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- Immediate Parent Company	-	-	208,892,398	208,892,398
Fellow Subsidiaries				
Lunarmech Technologies (Pvt) Ltd	-	-	26,779,210	26,779,210
	664,170,801	-	235,671,608	235,671,608

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CHARTERED ACCOUNTANTS

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

	2024 Rs.	2023 Rs.
Company		
Ole Springs Bottlers (Pvt) Ltd-Subsidiary		
Sales	507,153,233	322,482,327
Purchases	434,493,083	650,464,842
Payments/ settlements	393,046,136	259,803,540
Land lease expenses	3,421,440	3,326,400
Other transactions	10,199,720	4,298,639
Varun Beverages Ltd, India -Immediate Parent Company		
Purchases	567,295,699	671,297,444
Dividends	1,126,743,923	-
Guarantee fee	8,250,013	6,902,702
Software license fee	30,964,563	19,801,019
Payments/ settlements	1,724,860,689	517,521,986
Varun Beverages International DMCC -Fellow Subsidiary		
Purchases	151,570,650	-
Payments/ settlements	151,570,650	-
Varun Beverages Zambia Ltd-Fellow Subsidiary		
Purchases	266,022,000	-
Payments/ settlements	266,022,000	-
Lunarmech Technologies (Pvt) Ltd-Fellow Subsidiary		
Purchases	183,561,822	206,087,356
Payments	224,589,149	269,391,794
Group		
Varun Beverages Ltd, India -Immediate Parent Company		
Purchases	668,382,325	1,042,226,951
Dividends	1,126,743,923	-
Software license fee	30,964,563	19,801,019
Guarantee fee	8,250,013	6,902,702
Payments / settlements	1,823,443,478	902,265,340
Varun Beverages International DMCC-Fellow Subsidiary		
Purchases	266,022,000	-
Payments/ settlements	266,022,000	-
Varun Beverages Zambia Ltd-Fellow Subsidiary		
Export sales	-	-
Payments received for export sales	266,022,000	-
Lunarmech Technologies (Pvt) Ltd-Fellow Subsidiary		
Purchases	183,561,822	220,691,008
Payments	224,589,149	284,108,412

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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 31.12.2024 Rs.	Group Year Ended 31.12.2024 Rs.	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.
Directors emoluments	134,860,587	134,860,587	118,684,042	118,684,042
	134,860,587	134,860,587	118,684,042	118,684,042

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.

The Department of Inland Revenue has issued a notice of assessment for the subsidiary company on VAT for the quarter ended 31 December 2021 for Rs. 1,423,032 on which an appeal has been made.

Legal cases have been filed against the company bearing number 9947/23 & 29387/5/24 for product since trial in ongoing , the amount of the obligation cannot be measured with sufficient reliability .

Estimated amount of contracts remaining to be executed on capital commitments not provided for (net of advance) is Rs. 309,251,988.

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.

25. Comparative information

The presentation and classification of financial statements of the previous year have been amended, where relevant for better presentation and to be comparable with those of the current year.

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CHARTERED ACCOUNTANTS

VARUN BEVERAGES LANKA (PRIVATE) LIMITED

DETAILED NOTES OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

VARUN BEVERAGES LANKA (PRIVATE) LIMITED
DETAILED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Company Year Ended 31.12.2024 Rs.	Group Year Ended 31.12.2024 Rs.	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.
1. Administrative Expenses				
Salaries	77,888,930	84,494,752	73,374,393	79,026,248
Wages	2,508,944	4,978,334	4,283,789	7,573,096
Overtime	2,449,446	4,290,820	4,014,633	4,667,750
Bonus	7,661,568	8,609,682	4,812,271	5,707,139
Tea and food	23,494,517	24,965,439	13,726,858	13,726,858
Medical expenses	4,991,310	5,685,140	4,910,098	5,641,281
Terminal gratuity	1,746,955	1,958,890	1,429,828	1,580,247
Employees' Provident Fund	10,805,212	11,824,537	9,727,151	10,532,759
Employees' Trust Fund	2,701,303	2,956,134	2,464,975	2,666,377
Lease rental	3,168,000	-	3,168,000	-
Foreign travelling	3,746,570	4,195,571	3,180,796	3,180,796
External auditor's remuneration	2,392,906	3,853,698	2,264,799	3,664,666
Internal auditor's remuneration	4,624,950	4,624,950	3,175,010	3,175,010
Telephone	2,959,486	4,466,383	2,513,787	3,151,127
Printing and stationery	2,930,078	7,028,857	2,964,259	8,295,867
Stamp duty	437,405	509,855	232,800	317,400
Repairs and maintenance - vehicles	440,522	440,522	33,941	33,941
Depreciation - Buildings	31,515,258	31,861,932	30,912,794	31,275,804
- Furniture and fittings	2,496,374	2,947,896	2,244,833	2,596,228
- Office equipment	1,673,172	1,803,437	1,767,742	1,910,581
- Motor vehicles	3,350,082	3,825,615	6,210,649	6,963,804
- Computer and software	5,487,228	5,489,000	4,305,042	4,309,928
Computer maintenance	39,785,473	40,789,123	25,706,440	27,195,760
Fees and penalties	-	7,455	-	1,867,697
Motor vehicle insurance	-	469,246	-	48,758
Staff welfare	30,963,030	30,963,030	18,440,288	28,033,301
CSR Expenses	28,377,677	28,377,677	-	-
Rent and accommodation charges	14,214,730	14,214,730	3,898,732	3,898,732
Courier charges	634,146	634,146	97,183	97,183
Staff recruitment	1,157,983	1,157,983	256,799	256,799
Subscriptions and periodicals	2,005,117	2,322,160	2,565,943	3,166,793
Staff Incentives	-	-	22,053	22,053
Electricity charges	2,507,486	2,507,486	1,855,722	1,855,722
Staff insurance	6,680,226	6,680,226	4,678,772	4,678,772
Allowance	20,075,830	22,679,059	17,259,487	19,017,306.77
Legal and professional charges	9,057,549	10,547,312	13,239,080	14,967,013.42
Travelling and transport	8,988,695	11,256,853	10,955,359	13,501,614
Other taxes	144,109	222,015	1,415,448	4,646,605
Tax on Tax of Employees Salary	54,891,307	58,630,539	51,280,360	54,692,118
Water	309,252	309,250	244,850	244,848
	420,677,123	453,994,032	333,907,900	378,460,921

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CHARTERED ACCOUNTANTS

VARUN BEVERAGES LANKA (PRIVATE) LIMITED
DETAILED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Company Year Ended 31.12.2024 Rs.	Group Year Ended 31.12.2024 Rs.	Company Year Ended 31.12.2023 Rs.	Group Year Ended 31.12.2023 Rs.
2. Selling and distribution expenses				
Salaries - staff	206,353,419	215,775,977	174,304,460	185,361,689
Wages	22,659,051	49,127,870	19,905,681	45,191,943
Overtime	20,408,225	36,449,625	17,024,164	17,471,086
Bonus	19,379,787	19,765,486	20,363,985	20,834,022
Employees' Provident Fund	30,733,839	31,901,047	25,978,399	27,325,435
Employees' Trust Fund	7,683,460	7,975,200	6,479,894	6,825,548
Medical expenses	8,861,678	9,006,266	8,559,968	8,624,129
Conference and meeting expenses	13,845,388	13,845,388	16,480,518	16,480,518
Terminal gratuity	4,628,257	4,930,562	3,396,625	3,690,905
Telephone	6,892,329	6,892,329	5,584,719	5,584,719
Printing and stationery	4,581,057	4,581,057	3,875,882	3,875,882
Sales promotions and discounts	997,184,839	1,113,314,342	598,310,168	824,556,582
Expiries and Breakages	110,101,314	133,680,331	100,265,276	114,193,287
Tea and food	32,130,364	39,786,934	24,900,919	32,040,314
Other allowance to staff	79,124,461	79,533,120	67,030,492	68,151,794
Staff incentives	75,718,515	76,097,515	80,887,686	81,810,852
Rent and accommodation expenses	12,132,563	12,726,563	9,366,459	9,942,459
Staff welfare	7,621,197	7,621,197	4,747,011	4,747,011
Travelling expenses	26,738,959	26,738,959	17,632,452	17,632,452
Transport expenses	185,685,466	267,447,323	128,406,702	232,493,433
Foreign travelling	14,315,517	14,315,517	9,194,736	9,194,736
Motor vehicle maintenance and repairs	93,751,545	107,245,261	127,144,567	144,127,832
Motor vehicle fuel	57,849,818	94,253,149	55,590,983	85,461,404
Export handling charges	-	-	5,113,636	5,113,636
Contract outlet expenses	78,739,950	78,739,950	125,689,701	125,689,701
Provision for bad debts	7,854,659	5,919,646	-	2,227,924
Bad debts written off	311,007	544,150	3,625,824	4,251,240
Depreciation - trade equipment	122,016,603	154,897,947	68,814,442	110,236,026
Trade equipment maintenance	39,834,100	40,128,737	42,989,881	43,892,313
	2,287,137,370	2,653,241,451	1,771,665,232	2,257,028,871

VARUN BEVERAGES MOROCCO S.A

GENERAL REPORT OF AUDIT
For the year ended 31 December 2024

CHAHBI ADVISORY
Expertise Comptable
Commissariat aux Comptes
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Casablanca Maroc
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VARUN BEVERAGES MOROCCO S.A
Bouskoura Casablanca

GENERAL REPORT OF AUDIT
For the year ended 31 December 2024

Shareholders,

Accordance with the terms of our accord by your General Meeting, we audited the financial statements of the company ***VARUN BEVERAGES MOROCCO S.A*** attached, which comprise the balance sheet and the statement of income and expenses for the year ended 31 December 2024. These financial statements show an amount of equity to 411.610.922,20 MAD and include a profit of 47.508.532,23 MAD.

Management's Responsibility
Management is responsible for the preparation and fair presentation of these states synthesis, in accordance with accepted accounting standards in Morocco. This responsibility includes, implementing and maintaining internal control relevant to the preparation and presentation of summary statements having no abnormality significant, and the accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards in Morocco. These standards require us to comply with ethical requirements, plan and realize the audit to obtain reasonable assurance whether the financial statements do not contain material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the summary statements. The choice of procedures depend on the judgment of the listener, as well as risk assessment that states synthetic material misstatement. In making those risk assessments, the auditor considers internal control relevant to the entity on the compilation and presentation of summary statements to define procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of it.
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the summary statements. We believe that the audit evidence obtained is sufficient and appropriate to our opinion.

Opinion on the financial statements
We certify that the statements referred to in the first paragraph above are regular and sincere and fairly, in all material respects, fairly the result of operations for the year then ended, the financial position and assets of the company ***VARUN BEVERAGES***

CHAHBI ADVISORY
Expertise Comptable
Commissariat aux Comptes

MOROCCO S.A at 31 December 2024 in accordance with accounting standards admitted in Morocco.

Specific verifications and information
We have also performed the specific verifications required by law and we ensured including the consistency of the information given in the management report to shareholders with the financial statements of the company.

Ahmed CHAHBI
Casablanca January 23, 2025

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

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IF : 33657551 – ICE : 002064594000019 – RC : 425735 Casablanca
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VARUN BEVERAGES MOROCCO S.A

FINANCIAL STATEMENTS
For the year ended 31 December 2024

M. Ahmed CHAHBI
EXPERT COMPTABLE DPLE
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CASABLANCA

Tableau n°1

BALANCE SHEET (ASSETS)

VARUN BEVERAGES MOROCCO

EXERCISE CLOSED ON 31/12/2024

ASSETS	EXERCICE			PREVIOUS YEAR
	GROSS	DEPRECIATIONS AND PROVISIONS	NET 31/12/2024	NET 31/12/2023
PROPERTY VALUE IN NO (A)	**9 049 879,40**	**7 515 644,91**	**1 534 234,49**	**2 358 194,49**
Preliminary expenses				
Expences Deferred	9 049 879,40	7 515 644,91	1 534 234,49	2 358 194,49
Bond redemption premiums				
INTANGIBLE ASSETS (B)	**126 646,00**	**69 290,62**	**57 355,38**	**75 496,38**
Capital Research & Development				
Patents, trademarks, rights, and similar	126 646,00	69 290,62	57 355,38	75 496,38
goodwill				
Other intangible assets				
PROPERTY & EQUIPMENT (C)	**1 152 658 238,85**	**385 692 154,78**	**766 966 084,07**	**534 205 750,41**
Land	80 551 444,10		80 551 444,10	80 551 444,10
Constructions	214 982 833,59	42 676 087,74	172 306 745,85	61 632 974,32
Plant, machinery and equipment	805 945 691,36	320 686 573,87	485 259 117,49	249 740 857,84
Transportation Equipment	17 080 807,47	14 488 657,19	2 592 150,28	3 472 937,67
Furniture, office equipment & facilities various	14 432 008,01	7 840 835,98	6 591 172,03	4 652 052,48
Other tangible assets				
Assets under construction and Asset in progress	19 665 454,32		19 665 454,32	134 155 484,00
FINANCIAL ASSETS (D)	**6 943 264,33**		**6 943 264,33**	**5 237 516,13**
Term loans				
Other financial receivables	6 943 264,33		6 943 264,33	5 237 516,13
Equity securities				
Other investments				
TRANSLATION ADJUSTMENTS - ASSETS (E)	**9 936 144,92**		**9 936 144,92**	**7 102 919,93**
Decrease in nonperforming loans				
Increase in borrowings	9 936 144,92		9 936 144,92	7 102 919,93
TOTAL I (A+B+C+D+E)	**1 178 714 173,50**	**393 277 090,31**	**785 437 083,19**	**548 979 877,34**
STOCKS (F)	**257 389 383,89**		**257 389 383,89**	**221 237 276,10**
Trading Goods	48 221 968,09		48 221 968,09	64 257 556,76
Consumable raw materials and supplies	136 871 663,93		136 871 663,93	104 085 469,67
Work in progress	23 931 660,17		23 931 660,17	
Intermediate products and residual products				
Finished goods	48 364 092		48 364 092	52 894 250
CURRENT ASSETS (G)	**233 633 482,69**		**233 633 482,69**	**281 879 528,63**
Supplier receivables, advances	33 151 498,91		33 151 498,91	49 323 163,39
Accounts receivable	128 908 385,29		128 908 385,29	156 896 700,55
Staff and Employees	2 027 506,35		2 027 506,35	1 332 020,76
State and taxes	28 962 549,42		28 962 549,42	46 119 820,56
Accounts associated & Account of shareholder				
Other receivables				1 127,18
Accrued Assets& Prepaid Exp	40 583 542,72		40 583 542,72	28 206 696,19
SECURITIES AND INVESTMENT SECURITIES (H)				
EXCHANGE DIFFERENCE- ASSETS (I) (Circulating items)	**475 128,81**		**475 128,81**	**1 000 270,01**
TOTAL II (F+G+H+I)	**491 497 995,39**		**491 497 995,39**	**504 117 074,74**
CASH - ASSETS	**24 605 274,65**		**24 605 274,65**	**9 642 083,04**
Checks and cash values ...	7 029 688,17		7 029 688,17	7 845 338,84
Bank T.G. and C.C.P.	17 389 066,60		17 389 066,60	1 641 196,22
Cash, Imprest and flow-	186 519,88		186 519,88	155 547,98
TOTAL III	**24 605 274,65**		**24 605 274,65**	**9 642 083,04**
TOTAL GENERAL I+II+III	**1 694 817 443,54**	**393 277 090,31**	**1 301 540 353,23**	**1 062 739 035,12**

M. Ahmed CHAHBI
EXPERT COMPTABLE DPLE
421, Bd Abdelmoumen Imm B N°16
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Tableau 1

BALANCE SHEET (LIABILITIES)

VARUN BEVERAGES MOROCCO

EXERCISE CLOSED ON 31/12/2024

	LIABILITIES	EXERCISE 31/12/2024	EXERCICE PREVIOUS YEAR 31/12/2023
	EQUITY		
	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	-505 535 610,03	-557 585 140,71
	Net results pending allocation (2)		
	Net profit for the year (2)	47 508 532,23	52 049 530,68
	TOTAL EQUITY (A)	**411 610 922,20**	**364 102 389,97**
	ALLIED CAPITAL (B)		
	Investment grants		
	Regulated provisions		
	Donations		
	DEBT FINANCING ((C)	**397 365 806,26**	**288 889 885,71**
	Bonds		
	Other borrowings	397 365 806,26	288 889 885,71
	Others Debt Financing		
	SUSTAINABLE PROVISIONS FOR LIABILITIES AND CHARGES (D)	**9 936 144,92**	**7 102 919,93**
	Provisions for charges		
	Provisions for risks	9 936 144,92	7 102 919,93
	EXCHANGE DIFFERENCE- LIABILITIES (E)		
	Increase in nonperforming loans		
	Decrease in borrowings	-	
	TOTAL I (A+B+C+D+E)	**818 912 873,38**	**660 095 195,61**
	DEBT FOR CURRENT LIABILITIES	**219 173 916,55**	**258 180 019,89**
	Accounts payable	159 156 609,23	189 428 426,59
	Customers payable, advance payments	11 831 869,71	11 167 545,47
	Staff and Employees	677 308,25	409 503,87
	Social security	5 108 821,63	3 403 743,84
	State and Taxes	33 446 388,50	38 248 887,37
	Accounts associated&Account of shareholder	6 386 455,49	13 124 335,31
	Other creditors		
	Adjustment accounts - liabilities (Interest Payable)	2 566 463,74	2 397 577,44
	OTHER PROVISIONS FOR LIABILITIES AND CHARGES(EXCHANGE) (G)	475 128,81	1 000 270,01
	EXCHANGE DIFFERENCE- LIABILITIES (CIRCULATING ITEMS)	326 568,43	1 430 316,13
	TOTAL II (F+G+H)	**219 975 613,79**	**260 610 606,03**
	CASH - LIABILITIES	**262 651 866,06**	**142 033 233,48**
	Discount credits	8 976 562,87	32 494 214,68
	Credits CASH	95 000 000,00	25 000 000,00
	Banking regulation(credit balance)	158 675 303,19	84 539 018,80
	TOTAL III	**262 651 866,06**	**142 033 233,48**
	TOTAL I+II+III	**1 301 540 353,23**	**1 062 739 035,12**

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

Tableau n°2

PROFIT & LOSS

VARUN BEVERAGES MOROCCO

EXERCISE CLOSED IN 31/12/2024

			OPERATIONS		TOTALS OF	TOTALS OF
			RELATING TO THE YEAR 1	FOR EARLIER YEARS 2	THE EXERCISE 31/12/2024 3 = 1 + 2	PREVIOUS YEAR 31/12/2023
	I	**OPERATING INCOME**				
		Sales of Trading goods (Turnover trading)	243 779 626,21		243 779 626,21	231 133 415,53
		Sales goods&services produced &Turnover Manufact	1 264 888 020,05		1 264 888 020,05	1 112 762 477,60
		Change in product inventory (+ -) 1& stock	19 401 502,20		19 401 502,20	9 677 582,01
		Asset Produced by the company itself				
		Operating subsidies				
		Other operating income				
		Operating Provision Reversed, transfers charges				
		TOTAL I	**1 528 069 148,46**		**1 528 069 148,46**	**1 353 573 475,14**
	II	OPERATING EXPENSES				
		Trading goods	159 644 076,76		159 644 076,76	168 127 876,59
		Consumed raw materials and supplies	513 178 737,12		513 178 737,12	480 171 689,90
		Other external expenses	487 249 216,61		487 249 216,61	385 284 847,33
		Taxes	110 274 834,59		110 274 834,59	96 310 996,02
		Staff costs	123 155 704,20		123 155 704,20	101 100 690,72
		Other operating expenses				
		Operating allowances &Depreciation	55 081 779		55 081 778,66	43 109 620,67
		TOTAL II	**1 448 584 347,94**		**1 448 584 347,94**	**1 274 105 721,23**
	III	**OPERATING INCOME (I - II)**			**79 484 800,52**	**79 467 753,91**
	IV	**FINANCIAL PRODUCTS**				
		Income from equity securities and other investments				
		Foreign exchange gains	5 151 822,70		5 151 822,70	3 509 112,45
		Interest and other financial products	39 452		39 452,05	
		Financial times, transfers charges	8 103 190		8 103 189,92	15 332 454,01
		TOTAL IV	**13 294 464,67**		**13 294 464,67**	**18 841 566,46**
	V	**FINANCIAL CHARGES**				
		Interest expense	25 676 578,22		25 676 578,22	18 447 056,98
		Foreign exchange loss	4 665 267,06		4 665 267,06	4 253 892,15
		Other financial charges				
		Provision exchange loss	10 411 273,73		10 411 273,73	8 103 189,92
		TOTAL V	**40 753 119,01**		**40 753 119,01**	**30 804 139,05**
	VI	**FINANCIAL RESULTS (IV - V)**			**-27 458 654,34**	**-11 962 572,59**
	VII	**CURRENT INCOME (III - VI)**			**52 026 146,18**	**67 505 181,32**

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

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

M. Ahmed CHAHBI
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421, Bd Abdelmoumen Imm B N°16
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Tableau n°2

PROFIT & LOSS

VARUN BEVERAGES MOROCCO

EXERCISE CLOSED ON 31/12/2024

			OPERATIONS		TOTALS OF	TOTALS OF
			RELATING TO THE YEAR 1	FOR EARLIER YEARS 2	THE EXERCISE 31/12/2024 3 = 1 + 2	PREVIOUS YEAR 31/12/2023
	VII	**CURRENT RESULT(REPORT)**			**52 026 146,18**	**67 505 181,32**
	VIII	**NO-CURRENT RESULT**				
		Proceeds from sale of Asset	31 369 827,92		31 369 827,92	20 446 881,21
		Balancing subsidy				
		Reversal of capital grants				
		Other No-current income	20 271,21		20 271,21	26 947,79
		Non-current times, transfers charges	7 473 481		7 473 481,29	
		TOTAL VIII	**38 863 580,42**		**38 863 580,42**	**20 473 829,00**
	IX	**NO-RECURRING EXPENSES**				
		Net value of depreciation assets sold	30 448 254,31		30 448 254,31	20 454 286,14
		Grants				
		Other non-current expenses	9 133 134,17		9 133 134,17	12 103 418,54
		Allocations to non-current amortization and provisions				
		TOTAL IX	**39 581 388,48**		**39 581 388,48**	**32 557 704,68**
	X	**NO-CURRENT INCOME (VIII- IV)**			**-717 808,06**	**-12 083 875,68**
	XI	**PROFIT AND LOSS BEFORE TAXES (VII+ X)**			**51 308 338,12**	**55 421 305,64**
	XII	**INCOME TAX**			**3 799 805,89**	**3 371 774,96**
	XIII	**NET PROFIT AND LOSS (XI - XII)**			**47 508 532,23**	**52 049 530,68**

	XIV	**TOTAL INCOME (I + IV + VIII)**			**1 580 227 193,55**	**1 392 888 870,60**
	XV	**TOTAL EXPENSES(II + V + IX + XII)**			**1 532 718 661,32**	**1 340 839 339,92**
	XVI	**NET PROFIT AND LOSS (XIV - XV)**			**47 508 532,23**	**52 049 530,68**

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

VARUN BEVERAGES (ZAMBIA) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS	: Mr. Rajnish Gupta
	: Mr. Shankar Krishnan Iyer
	: Mr. Satyanarayan Sharma
	: Mr. Subhasis Rath
	: Mr.Vibhay Singh Chauhan (Appointed on 15th July 2024)
SHAREHOLDERS	: 90.00% - Varun Beverages Limited, India
	: 8.22% - Capital Infrastructure Ltd -Seychelles
	: 1.68% - Africa Bottling Company Limited
	: 0.1% - Rajnish Gupta
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	: Plot No. 37426 Mungwi Road
	: Heavy Industrial Area
	: P.O. Box 30007
	: Lusaka
	: Zambia
INDEPENDENT AUDITOR	: PKF Zambia Chartered Accountants
	: P.O. Box 31290
	: Lusaka
	: Zambia
COMPANY SECRETARY	: PKF Consulting Zambia Limited
	: P.O. Box 31290
	: Lusaka
	: Zambia
PRINCIPAL BANKERS	: First National Bank Zambia Limited
	: Zambia National Commercial Bank Plc.
	: Indo-Zambia Bank Limited.
	: Standard Chartered Bank Zambia Plc.
	: First Capital Bank Limited.
	ECO Bank Zambia
LEGAL ADVISORS	: Mulunda & Co Legal Practioneers and Commissioners for Oaths
	: Plot No.3806 Olympia Park
	: Kwacha Road,
	: Suit No:151 P/B E891 Manda Hill
	: Lusaka
	: Zambia
ULTIMATE PARENT	: Varun Beverages Limited, India

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of the Company.

PRINCIPAL ACTIVITIES

The Company manufactures and distributes carbonated soft drinks, bottled drinking water and dairy products.

RESULTS	2024 ZMW	2023 ZMW
(Loss) before tax	(47,144,384)	(94,624,643)
Tax (charge)	-	-
(Loss) for the year	(47,144,384)	(94,624,643)

DIVIDEND

The directors do not recommend the declaration of a dividend for the year (2023: Nil).

EVENTS AFTER THE END OF THE REPORTING DATE

There were no events after the reporting date that requires disclosure or adjustment to these financial statements.

DIRECTORS

The directors who held office during the year and to the date of this report are shown on page 1.

GOING CONCERN

During the year ended 31 December 2024, the Company recognised a net loss of ZMW 47,144,385 (2023: ZMW 94,624,643), accumulated losses of (2024: ZMW 93,707,532), (2023: ZMW 46,563,147), as of that date. The parent Company will provide the necessary financial support to ensure that the company is continuing to run the business smoothly. It has further confirmed that it is not its intention to call up inter-company indebtedness owed to it in the near Future in any way that might give rise to a liquidity shortage.

The directors believe that the Company will continue as a going concern from the end of the reporting date, that is, 31 December 2024. The directors have prepared the financial statements on a going concern basis based on cash flow projections which include cost control measures, current availability of funds, commitments of continued support from the shareholders and an expectation of sustained profitability at the conclusion of the projected period.

INDEPENDENT AUDITOR

The Company's auditor, PKF Zambia Chartered Accountants, has indicated willingness to continue in office in accordance with the Companies Act, 2017.

OTHER

In accordance with Section 249 and 277 of the Companies Act, 2017 the board of directors also report that during the year:

- the company made donations amounting to ZMW Nil (2023: ZMW Nil);
- Director's remuneration amounted to ZMW 1,932,687 (2023: ZMW 1,919,006);
- Auditor's renumeration amounted to ZMW 370,137 (2023: ZMW 370,137)

BY ORDER OF THE BOARD

DIRECTOR
LUSAKA

15 · 03 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Zambian Companies Act,2017 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the Company keeps proper accounting records that are sufficient to show and explain the transactions of the Company; that disclose, with reasonable accuracy, the financial position of the Company and that enable them to prepare financial statements of the Company that comply with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of Zambian Companies Act,2017. The directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and in the manner required under Zambian Companies Act, 2017. They also accept responsibility for:

i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
ii. Selecting and applying appropriate accounting policies; and
iii. Making accounting estimates and judgements that are reasonable in the circumstances.

The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Zambian Companies Act, 2017.

In preparing these financial statements the directors have assessed the Company's ability to continue as a going concern. Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

So far as each of the directors is aware, there is no relevant audit information which the auditor is unaware of, and each of the directors has taken all the steps that ought to have been taken in order to become aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the board of directors on 15th March 2025 signed on its behalf by:

Mr. Subhasis Rath	**Mr. Vibhay Singh Chauhan**

PKF Zambia Chartered Accountants

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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF VARUN BEVERAGES (ZAMBIA) LIMITED

Opinion

We have audited the financial statements of Varun Beverages (Zambia) Limited set out on pages 7 to 21, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, 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 2024, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and the Companies Act, 2017.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zambia, 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 for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Company information, report of the directors, statement of directors' responsibilities and the schedule of expenditure but does not include the financial statements and our report of the independent auditor thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS for SMEs and the requirements of the Companies Act, 2017, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

PKF

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF VARUN BEVERAGES (ZAMBIA) LIMITED (CONTINUED)

In preparing the financial statements, the directors are 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 the directors either intend 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.

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 ISAs 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.

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

i. 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 override of internal control.
ii. 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 appropriateness of the company's internal control.
iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
iv. Conclude on the appropriateness of director'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 report of the independent auditor 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.
v. 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 OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF VARUN BEVERAGES (ZAMBIA) LIMITED (CONTINUED)

Report on other legal and regulatory requirements

As required by the Companies Act, 2017 we report to you, based on our audit, that:

i. there is no relationship, interest, or debt which we have in the Company;

ii. there were no serious breaches of corporate governance principles or practices by the directors

The engagement partner responsible for the audit resulting in this report of the independent auditor is Thulile Kavimba Mumba - membership number AUD/F0008077.

PKF ZAMBIA
Chartered Accountants
LUSAKA

17 MARCH 2025

Thulile Kavimba Mumba

Our Reference: AR/LSK/0012/25

STATEMENT OF PROFIT OR LOSS AND RETAINED EARNINGS

	Notes	2024 ZMW	2023 ZMW
Revenue	3	1,070,693,653	829,842,126
Cost of sales	4	(582,768,263)	(466,582,287)
Gross profit		487,925,390	363,259,839
Other operating income	5	3,743,830	810,610
Administrative expenses		(180,026,520)	(192,060,754)
Selling and distribution expenses		(128,020,859)	(98,061,234)
Employment costs		(150,378,018)	(104,533,597)
Depreciation on property, plant and equipment	9	(43,911,759)	(43,089,043)
Operating (loss)	6	(10,667,936)	(73,674,179)
Finance costs	7	(36,476,448)	(20,950,464)
(Loss) before tax		(47,144,384)	(94,624,643)
Tax charge	8	-	-
(Loss) for the year		(47,144,384)	(94,624,643)
Accumulated losses			
At start of year		(46,563,147)	48,061,496
(Loss) for the year		(47,144,384)	(94,624,643)
At end of year		(93,707,531)	(46,563,147)

The notes on pages 10 to 21 form an integral part of these financial statements.

Report of the independent auditor - pages 4 to 6.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2024 ZMW	2023 ZMW
Non-current assets			
Property, plant and equipment	9	487,334,241	371,979,806
Other non current assets	11	6,481,519	21,892,464
		493,815,760	393,872,270
Current assets			
Inventories	10	203,348,759	164,705,322
Trade and other receivables	12	113,927,959	103,318,403
Cash and cash equivalents	13	6,633,696	5,406,469
		323,910,414	273,430,194
		817,726,174	667,302,464
EQUITY			
Share capital	14(a)	207,890,000	207,890,000
Accumulated (losses)		(93,707,531)	(46,563,147)
Other equity	14(b)	231,075	36,856
Equity attributable to the owners of the company		114,413,544	161,363,709
Non-current liabilities			
Borrowings	16	271,842,109	251,035,156
		271,842,109	251,035,156
Current liabilities			
Trade and other payables	15	256,816,713	180,177,819
Borrowings	16	174,653,808	74,725,780
		431,470,521	254,903,599
		817,726,174	667,302,464

The financial statements on pages 7 to 21 were approved and authorised for issue by the board of Directors on 15th March 2025 and were signed on its behalf by:

______________DIRECTOR ______________DIRECTOR

The notes on pages 10 to 21 form an integral part of these financial statements.

Report of the independent auditor - pages 4 to 6.

STATEMENT OF CASH FLOWS

	Notes	2024 ZMW	2023 ZMW
Cash flows from operating activities			
(Loss) before tax		(47,144,384)	(94,624,643)
Adjustments for:			
Depreciation on property, plant and equipment	9	43,911,759	43,669,864
Interest expense	7	33,292,187	20,592,009
Foreign exchange losses		43,527,020	110,732,573
Net cash from operations before working capital changes		73,586,582	80,369,803
Changes in working capital:			
- (Increase)/decrease in inventories		(38,643,437)	(37,385,848)
- Decrease/(increase) in trade and other receivables		4,801,390	27,665,937
- Decrease/increase in trade and other payables		76,638,894	10,201,851
Interest paid	7	(33,292,187)	(20,592,009)
Net cash from operating activities after working capital changes		83,091,242	60,259,734
Cash flows from investing activities			
Cash paid for purchase of property, plant and equipment	9	(178,215,027)	(41,108,835)
Share based payment to employees		194,219	36,856
Proceeds from disposal of property, plant and equipment		18,948,832	2,484,399
Net cash (used in)/generated from investing activities		(159,071,976)	(38,587,580)
Cash flows from financing activities			
Proceeds/(re-payment) of borrowings		120,734,981	89,223,079
Net cash used in financing activities		120,734,981	89,223,079
Decrease in cash and cash equivalents		44,754,247	110,895,233
Movement in cash and cash equivalents			
At start of year		5,406,469	5,243,808
Decrease in cash and cash equivalents		44,754,247	110,895,233
Effect of exchange rate changes		(43,527,020)	(110,732,573)
Total cash at end of the year	13	6,633,696	5,406,469

The notes on pages 10 to 21 form an integral part of these financial statements.

Report of the independent auditor - pages 4 to 6.

NOTES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the year presented, unless otherwise stated.

1) **General Information**

The Company manufactures and distributes carbonated soft drinks, bottled drinking water and dairy products.

Plot No. 37426 Mungwi Road
Heavy Industrial Area
P.O. Box 30007
Lusaka
Zambia

2) **Significant accounting policies**

a) **Basis of preparation**

The financial statements of Varun Beverages (Zambia) Limited have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in note 2 (b).

These financial statements comply with the requirements of the Companies Act, 2017. The statement of profit or loss and retained earnings represents the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

Going concern

The financial performance of the Company is set out in the report of the directors and in the statement of profit or loss and retained earnings. The financial position of the Company is set out in the statement of financial position.

Based on the financial performance and position of the group and its risk management policies, the directors are of the opinion that the group is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

b) **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 as follows.

2) **Significant accounting policies (continued)**

b) **Key sources of estimation uncertainty (continued)**

- Useful lives of property, plant and equipment - Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

- Impairment of trade receivables - the Company reviews their portfolio of trade receivables on an annual basis. In determining whether receivables are impaired, the management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cash flows expected.

c) **Significant judgements made by management in applying the Company's accounting policies**

The directors have made the following judgements that are considered to have the most significant effect on the amounts recognised in the financial statements:

- Revenue recognition - In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the sale of goods set out in Section 23 and, in particular whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods.

d) **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of sales value-added tax, returns, rebates and discounts.

The Company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company's activities.

i) Sales of goods are recognised upon delivery of products and customer acceptance

e) **Property, plant and equipment**

All property, plant and equipment are initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.
Depreciation is calculated on straight line method to write down value (WDV) the cost of each asset, to its residual value, over its estimated useful life using the following annual rates:

	Estimated useful life
Land and buildings	
- Land	Over the lease period
- Buildings	50 years
Plant and machinery	20 years
Motor vehicles	4 years
Furniture and fittings	5 years
IT equipment	3 years
Computer equipment	3 years
Visi-cooler	7 years

NOTES (CONTINUED)

2) **Significant accounting policies (continued)**

e) **Property, plant and equipment (continued)**

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.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss.

f) **Financial assets**

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method.

g) **Financial liabilities**

Financial liabilities are initially recognised at the transaction price (less 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 amortised cost using the effective interest method.

h) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts.

In the statement of financial position, bank overdrafts are included within borrowings in current liabilities.

i) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the "weighted average cost method". The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

j) **Borrowings**

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

k) **Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES (CONTINUED)

2) **Significant accounting policies (continued)**

l) **Translation of foreign currencies**

Transactions in foreign currencies during the year are converted into Zambian Kwacha (functional currency) at rates ruling at the transaction dates. Assets and liabilities at the statement of financial position date which are expressed in foreign currencies are translated into Zambian Kwacha (functional currency) at rates ruling at that date. The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise.

m) **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Company leases certain items of property, plant and equipment. Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is apportioned between the liability and finance charges using the effective interest method. Rental obligations, net of finance charges, are included in borrowings in the statement of financial position. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

n) **Employee benefit obligations**

Gratuity
Employee entitlements to gratuity are recognised when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the reporting date.

Pension obligations
The Company and its employees contribute to the National Pension Scheme Authority (NAPSA), a statutory defined contribution scheme registered under the NAPSA Act. The Company's contributions to the defined contribution scheme are charged to profit or loss in the period to which they relate. There are no further payment obligations once the contributions have been paid.

Accrued leave
The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

o) **Impairment of non-financial assets other than inventories**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are companied at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2) **Significant accounting policies (continued)**

p) **Current and deferred income tax**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

q) **Share capital**

Ordinary shares are classified as equity.

r) **Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTES (CONTINUED)

	2024	2023
3. Revenue	ZMW	ZMW
Carbonated soft drinks	542,837,844	475,409,055
Bottled drinking water	158,430,859	87,431,723
Other sales - Trading	7,430,728	1,490,115
Scrap sales	1,388,467	939,701
Sale of dairy	380,232,199	290,486,909
Sale account	993,860	(5,212)
Trade discount	(20,620,304)	(25,910,165)
	1,070,693,653	829,842,126

4. Cost of sales

Opening stock	164,705,321	127,319,474
Purchases	621,411,701	503,968,134
Closing stock	(203,348,759)	(164,705,321)
	582,768,263	466,582,287

5. Other operating income

Bad debts written back	262,527	810,610
Profit on disposal	3,481,303	-
	3,743,830	810,610

6. Operating loss

The following items have been charged/(credited) in arriving at operating loss:

Depreciation on property, plant and equipment (Note 9)	43,911,759	43,089,043
Auditor's remuneration	719,597	831,856
Directors' emoluments	1,932,687	1,919,006
Trade receivables - impairment	6,820,078	6,644,273
Staff costs		
- Salaries and wages	126,525,107	90,249,280
- Pension	8,175,694	4,700,227
- Other staff cost	15,677,217	9,827,111

7. Finance costs

Interest expense:		
- holding company	18,446,527	14,847,227
- others	14,845,660	5,744,782
Processing fees	2,197,230	-
Corporate guarantee	987,031	358,455
	36,476,448	20,950,464

8. Tax

	2024 ZMW	2023 ZMW
Current tax	-	-
Deferred tax	-	-
	-	-

There is no tax charge for the year as the company has an investment license (ZDA/146/03/2009) under the Zambia Development Agency (ZDA) Act, No.11 of 2006. The company's profits are subject to tax as below:
- From the year 2018 to 2022,the company will pay tax at the rate of 0%.

- From 2023 to 2025 the company will pay tax on 50% of its taxable profits.

- From 2026 to 2027 the company will pay tax on 75% of its taxable profits.

- From 2028 the company will pay tax on 100% of its taxable profits.

No deferred tax has been recognised in these financial statements because of the tax holiday the Company is currently enjoying.

9. Property, plant and equipment

	Land ZMW	Buildings ZMW	Plant and machinery ZMW	Motor vehicles ZMW	Furniture and fittings ZMW	Total ZMW
Cost						
At start of year	57,296,605	87,010,504	369,550,503	36,375,704	1,592,088	551,825,404
Additions	-	26,916,182	125,241,952	25,936,963	119,930	178,215,027
Disposals	-	(342,198)	(25,691,781)	(882,576)	(11,000)	(26,927,555)
At end of year	57,296,605	113,584,488	469,100,674	61,430,091	1,701,018	703,112,876
Depreciation						
At start of year	-	13,650,923	139,798,527	25,218,122	1,178,027	179,845,599
Charge for the year	-	2,276,792	35,123,675	6,421,774	89,518	43,911,759
Disposals	-	-	(7,139,859)	(838,269)	(595)	(7,978,723)
At end of year		15,927,715	167,782,343	30,801,627	1,266,950	215,778,635
Net book value						
31 December 2024	57,296,605	97,656,773	301,318,331	30,628,464	434,068	487,334,241
31 December 2023	57,296,605	73,359,581	229,751,976	11,157,582	414,062	371,979,806

NOTES (CONTINUED)

		2024 ZMW	2023 ZMW
10.	**Inventories**		
	Finished goods	38,426,650	26,347,657
	Consumables and advertising materials	37,076,459	29,103,136
	Raw materials	127,845,650	109,254,529
		203,348,759	164,705,322
11	**Other Non-current**		
	Capital advances	5,947,450	20,709,422
	Security deposit	534,069	1,183,042
		6,481,519	21,892,464
12.	**Trade and other receivables**		
	Current		
	Trade receivables	101,264,919	103,744,169
	Less: provision for impairment	(6,820,078)	(6,644,273)
	Net trade receivables	94,444,841	71,505,777
	Prepayments and other receivables	12,355,212	6,218,507
	Receivables from related parties (Note 17)	7,127,906	25,594,119
		113,927,959	103,318,403
13.	**Cash and cash equivalents**		
	Cash and bank balances	6,633,696	5,406,469

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:

	Cash and bank balances	6,633,696	5,406,469
		6,633,696	5,406,469
14(a).	**Share capital**		
	Authorised, issued and fully paid		
	207,890,000 (2023: 207,890,000) Ordinary shares of ZMW 10 each	207,890,000	207,890,000
14(b).	**Other Equity**		
	Promoter Contribution in Equity (ESOP Cross - Charge)*	231,075	36,856

*The ESOP cross-charge from Varun Beverages Limited - India for the year ended 31 December 2024 amounts to ZMW 231,075. This represents the allocation of the ESOP cost attributable to KMP of Varun Beverages (Zambia) Limited.

NOTES (CONTINUED)

15. **Trade and other payables**	**2024** ZMW	**2023** ZMW
Current		
Trade payables	56,887,414	70,650,752
Payables to related parties (Note 17)	82,374,085	42,614,132
Security deposits	29,710,769	29,143,756
Other payables and accruals	87,844,445	37,769,179
	256,816,713	180,177,819
Total trade and other payables	256,816,713	180,177,819

Security deposits

This relate to amounts paid by distributors for empty containers as security.

NOTES (CONTINUED)

16. **Borrowings**	**2024** ZMW	**2023** ZMW
Non-current		
Loans from related parties (Note 16 (v))	271,842,109	251,035,156
	271,842,109	251,035,156
Current		
Bank overdrafts	174,653,808	74,725,780
	174,653,808	74,725,780
Total borrowings	446,495,917	325,760,936

Borrowings from HQ

The unsecured loan has no specific repayment terms except the loan from Varun Beverages India Limited which is repayable as per the terms of the respective agreement i.e.

Principal amount $ 9,655,198 with interest rate Three month SFOR plus 2.5 %

Bank overdrafts

The borrowing facilities expiring within one year and are subject to review during the next financial year.

First National Bank (FNB) Zambia - The overdraft facility with a limit of USD 5,000,000 will attract interest at fixed rate of 6.5% Interest on the Dollar Facility will be charged at the applicable Term SOFR, plus a magin of 1.2%.

First National Bank (FNB) Zambia - This overdraft facility has a limit of ZMW 54,000,000. The variable interest rate will be charged at Bank of Zambia Monetary Policy Committee Rate (.,MPR,,) (currently 13.5% per annum) plus a margin of 3% which may be revised during the lifetime of this Facility in response to changes in economic fundamentals including, but not limited to the following:

a) A change in the Monetary policy rate (MPR) as announced by the 'Bank of Zambia's Monetray Policy Committee' (MPC)
b) Disproportionate changes in annual inflation, in comparison to MPR rate;
c) Disproportionate changes in the cost of deposits in comparison to MPR;
d) Any changes in the regulatory environment; and
e) Any other money market factors which may impact the Bank's ability, and/or cost of funding this Facility,
Based on current MPR rates, the applicable interest rate would be 16.5%

The overdrafts are secured by:

First National Bank(FNB) USD 5,000,0000 and ZMW 54,000,000

i) First legal mortgage securing the sum of United States Dollars Five Million only plus interest on Floating Charge over Company Stock.

Standard Chartered Bank - The overdraft facility has a limit of ZMW 54,000,000.The facility is charged at an interest rate of 3.5% per annum over Bank of Zambia Monetary Policy Rate. The interest is to be paid monthly in arrears.

17. **Related party transactions and balances**

The Company is controlled by Varun Beverages Limited, registered in India, which owns 90% of the Company's shares.

The following were the transaction carried out with related parties and the outstanding balances as at the reporting date:

		2024 ZMW	2023 ZMW
i) Sale of goods and services			
- Other related parties		88,458,128	88,458,128
		88,458,128	88,458,128
ii) Purchase of goods and services			
- Other related parties		69,944,386	69,944,386
		69,944,386	69,944,386
iii) Receivables from related parties (Note 11)	**Relationship**		
Varun Beverages (Zimbabwe) Pvt Limited	Common Shareholding	987,502	25,594,119
Varun Beverages (Mozambique) SA	Common Shareholding	6,140,404	-
		7,127,906	25,594,119

The amounts due from related parties are interest free, unsecured and no fixed repayment period.

		2024 ZMW	2023 ZMW
iv) Payables to related parties (Note 14)	**Relationship**		
Varun Beverages(India) Limited	Parent	33,218,815	16,516,345
Lunarmach Technologies	Common Shareholding	-	2,832,529
Varun Beverages (Zimbabwe) pty Ltd	Common Shareholding	5,038,809	8,082,100
Varun Beverages International	Common Shareholding	29,166,694	-
Varun Foods and Beverages (Zambia) Limited	Common Shareholding	14,949,767	15,183,158
		82,374,085	42,614,132

The amounts due to related parties are interest free, unsecured and no fixed repayment period.

		2024 ZMW	2023 ZMW
Non-current			
v) loans from related parties (Note 15)	**Relationship**		
Varun Beverages(India) Limited	Parent	271,842,109	251,035,156
		271,842,109	251,035,156
Current			
- Interest payable		43,466,234	23,778,965
		43,466,234	23,778,965

Principal amount $ 9,655,198 with interest rate Three month SFOR plus 2.25%.

NOTES (CONTINUED)

17. **Related party transactions and balances**	**2024** ZMW	**2023** ZMW
vi) **Key management compensation**	6,177,819	5,300,744
	6,177,819	5,300,744

18. **Events after the end of the reporting date**

There were no events after the reporting date that requires disclosure or adjustment to these financial statements.

19. **Going concern**

During the year ended 31 December 2024, the Company recognised a net loss of ZMW 47,144,385 (2023: ZMW 94,624,643), accumulated losses of (2024: ZMW 93,707,532), as of that date. The parent Company will provide the necessary financial support to ensure that the company is continuing to run the business smoothly. It has further confirmed that it is not its intention to call up inter-company indebtedness owed to it in the near Future in any way that might give rise to a liquidity shortage.

The directors believe that the Company will continue as a going concern from the end of the reporting date, that is, 31 December 2024. The directors have prepared the financial statements on a going concern basis based on cash flow projections which include cost control measures, current availability of funds, commitments of continued support from the shareholders and an expectation of sustained profitability at the conclusion of the projected period.

20. **Presentation currency**

The financial statements are presented in Zambian Kwacha.

SCHEDULE OF EXPENDITURE

	2024 ZMW	2023 ZMW
1 SELLING AND DISTRIBUTION EXPENSES		
Freight expense	53,317,150	45,137,787
Load and unload - Plant	1,952,507	1,898,738
Secndary vehicle expense	27,816,736	13,663,526
Vehicle expense	14,256,962	10,914,938
Export handling charges	338,869	2,624,495
Bad debts	175,645	6,676,784
Publicity materials	4,505,250	5,431,262
Merchandiser expense	4,084,617	3,444,531
Sales promotion	14,201,704	6,161,244
Sponsor of events	2,463,340	31,926
Execise duty on sale	4,908,079	2,076,003
Total selling and distribution expenses	128,020,859	98,061,234
2 ADMINISTRATIVE EXPENSES		
Employment:		
Salaries and wages	114,431,269	81,936,537
Overtime	3,787,506	2,630,268
Bonus	846,477	758,855
Employer Napsa	3,000,993	2,475,768
Gratuity expense	5,538,688	4,073,114
Skills Developemnt Levy	627,368	440,132
Notice pay	2,205,021	291,783
Staff incentives	3,422,189	1,390,108
Leave encashment	431,985	335,330
Allowances	409,305	337,735
Guest house expenses	473,621	395,005
Festival expense	290,901	353,596
Labour charges hired	9,220,376	5,500,232
Education expense	580,921	463,720
Workers Compensation	726,259	465,919
Staff welfare	537,033	479,853
Staff uniform	1,214,807	186,760
NHIMA	1,020,546	718,913
Medical expenses	1,310,704	1,219,523
Staff training	3,000	-
Funeral expenses	104,830	43,590
Share based payment to employees	194,219	36,856
Total employment costs	150,378,018	104,533,597
Other administrative expenses:		
Auditor's remuneration	719,597	831,856
Insurance expense	3,041,766	2,221,027
Postage and courier	47,323	108,589
TA / DA fixed Zambia	1,609,706	1,483,441
Loss on disposal	-	3,065,220
Subscription fees	487,308	434,653
Laboratory and testing	574,650	354,387
Rent, rates and licenses	7,352,854	3,416,123
Security charges	1,098,918	1,087,924
House keeping charges	1,561,799	1,240,122
Telephone and internet	1,211,111	1,166,891
Printing and stationery	722,871	711,996
Staff vehicle expenses	6,422,916	5,279,830
Travel expenses	8,541,163	6,691,444
VISA and immigration expenses	830,749	1,161,023
Legal expenses	924,488	723,779
Professional fees	1,189,757	1,765,668
Other expenses	9,751,517	217,077
License fees	46,000	103,154
Bank charges	1,257,235	1,385,988
Water	7,492,381	7,243,054
Electricty	9,166,389	8,625,886
Staff recruitment	630,377	325,829
Net foreign exchange losses	43,527,020	110,732,573
Repairs and maintenance	32,727,445	19,665,670
Fuel consumed	39,091,180	12,017,550
Total other administrative expenses	180,026,520	192,060,754
Total administrative expenses	330,404,538	296,594,351

VARUN BEVERAGES ZIMBABWE

(PRIVATE) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

PKF CHARTERED
ACCOUNTANTS

20 MAR 2025

EIGHTH FLOOR, TAKURA HOUSE
67 KWAME NKRUMAH AVE, HARARE
T: +263 24 707817 707956 F: +263 24 702510

General Information

Country of incorporation and domicile	Zimbabwe
Nature of business and principal activities	The company is in the business of manufacturing and selling beverages for local and export markets.
Directors	Shankar Krishnan Iyer Vijay Kumar Bahl Mhanisi Malaba Rashmi Dhariwal Satyanarayan Sharma Manoj Kumar
Registered office	1824 Corner Simon Mazorodze Road and St George's Street Ardbennie Harare
Bankers	Stanbic Bank Limited CBZ Bank Limited Ecobank Bank Limited Nedbank Zimbabwe Limited ZB Bank Limited NMB Bank Limited First Capital Bank Zimbabwe Limited NBS Bank Limited FBC Bank Limited
Auditors	PKF Chartered Accountants (Zimbabwe) 8th Floor Takura House 67 Kwame Nkrumah Avenue Harare
Secretary	Mayank Jhunjhunwala
Company registration number	3125/2015

Contents

PKF CHARTERED ACCOUNTANTS
20 MAR 2025
EIGHTH FLOOR, TAKURA HOUSE
67 KWAME NKRUMAH AVE, HARARE
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Directors' Responsibilities and Approval

The directors are required in terms of the Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the next 12 months from the date of signing of this report and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements were prepared under the supervision of Mr Nitish Kohli (Finance Manager).

The financial statements set out on pages 7 to 27, which have been prepared on the going concern basis, were approved by the board of directors on 20-03-2025 and were signed on their behalf by:

Approval of financial statements

Director

Director

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20 MAR 2025
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Directors' Report

The directors have pleasure in submitting their report on the financial statements of Varun Beverages Zimbabwe (Private) Limited for the year ended December 31, 2024.

1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31). The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

2. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

3. Directorate

The directors in office at the date of this report are as follows:

Directors
Shankar Krishnan Iyer
Vijay Kumar Bahl
Mhanisi Malaba
Rashmi Dhariwal
Satyanarayan Sharma
Manoj Kumar

4. Events after the reporting period

The full details of the event after the reporting date are in note 24.

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Secretary

The company secretary is Mr Mayank Jhunjhunwala.

7. Auditors

PKF Chartered Accountants (Zimbabwe) are the company auditors.

The financial statements set out on pages 7 to 27, which have been prepared on the going concern basis, were approved by the board of directors on 20-03-2025, and were signed on its behalf by:

Approval of financial statements

Director | **Director**

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Independent Auditor's Report

To the members of Varun Beverages Zimbabwe (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Varun Beverages (Zimbabwe) (Private) Limited (company) set out on pages 7 to 27, which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other 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 financial statements present fairly, in all material respects, the financial position of Varun Beverages Zimbabwe (Private) Limited as at December 31, 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Varun Beverages Zimbabwe (Private) Limited financial statements for the year ended December 31, 2024", which includes the Directors' Report and Statement of Directors' Responsibilities and Approval. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine 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 directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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PKF Chartered Accountants (Zimbabwe) A member firm of PKF International Ltd

Independent Auditor's Report

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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism 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 internal controls.
- 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 the directors.
- Conclude on the appropriateness of the directors' 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's 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

PKF

PKF Chartered Accountants (Zimbabwe)
Registered Chartered Accountants
Harare

Per: Sydney Bvurere
Engagement Partner
Registered Public Auditor (Zimbabwe)
PAAB Practising Number 0209

20 MARCH 2025

Date

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20 MAR 2025
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Varun Beverages Zimbabwe (Private) Limited

(Registration number 3125/2015)
Financial Statements for the year ended December 31, 2024

Statement of Financial Position as at December 31, 2024

Figures in US Dollar	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	2	59,563,841	38,645,323
Right-of-use assets	3	3,249,186	2,224,470
Deferred tax	4	2,292,686	-
Capital advances		1,834,396	1,072,614
		66,940,109	**41,942,407**
Current Assets			
Inventories	5	33,377,002	26,583,555
Trade and other receivables	6	32,668,339	15,906,634
Cash and cash equivalents	7	4,113,475	4,149,264
		70,158,816	**46,639,453**
Total Assets		**137,098,925**	**88,581,860**
Equity and Liabilities			
Equity			
Share capital	8	1,100	1,100
Retained income		83,566,296	58,588,677
		83,567,396	**58,589,777**
Liabilities			
Non-Current Liabilities			
Borrowings	9	11,840,000	11,840,000
Current Liabilities			
Trade and other payables	10	10,336,516	9,607,566
Affiliated company balances	11	28,693,654	8,544,517
Current tax payable		2,661,359	-
		41,691,529	**18,152,083**
Total Liabilities		**53,531,529**	**29,992,083**
Total Equity and Liabilities		**137,098,925**	**88,581,860**

The financial statements and the notes on pages 7 to 27, were approved by the board of directors on 20-03-2025 and were signed on its behalf by:

Director

Director

The accounting policies on pages 11 to 19 and the notes on pages 20 to 27 form an integral part of the financial statements.

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Statement of Profit or Loss and Other Comprehensive Income

Figures in US Dollar	Note(s)	2024	2023
Revenue	12	194,525,689	174,080,557
Cost of sales	13	(92,588,085)	(92,210,374)
Gross profit		**101,937,604**	**81,870,183**
Other operating income	14	128,227	35,042
Operating expenses	15	(75,762,873)	(54,943,061)
Operating profit		**26,302,958**	**26,962,164**
Finance costs	16	(956,666)	(1,360,767)
Profit before taxation		**25,346,292**	**25,601,397**
Taxation	17	(368,673)	-
Profit for the year		**24,977,619**	**25,601,397**
Other comprehensive income		-	-
Total comprehensive income for the year		**24,977,619**	**25,601,397**

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Statement of Changes in Equity

Figures in US Dollar	Share capital	Retained income	Total equity
Balance at January 1, 2023	**1,100**	**32,987,280**	**32,988,380**
Profit for the year	-	25,601,397	25,601,397
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**25,601,397**	**25,601,397**
Balance at January 1, 2024	**1,100**	**58,588,677**	**58,589,777**
Profit for the year	-	24,977,619	24,977,619
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**24,977,619**	**24,977,619**
Balance at December 31, 2024	**1,100**	**83,566,296**	**83,567,396**
Note(s)	8		

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Statement of Cash Flows

Figures in US Dollar	Note(s)	2024	2023
Cash flows from operating activities			
Profit for the year		25,346,292	25,601,397
Adjustments for:			
Depreciation and amortisation		5,794,810	4,357,090
Finance costs		956,666	1,360,767
Changes in working capital:			
Inventories		(6,793,447)	(1,732,852)
Trade and other receivables		(16,761,705)	(1,749,006)
Trade and other payables		728,950	(8,235,863)
Movement of affiliated company balances		20,149,137	4,030,724
Cash generated from operations		**29,420,703**	**23,632,257**
Finance costs		(956,666)	(1,360,767)
Net cash from operating activities		**28,464,037**	**22,271,490**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(28,244,915)	(11,588,204)
Sale of property, plant and equipment	2	1,591,047	-
Purchase of right of use assets		(1,084,176)	(2,247,250)
Movement in capital advances		(761,782)	(867,588)
Net cash from investing activities		**(28,499,826)**	**(14,703,042)**
Cash flows from financing activities			
Movement of borrowings		-	(6,281,707)
Net cash from financing activities		**-**	**(6,281,707)**
Total cash movement for the year		**(35,789)**	**1,286,741**
Cash at the beginning of the year		4,149,264	2,862,523
Total cash at end of the year	7	**4,113,475**	**4,149,264**

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Accounting Policies

Corporate information

Varun Beverages Zimbabwe (Private) Limited is a private limited company incorporated and domiciled in Zimbabwe.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies and Other Business Entities Act (Chapter 24:31).

The financial statements have been prepared on the historical cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in US Dollars, which is the company's functional currency. The company changed its reporting currency from Zimbabwe Dollar (ZWL) to United States dollar (USD) at the beginning of the year.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Fair value estimation

Several assets and liabilities of the company are either measured at fair value or disclosure is made of their fair values.

The company determine the appropriate valuation techniques and inputs for each valuation.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

Residual values and useful lives of property, plant and equipment

The residual values attached to the assets have been estimated to be nil (2023-nil).

Functional Currency

The company maintained the United States Dollars as its functional currency during the year and changed its presentation currency on 1 January 2024. The directors reviewed their transactions and balances and concluded that their functional currency is the USD. The directors also reviewed and concluded that they were transacting and translating at the official rate which equaled their spot rate.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	20 years
Leasehold property	Straight line	50 years
Plant and machinery	Straight line	10 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	5 years
Other property, plant and equipment	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

1.3 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company ,as applicable, are as follows:

Financial assets which are debt instruments:
- Amortised cost.

Financial liabilities:
- Amortised cost.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans receivable at amortised cost

Classification

Loans to affilited companies, loans to shareholder, loans to directors, managers and employees, and loans receivable are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Definition of default

For purposes of internal credit risk management purposes, the company consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the company considers that default has occurred when a loan installment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The company writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Accounting Policies

1.4 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance.

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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Accounting Policies

1.4 **Financial instruments (continued)**

Borrowings and loans from related parties

Classification

Loans from related companies, loans from shareholders and borrowings are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

Borrowings expose the company to liquidity risk and interest rate risk.The financial instruments and risk management note details the risk exposure and management thereof.

Loans denominated in foreign currencies

When borrowings are denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the US Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the financial instruments and risk management.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Accounting Policies

1.5 Leases

The Company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense (note) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

1.7 Impairment of assets (continued)

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.10 Provisions and contingencies

Provisions are recognised when:
- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

1.11 Revenue from contracts with customers
- Sales of beverages - wholesale

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

The company recognises interest income on a time basis.

1.12 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy.

Accounting Policies

1.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in US Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in US Dollars by applying to the foreign currency amount the exchange rate between the US Dollar and the foreign currency at the date of the cash flow.

Accounting Policies

1.15 New Standards and Interpretations

International Financial Reporting Standards and amendments effective for the first time for 31 December 2024 year ends that are relevant to the company.

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Applicable to annual reporting periods beginning on or after 1 January 2024.

IFRS S2 Climate-related Disclosures.

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Applicable to annual reporting periods beginning on or after 1 January 2024.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1).

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Annual reporting periods beginning on or after 1 January 2024.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Annual reporting periods beginning on or after 1 January 2024.

International Financial Reporting Standards and amendments issued but not yet effective for 31 December 2024 that are relevant to the company.

IFRS 18 Presentation and Disclosures in Financial Statements.

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.

Applicable to annual reporting periods beginning on or after 1 January 2027.

Notes to the Financial Statements

Figures in US Dollar	2024	2023

2. Property, plant and equipment

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	716,122	-	716,122	716,122	-	716,122
Buildings	13,680,265	(2,713,084)	10,967,181	10,821,036	(2,123,569)	8,697,467
Plant and machinery	43,428,313	(10,769,136)	32,659,177	25,862,483	(8,772,495)	17,089,988
Furniture and fixtures	520,726	(384,631)	136,095	455,409	(329,773)	125,636
Motor vehicles	5,312,512	(1,757,451)	3,555,061	1,938,969	(1,264,588)	674,381
Office equipment	845,051	(429,472)	415,579	518,368	(302,983)	215,385
IT equipment	560,224	(265,734)	294,490	359,762	(168,090)	191,672
Other property, plant and equipment	6,323,034	(3,141,665)	3,181,369	4,856,135	(2,152,124)	2,704,011
Capital - Work in progress	7,638,767	-	7,638,767	8,230,661	-	8,230,661
Total	**79,025,014**	**(19,461,173)**	**59,563,841**	**53,758,945**	**(15,113,622)**	**38,645,323**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	716,122	-	-	-	-	716,122
Buildings	8,697,467	388,312	(74,921)	2,571,752	(615,429)	10,967,181
Plant and machinery	17,089,988	1,464,291	(1,501,696)	18,923,118	(3,316,524)	32,659,177
Furniture and fixtures	125,636	65,317	-	-	(54,858)	136,095
Motor vehicles	674,381	2,234,997	(14,430)	1,194,978	(534,865)	3,555,061
Office equipment	215,385	326,683	-	-	(126,489)	415,579
IT equipment	191,672	200,462	-	-	(97,644)	294,490
Other property, plant and equipment	2,704,011	1,466,899	-	-	(989,541)	3,181,369
Capital - Work in progress	8,230,661	22,097,954	-	(22,689,848)	-	7,638,767
	38,645,323	**28,244,915**	**(1,591,047)**	**-**	**(5,735,350)**	**59,563,841**

PKF CHARTERED ACCOUNTANTS
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Figures in US Dollar	2024	2023

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Transfers	Depreciation	Total
Land	716,122	-	-	-	716,122
Buildings	6,250,505	12,620	2,903,501	(469,159)	8,697,467
Plant and machinery	18,091,562	1,482,875	-	(2,484,449)	17,089,988
Furniture and fixtures	190,203	23,036	-	(87,603)	125,636
Motor vehicles	550,403	472,019	-	(348,041)	674,381
Office equipment	216,167	89,713	-	(90,495)	215,385
IT equipment	118,471	131,450	-	(58,249)	191,672
Other property, plant and equipment	1,398,313	2,102,012	-	(796,314)	2,704,011
Capital - Work in progress	3,859,683	7,274,479	(2,903,501)	-	8,230,661
	31,391,429	**11,588,204**	**-**	**(4,334,310)**	**38,645,323**

3. Right of use asset

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

	2024	2023
Leasehold property	3,249,186	2,224,470

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 15), as well as depreciation which has been capitalised to the cost of other assets.

	2024	2023
Leasehold property	59,460	22,780

4. Deferred tax

	2024	2023
Deferred tax asset	2,292,686	-

Reconciliation of deferred tax asset / (liability)

	2024	2023
Income tax movement	2,292,686	-

5. Inventories

	2024	2023
Raw materials, components	20,086,389	16,670,345
Work in progress	2,226	6,026
Finished goods	6,642,804	3,286,842
Stores and spares	6,645,583	4,254,193
Goods in transit	-	2,366,149
	33,377,002	**26,583,555**

6. Trade and other receivables

	2024	2023
Financial instruments:		
Trade receivables	7,409,884	4,079,063
Advances to suppliers	18,879,701	7,771,200
Other receivables	6,235,378	3,874,920
Non-financial instruments:		
Employee costs in advance	143,376	181,451
Total trade and other receivables	**32,668,339**	**15,906,634**

Notes to the Financial Statements

PKF CHARTERED ACCOUNTANTS
20 MAR 2025
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Figures in US Dollar	2024	2023

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	654,955	954,760
Bank balances	3,458,520	3,194,504
	4,113,475	**4,149,264**

The overdraft facility with a 90 days repayment term from Ecobank Zimbabwe Limited has an interest rate of 9% secured by a corporate guarantee.

8. Share capital

Authorised		
1,100 Ordinary shares of $1 each	1,100	1,100
Issued		
1,100 Ordinary shares of $1 each	1,100	1,100

9. Borrowings

Held at amortised cost		
Varun Beverages India Limited	11,840,000	11,840,000

The Varun Beverages India Limited loan is a long term loan with an 8 year repayment term, interest rate SOFR plus 4%.

10. Trade and other payables

Financial instruments:		
Trade payables	1,252,480	1,319,894
Statutory payables	3,785,822	3,392,433
Other payables	5,298,214	4,895,239
	10,336,516	**9,607,566**

11. Balances due to affiliated companies

Varun Beverages Limited, India	26,236,479	682,870
Varun Beverages Limited, Zambia	(143,892)	673,091
Lunarmech Technologies (Private) Limited	-	351,357
Varun Beverages Dubai DMCC	2,551,503	6,837,199
The Beverage Company (Private) Limited	49,997	-
Varun Foods (Private) Limited	(433)	-
	28,693,654	**8,544,517**

12. Revenue

Revenue from contracts with customers		
Sale of goods	194,525,689	174,080,557

13. Cost of sales

Sale of goods	92,588,085	92,210,374

14. Other operating income

Other income	128,227	35,042

Notes to the Financial Statements

Figures in US Dollar	2024	2023

15. Operating expenses

Advertising	1,472,518	1,577,225
Audit fees	33,600	33,549
Bad debts	140,097	-
Bank charges	1,454,641	607,252
Depreciation, amortisation and impairments	5,794,810	4,357,090
Distribution	21,178,893	15,560,712
Employee costs	14,285,577	12,628,663
Exchange loss	14,965,626	5,388,104
Insurance	463,501	398,482
Motor vehicle expenses	1,110,296	915,811
Other expenses	9,999,602	10,056,272
Professional fees	179,103	178,988
Rent	2,172,529	1,424,258
Security	1,120,700	655,853
Travel	1,391,380	1,160,802
	75,762,873	**54,943,061**

16. Finance costs

Interest paid	956,666	1,360,767

17. Taxation

Major components of the tax expense

Current		
Local income tax - current period	2,661,359	-
Deferred		
Originating and reversing temporary differences	(2,292,686)	-
	368,673	-

18. Commitments

Budgeted capital expenditure for 2025

Not yet contracted for and authorised by directors

• Snacks plant and machinery	5,500,000	-

19. Contingencies

The company had no contigencies as at 31 December 2024 (2023 - nil).

PKF CHARTERED ACCOUNTANTS
20 MAR 2025
EIGHTH FLOOR TAKURA HOUSE
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Notes to the Financial Statements

Figures in US Dollar	2024	2023

20. Related parties

Relationships	
Fellow subsidiaries	Varun Beverages Zambia Varun Beverages Dubai DMCC Lunarmech Technologies Varun Beverages Mozambique The Beverage Company (Private) Limited Varun Foods (Private) Limited
Shareholder with controlling interest	Varun Beverages India
Members of key management	Shankar Krishnan Iyer Vijay Kumar Bahl Mhanisi Malaba Rashmi Dhariwal Satyanarayan Sharma Manoj Kumar Mayank Jhunjhunwala

Related party balances

	2024	2023
Balances due to affiliated companies		
Varun Beverages India	26,236,479	682,870
Varun Beverages Zambia	(143,892)	673,091
Lunarmech Technologies (Private) Limited	-	351,357
Varun Beverages Dubai DMCC	2,551,503	6,837,199
The Beverage Company (Private) Limited	49,997	-
Varun Food (Private) Limited	(433)	-
Loans from related parties		
Varun Beverages India Limited	11,840,000	11,840,000

Related party transactions

	2024	2023
Interest paid to (received from) related parties		
Varun Beverages India	857,366	1,195,386
Purchases from (sales to) related parties		
Varun Beverages India	8,515,247	9,920,172
Varun Beverages Zambia	272,757	4,617,565
Varun Beverages Dubai DMCC	47,457,357	27,044,651
Lunarmech Technologies (Private) Limited	440,078	1,335,163
The Beverage Company (Private) Limited	140,745	-
Sales to related parties		
The Beverage Company (Private) Limited	840,000	-
Varun Beverages Zambia	2,833,894	1,510,089
Varun Beverages Zambia	90,800	-
Technical fees paid to related parties		
Varun Beverages Dubai DMCC	6,634,813	6,630,602
Compensation to directors and other key management		
Directors fees	365,793	476,504

PKF CHARTERED ACCOUNTANTS
20 MAR 2025
EIGHTH FLOOR, TAKURA HOUSE
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Figures in US Dollar

21. Financial instruments and risk management

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

		2024	2023
Affiliated company balances	11	28,693,654	8,544,517
Borrowings	9	11,840,000	11,840,000
Trade and other payables	10	10,336,516	9,607,566
Total borrowings		**50,870,170**	**29,992,083**
Cash and cash equivalents	7	(4,113,475)	(4,149,264)
Net borrowings		**46,756,695**	**25,842,819**
Equity		83,567,396	58,589,777
Gearing ratio		56 %	404 %

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Froeign currency risk.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions.

The maximum exposure to credit risk is presented in the table below:

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	6	32,524,963	-	32,524,963	15,725,183	-	15,725,183
Cash and cash equivalents	7	4,113,475	-	4,113,475	4,149,264	-	4,149,264
		36,638,438	-	**36,638,438**	**19,874,447**	-	**19,874,447**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table..

Figures in US Dollar 2024 2023

21. Financial instruments and risk management (continued)

2024

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Borrowings	9	-	11,840,000	11,840,000	11,840,000
Current liabilities					
Trade and other payables		10,336,516	-	10,336,516	10,336,516
Affiliated company balances	11	28,693,654	-	28,693,654	28,693,654
		39,030,170	**11,840,000**	**50,870,170**	**50,870,170**
Current assets					
Trade and other receivables		32,668,339	-	32,668,339	32,668,339
Cash and cash equivalents		4,113,475	-	4,113,475	4,113,475
		36,781,814	-	**36,781,814**	**36,781,814**
		(2,248,356)	**(11,840,000)**	**(14,088,356)**	**(14,088,356)**

2023

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Borrowings	9	-	11,840,000	11,840,000	11,840,000
Current liabilities					
Trade and other payables	10	9,607,566	-	9,607,566	9,607,566
Affiliated company balances	11	8,544,517	-	8,544,517	8,544,517
		18,152,083	**11,840,000**	**29,992,083**	**29,992,083**
Current assets					
Trade and other receivables		15,906,634	-	15,906,634	15,906,634
Cash and cash equivalents		4,149,264	-	4,149,264	4,149,264
		20,055,898	-	**20,055,898**	**20,055,898**
		1,903,815	**(11,840,000)**	**(9,936,185)**	**(9,936,185)**

Foreign currency risk

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

22. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Notes to the Financial Statements

Figures in US Dollar	2024	2023

23. Significant events during the year

In April 2024, the Government of Zimbabwe introduced a new currency, Zimbabwe Gold (ZWG) through Statutory Instrument 60 of 2024. There is no impact on the company's financial statements.

24. Events after the reporting period

Subsequent to year end, the Public Accountants and Auditors Board provided guidance on the financial information required for regulated entities. In the event the company financial information is required for regulatory purposes, the directors will for that purpose prepare the required financial information in the regulatory required presentation currency based on numbers from these audited financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF Varun Beverages (Nepal) Pvt. Ltd.

Opinion

We have audited the accompanying Financial Statements of Varun Beverages (Nepal) Pvt. Ltd. which comprises the Statement of Financial Position as at Ashad 31, 2081, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity & Statement of Cash Flows for the year ended Ashad 31, 2081, and Notes to Financial Statement including Summary of Significant Accounting Policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give a true and fair view in conformity with Nepal Financial Reporting Standards (NFRSs), of the state of affairs of Varun Beverages (Nepal) Pvt. Ltd. as at Ashad 31, 2081, and its profit, cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Nepal Standard on Auditing (NSAs) & applicable law. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Nepal (ICAN), and we have fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis of our audit opinion on financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Managements Responsibility for the Financial Statements

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

In preparing the Financial Statements, management is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or 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 Responsibility for the Audit of the Financial Statements

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

Subhash & Co. Kathmandu Chartered Accountants

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

i) Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsible 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, misrepresentation, or the override of internal controls.

ii) Obtain an understanding of Internal Control relevant to 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 Company's Internal Control.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

iv) 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 its 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 Audit Report. However, Future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also communicate with those charged with governance that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Other Legal & Regulatory Requirements

(i) We have obtained information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

(ii) Company has kept proper books of accounts as required by law, so far as it appears from the examination of those books of accounts.

(iii) Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows have been prepared in accordance with the requirements of the Companies Act, 2063 and are in agreement with the books of account of the Company.

(iv) During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member of there or any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company, and

(v) We have not come across any fraudlent activities in the books of accounts.

SUBHASH & Co. Kathmandu Chartered Accountants

CA. S. K. Jhunjhunwala
Partner
SUBHASH & CO.
Chartered Accountants

Place: Kathmandu
Date: 2024-09-12
UDIN: 241006CA00062u5Ju6

Varun Beverages (Nepal) Pvt. Ltd.

Statement of Financial Position

As At 15th July, 2024 (Ashad 31, 2081)

[Fig. In NPR]

Particulars	Notes	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Assets			
Non Current Assets			
Property, Plant & Equipment	3(b), 3(a), 3(c)	4,382,777,542	3,523,470,295
Capital Work In Progress		39,297,814	1,008,063,923
Right of Use Asset		147,858,633	142,683,779
Deferred Tax Assets	4	-	-
Other Non-Current Assets	5	679,340,629	640,774,323
Total Non Current Assets		**5,249,274,618**	**5,314,992,320**
Current Assets			
Inventories	6	1,649,792,064	1,257,193,372
Financial Assets			
Trade Receivables	7	471,313,313	533,611,722
Cash & Cash Equivalent	8	29,689,211	23,004,419
Bank Balance other than Cash & Cash Equivalent	9	2,312,907,741	1,693,283,604
Others	10	149,160,134	209,993,252
Other Current Assets	11	86,904,960	76,208,468
Income Tax Assets (Net)	19	7,188,733	5,832,113
Total Current Assets		**4,706,956,156**	**3,799,126,950**
Total Assets		**9,956,230,774**	**9,114,119,270**
Equity & Liabilities			
Equity			
Equity Share Capital	12 (a)	2,001,500,000	1,450,370,000
Other Equity	12 (b)	2,296,609,068	1,929,999,132
Total Equity		**4,298,109,068**	**3,380,369,132**
Non Current Liabilities			
Financial Liabilities			
Lease Liablities	13	145,553,273	133,023,689
Deferred Tax Liability	4	206,788,305	169,705,256
Provisions	14	3,219,281,120	3,237,022,731
Total Non Current Liabilities		**3,571,622,698**	**3,539,751,676**
Current Liabilities			
Financial Liabilities			
Trade Payables	15	355,907,050	760,551,171
Short Term Borrowings	16	845,570,663	388,927,124
Lease Liablities	13	13,011,853	14,524,948
Other Financial Liabilities	17	479,469,351	578,398,083
Other Current Liabilities	18	334,784,605	403,139,294
Provisions	14	57,755,486	48,457,842
Income Tax Liabilities (Net)	19	-	-
Total Current Liabilities		**2,086,499,008**	**2,193,998,462**
Total Liabilities		**5,658,121,706**	**5,733,750,138**
Total Equity and Liabilities		**9,956,230,774**	**9,114,119,270**

Summary of Significant Accounting Policies 3

The Accompanying Notes are an Integral Part of Financial Statements

Kathmandu

Date: 12th September 2024

As Per Our Attached Report of Even Date

For: SUBHASH & CO.

Chartered Accountants

CA. S. K. Jhunjhunwala

Partner

Finance Manager Director Director

Varun Beverages (Nepal) Pvt. Ltd.
Statement of Profit or Loss & Other Comprehensive Income
For Period 17th July, 2023 - 15th July, 2024
(Year Ended Upto Ashad 31, 2081)

[Fig. In NPR]

Particulars	Notes	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Income:			
Revenue From Operations	20	7,746,560,040	7,626,793,076
Other Income	21	322,621,719	260,619,829
Total Income		**8,069,181,759**	**7,887,412,905**
Expenses:			
Raw Materials Consumption	22	3,211,016,759	3,435,070,796
Changes in Inventories of Finished Goods & Work-In-Progress	23	105,365,021	(67,003,912)
Employee Benefit Expenses	24	691,986,417	624,212,132
Depreciation & Amortization Expenses		360,808,836	321,942,328
Other Expenses	25	1,767,559,966	2,049,522,500
Finance Cost	26	86,415,941	121,621,918
Total Expenses		**6,223,152,940**	**6,485,365,762**
Net Profit/(Loss) Before Tax		**1,846,028,819**	**1,402,047,143**
Tax Expense			
Current Tax	27	238,539,334	189,324,593
Deferred Tax		(37,083,049)	(19,655,698)
Net Profit/(Loss) For The Year		**1,570,406,436**	**1,193,066,852**
Other Comprehensive Income			
Acturial Gain/ Loss on Defined Benefit Pension Schemes		-	-
Tax Relating to Components of Other Comprehensive Income		-	-
Total Other Comprehensive Income (OCI)		**-**	**-**
Total Comprehensive Income (TCI)		**1,570,406,436**	**1,193,066,852**
Basic Earnings Per Share (NPR)		**784.61**	**1,045.74**
Diluted Earnings Per Share (NPR)		**784.61**	**822.80**

Summary of Significant Accounting Policies 3
The Accompanying Notes are an Integral Part of Financial Statements

Kathmandu
Date: 12th September 2024

As Per Our Attached Report of Even Date
For: SUBHASH & CO.
Chartered Accountants

CA. S. K. Jhunjhunwala
Partner

Finance Manager Director Director

Varun Beverages (Nepal) Pvt. Ltd.

Statement of Cash Flow

For Period 17th July, 2023 - 15th July, 2024

(Year Ended Upto Ashad 31, 2081)

[Fig. In NPR]

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Cash Flow From Operating Actvities:		
Profit/(Loss) For the Year	1,570,406,436	1,193,066,852
Adjustment of Non Cash Charges		
Depreciation on Property, Plant & Equipment	354,945,188	314,432,655
Depreciation on ROU Assets	5,863,648	7,509,673
(Profit)/Loss on Sale of Property, Plant & Equipment	(109,158,013)	(22,829,531)
Property, Plant & Equipment - Written Off	-	-
Interest Income	(196,673,161)	(195,132,239)
Interest Cost	39,911,892	67,684,200
Deferred Tax	37,083,049	19,655,698
Current Tax	238,539,334	189,324,593
Cash Flow Before Working Capital Change	**1,940,918,373**	**1,573,711,901**
Changes In Working Capital		
Decrease/(Increase) In Inventory	(392,598,692)	137,771,346
Decrease/(Increase) In Trade Receivables	62,298,409	(162,919,017)
Decrease/(Increase) In Other Financial Assets	63,852,899	(26,532,810)
Decrease/(Increase) In Other Assets	(49,262,798)	16,924,902
Increase/(Decrease) In Sundry Creditors	(404,644,121)	(337,259,214)
Increase/(Decrease) In Financial Liablities	(98,928,732)	70,496,633
Increase/(Decrease) In Other Liablities	(69,002,693)	(189,393,230)
Increase/(Decrease) In Provisions	(8,443,967)	113,610,121
	(896,729,695)	**(377,301,269)**
Cash Generated From Operations	**1,044,188,678**	**1,196,410,632**
Income Tax Paid	(239,895,954)	(196,628,726)
Net Cash Flow From Operating Activities [1]	**804,292,724**	**999,781,906**
Cash Flow From Investing Activities		
Acquisitions of Property, Plant & Equipments	(277,795,219)	(1,468,672,309)
Proceeds From Sale of Property, Plant & Equipments	141,466,907	30,896,566
Investments in Deposit Accounts	(2,312,907,741)	(1,693,283,604)
Maturity of Deposit Account	1,693,283,604	1,709,619,921
Interest Income	193,653,380	190,119,019
Total Cash Flow From Investing Activities [2]	**(562,299,070)**	**(1,231,320,406)**
Cash Flow From Financing Activities		
Proceeds From Borrowings	845,570,663	388,927,124
Repayment of Borrowings	(388,927,124)	(293,856,114)
Repayment of Lease Liabilities net of Finance Cost	(22,013)	(2,644,815)
Interest Cost	(39,263,888)	(67,827,902)
Proceeds From Issue of Share Capital	-	370,370,000
Proceeds from Share Premium	-	629,629,000
Prior Period Adjustment	-	17,543,756
Cash Dividend Paid	(652,666,500)	(864,000,000)
Total Cash Flow From Financing Activities [3]	**(235,308,862)**	**178,141,049**
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	**6,684,793**	**(53,397,451)**
Cash & Cash Equivalents At Beginning of The Year/Period	23,004,420	76,401,871
Cash & Cash Equivalents At End of The Year/Period	**29,689,213**	**23,004,420**
Components of Cash & Cash Equivalents		
Cash In Hand	-	512,596
Balance With Banks	29,689,211	22,491,823

Notes:

Cash Flow Statement has been prepared using Indirect Method in Accordance with NAS 7 [Statement of Cash Flows]

The Accompanying Notes are an Integral Part of Financial Statements

Kathmandu

Date: 12th September 2024

As Per Our Attached Report of Even Date

For: SUBHASH & CO.

Chartered Accountants

Finance Manager

Director

Director

CA. S.K. Jhunjhunwala

Partner

Varun Beverages (Nepal) Pvt. Ltd.

Statement of Changes In Equity

For Period 17th July, 2023 - 15th July, 2024

(Year Ended Upto Ashad 31, 2081)

Fig. in NPR

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as on 2079-04-01	**1,080,000,000**	**53,600,356**		**900,159,168**	**2,033,759,524**
Addition In Capital	370,370,000	629,629,000			999,999,000
Prior Period Adjustment				17,543,756	17,543,756
Share Issuance Cost				-	-
Profit/(Loss) For the Year				1,193,066,852	1,193,066,852
Other Comprehensive Income for the Year				-	-
Dividend Paid				(864,000,000)	(864,000,000)
Balance as on 2080-03-31	**1,450,370,000**	**683,229,356**	**-**	**1,246,769,776**	**3,380,369,132**
Balance as on 2080-04-01	1,450,370,000	683,229,356	-	1,246,769,776	3,380,369,132
Prior Period Adjustment				-	-
Addition In Capital		-			-
Bonus Share issued from Retained Earnings	551,130,000				551,130,000
Dividend Paid				(1,203,796,500)	(1,203,796,500)
Profit/(Loss) For the Year				1,570,406,436	1,570,406,436
Other Comprehensive Income for the Year				-	-
Balance as on 2081-03-31	**2,001,500,000**	**683,229,356**	**-**	**1,613,379,712**	**4,298,109,068**

Kathmandu

Date: 12th September 2024

Finance Manager Director Director

As Per Our Attached Report of Even Date

For: SUBHASH & CO.

Chartered Accountants

CA. S. K. Jhunjhunwala

Partner

Varun Beverages (Nepal) Pvt. Ltd.

Notes to the Financial Statements

For Period 17th July, 2023 - 15th July, 2024

(Year Ended Upto Ashad 31, 2081)

Significant Information, Accounting Policies & Notes to the Accounts

1 General Information

M/S Varun Beverages Nepal Pvt. Ltd., is a company incorporated under the Companies Act, 2063 of Nepal. Its principal place of business is located at Sinamangal - 32, Kathmandu, Nepal. It is engaged in the business to manufacture & bottle Carbonated Soft Drinks, Water & Juices.

In order to meet the increasing market demand of its Carbonated Soft Drinks, Water & Juices, the entity has expanded its existing capacity with installation of a new bottling plant in Ramgram Municipality, Ward No. 10, Nawaparasi under Industry Registration No. 4070 Dated 2074|08|11 (2017|11|27) so issued by the Department of Industry in capacity of Branch Unit I.

The Branch Unit I has begun its trial production from 25|April|2018 & started its commercial production & dispatch from 02|May|2018 which marks the beginning of its operation at the said Unit - I.

During the current year the Company has set up an additional bottling line in Unit- I resulting in expansion of its capacity. The commercial production from this new line has started from 1|April|2024 & dispatches from 21|May|2024.

2 Basis of Preparation

(a) Statement of Compliance

The Financial Statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (NASB), as per the provisions of The Institute of Chartered Accountants of Nepal Act, 1997. These confirm, in material respect, to IFRS as issued by the International Accounting Standards Board. The Financial Statements have been prepared on a going concern basis. The term NFRS, includes all the standards and the related interpretations which are consistently used.

(b) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for following Assets & Liabilities which have been measured at Fair Value amount:

i. Certain Financial Assets & Liabilities

ii. Defined Employee Benefits

Historical cost is generally Fair Value of the consideration given in exchange for goods & services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the Fair Value of an Asset or a Liability, the Company takes into account the characteristics of the Asset or Liability if market participants would take those characteristics into account when pricing the Asset or Liability at the measurement date. Fair Value for measurement and/ or disclosure purposes in these Financial Statements is determined on such a basis, except for, measurements that have some similarities to Fair Value but are not Fair Value, such as Net Realizable Value in NAS 2 "Inventories" or Value in use in NAS 36 "Impairment of Assets".

In addition, for Financial Reporting purposes, Fair Value measurements are categorized into Level 1, or 2, or 3 based on the degree to which the inputs to the Fair Value measurements are observable & the significance of the inputs to the Fair Value measurement in its entirety, which are described as follows:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical Assets or Liabilities that the entity can access at the measurement date;
- Level 2 - Inputs are inputs, other than quoted prices included within Level 1, that are observable for the Asset or Liability, either directly or indirectly; and
- Level 3 - Inputs are unobservable inputs for the Asset or Liability.

VARUN BEVERAGES (NEPAL) PVT. LTD. Kathmandu

SUBHASH & Co. Kathmandu Chartered Accountants

Varun Beverages (Nepal) Pvt. Ltd.

Notes to the Financial Statements

For Period 17th July, 2023 - 15th July, 2024

(Year Ended Upto Ashad 31, 2081)

Significant Information, Accounting Policies & Notes to the Accounts

(c) Presentations:

The figures for previous years are rearranged and reclassified whererver necessary for the purpose of facilitating comparison to the extent permitted by the NFRS. Appropriate disclosures are made wherever necessary. The entity presents assets and liabilities in Statement of Financial Position based on Current/ Non- Current classification. The entity classifies an asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or Cash Equivalent unless restricted from being exchanged or used to settle a liability for at least tweleve months after the reporting period.

All other assets are classified as non curent.

The entity classifies a liability as Current when it is:

-Expected to be settled in normal operating cycle;

-Held Primarily for the purpose of trading;

-It is due to be settled within tweleve months after the reporting period, or

-There is no unconditional right to defer the settlement of the liability for at least tweleve months after the reporting period.

The Company classifies all other liabilities as Non- Current.

Deferred Tax Assets and Liabilities are classified as Non- Current.

The operating cycle is the time between the acquisition of assets for processing and its realization in cash and cash equivalents. The company has identified tweleve months as its operating cycle.

(d) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the reported balances of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the financial statements. Changes in accounting estimates result from discovery of new information or new developments and accordingly are not correction of errors.

(d) Going Concern

The Financial Statements are prepared on a going concern basis. The Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it.

(e) Functional and Presentation Currency

The Financial Statements are presented in Nepalese Rupee (NPR) which is also the company's Functional currency. There was no change in Presentation and Functional Currency during the reporting period. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

(f) Accounting Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Company in preparing and presenting financial statements. The Company is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the Financial Statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flows.

VARUN BEVERAGES (NEPAL) PVT. LTD. Kathmandu

SUBHASH & Co. Kathmandu Chartered Accountants

Significant Information, Accounting Policies & Notes to the Accounts

3 Significant accounting policies

3.1 Revenue Recognition

Revenue is recognized upon transfer of control of promised goods or services to customers at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable considerations) allocated to that performance obligation as per contractually agreed terms with the customers. The transaction price of goods sold and services rendered is net of variable considerations on account of various discounts and schemes offered by the Company as part of the contract. Revenue is recorded provided the recovery of consideration is probable and determinable. Revenue from sale of goods and services transferred to distributors/intermediaries are recognised at a point in time.

Revenue from the sale of manufactured goods products is recognised upon transfer of control of products to the customers which coincides with their delivery to customer and is measured at fair value of consideration received/receivable, net of discounts, amount collected on behalf of third parties and applicable taxes.

3.2 Inventories (As taken, Valued & Certified by the management as per Income Tax Act, 2058):

Inventories are valued as:

a) Raw materials, Factory Fuel, stores and spares:

At Weighted Average Cost. Cost of inventory comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition and is determined on a weighted average cost basis.

b) Work-in-progress:

At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads including depreciation. Cost is determined on a weighted average basis.

c) Manufactured:

At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Provision for obsolescence is determined based on management's assessment and is charged to the Statement of Profit or Loss.

3.2 Property, Plant & Equipment & Depreciation

i) Measurement at Recognition:

Property, Plant & Equipment are stated at cost inclusive of all expenses incurred in commissioning/putting them into use, less accumulated depreciation (Other than Freehold Land) and accumulated impairment losses, if any.

Cost comprises the purchase price, borrowing costs if capitalisation criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

a) it is probable that future economic benefits associated with the item will flow to the entity; and

b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit or Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto.

Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Statement of Profit or Loss.

ii) Depreciation

Depreciation on Property, Plant & Equipment other than Freehold Land i.e. the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on "Straight Line Method" based on Useful Life estimated by technical expert of the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Significant Information, Accounting Policies & Notes to the Accounts

Useful Life of Property, Plant & Equipment based on Straight Line Method is categorised as stated below:

List of Asset Categories	Useful Life (In Years)
Buildings	28.44
Plant & Machinery	20
Furniture Fixtures	10
Commercial Vehicles	8.39
Admin Vehicles	7
Office Equipment	4
Computers	4
Visi/Ice Box/PMX Machine	8
Containers [Glass Bottle l Shells]	6

The Assets Useful Life and Residual Values are reviewed at the Reporting date and the effect of any changes in estimates are accounted for on a prospective basis.

iii) Derecognition of Assets

An item of Property, Plant and Equipment is derecognized upon disposal or when no Future Economic Benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in Statment of Profit or Loss

iv) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. Assets that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

v) Capital Work in Progress

These are expenses of capital nature directly incurred in the construction of buildings and major plant and machinery which are to be capitalized. Capital work in Progress would be transferred to the relevant assets when it is available for use. Capital Work in Progress is stated at cost less any accumulated impairment losses.

3.3 Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment
to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other
borrowing costs are expensed to the Statement of Profit or Loss in the period in which they occur.

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VARUN BEVERAGES (NEPAL) PVT. Kathmandu

Significant Information, Accounting Policies & Notes to the Accounts

3.4 Leases

The Company as a lessee

The Company enters into an arrangement for lease of buildings and equipments. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with NFRS 16 – Leases, at inception of the contract, the Company assesses whether a contract is, or contains a lease.

A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a) The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

b) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

c) The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses (unless such right of use assets fulfills the requirements of NAS 40 - Investment Property and is accounted for as there under), if any and adjusted for any re-measurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

a) Fixed payments, including in-substance fixed payments;

b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) Amounts expected to be payable under a residual value guarantee; and

d) The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item in the standalone financial statements of the Company.

The Company has elected not to apply the requirements of NFRS 16 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

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(Year Ended Upto Ashad 31, 2081)

Significant Information, Accounting Policies & Notes to the Accounts

The entity has adopted NFRS 16 "Leases" from 17 July 2022, which has resulted in changes in the accounting policies and adjustments to the amounts recognized in the financial statements. This standard eliminates the distinction between Operating and Finance Lease and requires lessee to recognize all leases above 12 months in Statement of Financial Position. The entity has applied NFRS 16 using the Modified Retrospective approach and therefore the comparative information has not been restated. The main changes arising on the adopotion of NFRS were as follows:

i) Interest bearing lease Liability and Non- Current assets increased on implementation of the standard as obligations to make future payments under leases previously classified as operating leases were recognized on the Balance Sheet, along with the related 'Right Of Use' (ROU) asset. Rental payments associated with these leases are recognized in the Income statement on a straight-line basis over the life of the lease as depreciation and finance costs.

ii) Expenditure on operations has decreased and finance costs have increased, as operating lease costs have been replaced by depreciation and lease interest expense.

iii)The adoption of NFRS 16 required the Company to make a number of judgements, estimates and assumptions. These included:

* The approach to be adopted on transition - The Company used the modified retrospective transition approach. Lease liabilities were determined based on the value of the remaining lease payments, discounted by the appropriate incremental borrowing rates at the date of initial application (July 17, 2022). ROU assets were measured based on the related lease liability as at the date of transition, adjusted for prepaid or accrued lease payments. As the company applied modified retrospective transition approach as per para C5(b) read together with para C8(b)(ii) of NFRS 16, there was no impact on equity as at July 17 2022. NFRS 16 does not allow comparative information to be restated if the modified retrospective transition approach is used.
* The estimated lease term - The term of each lease was based on the original lease term unless management was 'reasonably certain' to exercise options to extend the lease.
* The discount rate used to determine the lease liability - The rate used on transition to discount future lease payments was the Company's incremental borrowing rates.

iv) The Company elected the following practical expedients:

* has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
* has not to apply the new lessee accounting model to leases for which the lease term ends within 12 months after the date of initial application. Instead, it has accounted for those leases as short-term leases. The explanation of the difference between operating lease commitments disclosed as at 16th July 2022 when applying IAS17 to the lease liabilities recognized as at 17th July 2022 is presented in the table below:

During the year ended 15 Jul 2024 company modified existing lease on 1 Nov 2023 resulting on increase on ROU and Lease Liability by NPR 11,038,502. The lease tenure, liability and ROU were subsequently restated at date of modification as:

Leased- Assets	Existing	Modified
Remaining Tenure	18 Years 8 Months	30 years
Interest Rate	9.50%	11.50%
ROU	140,180,554	151,219,057
Lease Liability	146,609,936	157,648,439

Movement of Right of Use Assets- leased Land is summarized as:

Net Carrying Amount	15-Jul-24	16-Jul-23
Opening Balance	142,683,778	-
Additions for the year	11,038,502	150,193,451
Depreciation	5,863,648	7,509,673
Closing Balance	**147,858,633**	**142,683,778**

Movement of Lease Liabilities for leased Land is summarized as:

Lease Liabilities (Current and Non-Current)	15-Jul-24	16-Jul-23
Opening Balance	**147,548,636**	-
Additions for the year	11,038,502	150,193,451
Finance Charge	16,777,987	14,155,185
Lease Rental Payments	16,800,000	16,800,000
Closing Balance	**158,565,126**	**147,548,636**

3.5 Employee Benefits

Contribution to Retirement and other funds

Retirement benefit in the form of Social Security Fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the Social Security Fund. The Company recognises contribution payable to the Social Security Fund scheme as an expense, when an employee renders the related service.

Compensated Absences

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The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service

3.6 Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 2058 and rules thereunder. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate including amount expected to be paid/recovered for uncertain tax position.

Deferred Tax

Deferred Tax is recognized on Temporary differences between the carrying amounts of Assets & Liabilities. Deferred Income Tax is recognized using the Statement of Financial Position and its Tax Base. Deferred Income Tax Assets & Liabilities are recognized for deductible and taxable temporary differences arising between the tax base of Assets & Liabilities and their carrying amount in Financial Statements, except when the Deferred Income Tax arises from the initial recognition of goodwill, an Asset or Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profits or Loss at the time of the transaction.

Deferred Income Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible Temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred Tax Liabilities are generally recognized for all taxable Temporary differences.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the Deferred Income Tax Asset to be utilized.

3.7 Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined by NFRS 8, "Operating Segment".

Company's Income & Expenses including interest are considered as part of un-allocable Income & Expenses which are not identifiable to any business segment. Company's Asset & Liabilities are considered as part of un-allocable Assets & Liabilities which are not identifiable to any business.

3.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

I. Financial Assets

Initial Recognition & Measurement

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All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss ("FVTPL"), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.For purposes of subsequent measurement, financial assets are classified as follows:

a) Financial Assets at Amortized Cost (AC)

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

b) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has not designated any debt instrument in this category.

c) Financial Assets at Fair Value through Profit or Loss (FVTPL)

Fair Value Through Profit or Loss ("FVTPL") is a residual category for Financial Assets. Any Financial Assets, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a Financial Assets which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial Assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss. The Company has not designated any Financial Assets in this category.

De-Recognition

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive the contractual cash flows from the asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred.

Impairment of Financial Assets

In accordance with NFRS 9 "Financial Instrument", the Company uses 'Expected Credit Loss' (ECL) Model, for evaluating impairment of Financial Assets other than those measured at Fair Value through Profit or Loss (FVTPL).

Expected Credit Losses are measured through a loss allowance at an amount equal to:

The 12-months Expected Credit Losses (Expected Credit Losses that result from those default events on the Financial Instrument that are possible within 12 months after the reporting date); or

Full Lifetime Expected Credit Losses (Expected Credit Losses that result from all possible default events over the life of the Financial Instrument)

For Trade Receivables, the Company applies "Simplified Approach" which requires Expected Lifetime Losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine Impairment Loss on the portfolio of Trade Receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analyzed.

For other assets, the Company uses 12 months Expected Credit Losses to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk Full Lifetime ECL is used.

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II. Financial Liabilities

Initial Recognition & Measurement

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition.

All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

a) Financial liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Upon initial recognition, transaction costs are directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value is recognized at Statement of Profit or Loss.

b) Financial liabilities at amortised cost:

After initial recognition, financial liabilities designated at amortised costs are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

iii) De-Recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.9 Cash & Cash Equivalent

For the purpose of presentation in the Statement of Cash Flows, Cash & Cash Equivalents includes Cash In Hand, Bank Balances, Positive Balance of Cash Credit Account and Cheques in hand.

3.10 Share Capital

Financial Instruments issued by the Company are classified as Equity only to the extent that they do not meet the definition of a Financial Liability or Financial Asset. The Company's Equity Shares are classified as Equity Instruments including Bonus Shares.

3.11 Dividend distribution to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act 2063, a distribution is authorised when it is approved by the shareholders in General Meeting. A corresponding amount is recognised directly in equity.

3.12 Provisions, Contingent Liabilities & Contingent Assets

I. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for Contingent Liability are recognized in the books as a matter of abundant precaution and conservative approach based on management's best estimate. However, Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

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II. Contingent Liabilities

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

III. Contingent Assets

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognized but disclosed in the Financial Statements.

3.13 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby Net Profit After Tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of accruals of past or future cash receipts or payments.

3.14 Earnings Per Share

Earning per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Number of equity shares outstanding during the Financial Year.The weighted average number of equity shares
outstanding during the year is adjusted for events, other than conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

In case of a bonus issue and sub-divison/split, the number of ordinary shares outstanding is increased by number of shares issued as bonus shares and sub-divison/split respectively in current year and comparative period presented as if the event had occurred at the beginning of the earliest year presented.

For the purpose of calculating diluted earnings/(loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.15 Functional Currency & Foreign Currency Transactions

The Financial Statements of the Company are presented in Nepalese Rupees, which is the Company's Functional Currency. In preparing the Financial Statements of the Company, transactions in currencies other than the Company's Functional Currency i.e. Foreign Currencies are recognized at the rates of exchange prevailing at the dates of the transactions.

3.16 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions
are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.
In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

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Significant Information, Accounting Policies & Notes to the Accounts

I. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

II. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Useful lives of tangible assets

The Company reviews its estimate of the useful lives of tangible assets at each reporting date, based on the expected utility of the assets.

b) Defined benefit obligation

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

c) Inventories

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

3.17 Basis of Apportionment of Common Expenses

As mentioned on note no: 30, for calculating separate tax holiday eligibility, the Direct expenses pertaining to the unit have been booked in the respective unit and the common expenses have been allocated in the ratio of sales of the corresponding units.

In Unit- I after the establishment of new bottling line ref. note- 1 and note- 30, the Direct Raw material expenses pertaining to the new line have been booked in the same Line, the Production expenses other than Raw Material expenses have been apportioned in the ratio of Production and residual common expenses have been proportionately allocated in the ratio of Sales between the existing Unit- I and the New Line.

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Varun Beverages (Nepal) Pvt. Ltd.
Plant Location: Kathmandu, Nepal (Main Unit)

3(a) Property, Plant & Equipment

For Period 17th July, 2023 - 15th July, 2024

Particulars	Gross Block As At 17/07/2023	Additions During the Year	Sales/Reversal During the Year	Gross Block As At 2024-07-15	Accumulated Depreciation 17/07/2023	Depreciation During the Year	Sales/Reversal During the Year	Accumulated Depreciation 2024-07-15	Net Block As At 16/07/2023	Net Block As At 2024-07-15
Land - Freehold	6,799,434	-	-	6,799,434	-	-	-	-	6,799,434	6,799,434
Buildings	215,808,098	3,530,424	-	219,338,523	108,185,500	6,179,600	-	114,365,100	107,622,598	104,973,423
Plant & Machinery	789,923,371	19,974,109	137,596,520	672,300,960	483,503,697	25,296,634	125,057,970	383,742,361	306,419,674	288,558,599
Furniture & Fixtures	7,424,754	-	1,952,695	5,472,059	6,582,254	112,974	1,848,473	4,846,755	842,500	625,304
Vehicles	176,552,449	-	766,605	175,785,844	145,652,127	4,389,607	728,275	149,313,459	30,900,322	26,472,385
Office Equipment	6,129,421	177,795	1,777,961	4,529,255	5,135,834	397,141	1,689,063	3,843,912	993,586	685,343
Computers	6,713,962	1,457,531	132,745	8,038,748	3,091,050	1,158,292	100,836	4,148,506	3,622,912	3,890,242
Visi/Ice Box/PMX Machine	456,885,046	44,361,226	-	501,246,272	250,092,584	30,684,592	-	280,777,177	206,792,462	220,469,095
Container	403,961,546	22,272,513	219,136,812	207,097,247	303,939,008	31,296,316	212,685,651	122,549,672	100,022,539	84,547,575
Total	**2,070,198,081**	**91,773,599**	**361,363,339**	**1,800,608,341**	**1,306,182,054**	**99,515,155**	**342,110,269**	**1,063,586,941**	**764,016,027**	**737,021,400**

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Varun Beverages (Nepal) Pvt. Ltd.
Plant Location: Parasi, Nepal (Parasi - I)

3(b) Property, Plant & Equipment

For Period 17th July, 2023 - 15th July, 2024

Particulars	Gross Block As At 17/07/2023	Additions During the Year	Sales/Reversal During the Year	Gross Block As At 2024-07-15	Accumulated Depreciation 17/07/2023	Depreciation During the Year	Sales/Reversal During the Year	Accumulated Depreciation 2024-07-15	Net Block As At 16/07/2023	Net Block As At 2024-07-15
Land - Freehold	127,478,243	-	-	127,478,243	-	-	-	-	127,478,243	127,478,243
Buildings	891,992,428	-	-	891,992,428	148,273,227	29,797,306		178,070,533	743,719,201	713,921,895
Plant & Machinery	1,535,757,367	48,937,404	10,021,913	1,574,672,858	352,491,847	73,019,262	2,623,943	422,887,166	1,183,265,520	1,151,785,692
Furniture & Fixtures	8,787,607	265,740	91,754	8,961,593	3,747,152	836,733	47,695	4,536,190	5,040,455	4,425,404
Vehicles	-	-	-	-	-	-	-	-	-	-
Office Equipment	8,046,637	835,431	20,320	8,861,748	7,563,404	181,603	19,304	7,725,703	483,233	1,136,045
Computers	3,124,293	688,000	24,823	3,787,470	2,549,142	190,328	23,582	2,715,888	575,151	1,071,582
Visi/Ice Box/PMX Machine	688,644,197	85,454,360	-	774,098,557	211,813,401	82,268,773		294,082,175	476,830,796	480,016,382
Container	413,938,293	32,030,624	45,881,954	400,086,963	191,876,621	61,800,489	40,270,416	213,406,694	222,061,672	186,680,269
Total	3,677,769,067	168,211,558	56,040,764	3,789,939,861	918,314,796	248,094,494	42,984,940	1,123,424,349	2,759,454,271	2,666,515,512

VARUN BEVERAGES (NEPAL) PVT. LTD.
Kathmandu

SUBHASH & Co.
Kathmandu
Chartered Accountants

Varun Beverages (Nepal) Pvt. Ltd.
Plant Location: Parasi, Nepal (Parasi - I Expansion)

3(c) Property, Plant & Equipment

For Period 17th July, 2023 - 15th July, 2024

Particulars	Gross Block As At 17/07/2023	Additions During the Year	Sales/Reversal During the Year	Gross Block As At 2024-07-15	Accumulated Depreciation 17/07/2023	Depreciation During the Year	Sales/Reversal During the Year	Accumulated Depreciation 2024-07-15	Net Block As At 16/07/2023	Net Block As At 2024-07-15
Land - Freehold	-	-	-	-	-	-	-	-	-	-
Buildings	-	260,477,236	-	260,477,236	-	1,477,817	-	1,477,817	-	258,999,418
Plant & Machinery	-	726,098,935	-	726,098,935	-	5,857,722	-	5,857,722	-	720,241,214
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-
Computers	-	-	-	-	-	-	-	-	-	-
Visi/Ice Box/PMX Machine	-	-	-	-	-	-	-	-	-	-
Container	-	-	-	-	-	-	-	-	-	-
Total	-	986,576,171	-	986,576,171	-	7,335,539	-	7,335,539	-	979,240,632

VARUN BEVERAGES (NEPAL) PVT. LTD.
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4 Deferred Tax Assets

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Deferred Tax Asset/(Liability) - Main Unit		
Property, Plant & Equipment	(32,029,965)	(10,821,476)
Gratuity Payable	-	-
Leave Encashment Payable	5,435,770	5,035,704
Provision - Doubtful Debts	-	-
Provision - Doubtful Advances	-	-
Provision - CSR	3,296,327	3,662,492
Deferred Tax Asset/(Liability) - Parasi I		
Property, Plant & Equipment	(183,445,708)	(173,616,763)
Gratuity Payable	-	-
Leave Encashment Payable	-	-
Provision - Doubtful Debts	-	-
Provision - Doubtful Advances	-	-
Right of Use Asset	(29,571,727)	(28,536,756)
Lease Liablities	31,713,025	29,509,727
Provision - CSR	7,123,304	5,061,816
Deferred Tax Asset/(Liability) - Parasi I Expansion		
Property, Plant & Equipment	(9,372,467)	-
Gratuity Payable	-	-
Leave Encashment Payable	-	-
Provision - Doubtful Debts	-	-
Provision - Doubtful Advances	-	-
Right of Use Asset	-	-
Lease Liablities	-	-
Provision - CSR	63,136	-
Total	**(206,788,305)**	**(169,705,256)**

Particulars	DTA/(L) - Main Unit	DTA/(L) - Unit I	DTA/(L) - Unit I Expansion	Total
16th July, 2023 (Ashad 31, 2080)	**(2,123,280)**	**(167,581,976)**	**-**	**(169,705,256)**
Charged/(Credited) to Statement of Profit & Loss	(21,174,588)	(6,599,130)	(9,309,331)	(37,083,049)
Charged/(Credited) to Other Comprehensive Income				
15th July, 2024 (Ashad 31, 2081)	**(23,297,868)**	**(174,181,106)**	**(9,309,331)**	**(206,788,305)**

5 Other Non Current Assets

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Capital Advances	-	-
Provision for Doubtful Advances	-	-
	-	-
Advances other than Capital Advances		
Deposit Against Appeal	679,340,629	640,774,323
Total	**679,340,629**	**640,774,323**

SUBHASH & Co. Chartered Accountants Kathmandu

VARUN BEVERAGES (NEPAL) PVT. LTD. Kathmandu

Varun Beverages (Nepal) Pvt. Ltd.
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(Year Ended Upto Ashad 31, 2081)

6 Inventories

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Finished Goods	186,248,386	291,613,407
Semi Finished Goods	-	-
Raw Materials	1,271,598,595	790,902,546
Stores I Spares & Fuels	191,945,083	174,677,419
Total	**1,649,792,064**	**1,257,193,372**

7 Trade Receivables

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Trade Receivables From Related Parties	-	-
Trade Receivables From Others	-	-
Secured, Considered Good	459,841,124	515,097,496
Unsecured, Considered Good	11,472,189	18,514,226
Unsecured, Considered Doubtful	-	-
Provision for Impairment of Trade Receivables	-	-
Total	**471,313,313**	**533,611,722**

Secured Trade Receivables are backed by Bank Guarantee as provided by Customers.

8 Cash & Cash Equivalent

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Cash In Hand	-	512,596
<u>Balance With Banks - CA & OD +ve Balance</u>		
Everest Bank Limited	1,286,767	3,191,367
Machhapuchchhre Bank Limited	95,289	2,346,365
Nepal Bank Limited	61,076	107,774
Nepal SBI Bank Limited	136,783	682,119
Nepal Investment Bank Limited	10,275,597	8,855,571
NIC Asia Bank Limited	14,125,038	6,001,525
NMB Bank Limited	1,149,582	535,125
Rastriya Banihya Bank Limited	1,560,574	212,398
Standard Chartered Bank Nepal Limited- Call	-	-
Prabhu Bank Limited	2,204	4,178
Siddhartha Bank Limited	31,495	399,092
Global IME Bank Limited	288,501	156,309
Nabil Bank Limited	-	-
Cheque/Drafts in Hand	676,305	-
Total	**29,689,211**	**23,004,419**

VARUN BEVERAGES (NEPAL) PVT. LTD. Kathmandu

SUBHASH & CO. Chartered Accountants Kathmandu

Varun Beverages (Nepal) Pvt. Ltd.
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9 Bank Balance Other than Cash & Cash Equivalent

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Fixed Deposits with Original Maturity of More than 3 months	2,312,907,741	1,693,283,604
Total	**2,312,907,741**	**1,693,283,604**

10 Other Financial Assets

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Current		
Accrued Interest	12,630,598	9,610,817
Staff Advance	3,200,168	4,278,981
Insurance Claim Receivable	824,474	7,152,945
Security Deposits	131,100,000	131,100,000
Deposit Against Letter of Credit	1,404,894	57,850,509
Total	**149,160,134**	**209,993,252**

11 Other Current Assets

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Prepaid Expenses (Incl. Insurance)	25,763,281	11,351,669
Advance To Suppliers	57,057,037	15,633,133
Amnesty Recoverable	-	39,592,902
Refundable Custom Duty	-	6,189,957
Security Deposits - Govt & Others	4,084,642	3,440,807
Total	**86,904,960.00**	**76,208,468.00**

12
(a) Equity Share Capital

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Authorised Capital:		
3,380,451 Ordinary Shares of Rs. 1,000 Each.	3,380,451,000	3,380,451,000
Issued Capital:		
3,000,000 Ordinary Shares of Rs. 1,000 Each	3,000,000,000	3,000,000,000
Paid Up Capital:		
1,442,370 Ordinary Shares of Rs. 1,000 Each	1,442,370,000	1,442,370,000
559,130 (Previous Year: 8,000) Bonus Shares of Rs. 1,000 Each.	559,130,000	8,000,000
Total	**2,001,500,000**	**1,450,370,000**

VARUN BEVERAGES(NEPAL) Kathmandu
SUBHASH & CO. Chartered Accountants Kathmandu

(b) Other Equity

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Share Premium		
Balance at the Beginning of the Year	683,229,356	53,600,356
Addition During the Year	-	629,629,000
Balance at the End of the Year	**683,229,356**	**683,229,356**
Retained Earnings		
Balance at the Beginning of the Year	1,246,769,776	900,159,168
(+) Prior Period Adjustment	-	17,543,756
(-) Utilisation for Issuance of Shares	-	-
(+) Profit For the Year	1,570,406,436	1,193,066,852
(+) Other Comprehensive Income	-	-
Available For Distribution	**2,817,176,212**	**2,110,769,776**
(-) Cash Dividend Paid	(652,666,500)	(864,000,000)
(-) Bonus Shares	(551,130,000)	-
Balance at the End of the Year	**1,613,379,712**	**1,246,769,776**

13 Lease Liabilities

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Non Current		
Lease Liabilities	145,553,273	133,023,689
	145,553,273	**133,023,689**
Current		
Lease Liabilities	13,011,853	14,524,948
	13,011,853	**14,524,948**

14 Provisions

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Non - Current		
Provision For Contingent Liabilities	3,197,443,923	3,216,680,513
Provision For Leave Encashment	21,837,197	20,342,218
Non Current Provisions	**3,219,281,120**	**3,237,022,731**
Current		
Provision For Corporate Social Responsibility	52,413,834	43,621,539
Provision For Leave Encashment	5,341,652	4,836,303
Current Provisions	**57,755,486**	**48,457,842**

(a) Disclosure under NAS 37 "Provisions, Contingent Liabilities and Contingent Assets"

Description	16th July, 2023 (Ashad 31, 2080)	Additions During the Year	Utilised/Reversed During the Year	15th July, 2024 (Ashad 31, 2081)
Provision For Contingent Liabilities				
For The Year Ended 15th July, 2024 (Ashad 31, 2081)	3,216,680,513	-	19,236,590	3,197,443,923

Subhash & Co. Chartered Accountants Kathmandu
Varun Beverages (Nepal) Pvt. Ltd. Kathmandu

For The Year Ended 16th July, 2023 (Ashad 31, 2080)	3,114,569,504	102,111,009	-	3,216,680,513
Provision For Corporate Social Responsibility				
For The Year Ended 15th July, 2024 (Ashad 31, 2081)	43,621,540	18,646,757	9,854,462	52,413,835
For The Year Ended 16th July, 2023 (Ashad 31, 2080)	33,062,009	14,210,239	3,650,708	43,621,540

15 Trade Payable

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Trade Payable From Related Parties	133,834,727	346,558,368
Trade Payable From Others	222,072,323	413,992,803
Total	**355,907,050**	**760,551,171**

16 Short Term Borrowings

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Secured		
Everest Bank Limited		
- Short Term Loan	360,000,000	258,000,000
- Cash Credit	91,468,436	-
Nepal Investment Bank Limited		
- Cash Credit	-	-
NIC Asia Bank Limited		
- Short Term Loan	-	108,000,000
NMB Bank Limited		
- Cash Credit	-	4,013,910
Nabil Bank Limited		
- Cash Credit	848,941	2,172,039
Standard Chartered Bank		
- Short Term Loan	330,000,000	-
- Cash Credit	63,253,286	16,741,175
Total	**845,570,663**	**388,927,124**

17 Other Current Financial Liabilities

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Dealers Deposit - Bottles & Containers	277,574,533	416,030,046
Employee Related Payable		
Bonus Payable	186,467,557	142,102,392
Other Employee Related Payable	15,427,261	20,265,645
Total	**479,469,351**	**578,398,083**

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Varun Beverages (Nepal) Pvt. Ltd.
Notes to the Financial Statements
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(Year Ended Upto Ashad 31, 2081)

18 Other Current Liabilities

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Expenses Payable	54,205,883	33,710,141
Advance From Customers	2,925,564	5,671,077
Interest Payable	700,889	52,885
Statutory Dues	276,952,269	363,705,191
Other Liabilities	-	-
Total	**334,784,605**	**403,139,294**

19 Income Tax (Assets)/Liabilities (Net)

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Income Tax Liabilities	238,539,334	189,324,593
Income Tax Assets	(245,728,067)	(195,156,706)
Total	**(7,188,733)**	**(5,832,113)**

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VARUN BEVERAGES (NEPAL) PVT. LTD. Kathmandu

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20 Revenue From Operations

Fig.in NPR

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Gross Sale of Goods	10,547,630,870	10,541,734,938
(-) Excise duty	(2,817,956,185)	(2,931,141,199)
Net Sale of Goods	**7,729,674,685**	**7,610,593,739**
Scrap Sales	16,885,355	16,199,337
Total	**7,746,560,040**	**7,626,793,076**

21 Other Income

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Interest Income - Bank	177,663,661	175,540,395
Interest Income - Others	19,009,500	19,591,844
Others	125,948,558	65,487,590
Total	**322,621,719.00**	**260,619,829.00**

22 Raw Material Consumption

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Raw Material Consumption	3,211,016,759	3,435,070,796
Total	**3,211,016,759**	**3,435,070,796**

23 Changes in Inventories of Finished Goods & Work-In-Progress

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Opening Stock - Finished Goods	291,613,407.00	221,510,646
Opening Stock - Semi Finished Stock	-	3,098,849
Closing Stock - Finished Goods	186,248,386	291,613,407
Closing Stock - Semi Finished Goods	-	-
Total	**(105,365,021)**	**67,003,912**

24 Employee Benefit Expenses

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Salaries & Wages	464,695,410	451,863,808
Bonus	186,467,557	142,102,392
Staff Welfare	31,599,493	20,240,867
Post Employment Benefit Costs	-	1,880,192
Other Long Term Benefits	9,223,957	8,124,873
Total	**691,986,417**	**624,212,132**

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25 Other Expenses

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Electricity/Power & Fuel	185,755,984	230,442,641
Travelling & Conveyance Expenses	41,539,339	39,243,418
Repair & Maintenance - Block A	3,344,797	25,986,741
Repair & Maintenance - Block D	93,602,127	138,718,888
Repair & Maintenance - Block C	-	-
Rates & Taxes	11,656,822	13,117,015
Vehicle Running & Fuel	13,769,666	14,870,253
Computer Expenses	4,934,320	5,568,619
Insurance Premium	20,256,791	18,181,329
Housekeeping Expenses	18,022,592	25,193,837
Printing & Stationary	3,013,859	4,138,705
Postage & Courier	502,111	613,005
Telephone & Communication	4,222,651	3,100,461
Subscription & Periodical	117,150	75,750
Conference & Meetings	184,876	296,951
Audit Fees	750,000	750,000
Tax Audit Fees	50,000	50,000
Security Service Charges	13,824,189	12,451,242
Rent Expenses	6,518,117	15,419,394
Loading & Unloading Charges	31,421,592	32,921,899
Legal Expenses & Consultancy Fee	35,078,018	18,338,105
Management Fee	386,486,470	216,627,104
Technical Fee	-	157,224,319
Transit Leakage and Breakage	114,978,169	88,300,941
Advertisment & Promotion Expenses	130,164,224	188,647,444
Selling & Distribution Expenses	60,821,266	53,855,204
Freight & Delivery Expenses	561,985,733	619,382,495
General Expenses	5,912,347	9,685,492
Provision For Corporate Social Responsibility	18,646,756	14,210,239
Provision For Contingent Liability	-	102,111,009
Total	**1,767,559,966**	**2,049,522,500**

26 Finance Cost

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Interest Paid	39,911,892	67,684,200
Bank Charges	29,726,062	39,782,533
Finance Cost I NFRS	16,777,987	14,155,185
Total	**86,415,941**	**121,621,918**

VARUN BEVERAGES (NEPAL) Kathmandu

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27 Income Tax Expense

This Note Provides an reconciliation between Taxable Profit & Accounting Profit.

(a) Income Tax Expense

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Current Tax on Profit For The Year	238,539,334	189,324,593
Deferred Tax For The Year	37,083,049	19,655,698
Income Tax Expense	**275,622,383**	**208,980,291**

(b) Reconciliation of Taxable Profit & the Accounting Profit

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Accounting Profit Before Tax	1,846,028,819	1,402,047,143
NFRS Impact		
i) Amortisation of Transaction Fee for Loan Processing		
ii) Actuarial Valuation of Leave Encashment	330,202	(98,321)
iii) Finance Cost Lease	16,777,987	14,155,185
iv) Depreciation of ROU Assets	5,863,648	7,509,673
v) Rent Expenses Lease	(16,800,000)	(16,800,000)
Adjustments As Per Income Tax Act, 2058	(176,829,415)	23,869,815
Exempt Taxable Income for Unit I- Expansion (100% Tax Holiday)	13,240,679	(455,836,572)
Total Profit As Per Income Tax	**1,688,611,919**	**974,846,922**

VARUN BEVERAGES (NEPAL) PVT. LTD. Kathmandu

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28 Employee Retirement Benefits

Post Employment Benefit - Defined Contribution Plans

For the year ended 15th July, 2024 (31st Ashad, 2081) the company has recognised an amount of NPR.32,673,897 against contribution to Social Security Fund as an expenses under the defined contribution plans in the Statement of Profit & Loss.

29 Other Long Term Benefits- Compensated Absences

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

The following tables summaries the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet:

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Changes in present value are as follows:		
Balance at the beginning of the year	25,178,521	24,238,940
Current service cost	6,956,284	4,551,965
Interest Cost	2,138,648	2,058,841
Benefits Settled	-7,223,628	-7,105,709
Actuarial Loss/ (Gain)	129,024	1,434,484
Balance at the end of the year	27,178,849	25,178,521
Bifurcation of Present Value of Obligation		
Current Liability (Short term)	5,341,652	4,836,303
Non-Current Liability (Long term)	21,837,197	20,342,218
Present Value of Obligation as at the end	27,178,849	25,178,521
Expenses Recognized in Income Statement		
Current Service Cost	6,956,284	4,551,965
Past Service Cost		
Net Interest Expenses	2,138,648	2,058,841
Actuarial Loss/ (Gain)	129,024	1,434,484
Net Cost recognized on Income Statement	9,223,956	8,045,290
Assumptions Used		
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
Discount Rate	9.00%	8.50%
Withdrawal Rate	11.00%	11.00%
Salary Increase	11.00%	11.00%
Rate of Leave availment	3.50%	3.50%
Retirement age (Years)	58 Years	58 Years

30 Tax Holiday

In the year 2018, the company set up a new Plant at Ramgram Municipality, Ward No. 10, Nawalparasi and has claimed Tax holiday for this new facility pursuant to Section 11(3)(Ga) of the Income Tax Act, 2058 which makes it eligible for Tax Holiday of 8 years in which the Branch Units shall have 100% tax rebate in its income for the 1st 5 Years and 50% tax rebate in its income for the next 3 Years. The entitlement of Tax Holiday for this plant is upto 30th April 2026.

During the year, the company expanded its capacity by setting a new Bottling line at existing Nawalparasi Plant and the commercial production from this new line begin from 1st April 2024. The company fulfilled the conditions laid down in Section 11(3)(Ga) of the Income Tax Act, 2058 to claim the Tax holiday for period of 8 years. Accordingly the entitlement of 100% Tax Holiday for this Line is upto 31 March 2029 and thenafter 50% Tax Holiday till 30 March 2032 . The company has claimed the Tax holiday for existing Plant and new line as per table below:

Unit	Duration	Tax Holiday
Unit- I	17th July 2023 to 15th July 2024	50%
Unit- I Expansion	1st April 2024 to 15th July 2024	100%

31 Legal Matters & Contingent Liabilities

Based on the Board Minute Dated: 2024-09-05, as a matter of abundant precaution & conservative approach the company has made full provisions for the Contingent Liability along with applicable Interest amounting to NPR 3,197,443,923 , (Previous Year NPR 3,216,680,513) against various cases related to VAT, INCOME TAX, EXCISE pending at different legal forums.

During the year the company has reversed the following provisions booked under contingent liabilities made during the Previous years owing to settlement of cases.

i) Rs 7,661,133 on account of Excess Tax Liability provided for Income Tax for Fiscal Year: 2076-77.

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VARUN BEVERAGES (NEPAL) P. LTD.

ii) Rs 10,518,830 primarily on account of Excise Duty Demand on the production of Pet botlles for Fiscal Year: 2066-67.
iii) Rs 1,056,627 on account of VAT liability for Fiscal Year: 2060-61 to 2063-64 settled after reassessment of the cases.

As on year end of 2023/24 the company have various cases pending at different legal fronts. Details of the same is stated below

Relevant Tax Law	Years	Pending Before	Total Demand
Income Tax	FY: 2070I71 to FY: 2075I76 (Upto Magh, 2075)	High Court	424,757,621
Income Tax	FY: 2068I69, 2070I71 to 2078I79	Revenue Tribunal	1,194,725,194
Income Tax	FY: 2079I80	Inland Revenue Department	80,296,538
VAT Act	FY: 2070I71 to FY: 2075I76 (Upto Magh, 2075)	High Court	253,406,939
VAT Act	FY: 2068I69, 2070I71 to FY: 2077I78	Revenue Tribunal	990,809,083
VAT Act	FY: 2079I80	Inland Revenue Department	607,248
Excise Act	FY: 2074I75	Revenue Tribunal	63,848,158

Present status of cases ongoing is as under:

High Court- Income Tax/ VAT

The cases have been decided by Honourable High Court and as per the order, the Total Demand have been reduced to NPR 27.13 Cr plus Penalty of NPR 7 Cr has been levied. However due to non-receipt of Full text, taking an abundant precaution, the company have decided not to reverse the corresponding provisions made in the books of accounts.

Revenue Tribunal - Income Tax/ VAT/ Excise

All the cases pending before Revenue Tribunal have been heard and majority of the issues have been decided in favour of the company, however the detailed order have not been received as yet.

Inland Revenue Department - Income Tax/ VAT

Cases related to FY: 2079/80 are pending at Inland Revenue Department under administrative review.

Claims against the Company Not Acknowledged as Debts

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Claims against the Company not acknowledged as debts:		
For Income Tax/VAT/Excise	-	**102,111,009**

* Note: Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

32 Corporate Social Responsibility

Provision for Corporate Social Responsibility, as required under the provision of Industrial Enterprise Act, 2076 Sec: 54 has been created and utilized accordingly.

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33 Earnings Per Share

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Profit For the Year	1,570,406,436	1,193,066,852
Weighted Average Number of Equity Shares Outstanding During the Year	2,001,500	1,140,883
Number of Equity Shares Outstanding During the Year	2,001,500	1,450,000
Nominal Value of Equity Shares	1,000	1,000
Earnings Per Share(Basic)	784.61	1,045.74
Earnings Per Share(Diluted)	784.61	822.80

34 Dividend

Company decided to distribute dividend amounting Rs. 1,203,796,500 from its reserves according to 38th AGM held on 2023-12-24.in form of Cash Dividend Rs 652,666,500 and Bonus Shares 551,130,000 which has been distributed accordingly.

Dividend on equity shares declared and paid during the year	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Cash Dividend of NPR 800 per Equity shares on existing 1,080,000 equity shares	-	864,000,000
Cash Dividend of NPR 450 per Equity shares on existing 1,450,370 equity shares	652,666,500	-
Bonus Shares at 379.99 no. of share per 1,000 shares (r/o to 10) on existing 1,450,370 equity shares with Par value of NPR 1,000	551,130,000	-

35 Fair Value Measurements

(i) Financial Instruments by Cateogory & Hierarchy

This section explains the judgements and estimates made in determining the Fair Values of the Financial Instruments that are measured at Amortised Cost and at which Fair Values are disclosed in the Financial Statements. The Company doesn't have any Financial Instruments which are to be measured at Fair Value through Profit & Loss or Fair Value through Other Comprehensive Income.

To provide an indication about the reliability of the inputs used in determining Fair Value, the Company has classified its financial instruments into Three Levels prescribed as per applicable NFRS. However, all the Financial Instruments held by the Company fall under Level 3 Category.

Level 1: Level 1 Hierarchy includes Financial Instruments measured using Quoted Prices.

Level 2: Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine Fair Value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There is no transfer of Financial Instruments between different levels as mentioned above during the year.

36 Financial Risk Management

The Company's activities expose it to Credit Risk, Liquidity Risk & Market Risk.

i) Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is operating through a network of distributors and other distribution partners based at different locations. The Company is exposed to this risk for various financial instruments, for example loans granted, receivables from customers, deposits placed etc. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at end of each reporting period.

Credit Risk with respect to Trade Receivable is managed by the Company through setting up Credit Limits for customers & also periodically reviewing the Credit worthiness of major customers.

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VARUN BEVERAGES (NEPAL) PVT. LTD. Kathmandu

Expected Credit Loss For Trade Receivables under Simplified Approach:

Particulars	Sch	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Gross Carrying Amount	Sch 7	471,313,313	533,611,722
Expected Credit Losses	Sch 7	-	-
Carrying Amount of Trade Receivables		**471,313,313**	**533,611,722**

The credit risk for cash & cash equivalents and bank deposits including accrued interest is considered negligible, since the counterparties are Nepal Rastra Bank approved Financial Institutions.

ii) Liquidity Risk

Prudent Liquidity Management implies maintaining sufficient cash and marketable securities and the availablity of funding through an adequate amount of internal and external financing to meet obligations when due. The Company monitors its risk to a shortage of funds on a regular basis through cash forecast for scheduled debts servicing payments and considering maturity profiles of Financial Assets & Other Financial Liabilities.

a) Financing Arrangements:

The Company had availed Financing Arrangements as categorised below. Closing balances of the same stands as follows:

Particulars	Sch	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Short Term Borrowings	Sch 16	845,570,663	388,927,124
Long Term Borrowings	Sch 13	-	-
Total Borrowings		**845,570,663**	**388,927,124**

b) Maturity of Financial Liabilities:

The table below summarises the Company's Financial Liabilities into Relevant Maturity Groupings based on their Contractual Maturities for all Financial Liabilities.

		15th July, 2024 (Ashad 31, 2081)		16th July, 2023 (Ashad 31, 2080)	
Particulars	**Sch**	**< 1 Year**	**> 1 Year**	**< 1 Year**	**> 1 Year**
Trade Payables	Sch 15	355,907,050	-	760,551,171	-
Borrowings	Sch 16	845,570,663	-	388,927,124	-
Other Financial Liabilities	Sch 17	479,469,351	-	578,398,083	-
Total Financial Liabilities		**1,680,947,064**	**-**	**1,727,876,378**	**-**

iii) Market Risk

a1) Foreign Currency Risk Exposure

The Company imports are predominantly denominated in INR. As the exchange rate between India & Nepal is fixed, Company doesn't have foreign currency risk for INR transactions. Beside that major imports in foreign currency other than INR includes USD & Euro Transactions.

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Trade Payable		
In USD $	53,195	295,847
In Euro €	(4,247)	8,939
Trade Payable		
USD Payable in NPR	7,128,906	38,983,794
Euro Payable in NPR	(617,696)	1,321,737

Kathmandu

Kathmandu

a2) Foreign Currency Sensitivity

The Sensitivity of Profit & Loss due to variation in the Exchange Rates arising mainly from Foreign Currency Denominated Financial Instruments:

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
USD Sensitivity		
NPR/USD - Increase By 1%	(71,289)	(389,838)
NPR/USD - Decrease By 1%	71,289	389,838
Euro Sensitivity		
NPR/Euro - Decrease By 1%	6,177	(13,217)
NPR/Euro - Decrease By 1%	(6,177)	13,217

b1) 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 Rates. The Company's policy is to minimise Interest Rate Cash Flow risk exposure on borrowings. Company also have interest rate risk in-terms of opportuinity cost on Interest Income.

b2) Interest Rate Sensitivity

Profit or Loss is Sensitive to changes in Interest Rate. A change in Market Interest Level by 100 Basis Points which is reasonably possible based on Management's Assessment would have the following effect on the Profit After Tax.

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Interest Income		
Interest Rate - Increase By 100 Basis Points*	17,921,841	15,847,443
Interest Rate - Decrease By 100 Basis Points*	(17,921,841)	(15,847,443)
Interest Expenses		
Interest Rate - Increase By 100 Basis Points*	3,024,704	3,858,732
Interest Rate - Decrease By 100 Basis Points*	(3,024,704)	(3,858,732)

* Holding all other Variable Constant

37 Capital Management

For the purpose of the Company's Capital Management, capital includes issued capital and all other equity reserves attributable to the equity holders of the company. The company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to the shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

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VARUN BEVERAGES (NEPAL) PVT. Kathmandu

38 Related Party Disclosure

Holding Company: 100% Holding	Varun Beverages Limited [India]
Fellow Subsidiaries:	Devyani International Nepal Pvt. Ltd. [Nepal] Lunarmech Technologies Pvt. Ltd. [India] Varun Developers Pvt. Ltd. [Nepal] Varun Beverages International DMCC [Dubai]
Whole Time Directors:	Mr. Praveen Kumar Agarwal **[resg- 2024-01-31]** Mr. Ashok Kumar Mr. Vinod Singh Mr. Sanjeev Arora

(a) Key Management Personnel Compensation:

	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Short Term Employee Benefits	48,713,071	41,667,538
Post Employment Benefit [Paid]	1,581,209	2,363,335
	50,294,280	**44,030,873**

Note:
Leave Encashment are provided on an acturial basis for the company as a whole so the amounts pertaining to the key management personnel are not included above.

(b) Related Party Transactions:

Particulars	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total
Sales of Goods				
For The Year Ended 15th July, 2024 (Ashad 31, 2081)	-	-		-
For The Year Ended 16th July, 2023 (Ashad 31, 2080)	122,576,351	-	-	122,576,351
Purchases				
Property, Plant & Equipments				
For The Year Ended 15th July, 2024 (Ashad 31, 2081)	2,108,311			2,108,311
For The Year Ended 16th July, 2023 (Ashad 31, 2080)	19,171,685	-		19,171,685
Goods				
For The Year Ended 15th July, 2024 (Ashad 31, 2081)	131,566,115	2,115,380	-	133,681,494
For The Year Ended 16th July, 2023 (Ashad 31, 2080)	266,385,879	3,231,412	-	269,617,291
Services				
For The Year Ended 15th July, 2024 (Ashad 31, 2081)	3,918,515	386,486,470	-	390,404,985
For The Year Ended 16th July, 2023 (Ashad 31, 2080)	287,301,604	101,347,648	-	388,649,252
Dividend				
For The Year Ended 15th July, 2024 (Ashad 31, 2081)	1,203,796,500		-	1,203,796,500
For The Year Ended 16th July, 2023 (Ashad 31, 2080)	864,000,000	-	-	864,000,000
Loan				
For The Year Ended 15th July, 2024 (Ashad 31, 2081)	-	-	-	-
For The Year Ended 16th July, 2023 (Ashad 31, 2080)	-	652,000,000	-	652,000,000
Interest				
For The Year Ended 15th July, 2024 (Ashad 31, 2081)		-		-
For The Year Ended 16th July, 2023 (Ashad 31, 2080)		7,281,777	-	7,281,777

VARUN BEVERAGES (NEPAL) PVT. Kathmandu

SUBHASH & CO. Chartered Accountants Kathmandu

(c) Related Party Balances:

Particulars	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total
Trade Receivables				
As at 15th July, 2024 (Ashad 31, 2081)	-	-		-
As at 16th July, 2023 (Ashad 31, 2080)	-	-	-	-
Trade Payables				
As at 15th July, 2024 (Ashad 31, 2081)	16,016,971	117,817,756		133,834,727
As at 16th July, 2023 (Ashad 31, 2080)	269,337,867	77,220,501	-	346,558,368

(d) Other Transaction

Particulars	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total
As at 15th July, 2024 (Ashad 31, 2081)	-	-	-	-
As at 16th July, 2023 (Ashad 31, 2080)	-	-	-	-

39 Regrouping of Figures:

Previous Year's figures have been regrouped/rearranged as and where necessary.

40 Miscellaneous:

(i) All amounts are in Nepalese Rupees unless otherwise stated.

(ii) All figures are in the Nearest Rupee & Rounded off.

VARUN BEVERAGES (NEPAL) PVT. LTD. Kathmandu

SUBHASH & CO. Chartered Accountants Kathmandu

Name of company: VARUN BEVERAGES RDC SAS — Year ended: Decembre 31, 2024
Tax identification number: A2181055C — Duration (in months): 12

BALANCE SHEET AS OF DECEMBER 31, 2024, COMPARED WITH DECEMBER 31, 2023

Ref	ASSETS	Note	12/31/2024			12/31/2023
			Gross	Amort/prov	Net	Net
AD	**INTANGIBLE FIXED ASSETS**					
AE	Development and prospecting costs	3	-	-	-	15,569,994,002
AF	Patents, licenses, software and similar rights		-	-	-	-
AG	Commercial funds and lease rights		-	-	-	-
AH	Other intangible assets		-	-	-	-
AI	**TANGIBLE FIXED ASSETS**		-	-		
AJ	Lands			-	-	-
	(1) of which net investment:	3		-		
AK	Buildings		119,302,972,803	1,520,230,297	117,782,742,506	22,523,457,499
	(1) of which net investment:			-		-
AL	Fixtures, fittings and installations		383,823,095	3,132,053	380,696,042	-
AM	Equipment, furniture and biological assets		87,897,861,991	2,409,127,834	85,488,734,157	1,097,115,213
AN	Transport equipment		9,269,607,375	695,558,579	8,574,048,796	627,696,741
AP	**Advances and down payments on fixed assets**	3	-	-	-	-
AQ	**FINANCIAL FIXED ASSETS**	4	-		-	-
AR	Equity securities			-		
AS	Other financial assets		1,110,826,099	-	1,110,826,099	238,511,128
AZ	**TOTAL FIXED ASSETS (I)**		**217,965,096,363**	**4,628,048,763**	**213,337,047,600**	**40,056,724,583**
BA	**NON-OPERATING CURRENT ASSET**	5	-	-	-	-
BB	**STOCKS AND OUTSTANDING LOANS**	6	51,671,834,346	-	51,671,834,346	22,964,906
BG	**RECEIVABLES AND SIMILAR ITEMS**					-
BH	Suppliers, advances paid	17	105,744,677,917	-	105,744,677,917	36,816,852,286
BI	Customers	7	3,228,987,928	-	3,228,987,928	-
BJ	Other receivables	8	1,525,847,761	-	1,525,847,761	135,623,199
BK	**TOTAL CURRENT ASSETS (II)**		**162,171,349,952**	-	**162,171,349,952**	**36,975,440,391**
				-		
BQ	Investment securities	9	-	-	-	-
BR	Receivables	10	-	-	-	-
BS	Banks, postal checks, cash and similar	11	1,355,920,768	-	1,355,920,768	12,368,367,044
BT	**TOTAL CASH ASSETS (III)**		**1,355,920,768**	-	**1,355,920,768**	**12,368,367,044**
BU	**Conversion differences-Assets (IV)** (probable exchange loss)	12	3,419,953,081	-	3,419,953,081	0
			-			
BZ	**GENERAL TOTAL (I + II + III + IV)**		**348,912,320,164**	**4,628,048,763**	**380,284,271,401**	**89,400,532,018**

InSP

VARUN BEVERAGES RDC SAS
DIRECTION GENERALE

Name of company: VARUN BEVERAGES RDC SAS
Tax identification number: A2181055C

Year ended: Decembre 31, 2024
Duration (in months): 12

BALANCE SHEET AS OF DECEMBER 31, 2024, COMPARED WITH DECEMBER 31, 2023

Ref	LIABILITY	Note	Year ended 31/12/2024	Year ended 31/12/2023
CA	Capital	13	20,000,000	20,000,000
CB	Contributors uncalled capital (-)	13	-	-
CD	Share premium capitals	14	-	-
CE	Revaluation differences	3e	7,872,761	7,872,761
CF	Unavailable reserve	14	-	-
CG	Free reserves	14	-	-
CH	Retained earnings + or -	14	-124,301,586	- 62,595,312
CJ	Net income for the year (profit + or loss -)		1,171,115,802	- 61,706,274
CL	Investment grants	15	-	-
CM	Regulated provisions	15	6,573,970,508	1,089,395,504
CP	**TOTAL EQUITY AND SIMILAR RESOURCES (I)**		**8,648,657,485**	**992,966,679**
DA	Borrowings and financial liabilities	16	213,824,286,938	68,463,820,564
DB	Obligations under capital leases	16	-	-
DC	Provisions for risks and charges	16	-	-
DF	**TOTAL DEBT AND RELATED LIABILITIES (II)**		**213,824,286,938**	**68,463,820,564**
DG	**TOTAL STABLE RESOURCES (I + II)**		**222,472,944,423**	**69,456,787,243**
DH	Non-operating current liabilities	5	-	-
DI	Customers, advances received	7	5,851,987,024	-
DJ	Operating suppliers	17	102,430,176,287	2,525,953,287
DK	Tax and social security debts	18	4,116,841,612	476,600,429
DM	Other debts	19	267,346,560	941,742,992
DN	Provisions for short-term risks	19	1,274,658,791	-
DP	**TOTAL CURRENT LIABILITIES (III)**		**113,941,010,274**	**3,944,296,708**
DQ	Banks, discount and treasury credits	20	38,796,907,990	15,999,448,067
DR	Banks, financial institutions and cash loans	20	2,928,114,424	-
DT	**TOTAL CASH-LIABILITIES (IV)**		**41,725,022,414**	**15,999,448,067**
DU	Conversion differences-Liabilities (V) (probable exchange gain)	12	2,145,294,290	-
DZ	**GENERAL TOTAL (I + II + III + IV + V)**		**380,284,271,401**	**89,400,532,018**

Name of company: VARUN BEVERAGES RDC SAS | Year ended: | Decembre 31, 2024
Tax identification number: A2181055C | Duration (in months): | 12

INCOME STATEMENT AS OF DECEMBER 31, 2024 COMPARED TO FISCAL YEAR 2023

Ref	WORDING		Note	Year ended 31/12/2024	Year ended 31/12/2023
TA	Sale of goods A	+	21	92,244,365,175	0
RA	Purchase of goods	-	22	- 1,397,870,653	0
RB	Variation in inventory of goods	-/+	6	-	0
XA	**COMMERCIAL MARGIN**			**89,846,494,522**	**-**
TB	Sale of manufactured products B	+	21	-	0
TC	Works, services sold C	+	21	-	0
TD	Accessory products D	+	21	-	0
XB	**TURNOVER (A+B+C+D)**			**91,244,365,175**	**0**
TE	Stored production (or destocking)	-/+	6	5,307,687,712	0
TF	Immobilized production	+	21	-	0
TG	Operating grants	+	21	-	0
TH	Other products	+	21	-	0
TI	Transfers of operating expenses	+	12	-	0
RC	Purchases of raw materials and related supplies	-	22	- 6,046,593,785	0
RD	Variation in stocks of raw materials and related supplies	-/+	6	-60,409,325,427	0
RE	Other purchases	-	22	- 1,676,023,755	0
RF	Variation in stocks of other supplies	-/+	6	- 237,327,203	0
RG	Transports	-	23	- 877,279,447	0
RH	External services	-	24	- 6,677,569,786	0
RI	Taxes and duties	-	25	-	0
RJ	Other charges	-	26	- 1,274,658,791	0
XC	**ADDED VALUE (XB+RA+RB) + (sum TE to RJ)**			**17,955,404,040**	**0**
RK	Personnel costs	-	27	- 7,812,465,763	0
XD	**GROSS OPERATING SURPLUS (XC+RK)**			**10,142,938,277**	**0**
TJ	Reversals of depreciation, provisions and impairments	+	28	-	0
RL	Depreciation, amortization and provisions	-	3c&28	- 4,438,829,230	- 102,036,198
XE	**OPERATING RESULT (XD+TJ+RL)**			**5,704,109,047**	**- 102,036,198**
TK	Financial and similar income	+	29	16,808,077,787	38,167,480
TL	Other non-operating products	+	28	2,894,136	2,162,444
TM	Transfers of financial charges	+	12	-	
RM	Financial costs and similar charges	-	29	-20,344,965,168	0
RN	Provisions and impairment losses	-	3c&28	-	

XF	**FINANCIAL RESULT (sum TK to RN)**			**- 3,532,993,245**	**- 40,329,924**
XG	**INCOME FROM ORDINARY ACTIVITIES (XE+XF)**			**2,171,115,802**	**-61,706,274**
TN	Proceeds from disposals of fixed assets	+	3D	-	0
TO	Other non-operating products	+	30	-	0
RO	Book value of fixed asset disposals	-	3D	-	0
RP	Other non-operating charges	-	30	-	0
XH	**INCOME FROM NON-ORDINARY ACTIVITIES (sum of TN to RP)**			-	-
RQ	Worker participation	-	30	-	0
RS	Income taxes	-	37	-	0
XH	**NET RESULT (XG+XH+RQ+RS)**			**2,171,115,802**	**- 61,706,724**

Name of company: VARUN BEVERAGES RDC SAS   Year ended: Decembre 31, 2024
Tax identification number: A2181055C   Duration (in months):   12

CASH FLOW STATEMENT

Ref	WORDING		Note	Year ended 31/12/2024	Year ended 31/12/2023
ZA	**Net cash as of January 1 (Cash assets N-1 - Cash liabilities N-1)**	**A**		**- 3,631,081,023**	**895,690,860**
	Cash flow from operating activities				
FA	Overall cash flow from operations (CAFG)			6,609,945,032	40,329,924
FB	- Non-operating current asset			0	-
FC	- Variation in stocks			- 51,648,871,440	- 22,964,906
FD	- Variation in receivables			- 76,966,992,485	-36,761,875,485
FE	- Variation in current liabilities			117,993,994,880	3,765,302,724
	Change in operating working capital (FB+FC+FD+FE): ***- 10,621,867,762***				
ZB	**Cash flow from operating activities (sum FA to FE)**	**B**		**- 4,011,922,730**	**-32,979,207,743**
	Cash flow from investing activities				
FF	- Disbursements related to acquisitions of intangible assets			0	-11,664,175,741
FG	- Disbursements related to acquisitions of tangible fixed assets			-185,818,918,526	-22,923,449,835
FH	- Disbursements related to acquisitions of financial fixed assets			- 872,314,971	- 132,751,128
FI	+ Receipts related to the disposal of intangible and tangible assets			-	-
FJ	+ Receipts related to the sale of financial fixed assets			-	-
ZC	**Cash flow from investing activities (Sum FF to FJ)**	**C**		**(186,601,233,497)**	**(34,720,376,704)**
	Cash flow from financing equity				
FK	+ Capital increases through new contributions			-	-
FL	+ Investment grants received			-	-
FM	- Capital levies			-	-
FN	- Dividends paid				
ZD	**Cash flow from equity (Sum FK to FN)**	**D**		**-**	**-**
	Cash flow from financing activities				
FO	+ Loans			153,965,135,604	63,172,812,564
FP	+ Other financial liabilities			-	-

FQ	- Repayment of loans and other financial liabilities			-	-
ZD	**Cash flow from foreign capital (Sum FO to FQ)**	**E**		**153,965,135,604**	**63,172,812,564**
ZD	**Cash flow from financing activities(D+E)**	**F**		**153,965,135,604**	**63,172,812,564**
ZD	**CHANGE IN NET CASH FOR THE PERIOD (B+C+F)**	**G**		**-36,530,343,664**	**-4,526,771,883**
ZD	**Net cash on December 31 (G+A)**	**H**		**-40,369,101,646**	**-3,631,081,023**

SUMMARY OF PRESENTED ANNEXED NOTES ([1])

Company name:	VARUN BEVERAGES RDC SAS		
Common acronym:	VBL RDC		
Address:	RAFI Concession Kinshasa/Gombe		
Tax identification number:		BP:	
Financial year ended:	31-12-2024	Duration (in months): 12	

NOTES	TITLES	A	N/A
NOTE 1	DEBTS SECURED BY REAL SECURITIES	X	
NOTE 2	MANDATORY INFORMATION	X	
NOTE 3A	GROSS FIXED ASSETS	X	
NOTE 3B	LEASED ASSETS ACQUISITION		X
NOTE 3C	FIXED ASSETS: DEPRECIATION	X	
NOTE 3D	FIXED ASSETS: CAPITAL GAINS AND LOSSES ON DISPOSAL		X
NOTE 3E	INFORMATION ON REVALUATIONS CARRIED OUT BY THE ENTITY	X	
NOTE 4	FINANCIAL FIXED ASSETS	X	
NOTE 5	NON-OPERATING CURRENT ASSET		X
NOTE 6	STOCKS AND WORK IN PROGRESS	X	
NOTE 7	CUSTOMERS PRODUCTS TO RECEIVE	X	
NOTE 8	OTHER RECEIVABLES	X	
NOTE 8A	TABLE OF SPREADING OF FIXED COSTS		X
NOTE 9	INVESTMENT SECURITIES		X
NOTE 10	RECEIVABLES		X
NOTE 11	AVAILABILITY	X	
NOTE 12	CONVERSION DIFFERENCES	X	
NOTE 13	CAPITAL: NOMINAL VALUE OF SHARES OR PARTS	X	
NOTE 14	BONUSES AND RESERVES	X	
NOTE 15A	TOTAL SUBSIDIES AND REGULATED PROVISIONS	X	
NOTE 15B	OTHER EQUITY	X	
NOTE 16A	FINANCIAL DEBTS AND SIMILAR RESOURCES	X	
NOTE 16B	RETIREMENT COMMITMENTS AND SIMILAR BENEFITS (ACTUARIAL METHOD)		X
NOTE 16Ba	RETIREMENT COMMITMENTS AND SIMILAR BENEFITS (ACTUARIAL METHOD)		X
NOTE 16C	CONTINGENT ASSETS AND LIABILITIES		X
NOTE 17	OPERATING SUPPLIERS	X	
NOTE 18	TAX AND SOCIAL DEBTS	X	
NOTE 19	OTHER LIABILITIES AND PROVISIONS FOR SHORT-TERM RISKS	X	
NOTE 20	BANKS, DISCOUNT CREDIT AND TREASURY	X	
NOTE 21	TURNOVER AND OTHER PRODUCTS	X	
NOTE 22	PURCHASES	X	

NOTE 23	TRANSPORT	X	
NOTE 24	EXTERNAL SERVICES	X	
NOTE 25	TAXES AND DUTIES		X
NOTE 26	OTHER CHARGES	X	
NOTE 27A	STAFF COSTS	X	
NOTE 27B	STAFF, PAYROLL AND EXTERNAL STAFF	X	
NOTE 28	PROVISIONS AND DEPRECIATION RECORDED IN THE BALANCE SHEET	X	
NOTE 29	FINANCIAL CHARGES AND INCOME	X	
NOTE 30	OTHER CHARGES AND HAO PRODUCTS	X	
NOTE 31	DISTRIBUTION OF RESULTS AND OTHER CHARACTERISTIC ELEMENTS OF THE LAST FIVE FINANCIAL YEARS	X	
NOTE 32	PRODUCTION OF THE EXERCISE	X	
NOTE 33	PURCHASES FOR PRODUCTION	X	
NOTE 34	SUMMARY SHEET OF THE MAIN FINANCIAL INDICATORS	X	
NOTE 35	LIST OF SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION TO BE PROVIDED	X	
NOTE 36	CODE TABLES	X	

(1) Undocumented Notes should not be attached to the financial statements. Their content may be improved by the applicable entities

A: Applicable
N/A: No

For example, for an entity that has no stock or work in progress, it must check at the intersection ("NOTE 6" & column N/A)

NOTE 1: DEBTS SECURED BY COLLATERAL

Name of company: VARUN BEVERAGES RDC SAS		Year ended:	Decembre 31, 2024
Tax identification number: A2181055C		Duration (in months):	12

WORDING	Note	Gross amount	COLLATERAL		
			Mortgage	Pledges	Pledges/ Others
Financial debts and similar resources					
Convertible bonds		-		-	-
Other bonds		-			
Borrowings from credit institutions		-			
Other borrowings		213,824,286,938			
SUB-TOTAL (1)		**213,824,286,938**	-	-	-
Capital lease liabilities:				-	-
Real-estate leasing liabilities		-			
Equipment leasing liabilities		-			
Obligations under sales-type leases		-			
Obligations under capital leases		-			
SUB-TOTAL (2)					
Current liabilities:					
Trade payables		102,430,176,287			
Customers		5,851,987,024			
Employees		358,387,973			
Social security and social security bodies		-			
Government		3,758,453,639			
International organizations		-			
Associates and group		124,752,884			
Sundry creditors		142,593,676			
SUB-TOTAL (3)		**112,666,351,483**	**-**	**-**	**-**
TOTAL (1) + (2) + (3)		**326,490,638,421**	**-**	**-**	**-**
FINANCIAL LIABILITIES				Given commitments	Received commitments
Commitments to related parties					
Unmatured redemption premiums					
Guarantees and endorsements					

Mortgages, pledges, other Unmatured discounted bills Assigned trade and professional receivables Waiver of receivables					
TOTAL		-	-	-	**0**

Comment:

NOTE 2: MANDATORY INFORMATION

Name of company: VARUN BEVERAGES RDC SAS   Year ended: Decembre 31, 2024
Tax identification number: A2181055C   Duration (in months): 12

A - STATEMENT OF COMPLIANCE WITH THE OHADA ACCOUNTING SYSTEM

The financial statements have been prepared in accordance with the OHADA accounting system and the Uniform Act on Accounting and Financial Reporting, in compliance with:
- the going concern assumption
- the principle of consistent accounting methods

B - ACCOUNTING RULES AND METHODS

“The main accounting policies applied are set out below:

1. Foreign currency transactions:
Transactions in foreign currencies other than the US dollar are recorded at the exchange rate prevailing on the transaction date. Exchange gains and losses arising from the settlement of these transactions or from the balance of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. On the other hand, the translation of the balance of these assets and liabilities at the balance sheet date generates a translation adjustment asset or liability. The translation adjustment is recognized in the income statement in the form of an allocation to provisions.

2. Tangible fixed assets
a) Tangible fixed assets are initially recognized at historical cost. Each year, in accordance with Ordinance-Law no. 89/017 of February 18, 1989, as amended and supplemented on an interim basis by Ministerial Order no. 017/CAB/MIN/FIN/98 of April 13, 1998, fixed assets are revalued by applying the revaluation coefficients published annually by the Ministry of Finance. Increases in book value arising from revaluations are credited to the “Revaluation surplus” account under shareholders' equity.
b) Depreciation of tangible fixed assets is calculated on the revalued amounts on a straight-line basis over the estimated useful life of the assets.

3. Revenues
Revenues are recognized in the accounts at the time of product sale.

C - DEROGATION FROM ACCOUNTING PRINCIPLES AND POLICIES

Compliance with all accounting principles and conventions without any exceptions.

D - ADDITIONAL INFORMATION RELATING TO THE BALANCE SHEET, INCOME STATEMENT AND CASH FLOW STATEMENT
No additional information relating to the financial statements.

NOTE 3A: GROSS FIXED ASSET

Name of company: VARUN BEVERAGES RDC SAS | Year ended: Decembre 31, 2024
Tax identification number: A2181055C | Duration (in months): 12

SITUATIONS AND MOVEMENTS	A	B			C		D=A+B+C
	Gross amount at beginning of year	Acquisitions contributions creations	Item-to-item transfers	Following revaluation during the year	Disposals, spin-offs Out of service	Item-to-item transfers	Gross amount at year-end
INTANGIBLE FIXED ASSETS	**15,569,944,002**	-	-	-	-	**15,569,944,002**	**-**
Development and prospecting costs	15,569,944,002	-	-	-	-	15,569,944,002	-
Patents, licenses, software and similar rights	-	-	-	-	-	-	-
Goodwill and leasehold rights	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-
TANGIBLE FIXED ASSETS	**24,388,106,961**	**185,818,918,526**	**-**	**6,647,244,777**	**-**	**-**	**216,854,270,264**
Land	-	-	-	-	-	-	-
Buildings	22,523,457,499	93,388,023,912	-	3,391,491,392	-	-	119,302,972,803
Fixtures and fittings	-	382,257,361	-	1,570,734	-	-	383,828,095
Equipment	1,157,903,841	83,886,023,701	-	2,853,935,449	-	-	87,897,861,991
Transport equipment	706,746,621	8,162,613,903	-	400,247,202	-	-	9,269,607,375
ADVANCE PAYMENTS ON FIXED ASSETS	-	-	-	-	-	-	-
Non-current assets	-	-	-	-	-	-	-
Co-current assets	-	-	-	-	-	-	-
FINANCIAL ASSETS	**238,511,128**	**872,314,971**	-	-	-	-	**1,110,826,099**
Investments in associates	-	-	-	-	-	-	-
Other non-current financial assets	238,511,128	872,314,971	-	-	-	-	1,110,826,099
TOTAL GENERAL	**40,196,562,091**	**186,691,233,497**	-	**6,647,244,777**	-	-	**217,965,096,363**

Comment:

Company name: VARUN BEVERAGES RDC SAS
Common acronym: VBL RDC
Address: RAFI Concession Kinshasa/Gombe
Tax identification number: A2181055C BP:
Financial year ended: 31-12-2024 Duration (in months): 12

NOTE 3C:
FIXED ASSETS (DEPRECIATION)

HEADINGS / SITUATIONS AND MOVEMENTS	ACCUMULATED DEPRECIATION AT BEGINNING OF YEAR	B INCREASES: ALLOCATIONS FOR THE YEAR	C ADDITIONAL DEPRECIATION	D DECREASES: Depreciation of items written off	D=A+B+C+D ACCUMULATED DEPRECIATION AT YEAR-END
Development and prospecting costs	-				-
Patents, licenses, software and similar rights	-	-	-		-
Goodwill and leasehold rights	-				-
Other intangible assets	-				-
SUB-TOTAL: FIXED ASSETS	-	-		-	-
Land excluding investment property	-	-	-	-	-
Buildings excluding investment property	-	1,519,647,880	582,417	-	1,520,230,297
Fittings, fixtures and installations	-	3,130,383	1,670	-	3,132,053
Equipment, furniture and biological assets	60,787,628	2,305,195,785	43,144,421		2,409,127,834
Transport equipment	79,049,880	592,768,800	32,147,342	8,407,443	695,558,579
SUB-TOTAL: TANGIBLE ASSETS	**139,837,508**	**4,420,742,848**	**75,875,850**	**8,407,443**	**4,628,048,763**
GENERAL TOTAL	**139,837,508**	**4,420,742,848**	**75,875,850**	**8,407,443**	**4,628,048,763**
	Total allocations for the year	**4,438,829,230**			
		- 18,086,382			

Comments:

Company name:	VARUN BEVERAGES RDC SAS	
Common acronym:	VBL RDC	
Address:	RAFI Concession Kinshasa/Gombe	
Tax identification number:	A2181055C	BP:
Financial year ended:	31-12-2024	Duration (in months): 12

NOTE 3E:
INFORMATION ON COMPANY REVALUATIONS

Nature and date of revaluations:

Revalued items by balance sheet item	Amounts at historical cost	Additional depreciation
Software	-	-
Land	-	-
Buildings	115,911,481,411	-
Fixtures and fittings	382,257,361	-
Equipment	85,043,926,542	2,894,136
Transport equipment	8,869,360,173	-

Revaluation method used:
Legal revaluation based on revaluation coefficients published by the Ministry of Finance.

Tax treatment of revaluation surplus and additional depreciation:
The revaluation of fixed assets must not have an impact on income, so additional depreciation is neutralized.

Amount of goodwill capitalized:
Zero

InSP

VARUN BEVERAGES RDC SAS

DIRECTION GENERALE

Company name: VARUN BEVERAGES RDC SAS
Common acronym: VBL RDC
Address: RAFI Concession Kinshasa/Gombe
Tax identification number: A2181055C BP:
Financial year ended: 31-12-2024 Duration (in months): 12

NOTE 4:
FINANCIAL ASSETS

WORDING	Year ended 2024	Year ended 2023	Variation in %	Amounts receivable within one year	Amounts receivable within one to two years	Amounts receivable in more than two years
Equity investments	-	-				
Other loans and receivables	-	-				
Employee loans	-	-				
Government receivables	-	-				
Long-term securities	-	-				
Deposits and guarantees	1,110,826,099	238,511,128	366 %			
Accrued interest	-	-				
TOTAL GROSS	**1,110,826,099**	**238,511,128**	**366 %**	**-**	**-**	**-**
Impairment of investments	-	-				
Impairment of other fixed assets	-	-				
TOTAL NET OF DEPRECIATION	1,110,826,099	238,511,128	**366 %**	**-**	**-**	**-**

List of subsidiaries and affiliates

Corporate name	Acquisition value	% held	Subsidiary shareholders' equity	Last year's net income of subsidiary

Comments:

Deposits and guarantees include the various rental guarantees provided by VARUN RDC for the apartments occupied by expatriate staff and the office.

Company name: VARUN BEVERAGES RDC SAS
Common acronym: VBL RDC
Address: RAFI Concession Kinshasa/Gombe
Tax identification number: A2181055C BP:
Financial year ended: 31-12-2024 Duration (in months): 12

NOTE 6:
INVENTORY AND OUTSTANDING

WORDING	Year ended 2024	Year ended 2023	Variation in %
Goods	-	-	
Raw materials and related supplies	35,533,055,198	-	100%
Other supplies	1,545,464,143	22,964,906	6630%
Work in progress	239,458,644	-	100%
Services in progress	-	-	
Guaranteed products	5,107,985,594	-	100%
Intermediate products			
Inventory on consignment or on deposit	9,245,872,767	-	100%
TOTAL GROSS INVENTORY AND OUTSTANDINGS	**51,671,836,346**	**22,964,906**	**224903%**
Depreciation of stocks	-	-	
TOTAL NET OF DEPRECIATION	**51,671,836,346**	**22,964,906**	**224903%**

(1) Non-operating inventories are included in non-operating current assets only when their total amount is significant (over 5% of total assets).

Comments :

Company name:	VARUN BEVERAGES RDC SAS	
Common acronym:	VBL RDC	
Address:	RAFI Concession Kinshasa/Gombe	
Tax identification number:	A2181055C	BP:
Financial year ended:	31-12-2023	Duration (in months): 12

NOTE 7: CUSTOMERS

WORDING	Year 2024	Year 2024	Variation in %	Amounts receivable within one year	Amounts receivable within one to two years	Amounts receivable in more than two years
Trade receivables (excluding Group reservation of title)	3,228,987,928	-	100%			
Bills receivable (excl. Group reservation of title)	-	-	0%			
Unpaid trade receivables, checks, bills and other securities	-	-	0%			
Accounts and notes receivable with reservation of title	-	-	0%			
Group trade and notes receivable	-	-	0%			
Receivables on disposal of fixed assets	-	-	0%			
Discounted bills receivable not yet due	-	-	0%			
Doubtful and disputed receivables	-	-	0%			
Accrued income	-	-	0%			
TOTAL GROSS CUSTOMERS	**3,228,987,928**	-	**100%**	-	-	-
Depreciation of accounts receivable	**-**					
TOTAL NET OF DEPRECIATION	**3,228,987,928**	-	**100%**	-	-	
Non-group customers, advances received	5,851,987,024		**100%**			
Group customers, advances received	-	-	0%			
Other trade accounts payable	-	-	0%			
TOTAL TRADE ACCOUNTS PAYABLE	**5,851,987,024**	-	**100%**	-	-	-

Comments :

Company name: VARUN BEVERAGES RDC SAS
Common acronym: VBL RDC
Address: RAFI Concession Kinshasa/Gombe
Tax identification number: A2181055C BP:
Financial year ended: 31-12-2023 Duration (in months): 12

NOTE 8: OTHER RECEIVABLES

WORDING	Year 2024	Year 2024	Variation in %	Amounts receivable within one year	Amounts receivable within one to two years	Amounts receivable in more than two years
Staff	111,909,699	22,945,740	388%			
Social organizations	-	-	0%			
Governments and public authorities	451,952,532	11,086,331	3977%			
International organizations	-	-				
Contributors, associates and group	-	-	100%			
Transitional account Special adjustment related to SYSCOHADA revision	-	-				
Other sundry debtors	961,985,530	101,591,128	847%			
Non-blocked permanent accounts of establishments and branches	-	-				
Income and expenses liaison accounts	-	-				
Joint-venture liaison accounts	-	-				
TOTAL GROSS OTHER RECEIVABLES	**1,525,847,761**	**135,623,199**	**1025%**	**-**	**-**	**-**
Depreciation of other receivables	-	-				
TOTAL NET OF DEPRECIATION	**1,525,847,761**	**135,623,199**	**1025%**	**-**	**-**	

Comments :

Company name:	VARUN BEVERAGES RDC SAS	
Common acronym:	VBL RDC	
Address:	RAFI Concession Kinshasa/Gombe	
Tax identification number:	A2181055C	BP:
Financial year ended:	31-12-2024	Duration (in months): 12

NOTE 11:
AVAILABILITY

WORDING	Year 2024	Year 2023	Variation in %
Local banks	1,297,280,757	4,500,121,124	-71%
Other regional banks	-	-	0%
Banks, time deposits	-	7,852,404,965	-100%
Other banks	-	-	0%
Banks accrued interest	-	-	0%
Postal checks	-	-	0%
Other financial institutions	-	-	0%
Financial institutions accrued interest	-	-	0%
Cash instruments	-	-	0%
Cash register	58,640,011	15,840,955	270%
Electronic mobile cash			0%
Imprest accounts and credit transfers			0%
TOTAL GROSS RECEIVABLES	**1,355,920,768**	**12,368,367,044**	**99%**
Depreciation	-	-	
TOTAL NET OF DEPRECIATION	**1,355,920,768**	**12,368,367,044**	**99%**

Comments:

Company name:	VARUN BEVERAGES RDC SAS
Common acronym:	VBL RDC
Address:	RAFI Concession Kinshasa/Gombe
Tax identification number:	A2181055C BP:
Financial year ended:	31-12-2024 Duration (in months): 12

NOTE 12: CURRENCY TRANSLATION ADJUSTMENTS

Translation adjustments – Assets: Breakdown by receivables and payables	Currencies	Currencies amount	UML courses Acquisition year	UML courses Dec 31	Change in absolute value
Staff	USD			1.999,9746	-
Loans	USD				-
Suppliers	USD				-
Other	USD				
					0
					-
Translation adjustments – Liabilities: Breakdown by receivables and payables					
Loans	USD				-
Deposits and guarantees	USD				-
Personnel	USD				-
Investment suppliers	USD				-
Ordinary suppliers	USD				-
Other	USD				
					0
Comments :					

EXPENSE TRANSFERS

Wording	2024	2023	Variation in %
Operating Expense Transfers: detail nature of transferred expenses			
TRANSFER OF FINANCIAL CHARGES detail nature of transferred expenses			
Comments:			

Company name:	VARUN BEVERAGES RDC SAS		
Common acronym:	VBL RDC		
Address:	RAFI Concession Kinshasa/Gombe		
Tax identification number:	A2181055C	BP:	
Financial year ended:	31-12-2024	Duration (in months): 12	

NOTE 13:
CAPITAL: NOMINAL VALUE OF SHARES

Nominal value of shares ====> **20,000**

Full name	Nationality	Type of shares (ordinary or preference)	Number	Total amount	Disposals or repayments during the year
Varun Beverages Ldt	Indian	O	999	19,980,000	
Varun Beverages International DMCC	Indian	O	1	20,000	
Contributors, uncalled capital					
		TOTAL	1,000	20,000,000	

Comments:

The Subscribed and paid-up capital represents the equivalent of USD 2,000.

Company name:	VARUN BEVERAGES RDC SAS	
Common acronym:	VBL RDC	
Address:	RAFI Concession Kinshasa/Gombe	
Tax identification number:	A2181055C	BP:
Financial year ended:	31-12-2024	Duration (in months): 12

NOTE 14: PREMIUMS AND RESERVES

Wording	Year 2023	Year 2022	Change in absolute value
Additional paid-in capital	-	-	-
Share premium	-	-	-
Merger premium	-	-	-
Conversion premium	-	-	-
Other premiums	-	-	-
TOTAL PREMIUMS	-	-	-
Legal reserves	-	-	-
Statutory reserves	-	-	-
Net long-term capital gains reserve	-	-	-
Reserves for bonus share issues to employees and officers	-	-	-
Other regulated reserves	6,573,970,508	-	6,573,970,508
TOTAL UNAVAILABLE RESERVES	**6,573,970,508**	**-**	**6,573,970,508**
Unrestricted reserves	-	-	-
Retained earnings	124,301,586	62,595,312	61,706,274

Comments:

Company name:	VARUN BEVERAGES RDC SAS	
Common acronym:	VBL RDC	
Address:	RAFI Concession Kinshasa/Gombe	
Tax identification number:	A2181055C	BP:
Financial year ended:	31-12-2024	Duration (in months): 12

NOTE 15A: TOTAL GRANTS AND REGULATED PROVISIONS

Wording	Note	Year 2024	Year 2023	Variation in %	Tax regime	Deadlines
States		-	-			
Regions		-	-			
Départements		-	-			
Communes and decentralized public authorities		-	-			
Public or mixed entities		-	-			
Private entities and organizations		-	-			
International organizations		-	-			
Other		-	-			
TOTAL GRANTS		-	-			
Excess tax depreciation		-	-			
Capital gains to be reinvested		-	-			
Special revaluation provision		6,573,970,508	1,089,395,504			
Regulated provisions for fixed assets		-	-			
Regulated inventory provisions		-	-			
Investment provisions		-	-			
Other provisions and regulated funds		-	-			
TOTAL REGULATED PROVISIONS		**6,573,970,508**	**1,089,395,504**			
TOTAL SUBSIDIES AND REGULATED PROVISIONS		**6,573,970,508**	**1,089,395,504**			
Comments						

Company name:	VARUN BEVERAGES RDC SAS
Common acronym:	VBL RDC
Address:	RAFI Concession Kinshasa/Gombe
Tax identification number:	A2181055C — BP:
Financial year ended:	31-12-2023 — Duration (in months): 12

NOTE 16A:
FINANCIAL DEBTS AND SIMILAR RESOURCES

WORDING	Year 2024	Year 2023	Variation In %	Amounts payable within one year	Amounts payable after more than one year and within two years	Amounts payable in more than two years
Bond issues	-	-				
Borrowings from credit institutions	-	-				
Advances received from the French State	-	-				
Advances received and blocked current accounts	-	-				
Deposits and guarantees received	2,071,211,528	-				
Accrued interest	3,939,208,920	-				
Advances with special conditions	-	-				
Other borrowings and debts	207,813,866,490	68,463,820,564				
Liabilities related to equity interests	-	-				
“Blocked permanent accounts of establishments and branches"	-	-				
TOTAL BORROWINGS AND FINANCIAL DEBTS	**213,824,286,938**	**68,463,820,564**	**212%**	-	-	-
Real estate leasing	-	-				
Equipment leases	-	-				
Hire and sale	-	-				
Accrued interest	-	-				
Other finance lease liabilities	-	-				

TOTAL FINANCE LEASE LIABILITIES	-	-	0%	-	-	-
Provisions for litigation	-	-	0%			
Provisions for customer warranties	-	-				
Provisions for losses on contracts with future completion	-	-				
Provisions for foreign exchange losses	-	-				
Provisions for taxes	-	-				
Provisions for pensions and similar obligations	-	-				
Pension plan assets	-	-				
Provisions for restructuring	-	-				
Provisions for fines and penalties	-	-	0%			
Provisions for own insurers	-	-				
Provisions for dismantling and restoration	-	-				
Provisions for deduction rights	-	-				
Other provisions	-	-	0%			
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	0	0	0%	-		

Comments:

Other borrowings include the debt contracted with Varun Beverages Ltd.

Company name:	VARUN BEVERAGES RDC SAS	
Common acronym:	VBL RDC	
Address:	RAFI Concession Kinshasa/Gombe	
Tax identification number:	A2181055C	BP:
Financial year ended:	31-12-2024	Duration (in months): 12

NOTE 17: OPERATING SUPPLIERS

WORDING	Year 2024	Year 2023	Variation In %	Amounts payable within one year	Amounts payable after more than one year and within two years	Amounts payable in more than two years
Trade accounts payable (non-group)	35,147,694,344	2,225,117,020	100%			
Bills payable (non-group)	8,830,574,458	-				
Group trade payables and notes payable	52,119,169,269	-	100%			
Non-group trade payables	6,332,738,216	300,836,267	100%			
Group trade payables	-	-				
TOTAL SUPPLIERS	**102,430,176,287**	**2,525,953,287**	**100%**	**-**	**-**	**-**
Trade payables, advances and down-payments (non-group)	105,744,677,917	36,816,852,286	100%			
Group suppliers, advances and down-payments	-	-				
Other accounts receivable	-	-				
TOTAL TRADE ACCOUNTS RECEIVABLE	**105,744,677,917**	**36,816,852,286**	**100%**	**-**	**-**	**-**

Comments:

Company name:	VARUN BEVERAGES RDC SAS
Common acronym:	VBL RDC
Address:	RAFI Concession Kinshasa/Gombe
Tax identification number:	A2181055C	BP:
Financial year ended:	31-12-2024	Duration (in months): 12

NOTE 18: TAX AND SOCIAL SECURITY LIABILITIES

WORDING	Year 2024	Year 2023	Variation In %	Amounts payable within one year	Amounts payable after more than one year and within two years	Amounts payable in more than two years
Personnel advances and deposits	-	-				
Personnel remuneration due	358,387,973	56,989,474	100%			
Other personnel	-	-				
Social security fund	-	-	0%			
Pension funds	-	-				
Other social organizations	-	-	0%			
TOTAL SOCIAL SECURITY LIABILITIES	**358,387,973**	**56,989,474**	**0%**	**-**	**-**	**-**
Government income tax	-	-				
Government, duties and taxes (IRL)	842,615,497	-	100%			
Government, VAT	-	-				
Government withholding taxes (IPR)	2,755,740,511	418,743,028	100%			
Other debts to government (legal fees)	160,097,631	867,927	100%			
TOTAL TAX LIABILITIES	**3,758,453,639**	**419,610,955**	**100%**	**-**	**-**	**-**
TOTAL SOCIAL SECURITY AND TAX LIABILITIES	**4,116,841,612**	**476,600,429**	**100%**	**-**	**-**	**-**

Comments:

Company name:	VARUN BEVERAGES RDC SAS		
Common acronym:	VBL RDC		
Address:	RAFI Concession Kinshasa/Gombe		
Tax identification number:	A2181055C	BP:	
Financial year ended:	31-12-2024	Duration (in months): 12	

NOTE 19: OTHER LIABILITIES AND PROVISIONS FOR SHORT-TERM RISKS

WORDING	Year 2024	Year 2023	Variation In %	Amounts payable within one year	Amounts payable after more than one year and within two years	Amounts payable in more than two years
International organizations	-	-				
Contributors' capital transactions	-	-				
Partners, current account	124,752,884	-	100%			
Partners dividends payable	-	-				
Group current accounts	-	-				
Other liabilities	-	-				
TOTAL SHAREHOLDERS' LIABILITIES	**124,752,884**	**-**	**100%**	**-**	**-**	**-**
Sundry creditors	12,065,148	7,215,481	67%			
Bondholders	-	-				
Directors' remuneration	-	-				
Factor account	-	835,380,537	-100%			
Payments outstanding on unpaid investment securities	130,528,528	99,146,974	32%			
Transitional account special adjustment related to SYSCOHADA revision	-	-		**-**	**-**	**-**
Other sundry creditors	-	-		**-**	**-**	**-**

TOTAL SUNDRY CREDITORS	**142,593,676**	**941,742,992**	**-85%**			
Non-blocked permanent accounts of establishments and branches	-	-				
Income and expenses liaison accounts	-	-				
Joint venture liaison accounts	-	-				
TOTAL LIAISON ACCOUNTS	**-**	**-**	**0%**			
TOTAL OTHER LIABILITIES	**267,346,560**	**941,742,992**	**-72%**			
Provisions for short-term risks (see note 28)	1,274,658,791	-	100%			

Comments:

Provisions for short-term risks comprise the positive difference between the translation adjustment asset and the provisioned translation adjustment liability.

Company name:	VARUN BEVERAGES RDC SAS
Common acronym:	VBL RDC
Address:	RAFI Concession Kinshasa/Gombe
Tax identification number:	A2181055C
Financial year ended:	31-12-2024

Duration (in months): 12

NOTE 20: BANKS, DISCOUNT AND CASH CREDIT

WORDING	Year 2024	Year 2023	Variation In %
Campaign credit discounts	-	-	
Ordinary credit discounts	-	-	
TOTAL BANKS, DISCOUNT AND CASH CREDITS	**-**	**-**	
Local banks	2,928,114,424	-	100%
Other regional banks	-	-	
Other banks	-	-	
Banks accrued interest	-	-	
Cash credit	38,796,907,990	15,999,448,067	100%
TOTAL BANKS, CASH CREDIT	**41,725,022,414**	**15,999,448,067**	**161%**
GENERAL TOTAL	**41,725,022,414**	**15,999,448,067**	**161%**

Comments:

Note: Banks and accrued interest are included under this heading if the main account is in credit.

Company name: VARUN BEVERAGES RDC SAS
Common acronym: VBL RDC
Address: RAFI Concession Kinshasa/Gombe
Tax identification number: A2181055C
Financial year ended: 31-12-2024 Duration (in months): 12

NOTE 21: SALES AND OTHER INCOME

WORDING	Year 2024	Year 2023	Variation in %
Sales in the region	104,893,172,589	-	
Sales outside region	-	-	
Group sales	-	-	
Internet sales	-	-	
Discounts and rebates (not broken down)	13,648,807,414	-	
TOTAL PRODUCTS SALES	**104,893,172,589**	**-**	**100%**
Regional sales	-	-	
Sales outside region	-	-	
Group sales	-	-	
Internet sales	-	-	
Discounts and rebates (not broken down)	-	-	
TOTAL SALES OF MANUFACTURED PRODUCTS	**-**	**-**	**100%**
Regional sales	-	-	
Sales outside region	-	-	
Group sales	-	-	
Internet sales	-	-	
Discounts and rebates (not broken down)	-	-	
TOTAL SALES OF WORK AND SERVICES SOLD	**-**	**-**	**100%**
Ancillary products	-	-	
TOTAL SALES	**104,893,172,589**	**-**	**100%**

Capitalized production	-	-	
Operating subsidies	-	-	0%
Other income	-	-	100%
TOTAL OTHER INCOME	**-**	**-**	**100%**
GENERAL TOTAL	**104,893,172,589**	**-**	**100%**

Comments:

Company name:	VARUN BEVERAGES RDC SAS
Common acronym:	VBL RDC
Address:	RAFI Concession Kinshasa/Gombe
Tax identification number:	A2181055C
Financial year ended:	31-12-2024 Duration (in months): 12

NOTE 22: PURCHASES

WORDING	Year 2024	Year 2023	Variation in %
Local purchasing	-	-	
Purchasing outside the region	-	-	
Group purchases	1,397,870,653	-	100%
Discounts and rebates obtained (not broken down)	-	-	
TOTAL PURCHASES OF GOODS	**1,397,870,653**	**-**	**100%**
Local purchases	1,332,636,656	-	100%
Purchases outside region	-	-	
Group purchases	4,713,957,129	-	100%
Discounts and rebates obtained (not broken down)	-	-	
TOTAL PURCHASES OF RAW MATERIALS AND RELATED SUPPLIES	**6,046,593,785**	**-**	**100%**
Consumables	-	-	
Fuel materials	-	-	
Maintenance products	-	-	
Workshop, factory and warehouse supplies	-	-	
Water	256,075,569	-	100%
Electricity	1,419,948,186	-	100%
Other energy (fuel and lubricants)	-	-	
Maintenance supplies	-	-	
Office supplies	-	-	
Small equipment and tools	-	-	
Purchases of studies, services, works, materials and equipment	-	-	

Packaging purchases	-	-	
Purchase expenses	-	-	
Discounts, rebates and refunds	-	-	
TOTAL OTHER PURCHASES	**1,676,023,755**	**-**	**100%**

Comments:

Company name:	VARUN BEVERAGES RDC SAS
Common acronym:	VBL RDC
Address:	RAFI Concession Kinshasa/Gombe
Tax identification number:	A2181055C
Financial year ended:	31-12-2024 Duration (in months): 12

NOTE 23:
TRANSPORTS

WORDING	Year 2024	Year 2023	Variation in %
Sales transportation	-	-	
Transport on behalf of third parties	-	-	
Staff transport	202,265,774	-	100%
Mail transport	-	-	
Other transport	675,013,673	-	100%
TOTAL	-	**614,403,680**	**100%**

Comments:

Company name:	VARUN BEVERAGES RDC SAS
Common acronym:	VBL RDC
Address:	RAFI Concession Kinshasa/Gombe
Tax identification number:	A2181055C
Financial year ended:	31-12-2024 — Duration (in months): 12

NOTE 24:
EXTERNAL SERVICES

WORDING	Year 2024	Year 2023	Variation In %
General subcontracting	-	-	
Rent and rental charges	3,529,509,285	-	100%
Acquisition rental fees	-	-	
Upkeep, repairs and maintenance	437,010,146	-	100%
Insurance premiums	410,020,670	-	100%
Studies, research and documentation	-	-	
Advertising, publications, public relations	624,289,865	-	100%
Telecommunications expenses	330,253,113	-	100%
Bank charges	910,392,913	-	100%
Remuneration of intermediaries and consultants	372,538,877	-	100%
Staff training costs	-	-	100%
Royalties for patents, licenses, software, concessions and similar rights	-	-	
Membership fees	-	-	
Other external expenses	63,554,917	-	
TOTAL	**6,677,569,786**	**-**	**100%**

Comments:

Company name: VARUN BEVERAGES RDC SAS
Common acronym: VBL RDC
Address: RAFI Concession Kinshasa/Gombe
Tax identification number: A2181055C
Financial year ended: 31-12-2023 Duration (in months): 12

NOTE 26:
OTHER EXPENSES

WORDING	Year 2024	Year 2023	Variation In %
Losses on trade receivables	-	-	
Losses on other receivables	-	-	
Share of profit of joint ventures	-	-	
Book value of current disposals of fixed assets	-	-	
Directors' fees and other remuneration	-	-	
Donations and sponsorship	-	-	
Other miscellaneous expenses	-	-	
Exchange losses on trade receivables and payables	-	-	
Penalties and tax fines	-	-	
Charges for provisions and provisions for short-term operating contingencies (see note 28)	1,274,658,791	-	100%
TOTAL	**1,274,658,791**	**-**	**100%**

Comments:

Company name:	VARUN BEVERAGES RDC SAS
Common acronym:	VBL RDC
Address:	RAFI Concession Kinshasa/Gombe
Tax identification number:	A2181055C
Financial year ended:	31-12-2024 Duration (in months): 12

NOTE 27A:
STAFF EXPENSES

WORDING	Year 2024	Year 2023	Variation in %
Direct employee compensation	6,567,930,745	-	100%
Lump-sum employee benefits	1,177,473,665	-	100%
Social security charges	-	-	
Remuneration and social charges for sole proprietors	-	-	
Remuneration transferred from external personnel	-	-	
Other payroll taxes	67,061,353	-	100%
TOTAL	**7,812,465,763**	**-**	**100%**

Comments:

Company name: VARUN BEVERAGES RDC SAS
Common acronym: VBL RDC
Address: RAFI Concession Kinshasa/Gombe
Tax identification number: A2181055C
Financial year ended: 31-12-2024 Duration (in months): 12

NOTE 27B:
HEADCOUNT, PAYROLL AND EXTERNAL STAFF

	HEADCOUNT AND PAYROLL / QUALIFICATIONS	HEADCOUNT							PAYROLL						
		NATIONALS		OTHER STATES IN THE REGION		OUTSIDE THE REGION		TOTAL	NATIONALS		OTHER OHADA STATES		OUTSIDE THE OHADA		TOTAL
		M	F	M	F	M	F		M	F	M	F	M	F	
	a. Own staff														
YA	1.SENIOR MANAGEMENT					40		40					334,009,714		**334,009,714**
YB	2.SENIOR TECHNICIANS AND MIDDLE MANAGERS					30		30					159,038,697		**159,038,697**
YC	3.TECHNICIANS, SUPERVISORS AND SKILLED WORKERS														**0**

YD	4.EMPLOYEES, LABORERS AND APPRENTICES					3		3					14,794,297		**14,794,297**
YE	TOTAL (1)	0	0	0	0	73	0	73	0	0		0	**507,842,708**	0	**507,842,708**
YF	PERMANENT	0						0							**0**
YG	SEASONAL	0	0	0	0	73	0	73	0	0		0	**507,842,708**	0	**507,842,708**

0

0

	b. External staff								COMPANY INVOICING	
YH	1.SENIOR MANAGEMENT							0		
YI	2. SENIOR TECHNICIANS AND MIDDLE MANAGEMENT							0	0	
YJ	3. TECHNICIANS, SUPERVISORS AND SKILLED WORKERS							0		
YK	4. EMPLOYEES, LABORERS AND APPRENTICES							0	**6,567,930,745**	
YL	TOTAL (2)	0	0	0	0	0	0	0	0	0
YM	PERMANENT							0		
	SEASONAL	0	0	0	0	0	0	0	**6,567,930,745**	0
	TOTAL (1) + (2)	0	0	0	0	73	0	73	0	0

M: MALE

F: FEMALE

Comments:

Company name: VARUN BEVERAGES RDC SAS
Common acronym: VBL RDC
Address: RAFI Concession Kinshasa/Gombe
Tax identification number: A2181055C
Financial year ended: 31-12-2024 Duration (in months): 12

NOTE 28: PROVISIONS AND DEPRECIATIONS RECORDED IN THE BALANCE SHEET

SITUATION AND MOVEMENT / NATURE	A	B			C			D = A + B - C
	PROVISIONS AT BEGINNING OF YEAR	INCREASES: ALLOCATIONS			DECREASES: REVERSALS			PROVISIONS AT YEAR-END
		OPERATIONNAL	FINANCIAL	NON-ORDINARY OPERATION	OPERATIONNAL	FINANCIAL	NON-ORDINARY OPERATION	
1. Regulated provisions	1,089,395,504		5,487,469,140				2,894,136	**6,573,970,508**
2. Financial provisions for liabilities and charges,	-	-	-		-	-		-
3. Impairment of fixed assets	-	-	-		-	-		-
TOTAL : DOTATIONS	**-**							**6,573,970,508**
4. Inventory write-downs	-	-			-			**-**
5. Impairment of current assets HAO	-							**-**
6. Impairment of trade payables	-							**-**
7. Impairment of trade receivables	-	-			-			**-**
8. Impairment of other receivables	-							**-**
9. Impairment of marketable securities	-		-			-		**-**
10. Impairment of receivables	-							**-**
11. Impairment of cash and cash equivalents	-		-			-		**-**
12. Depreciation and provisions for short-term operating risks	-	1,274,658,791			-			**1,274,658,791**
13. Depreciation and provisions for short-term financial risks	-		-			-		**-**

TOTAL: CHARGES FOR SHORT-TERM DEPRECIATION AND PROVISIONS	-								**1,274,658,791**
TOTAL PROVISIONS AND DEPRECIATIONS	-								**7,848,629,299**

Comments :

Company name: VARUN BEVERAGES RDC SAS
Common acronym: VBL RDC
Address: RAFI Concession Kinshasa/Gombe
Tax identification number: A2181055C
Financial year ended: 31-12-2024 Duration (in months): 12

NOTE 29:
FINANCIAL INCOME AND EXPENSES

WORDING	Year 2024	Year 2023	Variation in %
Interest on loans	-	244,397,980	-100%
Interest on lease payments	-	-	
Discounts granted	-	42,379,577	-100%
Other interest	4,582,492,094	-	
Discount on bills of exchange	-	-	
Foreign exchange losses	15,762,473,074	-	
Losses on disposals of marketable securities	-	-	
Losses on bonus share issues to employees and management	-	-	
Losses on financial risks	-	-	
Impairment charges and short-term financial provisions (see note 28)	-	-	
SUB-TOTAL: FINANCIAL EXPENSES	**20,344,965,168**	**286,777,557**	**-100%**
Interest on loans and other receivables	548,344,760	-	-100%
Income from investments	-	-	
Discounts received	-	-	
Investment income	-	-	
Foreign exchange gains	16,260,733,027	-	
Gains on disposals of marketable securities	-	-	
Gains on financial risks	-	-	
Reversals of impairment charges and short-term financial provisions (see note 28)	-	-	
SUB-TOTAL: FINANCIAL INCOME	**16,809,077,787**	**-**	**100%**
TOTAL	**-3,535,887,381**	**-286,777,557**	**-113%**

Comments:

Interest on borrowings includes interest charged on the Varun Beverages Ltd. loan.

Company name: VARUN BEVERAGES RDC SAS
Common acronym: VBL RDC
Address: RAFI Concession Kinshasa/Gombe
Tax identification number: A2181055C
Financial year ended: 31-12-2024 Duration (in months): 12

NOTE 30: OTHER NON-ORDINARY OPERATION INCOME AND EXPENSES

WORDING	Year 2024	Year 2023	Variation in %
Recognized non-recurring operating expenses (1) to be detailed	-	-	
(1)................................	-	-	
(1)................................	-	-	
Restructuring costs	-	-	
Losses on non-ordinary operation receivables	-	-	
Donations and gifts granted	-	-	
Debt forgiveness	-	-	
Expenses related to liquidation operations	-	-	
Provisions for non-ordinary operations	-	-	
Non-ordinary activities allocations	-	-	
Employee profit-sharing	-	-	
Balancing subsidies	-	-	
SUB-TOTAL: OTHER NON-ORDINARY OPERATION EXPENSES	**-**	**-**	
Recognized non-recurring operation income (1) to be detailed	-	-	
(1)................................	-	-	
(1)................................	-	-	
Income from restructuring operations	-	-	
Non-recurring operation indemnities and subsidies	-	-	
Donations and gifts received	-	-	
Debt waivers obtained	-	-	
Income from liquidation operations	-	-	
Non-ordinary operation transfers expense	-	-	
Reversals of charges for short-term depreciation and non-ordinary operation provisions	-	-	
Reversals outside ordinary activities	2,894,136	2,162,444	34%
Employee profit-sharing	-	-	
SUB-TOTAL: OTHER NON-ORDINARY OPERATION INCOME	**2,894,136**	**2,162,444**	**34%**
TOTAL	**2,894,136**	**2,162,444**	**34%**

Comments:

Interest on borrowings includes interest charged on the Varun Beverages Ltd. loan.

Company name:	VARUN BEVERAGES RDC SAS
Common acronym:	VBL RDC
Address:	RAFI Concession Kinshasa/Gombe
Tax identification number:	A2181055C
Financial year ended:	31-12-2024 Duration (in months): 12

NOTE 31:
BREAKDOWN OF NET INCOME AND OTHER KEY FIGURES FOR THE LAST FIVE YEARS

YEARS INVOLVED (1)	2024	2023	2022	2021	2020
CAPITAL STRUCTURE AT YEAR-END (2)					
Share capital	20,000,000	20,000,000			
Ordinary shares					
Non-voting preferred dividend shares (A.D.P.)					
New shares to be issued					
by conversion of bonds					
by exercise of subscription rights					
OPERATIONS AND RESULTS FOR THE YEAR (3)					
Sales excluding VAT	91,244,365,175	-			
Results from ordinary activities (ROA) excluding allocations and reversals (operating and financial)	6,607,050,896	38,167,480			
Employee profit-sharing	-	-			
Income tax	-	-			
Net income (4)	2,171,115,802	-61,706,274			
DISTRIBUTED INCOME AND DIVIDENDS					
Distributed income (5)					
Dividend per share					

PERSONNEL AND WAGE POLICY					
Average number of employees during the year (6)					
Average number of outside employees	-				
Payroll distributed during the year (7)	7,745,404,410	-			
Social benefits paid during the year (8) (Social security, social works)	67,061,353	-			
Outside personnel billed to the company (9)	-	-			

(1) Including the year for which the financial statements are submitted to the General Meeting for approval.
(2) Indication of uncalled capital in the event of partial payment of capital.
(3) The items under this heading are those shown in the income statement.
(4) Negative income should be shown in brackets.
(5) Fiscal year N corresponds to the proposed dividend for the last fiscal year.
(6) Own staff.
(7) Total of accounts 661, 662, 663.
(8) Total of accounts 664, 668.
(9) Account 667.

Company name: VARUN BEVERAGES RDC SAS
Common acronym: VBL RDC
Address: RAFI Concession Kinshasa/Gombe
Tax identification number: A2181055C
Financial year ended: 31-12-2024 Duration (in months): 12

NOTE 32: PRODUCTION FOR THE YEAR

PRODUCT DESIGNATION	SELECTED UNIT OF QUANTITY	PRODUCTION SOLD IN THE COUNTRY		PRODUCTION SOLD IN OTHER OHADA COUNTRIES		PRODUCTION SOLD OUTSIDE OHADA		CAPITALIZED PRODUCTION		OPENING STOCK		STOCK AT YEAR-END	
		Quantity	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Pepsi		5,723,242	49,638,237,318									268,223	1,094,600,533
Mirinda		5,302,826	46,175,885,620									446,318	2,134,131,850
7UP		544,603	4,630,582,932									37,484	176,743,112
Sting		143,908	2,485,725,611									28,026	201,483,959
Mountain Dew		153,963	1,317,025,437									16,788	88,081,243
Aquafina		106,894	641,364,000									164,939	443,398,916
TOTAL			**104,888,820,918**										**4,138,439,614**

Company name: VARUN BEVERAGES RDC SAS
Common acronym: VBL RDC
Address: RAFI Concession Kinshasa/Gombe
Tax identification number: A2181055C
Financial year ended: 31-12-2024 Duration (in months): 12

NOTE 33: PURCHASES INTENDED FOR PRODUCTION

DESIGNATION OF MATERIALS AND PRODUCTS	SELECTED UNIT OF QUANTITY	PURCHASES MADE DURING THE YEAR						CHANGE IN INVENTORIES
		LOCAL PRODUCTS		IMPORTED PRODUCTS				
				PURCHASED LOCALLY		PURCHASED ABROAD		
		Quantity	Value	Quantity	Value	Quantity	Value	(in value)
Preform	Nombre					226,779,840	29,861,889,100	
Concentrate	UNIT					31,119	20,896,453,516	
Sugar	KG					4,941	15,935,856,442	
Closure	Nombre					234,360,000	5,107,440,701	
Shrink Film	KG					616,330	3,329,380,073	
Label	KG					137,450	2,282,634,200	
Stretch Film	KG					114,028	563,319,810	
Corrugated Separators-3 Ply-Sheet	Nombre					10,880	32,788,693	
Glue	KG					990	28,391,440	
NOT BROKEN DOWN								
TOTAL							**78,038,153,975**	

Company name:	VARUN BEVERAGES RDC SAS	
Common acronym:	VBL RDC	
Address:	RAFI Concession Kinshasa/Gombe	
Tax identification number:	A2181055C	
Financial year ended:	31-12-2024	Duration (in months): 12

NOTE 34:
SUMMARY OF KEY FINANCIAL INDICATORS

WORDING	Year 2024	Year 2023	Variation in %
BUSINESS ANALYSIS			
INTERIM MANAGEMENT BALANCES			
TURNOVER	91,244,365,175	-	100%
SALES MARGIN	89,846,494,522	-	
ADDED VALUE	17,955,404,040	-	100%
GROSS OPERATING SURPLUS (GOS)	10,142,938,277	-	100%
OPERATING INCOME	5,704,109,047	-102,036,198	100%
FINANCIAL RESULT	-3,532,993,245	40,329,924	100%
INCOME FROM ORDINARY ACTIVITIES	2,171,115,802	-61,706,274	100%
INCOME FROM NON-ORDINARY ACTIVITIES	-	-	
NET INCOME	2,171,115,802	-61,706,274	100%
DETERMINATION OF CASH FLOW FROM OPERATIONS			
GOS	**10,142,938,277**	-	
+ Book value of current asset disposals (account 654)	-	-	
- Income from current disposals of fixed assets (account 754)	-	-	
= CASH FLOW FROM OPERATIONS	**10,142,938,277**	**-**	**100%**
+ Financial income	548,344,760	38,167,480	
+ Foreign exchange gains	16,260,733,027	-	
+ Financial expense transfers	-	-	
+ Income from ordinary activities	-	-	
+ Ordinary activities expense transfers	-	-	
- Financial expenses	4,582,492,094	-	
- Exchange losses	15,762,473,074	-	
- Profit-sharing	-	-	
- Income tax expense	-	-	
= TOTAL CASH FLOW FROM OPERATIONS	**-3,535,887,381**	**38,167,480**	**100%**
- Dividend distributions during the year	**-**	**-**	
= **SELF-FINANCING**	**-3,535,887,381**	**38,167,480**	**100%**
PROFITABILITY ANALYSIS			
Economic profitability = Operating income (a) / Shareholders' equity + financial debt	3%		
Financial profitability = Net income / Shareholders' equity	25%		
ANALYSIS OF FINANCIAL STRUCTURE			
Shareholders' equity and similar resources	8,648,657,485	992,966,679	100%
+ Financial debts* and other similar resources (b)	213,824,286,938	68,463,820,564	212%
= Stable resources	**222,472,944,423**	**69,456,787,243**	100%
- Fixed assets (b)	213,337,047,600	40,056,724,583	100%
= WORKING CAPITAL (1)	**9,135,896,823**	**29,400,062,660**	100%
Current operating assets (b)	165,591,303,033	36,975,440,391	100%
- Current operating liabilities (b)	116,086,304,564	3,944,296,708	100%
= OPERATING WORKING CAPITAL REQUIREMENT (2)	**49,504,998,469**	**33,031,143,683**	100%
Current assets (non-ordinary activities) (b)	-	-	

- current liabilities from non-ordinary activities (b)	-	-	
= NON-ORDINARY ACTIVITIES FINANCING REQUIREMENT (3)	-	-	
TOTAL FINANCING REQUIREMENT (4) = (2) + (3)	**49,504,998,469**	**33,031,143,683**	100%
NET CASH (5) = (1) - (4)	-40,369,101,646	-3,631,081,023	100%
CONTROL: NET CASH = (CASH-ASSETS) - (CASH-LIABILITIES)	**-40,369,101,646**	**-3,631,081,023**	100%
CASHFLOW ANALYSIS			
Cash flow from operating activities	-4,011,922,730	-32,979,207,743	100%
- Cash flow from investing activities	-186,691,233,497	-34,720,376,704	100%
+ Cash flow from financing activities	153,965,135,604	63,172,812,564	100%
= NET CASH FLOW FOR THE PERIOD	**-36,738,020,623**	**-4,526,771,883**	130%
ANALYSIS OF CHANGES IN NET FINANCIAL DEBT			
Gross financial debt (Financial debts* + Cash-liabilities)	255,549,309,352	84,463,268,631	100%
- Cash-asset	1,355,920,768	12,368,367,044	100%
= NET FINANCIAL DEBT	**254,193,388,584**	**72,094,901,587**	100%

(a) Operating income after theoretical income tax
(b) Translation adjustments must be eliminated in order to bring the receivables and payables concerned back to their original value.
Financial liabilities * = borrowings and other financial liabilities + leasing liabilities

Comments:

VARUN BEVERAGES INTERNATIONAL DMCC
Dubai, United Arab Emirates

FINANCIAL STATEMENTS
(Year Ended December 31, 2024)

INDEX TO THE FINANCIAL STATEMENTS

COMPANY INFORMATION

Shareholder
M/s. Varun Beverages Limited, India

Directors
Mr. Ravi Kant Jaipuria
Mr. Varun Jaipuria
Mr. Satyanarayan Sharma
Mr. Yogendra Pal Gulati
Ms. Gloria Prasad

Manager
Mr. Satyanarayan Sharma

License no
DMCC-834926
DMCC-834927

Company activities
The principal activities of the Company as per license are "General trading, Management Consultancies and Air Charters for Passengers & Cargo".

Business address
Unit No: AG-20-D,
AG Tower, Plot No. JLT-PH1-I1A
Dubai, United Arab Emirates

Bankers
Standard Chartered Bank
Dubai, United Arab Emirates

Emirates NBD
Dubai, United Arab Emirates

HDFC Bank Ltd
Manama, Bahrain

ICICI Bank Ltd (DIFC Branch)
Dubai, United Arab Emirates

Auditors
TRC PAMCO Middle East Auditing and Accounting L.L.C
P O Box 94570, Dubai
Tel : +971- 04- 2298777
Email : info@trcpamco.com

MANAGEMENT REPORT

The management is pleased to present their report together audited financial statements of the Company for the year ended December 31, 2024.

Performance

For the year, the Company has generated a revenue of AED 349.39 million as compared to the previous year revenue of AED 140.04 million. The net income for the year is AED 11.69 million as compared to the previous year net income of AED 13.26 million.

Principal activities

The principal activities of the Company as per license are "General trading, Management Consultancies and Air Charters for Passengers & Cargo".

Events subsequent to the balance sheet date

There were no major events, which occurred since the year end that materially affect the financial position of the Company.

Auditors

The Company's auditors, TRC PAMCO Middle East Auditing & Accounting L.L.C, now retire and being eligible, offer themselves for re-appointment.

For Varun Beverages International DMCC

Mr. Satyanarayan Sharma
Director
Dubai
March 19, 2025

TRC PAMCO MIDDLE EAST AUDITING & ACCOUNTING L.L.C
P.O.Box 94570
Dubai - U.A.E.

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VARUN BEVERAGES INTERNATIONAL DMCC
DMCC
Dubai - U.A.E.

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, 2024

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, 2024, 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, 2024 and its financial performance and its cash flows for year ended December 31,2024 in accordance with International Financial Reporting Standards (IFRSs).

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.

TRCPAMCO MIDDLE EAST AUDITING & ACCOUNTING L.L.C
P.O.Box 94570
Dubai - U.A.E.

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ABU DHABI: Office 1417, Floor 14, Makeen Tower, Al Zahiya Street, Tourist Club Area, Abu Dhabi, UAE. PO Box – 35243, Tel: +971 2 6573 449
E-mail : info@trcpamco.com

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.

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P.O.Box 94570
Dubai - U.A.E.

VARUN BEVERAGES INTERNATIONAL DMCC

INDEPENDENT AUDITOR'S REPORT

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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

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TRC PAMCO Middle East Auditing & Accounting L.L.C
Reg No: 423
Dubai
March 19, 2025

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ABU DHABI: Office 1417, Floor 14, Makeen Tower, Al Zahiya Street, Tourist Club Area, Abu Dhabi, UAE. PO Box – 35243, Tel: +971 2 6573 449
E-mail : info@trcpamco.com

VARUN BEVERAGES INTERNATIONAL DMCC

Statement of financial position as on December 31, 2024

(Figures in AED)

	Notes	As on Dec 31, 2024	As on Dec 31, 2023
TOTAL ASSETS			
Non current assets			
Property, plant and equipment (net)	3	**157,042,893**	92,719,425
Investment in shares	4	**845**	37
Capital advances and deposits	5	**4,000**	1,867,880
		157,047,738	94,587,342
Current assets			
Inventory	6	**26,714,990**	4,773,157
Trade and other receivables	7	**130,187,793**	23,290,526
Advances and prepayments	8	**17,260,856**	19,606,426
Fixed deposits	9	**1,100,000**	1,100,000
Foreign tax credit	10	**1,354,811**	-
Cash and cash equivalents	11	**5,035,996**	10,305,494
		181,654,445	59,075,613
TOTAL ASSETS		**338,702,183**	153,662,955
FUNDS EMPLOYED			
Equity			
Share Capital		**1,000,000**	1,000,000
Retained earnings		**38,012,076**	26,325,593
ESOP Reserve		**256,198**	108,229
		39,268,274	27,433,822
Non current liabilities			
Unsecured loan	12	**164,895,251**	88,874,361
Employee terminal benefits		**320,110**	206,996
		165,215,362	89,081,357
Current liabilities			
Short term borrowings	13	**55,483,730**	19,110,468
Trade and other payables	14	**45,546,143**	9,772,287
Accruals	15	**31,833,863**	8,265,021
Corporate tax provision	16	**1,354,811**	-
		134,218,547	37,147,776
TOTAL EQUITY AND LIABILITIES		**338,702,183**	153,662,955

Annexed notes form an integral part of these financial statements.

For Varun Beverages International DMCC

Mr. Satyanarayan Sharma
Director
Dubai
March 19, 2025

VARUN BEVERAGES INTERNATIONAL DMCC فارون بيفريجيز انترناشيونال م.د.م.س DMCC Dubai - U.A.E.

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Statement of comprehensive income for the year ended December 31, 2024

(Figures in AED)

	Notes	Year ended Dec 31, 2024	Year ended Dec 31, 2023
REVENUE			
Revenue from operations	17	**349,389,490**	140,035,208
Less: Operating cost	18	**(231,530,315)**	(90,416,962)
GROSS INCOME (A)		**117,859,174**	49,618,246
EXPENDITURE (B)			
Administrative and general expenses	19	**61,717,230**	27,530,395
Depreciation		**16,691,615**	3,293,516
Director Remuneration	28	**10,536,103**	7,556,481
		88,944,948	38,380,392
Operational income for the year (A-B)		**28,914,226**	11,237,854
Finance cost	20	**(14,969,485)**	(8,882,332)
Other income	21	**38,611**	11,052,113
Exchange gain/(loss)		**(942,059)**	(145,741)
Net income for the year before tax		**13,041,294**	13,261,894
Tax expenses	**22**	**(1,354,811)**	-
Net income for the year		**11,686,483**	13,261,894
Other comprehensive income for the year		-	-
Net comprehensive income for the year		**11,686,483**	13,261,894

Annexed notes form an integral part of these financial statements.

For Varun Beverages International DMCC

Mr. Satyanarayan Sharma
Director
Dubai
March 19, 2025

Statement of cash flow for the year ended December 31, 2024

(Figures in AED)

	Year ended Dec 31, 2024	Year ended Dec 31, 2023
I. OPERATING ACTIVITIES		
Net comprehensive income for the year	**11,686,483**	13,261,894
Depreciation	**16,691,615**	3,293,516
ESOP given to employees	**147,969**	108,229
Corporate tax expense	**1,354,811**	-
Employee terminal benefits expense (net)	**113,114**	151,808
Operating cash flow before working capital changes	**29,993,992**	16,815,447
Changes in working capital:		
Decrease/(Increase) in inventory	**(21,941,823)**	(1,624,633)
Decrease/(Increase) in trade and other receivables	**(106,897,267)**	(7,146,515)
Decrease/(Increase) in advances and prepayments	**2,345,571**	(18,591,046)
Decrease/(Increase) in foreign tax credit	**(1,354,811)**	-
(Decrease)/Increase in trade and other payables	**35,773,856**	1,159,035
(Decrease)/Increase in accruals	**23,568,842**	7,210,597
Net cash (used in)/generated from operating activities (A)	**(38,511,639)**	(2,177,115)
II. INVESTING ACTIVITIES		
Purchase of Property, plant and equipment	**(79,178,834)**	(8,841,804)
Advances made to purchase of Aircraft	-	(1,836,250)
Long term deposit withdrawn	**27,630**	-
Investment in shares	**(808)**	(37)
Investment in Fixed deposit	-	(1,100,000)
Net Cash (used in) investing activities (B)	**(79,152,012)**	(11,778,091)
III FINANCING ACTIVITIES		
Proceeds from short term borrowings	**36,373,262**	19,110,468
Net Unsecured loan received	**76,020,891**	3,673,701
Net Cash generated from financing activities (C)	**112,394,153**	22,784,169
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(5,269,498)**	8,828,963
Cash and cash equivalents at the beginning of the year	**10,305,494**	1,476,531
Cash and cash equivalents at the end of the year	**5,035,996**	10,305,494
CASH AND CASH EQUIVALENTS		
Cash in hand	**29,441**	61,355
Cash at bank	**4,399,564**	5,653,514
Fund in transit	**606,991**	4,590,625
Cash and cash equivalents as per cash flow statement	**5,035,996**	10,305,494

Annexed notes form an integral part of these financial statements.

For Varun Beverages International DMCC

Mr. Satyanarayan Sharma
Director
Dubai
March 19, 2025

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فارون بيفريجيز انترناشيونال م.د.م.س DMCC Dubai - U.A.E. VARUN BEVERAGES INTERNATIONAL DMCC

Statement of changes in equity for the year ended December 31, 2024

(Figures in AED)

	Share Capital	Retained earnings	ESOP Reserve*	Total
As at 01 January 2023	1,000,000	13,063,699	-	14,063,699
Net Comprehensive Income for the year	-	13,261,894	-	13,261,894
ESOP given to employees	-	-	108,229	108,229
As at 31 December 2023	1,000,000	26,325,593	108,229	27,433,822
Net Comprehensive Income for the year	-	11,686,483	-	11,686,483
ESOP given to employees	-	-	147,969	147,969
As on December 31, 2024	**1,000,000**	**38,012,076**	**256,198**	**39,268,274**

**ESOP reserve reflect the amount of shares to be issued to employees of the company by the Parent company as per IFRS 2.*

Annexed notes form an integral part of these financial statements.

For Varun Beverages International DMCC

Mr. Satyanarayan Sharma
Director
Dubai
March 19, 2025

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VARUN BEVERAGES INTERNATIONAL DMCC
DMCC
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P.O.Box 94670
Dubai - U.A.E.

Significant accounting policies to the financial statements for the year ended December 31, 2024

These financial statements have been prepared for the year ended December 31, 2024.

1. LEGAL STATUS, ACTIVITIES AND MANAGEMENT

1.1 Legal status

Varun Beverages International DMCC ("the Company") was incorporated on January 19, 2022 and registered as a Limited Liability Company with Dubai Multi Commodities Centre Authority (DMCCA), Government of Dubai, UAE vide License No. DMCC-834926 and DMCC-834927.

The registered office of the Company is located in Dubai, United Arab Emirates.

As per the Memorandum of Association and its amendment: the issued, subscribed and paid up capital of the Company as on December 31, 2024 is AED 1,000,000 (United Arab Emirates Dirham One Million only) divided into 1,000 shares of AED 1,000 each. The shareholders as at December 31, 2024 and their share holding in the Company as at the date were as follows:

Company name	Country of incorporation	No. of Share	% of holding	Value (AED)
M/s. Varun Beverages Limited, India	India	1,000	100%	1,000,000
Total		**1,000**	**100%**	**1,000,000**

1.2 Activities

The principal activities of the Company as per license are "General trading, Management Consultancies and Air Charters for Passengers & Cargo".

1.3 Management

The day to day activities is fully controlled and managed by Mr. Satyanarayan Sharma, Indian national bearing passport no. Z6409853 and Manager of the Company as per trade license.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared on standalone basis in accordance with International Financial Reporting Standards (IFRSs) promulgated by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC).

The financial statements are prepared under the historical cost convention.

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P.O.Box 94570 Dubai - U.A.E.

Significant accounting policies to the financial statements for the year ended December 31, 2024

2.2 Adoption of new and revised international financial reporting standards (IFRS)

(a) New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs have been adopted in this financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current period but may affect the accounting for future transactions or arrangements.

I IFRS 17 was issued in May 2017 (further amended in 2020 & 2021) as replacement for IFRS 4 Insurance Contracts.

II Disclosure of Accounting policies - The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies.

III Amendment to definition of Accounting Estimates - The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

IV Deferred Tax related to Assets and Liabilities arising from a single Transaction – Amendments to IAS 12.

(b) New and revised IFRSs in issue but not yet effective

I Classification of Liabilities as Current or Non-current – Amendments to IAS 1 with effect from January 01, 2024. Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period.

II Lease Liability in a Sale and Leaseback – Amendments to IFRS 1 with effect from January 01, 2024.

III Supplier finance arrangements – Amendments to IAS 7 and IFRS 7 with effect from January 01, 2024.

IV Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments is not expected to have any material impact on the financial statements of the company in the year of their initial application.

2.3 Use of estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, revenues, expenses and the provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

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Significant accounting policies to the financial statements for the year ended December 31, 2024

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the Year in which the estimate is revised and in any future Years affected.

In particular, information about significant areas of estimation, uncertainty, and critical judgements in applying accounting policies (that have the most significant effect on the amount recognized in the financial statements) are discussed in Notes.

2.4 Revenue recognition

IFRS 15 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company recognises revenue from contracts with customers based on a five-step model as set out below:

Step 1 Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2 Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3 Determine the transaction price: Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue as and when the Company satisfies a performance obligation.

The Company recognises revenue over time if any one of the following criteria is met:

• The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

• The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

• The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance obligations completed to date.

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P.O.Box 94570
Dubai - U.A.E.

Significant accounting policies to the financial statements for the year ended December 31, 2024

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability – advances from customers.

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers, which are not for distinct services, which may include discounts, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised in the statement of comprehensive income to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

2.5 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the statement of comprehensive income as the expense is incurred.

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

VARUN BEVERAGES INTERNATIONAL DMCC
DMCC Dubai - U.A.E.

P.O.Box 94570 Dubai - U.A.E.

Significant accounting policies to the financial statements for the year ended December 31, 2024

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets.

Assets	Useful life of assets
Aircraft	20 years
Buildings	30 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipment	5 years
Computer equipment	5 years

2.6 Accounts receivable

Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. Expected credit loss is estimated using Simplified approach as per IFRS 9. Bad debts are written off when there is no possibility of recovery.

2.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and bank balances.

2.8 Inventories

Inventories are valued at the lower of cost or net realisable value, cost being determined at First in First out (FIFO) method and represents the invoice value of goods purchased plus direct expenses incurred in bringing the inventories to their present state and location.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale and provision for slow moving and obsolete items, if any.

2.9 Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received. In case the invoices are not available, the same is included in the accruals.

2.10 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Significant accounting policies to the financial statements for the year ended December 31, 2024

2.11 Employees' end of service benefits

An accrual is made for employee's entitlements to annual leave and leave passage as a result of service rendered by the employees up to the reporting date.

The accrual relating to annual leave and leave passage is disclosed as a current liability and included in other payables, while that relating to end of service benefits is disclosed as a non-current liability in the statement of financial position.

The Company provides end of service benefits (Gratuity and Leave Encashment) to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

2.12 Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. In the book of lease operating lease payments are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term. Where significant risk and reward transferred to the lease the assets is recognized as finance lease in the books of the lease.

2.13 Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at the currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the

2.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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Significant accounting policies to the financial statements for the year ended December 31, 2024

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting Year. This note summarises accounting policy for fair value.

2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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Significant accounting policies to the financial statements for the year ended December 31, 2024

a) **Financial assets**

Initial recognition and subsequent measurement

Financial assets are classified, at initial recognition, are classified as at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The losses arising from impairment are recognised in the Statement of comprehensive income.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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Significant accounting policies to the financial statements for the year ended December 31, 2024

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

-The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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Significant accounting policies to the financial statements for the year ended December 31, 2024

Impairment of financial assets

In accordance with IFRS 9, the Company applies expected credit loss (ECL) model for measurement and recognition of
impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under IFRS 16

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IFRS 15 (referred to as contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

-Trade receivables or contract assets; and

-All lease receivables resulting from transactions within the scope of IFRS 16

The Company recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent Year, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider.

-All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

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Significant accounting policies to the financial statements for the year ended December 31, 2024

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

- Financial liabilities at fair value through profit or loss
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2.16 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.17 Share capital

Proceeds from issuance of ordinary shares are recognized as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.18 Value Added Tax

Value Added Tax (VAT) asset/ liability is recognized in the books on the basis of regulations defined by Tax Authorities.

Significant accounting policies to the financial statements for the year ended December 31, 2024

Expenses and assets are recognized net of the amount of value added tax, except:

• When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable;

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of other receivables or other payables in the financial

2.19 UAE Corporation Tax law and application of IAS 12 Income Taxes

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1st June 2023.

The company will be subject to a corporate tax rate ranging from 0% to 9% on taxable income above a threshold of AED 375,000 for periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply and accordingly, the CT Law is now considered to be substantively enacted.

For the Company, current taxes is accounted for as appropriate in the financial statements for the year beginning January 01, 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the financial year ended December 31, 2024.

2.20 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognized because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognized on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

Notes to the financial statements for the year ended December 31, 2024

3. PROPERTY, PLANT AND EQUIPMENT (NET)

(Figures in AED)

Particulars	Aircraft	Buildings	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Total
Gross block							
As on January 01, 2023	-	3,335,121	93,882	3,177,400	166,279	10,810	6,783,491
Additions during the year	80,611,375	5,254,241	1,886,947	1,728,600	-	-	96,264,654
As on December 31, 2023	80,611,375	8,589,362	1,980,828	4,906,000	166,279	10,810	96,264,654
Additions	78,655,407	1,814,491	168,284	376,902	-	-	81,015,084
As on December 31, 2024	**159,266,782**	**10,403,853**	**2,149,112**	**5,282,902**	**166,279**	**10,810**	**177,279,737**
Accumulated Depreciation							
As on January 01, 2023	-	83,675	2,389	159,910	4,759	980	251,713
Depreciation charge for the year	2,318,957	157,557	113,899	667,684	33,256	2,162	3,293,516
As on December 31, 2023	2,318,957	241,232	116,288	827,595	38,015	3,142	3,545,229
Depreciation charge for the year	14,888,011	313,761	413,086	1,041,340	33,256	2,162	16,691,615
As on December 31, 2024	**17,206,969**	**554,993**	**529,374**	**1,868,934**	**71,271**	**5,304**	**20,236,844**
Net Value							
As on December 31, 2024	**142,059,813**	**9,848,860**	**1,619,738**	**3,413,968**	**95,008**	**5,506**	**157,042,893**
As on December 31, 2023	78,292,418	8,348,130	1,864,540	4,078,405	128,263	7,668	92,719,425

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Notes to the financial statements for the year ended December 31, 2024

	As on Dec 31, 2024	As on Dec 31, 2023
		(Figures in AED)
4. INVESTMENT IN SHARES		
M/s. Varun Beverages RDC SAS, Congo*	**37**	37
M/s. VBL Mozambique SA, Mozambique**	**808**	-
	845	37

** Company incorporated in Congo on January 24, 2023. Investment is made in 0.10% share capital of the Company represented by 1 Share of USD 10 each share converted at fixed exchange rate of AED 3.67 per USD.*

*** Company incorporated in Mozambique on January 31, 2024. Investment is made in 1% share capital of the Company represented by 100 Shares of MZN 100 each share converted at exchange rate of MZN 12.38 per AED.*

5. CAPITAL ADVANCES AND DEPOSITS		
Advances*	-	1,836,250
Deposits**	**4,000**	31,630
	4,000	1,867,880

** During the last year, the Company has paid additional advance of USD 0.5 million (approx.) for the purchase of new aircraft. In the pervious period, Advances consist of USD 21.95 million (approx.) paid for purchase of "2013 Bombardier BD-700-1A10 Global 6000 aircraft" from Global Avionics (Bermuda) Limited via Escrow agent of Insured Title Service, Oklahoma City, Oklahoma. During the current year, the Company has capitalized the same to property, plant and equipment.*

*** Long term deposits represents DEWA and rent deposits. As per Management opinion, these are non current assets in nature.*

6. INVENTORY		
Goods in transit	**26,714,990**	4,773,167
	26,714,990	4,773,167

As valued, confirmed and certified by the management.

7. TRADE AND OTHER RECEIVABLES		
Trade receivables	**117,569,442**	4,950,575
Other receivables	**12,618,351**	18,339,951
Less: Provision for expected credit loss (ECL)	-	-
	130,187,793	23,290,526

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In determining the recoverability of trade receivables, the Company considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the date of adoption of the accounts. Management has taken the current market conditions and payment received subsequent to the reporting date when assessing the credit quality of trade receivables and accordingly provision for doubtful debts is considered.

(Figures in AED)

	As on Dec 31, 2024	As on Dec 31, 2023
Not due	**4,714,403**	1,274,571
Due to for less than 30 days	**13,084,141**	19,724,270
Due for more than 30 days and less than 60 days	**8,936,817**	1,123,523
Due for more than 60 days and less than 90 days	**3,106,871**	-
Due for more than 90 days and less than 120 days	**9,405,737**	442,683
Due for more than 120 days	**90,939,825**	725,479
	130,187,793	23,290,526

Breakup for trade and other receivables as on year end:		
Receivable from related parties	**116,493,147**	3,782,413
Receivable from others	**13,694,646**	19,508,113
	130,187,793	23,290,526

8. ADVANCES AND PREPAYMENTS

Prepayments	**144,220**	149,122
Staff advances	**140,501**	70,410
Supplier advances*	**16,976,135**	19,386,894
	17,260,856	19,606,426

**It represents advance payment made to supplier for the future purchases, which are interest free and will be adjusted for the purchases subsequently after end of year.*

9. FIXED DEPOSIT

Fixed deposit*	**1,100,000**	1,100,000

**The Company is having fixed deposit amounting to AED 1,100,000/- with Emirates NBD Bank as on December 31, 2024 whose tenure is one year autorenewal.*

10. FOREIGN TAX CREDIT

Foreign tax credit*	**1,354,811**	-

** Foreign tax credits represents with holding tax of foreign jurisdictions for the services provided during the year.*

Notes to the financial statements for the year ended December 31, 2024

	(Figures in AED)	
	As on Dec 31, 2024	As on Dec 31, 2023
11. CASH AND CASH EQUIVALENTS		
Cash in hand	**29,441**	61,355
Cash at bank	**4,399,564**	5,653,514
Fund in transit*	**606,991**	4,590,625
	5,035,996	10,305,494

**Fund in transit represent the fund remitted before the year end and credited subsequently in the bank account of the company.*

12. UNSECURED LOAN		
M/s. Varun Beverages Limited, India	**164,895,251**	88,874,361
	164,895,251	88,874,361

As per mutual agreement, Holding company grant a loan up to a maximum limit of USD 60 Million bearing interest of LIBOR Plus 4% p.a up to June 30, 2023 and thereafter interest charged 3 month SOFR Plus 2% p.a as per the amendment to the agreement and are matured after 5 years from the date of grant.

13. SHORT TERM BORROWINGS		
Bank overdraft	**3,995,531**	8,722,331
Working capital facility	**51,488,199**	10,388,136
	55,483,730	19,110,468

The Company has designated facility (DF) of overall limit up to USD 15 million in respect of Import letter of credit - unsecured for purchase of raw material from Standard Chartered Bank, Dubai, UAE with a sub-limit designated facility which comprise Overdraft of USD 4.0 million as stated in Note No. 25 to the financial statement.

The Company has working capital facility of overall limit up to USD 25 million in respect of working capital demand loan from ICICI Bank Ltd (DIFC Branch), Dubai, UAE with a sub-limit designated facility which comprise letter of credit for purchase of raw materials, consumable stores etc. of USD 25 million as stated in Note No. 26 to the financial statement.

14. TRADE AND OTHER PAYABLES		
Trade payables	**40,173,398**	5,526,058
Other payables	**5,372,745**	4,246,229
	45,546,143	9,772,287

Notes to the financial statements for the year ended December 31, 2024

	(Figures in AED)	
	As on Dec 31, 2024	As on Dec 31, 2023
Breakup for trade & other payable as on year end:		
Payable to related parties	**3,616,800**	4,151
Payable to others	**41,929,343**	9,768,136
	45,546,143	9,772,287
15. ACCRUALS		
Interest payable for unsecured loan	**16,450,290**	8,078,733
Corporate guarantee commission payables	**299,342**	178,943
Customer advances	**15,084,231**	-
Employee related payables	-	7,345
	31,833,863	8,265,021
16. CORPORATE TAX PROVISION	**1,354,811**	-
Opening tax tax provision	-	-
Current tax expense	**1,354,811**	-
Corporate tax provision	**1,354,811**	-

	(Figures in AED)	
	Year ended Dec 31, 2024	Year ended Dec 31, 2023
17. REVENUE FROM OPERATIONS		
Sale of products	**271,501,534**	108,731,773
Aircraft charges income*	**11,805,619**	-
Management fee income**	**66,082,337**	31,303,435
	349,389,490	140,035,208

The company generated the revenue from sales of goods recognized at point in time and from management fee from and related parties and aircraft income recognized at over the period of time. The disaggregated revenue from contracts with customers by timing of revenue recognition, geographical segments and parties wise are presented below.

*All revenue earned from aircraft charges income which provided to holding company.

**Include the revenue earned from management consultancies which provided to group entities outside U.A.E.

Timing of revenue recognition:		
- At a point in time	**271,501,534**	108,731,773
- Over time	**77,887,956**	31,303,435
	349,389,490	140,035,208

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Notes to the financial statements for the year ended December 31, 2024

	(Figures in AED)	
	Year ended Dec 31, 2024	Year ended Dec 31, 2023
Primary geographical segments:		
- Within UAE	-	-
- Outside UAE	**349,389,490**	140,035,208
	349,389,490	140,035,208
Party wise breakup:		
- Revenue generated from related parties	**282,636,330**	131,167,309
- Revenue generated from third parties	**66,753,160**	8,867,899
	349,389,490	140,035,208

18. OPERATING COST

Cost of goods sold	**231,530,315**	90,416,962
	231,530,315	90,416,962

19. ADMINISTRATIVE AND GENERAL EXPENSES

Vehicle maintenance and running expenses	**34,190,344**	16,706,587
Travelling and conveyance	**5,348,708**	7,781,677
Consultancy Charges	**11,796,092**	4,730,132
Employee cost (Refer note no. 24)	**4,283,113**	2,981,890
Marketing and business promotional expense	**1,067,798**	2,206,717
Rates and taxes	**1,279,690**	1,061,234
Legal and professional expenses	**614,819**	765,357
Bank charges	**853,738**	677,926
General office and other miscellaneous expenses	**245,089**	263,190
Utility expense	**223,682**	183,394
Repair and maintenance	**1,698,038**	174,008
License and registration cost	**76,070**	152,003
Rent	-	68,750
Insurance	**40,050**	25,275
Less: Reimbursement*	-	(10,247,745)
	61,717,230	27,530,395

** Reimbursement represent the amount received from PepsiCo in respect of expenditure incurred by Varun Beverages International DMCC for providing support services to fellow subsidiaries in carrying out the business covering sales and marketing, technical guidance etc. along with expenditure incurred on manpower resources and its travelling*

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Notes to the financial statements for the year ended December 31, 2024

	(Figures in AED)	
	Year ended Dec 31, 2024	Year ended Dec 31, 2023
20. FINANCE COST		
Interest on unsecured loan	**11,252,586**	7,221,033
Corporate bank guarantee*	**921,217**	646,836
Interest on working capital facility	**2,795,681**	1,014,462
	14,969,485	8,882,332

** Holding company is charging 2% p.a as commission for extending the Corporate Guarantee in favour of Standard Chartered Bank, Dubai Branch up to a maximum limit of USD 15 Million avail Credit facility from Standard Chartered Bank for business purpose.*

21. OTHER INCOME		
Incentive income*	-	11,017,500
Interest on fixed deposit	**38,611**	34,614
	38,611	11,052,113

** Incentive income comprise of AED 11,017,500 in the previous year raised for the purpose of promoting the products as per the agreement.*

22. TAX EXPENSE		
Current corporate tax expense	**1,354,811**	-
	1,354,811	-

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P.O.Box 94570 Dubai - U.A.E.

Notes to the financial statements for the year ended December 31, 2024

23. FINANCIAL INSTRUMENTS

The management believes that the fair value of the financial assets and liabilities are not significantly different from their carrying amounts at balance sheet date.

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed. The primary risks to which the business is exposed, comprise credit risks, liquidity risks and market risks.

a. Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company does not have any significant currency risk as the Company's transactions are mainly in United States Dollar (USD) and United Arab Emirates Dirhams (AED).

b. Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting year. The Company has no significant concentration of credit risk. Cash balance is held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

The Company's bank account are placed with high credit quality financial institution. The Company manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. Credit risk is limited to the carrying value of financial assets in the balance sheet.

The maximum exposure to credit risk at the end of the reporting period was:

(Figures in AED)

	As on Dec. 31, 2024	As on Dec. 31, 2023
Trade and other receivables	**130,187,793**	23,290,526
Advances	**17,116,636**	19,457,304
Fixed deposits	**1,100,000**	1,100,000
Cash and cash equivalents	**5,035,996**	10,305,494
	153,440,425	54,153,324

Notes to the financial statements for the year ended December 31, 2024

c. Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to change in market interest rates. The Company is exposed to fluctuations on market interest rate as borrowing from related parties bearing interest 2% p.a. plus 3 month SOFR.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1%. These changes are considered to be reasonably possible based on management's assessment. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

(Figures in AED)

	Profit for the year		Equity	
	+1%	-1%	+1%	-1%
December 31, 2024	**10,037,530**	**13,335,435**	**37,619,321**	**40,917,227**

d. Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from inability to sell a financial asset quickly at close to its fair value.

(Figures in AED)

	Carrying value	1 to 5 years	More than 5 years
As on December 31, 2024			
Unsecured loan	164,895,251	88,874,361	76,020,891
Short term borrowings	55,483,730	55,483,730	-
Trade and other payables	45,546,143	45,546,143	-
Accruals	31,833,863	31,833,863	-
	297,758,987	**221,738,097**	**76,020,891**
As on December 31, 2023			
Unsecured loan	88,874,361	-	88,874,361
Short term borrowings	19,110,468	19,110,468	
Trade and other payables	9,772,287	9,772,287	-
Accruals	8,265,021	8,265,021	-
	126,022,136	**37,147,776**	**88,874,361**

e. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged during the period.

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Notes to the financial statements for the year ended December 31, 2024

24. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no significant events occurring after the balance sheet date, which require disclosure in the financial statements.

25. The Company has designated facility (DF) of overall limit up to USD 15 million in respect of Import letter of credit - unsecured for purchase of raw material from Standard Chartered Bank, Dubai, UAE. The company have sub-limit designated facilities which comprising Overdraft of USD 4.0 million, Import loan for raw material up to USD 7.5 million, Import letter of credit- unsecured up to USD 5.0 million and Import loan for CAPEX up to USD 2.5 million. The sum of the utilised portions of all Designated Sub-limits shall not exceed the relevant Designated Facility limit of USD 15 million.

The facilities are secured by:

a. A Registrable charge over secured assets of the borrower;

b. Corporate Guarantee of the Varun Beverages Limited, India (Holding Company) up to 100% of the facility amount;

26. The Company has working capital facility of overall limit up to USD 25 million in respect of working capital demand loan from ICICI Bank Ltd (DIFC Branch), Dubai, UAE with a sub-limit designated facility which comprise letter of credit for purchase of raw materials, consumable stores etc. of USD 25 million. The sum of the utilised portions of Sub-limits shall not exceed the relevant working capital Facility limit of USD 25 million.

The facilities are secured by:

a. Facility was granted without a security;

b. Corporate Guarantee of the Varun Beverages Limited, India (Holding Company) up to 100% of the facility amount;

27. CONTINGENT LIABILITIES

As represented by the management, except for the ongoing commitments in the normal course of business against which no loss is expected, there are no other known contingent liabilities existing at the reporting date other than disclosed in the financials.

28. RELATED PARTY TRANSACTIONS

The Company in the normal course of business enters into transactions with other business enterprises that fall within the definition of Related Party contained in the International Accounting Standard. Related parties comprises companies and entities under common ownership and/ or common management and control and key management personnel. The Company's management decides on the term and conditions of such related party transactions as well as on other services and charges.

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Notes to the financial statements for the year ended December 31, 2024

Following are the related parties and the nature of relationship:

Name of the related party	Relationship
M/s. Varun Beverages Limited, India	Holding company
M/s. Varun Beverages (Zimbabwe) Pvt. Ltd	Fellow subsidiaries
M/s. Wellness Holdings Limited	Key Management Personnel has significance influence
M/s. Lunarmech Technologies Private Limited	Fellow subsidiaries
M/s. Varun Beverages Morocco SA.	
M/s. Varun Beverages (Zambia) Ltd	
M/s. Varun Beverages Lanka Pvt. Ltd.	
M/s. Varun Beverages RDC SAS	
M/s. Varun Beverages (Nepal) Private Limited	
Mr. Ravi Kant Jaipuria	Key Management Personnel
Mr. Satyanarayan Sharma	
Mr. Yogendra Pal Gulati	
Ms. Gloria Prasad	

Transactions with related parties during the year are as below:

(Figures in AED)

Name of the related party	Nature of the transaction	Year ended Dec 31, 2024	Year ended Dec 31, 2023
M/s. Varun Beverages Limited, India	Net Loan taken	**76,020,891**	3,672,500
	Interest	**11,252,586**	7,221,033
	Aircraft income	**11,805,619**	-
	Corporate Guarantee commission	**921,217**	646,836
	Support Service	**24,429**	4,152
M/s. Varun Beverages (Zimbabwe) Pvt. Ltd	Sales	**174,643,074**	99,863,874
	Management fee income	**24,366,351**	24,350,886
Varun Beverages (Nepal) Private Limited	Management fee income	**11,060,486**	6,952,549
M/s. Wellness Holdings Limited	Aircraft hire charges	-	4,538,769
M/s. Lunarmech Technologies Private	Purchase	**12,703,508**	-
M/s. Varun Beverages (Zambia) Ltd	Sales	**3,812,233**	-
M/s. Varun Beverages Morocco SA.	Sales	**14,934,276**	-

Notes to the financial statements for the year ended December 31, 2024

(Figures in AED)

Name of the related party	Nature of the transaction	Year ended Dec 31, 2024	Year ended Dec 31, 2023
M/s. Varun Beverages Lanka Pvt. Ltd.	Sales	**1,870,176**	-
M/s. Varun Beverages RDC SAS	Sales	**40,144,115**	-
Mr. Ravi Kant Jaipuria	Director Remuneration	**9,000,000**	6,750,000
Mr. Satyanarayan Sharma		**1,281,703**	806,481
Mr. Yogendra Pal Gulati		**168,000**	-
Ms. Gloria Prasad		**86,400**	-

Balances of due from/(due to) related parties as at year end is as below:

(Figures in AED)

Name of the related party	Nature of balance	As on Dec 31, 2024	As on Dec 31, 2023
M/s. Varun Beverages Limited, India	Unsecured loan	**(164,895,251)**	(88,874,361)
	Interest payables	**(16,450,290)**	(8,078,733)
	Trade receivables	**8,764,201**	-
	Corporate Guarantee commission payable	**(299,342)**	(178,943)
	Other payable	**(6,387)**	(4,151)
M/s. Varun Beverages (Zimbabwe) Pvt. Ltd	Trade receivables	**96,353,476**	2,507,842
Varun Beverages (Nepal) Private Limited	Trade receivables	**1,283,899**	1,274,571
M/s. Varun Beverages RDC SAS		**3,797,449**	-
M/s. Varun Beverages (Zambia) Ltd		**3,804,464**	-
M/s. Varun Beverages Morocco SA.		**2,489,658**	-
M/s. Lunarmech Technologies Private Limited	Trade payables	**(3,610,413)**	-
Mr. Yogendra Pal Gulati	Advances	**32,000**	-

29. SEGMENT REPORTING

There are no separate business line to be reported as per the management and hence, there are no reportable business segment.

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Notes to the financial statements for the year ended December 31, 2024

30. KEY SOURCES OF ESTIMATION UNCERTAINTY

a. Useful lives of property and equipment

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

b. Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

31. GENERAL

31.1 Figures in the financial statements are rounded off to the nearest United Arab Emirates Dirhams (AED).

31.2 Previous year figures are regrouped and (or) reclassified, wherever necessary for better presentation of financial statements.

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Notes to the financial statements for the year ended December 31, 2024

31.3 In the opinion of the management, all the assets as shown in the financial statements are existing and realizable at the amount shown against them, and there are no liabilities against the concern, contingent or otherwise, not included in the above financial statements.

For Varun Beverages International DMCC

Mr. Satyanarayan Sharma
Director
Dubai
March 19, 2025

Varun Beverages South Africa (PTY) Ltd

Balance sheet as on 31 December 2024

		Amount in ZAR
Particular	**As at 31 December 2024**	**As at 31 December 2023**
Assets		
Bank account	694.47	1,683.47
Advance to vendor	6,242.50	6,242.50
Total Assets	**6,936.97**	**7,925.97**
Equity Share capital	10,000.00	10,000.00
Other Equity		
Opening	(2,074.03)	
Add: Loss	(989.00)	(2,074.03)
Reserve & Surplus	(3,063.03)	(2,074.03)
Total Liabilities	**6,936.97**	**7,925.97**

For Varun Beverages South Africa (PTY) Ltd

Date: 22/01/2025
Place: Dubai

Y.P. Gulati
(Director)

Varun Beverages South Africa (PTY) Ltd

Statement of Profit or loss		Amount in ZAR
Particular	**Year ended 31 Dec 24**	**Year ended 31 Dec 23**
Revenue	-	-
Expenses		
Professional Fee	-	2,012.50
Bank Charges	989.00	61.53
	989.00	**2,074.03**
Profit before tax	**(989.00)**	**(2,074.03)**
Tax expenses	-	-
Profit After tax	**(989.00)**	**(2,074.03)**

For Varun Beverages South Africa (PTY) Ltd

Y.P. Gulati
(Director)

Date: 22/01/2025
Place: Dubai.

INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **VBL MOZAMBIQUE, S.A.**, (the Company), which comprise the Balance sheet as at 31 December 2024 (which shows a total Assets of 8,463,228 Meticais and a total negative Equity of 11,190,706 Meticais, including a negative Net result of 12,190,706 Meticais), the Statement of comprehensive income, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **VBL MOZAMBIQUE, S.A.**, as at 31 December 2024, and its financial performance for the year then ended in accordance with the Chart of Accounts for Small Companies and Others (PGC-PE).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Mozambique, 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.

Emphasis of Matter

We draw attention to Note 2 of the financial statements, which describes that the Company commenced its operations during the current financial year ended 31 December 2024, with no activity recorded in the prior year. Consequently, the balances of the balance sheet and income statement items, as of 31 December 2024, are not comparable to the balances of the previous period, which were nil balances.

Our opinion is not modified in this respect.

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

Management is responsible for:

- Preparation of financial statements that present fairly the financial position and financial performance of the Entity in accordance with the Chart of Accounts for Small Companies and Others (PGC-PE);
- Establishing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- Adoption of accounting policies and criteria that are appropriate in the circumstances;
- Assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, the matters that may cast significant doubt on the continuity of its activities;
- 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 ISAs 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, we make professional judgment and maintain professional skepticism during the audit and also:

- Identify and assess the material misstatement of the financial statements due to fraud or error, design and perform audit procedures that respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement due to fraud is greater than the risk of not detecting material misstatement due to error, since fraud may involve collusion, counterfeiting, intentional omissions, false statements or overlapping of internal control;
- Obtain an understanding of the internal control relevant to the audit for the purpose of designing audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the Entity's internal control;
- Evaluate the adequacy of the accounting policies used and the reasonableness of accounting estimates and respective disclosures made by the management body;

- Conclude on the appropriation of the use by the management body of the assumption of continuity and, based on the audit evidence obtained, whether there is any material uncertainty related to events or conditions that could raise significant doubts about the Entity's ability to continue its activities. If we conclude that there is material uncertainty, we should draw attention in our report to the related disclosures included in the financial statements or, if these disclosures are not appropriate, modify our opinion. Our findings are based on audit evidence obtained as of the date of our report. However, future events or conditions may cause the Entity to discontinue its activities;
- Evaluate the overall presentation, structure and content of financial statements, including disclosures, and whether these financial statements represent the underlying transactions and events in order to achieve an appropriate presentation;
- Communicate with those charged with governance, including the scope and timing of the audit, and significant audit findings including any significant weaknesses in internal control identified during the audit.

Maputo, 19 March 2025

PKF Auditores e consultores, Limitada
Represented by:

Ildefonso F. S. Uchoane

PKF AUDITORES
& CONSULTORES LIMITADA
Av. Julius Nyerere nº 914, 3ºandar
NUIT: 400 178 879
NUEL: 100 023 938

Ildefonso Flora Sonamize Uchoane
(Auditor nº 110/CA/OCAM)

Financial Statements

FISCAL YEAR 2024

VBL MOZAMBIQUE, S.A.

Avenue Eduardo Mondlane nº 1485

Maputo | Mozambique

NUEL 105 013 689 | NUIT 401 668 918

Share Capital: 1.000.000 Meticais

PKF Mozambique

PKF Auditores e Consultores, Limitada

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Statement of financial position as at 31 December 2024 and 2023

ASSETS	Notes	Year ended at 31/12/2024	Year ended at 31/12/2023
Non current assets			
Tangible assets	6	186,463	-
		186,463	**-**
Current assets			
Trade debtors	8	4,031,906	-
Other current assets	9	2,278,039	-
Cash and cash equivalents	10	1,966,821	-
		8,276,765	**-**
Total assets		**8,463,228**	**-**

EQUITY AND LIABILITIES		Year ended at 31/12/2024	Year ended at 31/12/2023
Equity			
Share capital	11	1,000,000	-
Net result for the year		(12,190,706)	-
Total equity		**(11,190,706)**	**-**
Current liabilities			
Suppliers	12	18,308,073	-
Other current liabilities	13	1,345,862	-
		19,653,934	**-**
Total liabilities		**19,653,934**	**-**
Total equity and liabilities		**8,463,228**	**-**

The Accountant

Management

Income statement by nature for the years ended 31 December 2024 and 2023

	Notes	2024	2023
Revenue	14	41,461,674	-
Cost of inventories sold or consumed	7	(31,134,944)	
Personnel expenses	15	(2,669,494)	-
Third party services and suppliers	16	(15,622,685)	-
Depreciations	6	(24,713)	-
Other operational income and expenses	17	(4,317,652)	-
		(12,307,814)	**-**
Financial income	18	174,439	-
Financial expense	18	(57,332)	-
Net income/loss before taxation		**(12,190,706)**	**-**
Income tax	19	-	-
Net result for the year		**(12,190,706)**	**-**

The Accountant

Management

Notes to the financial statements

1. Introductory note

VBL Mozambique, SA ("Company") is a private limited company incorporated in Mozambique, in 2023, registered under NUIT: 401 668 918 and Nuel: 105 013 689 and is headquartered in Maputo, Eduardo Mondlane Avenue, nº 1485. The company started operating in 2024.

The purpose of the company includes the distribution, commercialisation, import and export of beverages, soft drinks, juices, milks, dairy products.

The financial statements were approved by the Board of Directors to be issued on 28 February 2025. According to the commercial law, the accounts are subject to approval in the General Meeting of Shareholders.

2. Basis of preparation

The financial statements attached hereto are prepared according to the historical cost basis, in accordance with the Chart of Accounts for Small and Other Companies (PGC – PE), as set out by the Decree-law n. 70/2009, of 22 December.

The financial statements include the balance sheet, the income statement by nature, the statement of changes in equity, and the annex and were prepared in accordance with the assumptions of going concern and accrual basis on which items are recognized as assets, liabilities, equity, income and expenses when they satisfy the definitions and recognition criteria for those elements in the conceptual framework, in accordance with the qualitative characteristics of understand ability, relevance, materiality, reliability, faithful representation, substance over form, neutrality, prudence, completeness and comparability.

The functional currency used of the financial statements is the Metical.

The accounting policies presented in Note 3, were used in the financial statements for the period ended 31 December 2024.

The net result for the year is not comparable to the previous year, as the company only commenced its operations during the current financial year ended 31 December 2024. In the prior year, there was no operational activity, resulting in nil balances in the financial statements.

This situation has a broad impact on the balance sheet and the income statement, making the balances for this year non-comparable to those of the previous period.

Except for the note above, in the preparation of these financial statements, no provisions of the PGC-PE were derogated, and there are no other circumstances affecting the comparability of the various accounting line items.

3. Main accounting policies

Basis of presentation

The financial statements were prepared according with the historical cost convention.

The preparation of financial statements in conformity with PGC – PE requires the Board of Management to make judgments, estimates and assumptions that affect the application of accounting policies and the value of the assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and other factors considered reasonable under the circumstances and form the basis for judgments about the values the of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates. The issues involving a higher degree of judgment or complexity, or where assumptions and estimates are considered significant are presented in Note 4 "Main judgements, estimates and accountable assumptions."

Accounting Policies

The principal accounting policies adopted in preparing the financial statements are as follows:

Tangible assets

Tangible assets are booked at acquisition cost less accumulated depreciation and cumulative impairment losses. Acquisition cost includes the invoice price, transport and assembly cost and financial cost incurred during the construction phase.

Tangible assets in progress include tangible assets in the construction phase and are booked at cost less cumulative impairment losses. Tangible assets are depreciated as from the time the capital expenditure projects are mainly completed or the assets are ready for use.

Depreciation of acquisition cost are calculated on a straight-line basis (on a monthly basis), as from the year the assets are available for use in accordance with group management, at the rates considered most appropriate to depreciate the assets during their estimated economic useful life, limited, when applicable, to the concession period.

The economic useful lives used for the asset are as follows:

	Estimated useful life
Furniture and social office equipment	[4 to 5 years]

Recurring repair and maintenance cost are expensed in the year when they are incurred. Major overhauls involving the replacement of parts of equipment or of the other tangible assets are booked as tangible assets if the replaced parts are identified and written off, and depreciated over the remaining period of economic useful life of the respective tangible assets.

The gain/loss resulting from the write-off or disposal of tangible assets are determined by the difference between the sale price and the net book value as of the date of the write-off/disposal. The net book value includes accumulated impairment losses. The resulting accounting capital gain/loss booked in the income statements under the caption “Other operating income” or “Other operating costs”, respectively.

Impairment of tangible assets

Impairment tests are made as of the financial statements date and whenever a decline in the asset value is identified. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recorded to the income statement caption “Amortization, depreciation and impairment loss on tangible assets”.

The recoverable amount is the greater of the net selling price and the value in use. Net selling price is the amount that would be obtained from selling the asset in a transaction between independent knowledgeable parties, less the costs directly attributable to the sale. Value in use corresponds to the present value of the future cash flows generated by the asset during its estimated economic useful life. The recoverable amount is estimated for the asset or cash generating unit to which it belongs.

Impairment losses recognized in prior periods are reversed when they no longer exist or have decreased. Such tests are made whenever there are indications that an impairment recognized in an earlier period has reverted. Reversal of impairment is recognized as a decrease in the income statement caption “Amortization, depreciation and impairment loss of tangible assets”. However, impairment losses are only reversed up to the book value that the asset would present (net of amortization or depreciation), if the impairment loss had not been recorded.

Revenue

Revenue is measured at the fair value of the counterpart already received or to be received. The revenue to be recognised is deducted of the estimated amount of returns, discounts and other rebates. The recognised revenue does not include VAT and other paid taxes related to the sale.

Revenue arising from the rendering of services is recognised with reference to the finishing phase of the transaction at the date of reporting, provided that the following conditions are met:

- the amount of revenue may be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- the finishing phase of the transaction at the date of reporting can be measured reliably.

When the services are performed with an undetermined number of actions for a specific period of time, revenue is recognised in a straight-line basis during the specific time period unless there is evidence that another method will represent the finishing phase better. When a specific act is more significant than others, the recognition of the revenue is postponed until the significant act is executed.

Transactions and balances in foreign currencies

Transactions in foreign currencies (currency other than the Company's functional currency) are registered at the exchange rates, at the transactions dates. On the date of each report, the carrying amounts of the monetary items in foreign currency are updated to the exchange rates. The carrying amounts of the non-monetary items registered at their fair value in foreign currency are updated to the exchange rate of the date in which their fair value was determined. The carrying amounts of the non-monetary items registered at historical expenses in foreign currency are not updated.

The exchange rate differences arising from the above-mentioned updates are registered in results in the period in which they are generated.

All assets and liabilities expressed in foreign currency were converted to Meticals, using the existing exchange rates at balance sheet date:

	2024	2023
1 USD	64,54	-
1 ZAR	3,44	-

Expenses and income recognition

Expense and income are registered in the period it refers independently of payment or receipt, according with the accrual basis. The differences between amount received and paid and, the corresponding expenses or revenues are registered in the caption Other Assets or Liabilities according with the amounts to receive or pay.

Income tax

Income taxes comprise current taxes and deferred taxes. Income taxes are recognised in results, except when they are related to items that are recognised directly in equity, in such event they are also registered as counterpart of the equities.

Current taxes are those expected to be paid based on the taxable result, determined in accordance with the tax rules in force and using the approved, or substantially approved, tax rate in each jurisdiction.

Financial assets and liabilities

The financial assets and liabilities are recognized in the balance sheet when the Company becomes a part of a corresponding contractual arrangements of the instrument.

The financial assets and liabilities are classified in the following categories: (i) cost or depreciated costs and (ii) the fair value with the recognized alterations in the financial statements.

Customers and other current receivables

The customers e other current receivables liabilities are registered at face value deducted from eventual impairment losses. These receivables are accounted using the effective interest method.

The impairment losses are registered following events that indicate, objectively and quantifiably, that total or part of the balance in debt will not be received. For such, the company takes into account market information that shows:

- The counterparty shows significant financial difficulties;
- Significant delays in payments by the counterparty occur;
- It becoming probable that the debtor will enter winding procedures or other financial reorganisation.

The recognized impairment losses amount to the difference between the carrying amount of the receivable balance and future estimated cash flow actual value, discounted at the initial effective interest rate which, whenever the receipt is expected in less than one year, it is considered null because its effect in the discount is considered immaterial.

Cash and cash equivalents

These amounts comprise cash on hand and demand bank deposits, due within three months or less from the date of acquisition, which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value**.**

Subsequent events

The events after the balance sheet date that provide additional information on the existing conditions at balance sheet date (“adjusting events”) are reflected in the financial statements. The events after the balance sheet date that provides information on conditions occurred after the balance sheet date (“non adjusting events”) are disclosed in the financial statements, if they are considered material.

4. Main judgements, estimates and accountable assumptions

The preparation of financial statements in accordance with generally accepted accounting principles requires estimates to be made that affect the recorded amount of assets and liabilities, the disclosure of contingent assets and liabilities at the end of each year and income and costs recognized each year. The actual results could be different depending on the estimates made.

The estimates and assumptions were determined based on best knowledge existing at the date of approval of the financial statements of events and transactions in course, as well as experience on past and/or current events. Although, it may occur situations in subsequent periods that, not being predictable at the date of approval of the financial statements, were not considered as an estimate. The alterations on the estimates that occur after the financial statements date will be corrected in a forward-looking manner.

The main judgments and estimates made in the preparation of financial statements are as follows:

Recoverability of trade receivables and others receivables

Impairment losses relating to debtors and other receivables are based according Management judgment of the probability of recovery of the balances of accounts receivable, aging schedule, debt cancellation and other factors. There are certain facts and circumstances that may change the estimate of impairment losses of receivables balances based on the assumptions considered, including changes in the economic climate, sectoral trends, the deterioration in the credit condition of key customers and major defaults. This evaluation process is subject to numerous estimates and judgments. The changes in these estimates could result in the determination of different levels of impairment and therefore different impacts on results.

Estimated income tax

The company has adopted a conservative policy in preparing its estimate of income tax. The company is confident that in the event of an inspection, any corrections to the carrying amount will be nil or insignificant.

Measurement of tangible fixes assets

The tangible assets are measured at cost value. The Company believes that the estimated useful life of the assets is adequate and that the value at the reporting date does not differ substantially from the amount recorded under this caption.

5. Changes in accounting policies, estimates and errors

There were no voluntary changes in accounting policies, estimates and errors with effect in the current period or any prior period or possible effect on future periods.

6. Tangible assets

At 31 December 2024 and 2023, the movement in fixed assets is as follows:

Gross amount	Opening balance	Additions	Disposals	Closing balance
Office furniture	-	245,426	(34,250)	211,176
	-	**245,426**	**(34,250)**	**211,176**

Accumulated depreciation and impairments	Opening balance	Additions	Disposals	Closing balance
Office furniture	-	24,713	-	24,713
	-	**24,713**	**-**	**24,713**
Net book value 31/12/2024	**-**			**186,463**

7. Trade debtors

At 31 December 2024 and 2023, the trade debtors are comprised of the following:

	31/12/2024	31/12/2023
Trade debtors national market	4,031,906	-
	4,031,906	**-**

The detail of trade debtors national market at 31 December 2024 and 2023 is as follows:

	31/12/2024	31/12/2023
Zara Trading,Lda	1,753,694	-
Oceano Mozambique Lda	2,278,212	-
	4,031,906	**-**

8. Other current assets

At 31 December 2024 and 2023, the other current assets are comprised of the following:

	31/12/2024	31/12/2023
VAT	469,604	-
Other debtors	1,808,435	-
	2,278,039	**-**

9. Cash and banks

At 31 December 2024 and 2023, the cash and cash equivalents are as follows:

	31/12/2024	31/12/2023
Petty cash	27,565	-
Current deposits	1,939,256	-
	1,966,821	**-**

10. Share capital

The share capital is 1,000,000 Meticais (One million Meticais) and is fully subscribed and paid up.

At balance sheet date the share capital lies decomposed by the following entities:

Decomposition of Share capital:	Share %	31/12/2024	Share %	31/12/2023
Varun Beverages Limited	99%	990,000	0%	-
Varun Beverages International	1%	10,000	0%	-
	100%	**1,000,000**	**0%**	**-**

The movement of the capital items for the year 2024 and 2023 was as shown below:

	Share Capital	Legal reserves	Retained earnings	Net profit for the year	Total equity
Balances as at 1 January 2023		**-**	**-**		**-**
Application of the net result of the prior year	-	-	-	-	-
Net result for the year	-	-	-		-
Balances as at 31 December 2023	**-**	**-**	**-**	**-**	**-**
Issuance of share capital	1,000,000	-			-
Net result for the year	-	-	-	(12,190,706)	(12,190,706)
Balances as at 31 December 2024	**1,000,000**	**-**	**-**	**(12,190,706)**	**(11,190,706)**

11. Suppliers

At 31 December 2024 and 2023, the suppliers are comprised of the following:

	31/12/2024	31/12/2023
Suppliers	18,308,073	-
	18,308,073	**-**

The caption is detailed below:

	31/12/2024	31/12/2023
Related Parties		
Varun Beverages - Zambia	14,075,411	-
BEVC - The Beverage Company (South Africa)	2,430,566	-
Other suppliers		
Zara Trading, Lda	1,561,178	-
Others	240,918	-
	18,308,073	**-**

12. Other current liabilities

At 31 December 2024 and 2023, the other current liabilities are as follows:

	31/12/2024	31/12/2023
Tax payables	39,068	-
Accrued expenses	850,788	-
Others	456,006	-
	1,345,862	**-**

Tax payables are as follows:

	31/12/2024	31/12/2023
Witholding tax	21,712	-
INSS - Social taxes	17,356	-
	39,068	**-**

13. Revenue

The revenue recognized by the Company for the years 2024 and 2023 are as follows:

	2024	2023
Services rendered	41,461,674	-
	41,461,674	**-**

The revenue comprises the sale of beverages and soft drinks directly from the supplier to the clients of VBL Mozambique.

14. Cost of inventories sold or consumed

At 31 December 2024 and 2023, the statement of the cost of raw, auxiliary and material inventories for the 2024 and 2023 periods is as follows:

	31/12/2024	31/12/2023
Initial stocks	**-**	**-**
Purchases	34,725,258	-
Stock regularisations	3,590,314	-
Final Stocks	**-**	**-**
Costs for the year	**31,134,944**	**-**

15. Staff costs

In the financial year’s ended 31 December 2024 and 2023, the company incurred the following staff costs:

	2024	2023
Employee's remuneration	2,012,234	-
Other remuneration	657,259	-
	2,669,494	**-**

The average number of employees during the year ended of 31 December 2024 was 11.

16. External supplies

The recognised expenses in 2024 and 2023 in reference to the supplies and external services item are as presented below:

		2024	2023
Specialised services	(i)	2,268,828	-
Stationery		78,541,63	-
Maintenance and repairing material		38,474,14	-
Fuel		134,468,74	-
Rentals	(ii)	3,173,245,00	-
Transport of employees		1,061,726,25	-
Communication		33,490,00	-
Insurance		111,822,24	-
Representation expenses	(iii)	7,834,987,64	-
Others		887,102,02	-
		15,622,685	**-**

(i) – the specialised services comprise expenditure on auditing, marketing, training and various consultancy services;

(ii) - the rents include essentially the monthly expenses with the office rental, an employee's house and a warehouse.

(iii) – representation expenses correspond to travels made by employees for developing partnerships, expanding business, checking goods sent to customers.

17. Other operational expenses

The other operational losses in 2024 and 2023 are as presented below:

Other operational expenses	2024	2023
Breakages or returned merchandise	4,317,652	-
	4,317,652	**-**

The breakages or returned goods note is made up of defective goods, losses incurred at the time of delivery and expired items.

18. Financial Income and Expenses

The financial income for the year 2024 and 2023 are detailed bellow:

Financial income	2024	2023
Exchange gains	174,439	-
	174,439	**-**

The financial expenses for the year 2024 and 2023 are detailed bellow:

Financial expenses	2024	2023
Exchange losses	57,332	-
	57,332	**-**

19. Income tax

As the first year of operations of the company, no amount of tax advance payments was due (payment on Account and Special Payment).

At year end the entity presents a tax loss, therefore, no amount of income tax is due ate year end 31 December 2024.

20. Related parties

Related parties

Varun Beverages (Zambia) Ltd.

Varun Beverages (Zimbabwe) Pvt. Ltd.

BEVC – The Beverage Company (South Africa).

Varun Beverages International Ltd.

Varun Beverages Limited.

The balances with entities related to 31 December 2024 are as follows:

Year ended at 31/12/2024	
Suppliers	
Varun Beverages - Zambia	14,075,411
BEVC - The Beverage Company (South Africa)	2,430,566
Total	**16,505,977**

Year ended at 31/12/2023	
Suppliers	
Varun Beverages - Zambia	-
BEVC - The Beverage Company (South Africa)	-
Total	**-**

21. Contingent assets and contingent liabilities

The company does not have any commitments or contingencies not recognized in balance sheet.

22. Other Information

At the date of 31 December 2024, the company had no debts under INSS (Social Security) and the Tax Authority (IRPC and IRPS).

According to the legislation, tax returns are subject to review and correction by the tax authorities for a period of five years.

23. Subsequent events

There is no evidence of any subsequent events after the balance sheet date susceptible to affect the financial statements for the year under review.

The Accountant

Management

PKF Mozambique

PKF Auditores e Consultores, Limitada

THE BEVERAGE COMPANY PROPRIETARY LIMITED
(REGISTRATION NUMBER 2016/155356/07)
SPECIAL PURPOSE ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2024

General Information

Country of incorporation and domicile	South Africa	
Nature of business and principal activities	Manufacture and sale of non-alcoholic carbonated beverages	
Directors	WR Nidd	Executive
	PW Spies	Executive
	S Sharma	Non-executive
	SK Iyer	Non-executive
	K Naidoo	Executive
	SR Mehmood	Non-executive
Registered office	20 Anvil Road Isando Gauteng 1600	
Business address	20 Anvil Road Isando Gauteng 1600	
Postal address	PO Box 102 Glenvista Johannesburg Gauteng 2058	
Holding company	Varun Beverages Limited incorporated in India	
Bankers	Rand Merchant Bank	
Auditors	KPL Meraki Registered Auditors Inc.	
Secretary	S. David	
Level of assurance	These special purpose annual consolidated and separate financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.	
Preparer	The special purpose annual consolidated and separate financial statements were independently compiled under the supervision of: WR Nidd (CFO)	
Issued	05 February 2025	

Contents

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the special purpose annual consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the special purpose annual consolidated and separate financial statements fairly present the state of affairs of the group for the six months ended 31 December 2024 and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa. The external auditors are engaged to express an independent opinion on the special purpose annual consolidated and separate financial statements.

The special purpose annual consolidated and separate financial statements are prepared in accordance with IFRS® Accounting Standards, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the special purpose annual consolidated and separate financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the next twelve months and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's special purpose annual consolidated and separate financial statements. The special purpose annual consolidated and separate financial statements have been examined by the group's external auditors and their report is presented on pages 4 to 7.

The special purpose annual consolidated and separate financial statements set out on pages 8 to 53, which have been prepared on the going concern basis, were approved by the board of directors on 05 February 2025 and were signed on their behalf by:

WR Nidd

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Gauteng
2194

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of The Beverage Company Proprietary Limited

Report on the Audit of the Consolidated Financial Statements Opinion

Opinion

We have audited the accompanying consolidated financial statements of The Beverage Company (Pty) Ltd ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 December 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the period ended 31 December 2024, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in South Africa, including International Financial Reporting Standards (IFRS) which were issued by the International Accounting Standards Board (IASB), of the state of affairs of the Group as at 31 December 2024, and its consolidated profit/loss (including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the six month period ended on that date.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of consolidated financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa.

The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

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Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual financial statements but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained 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. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Holding 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 Board of Directors are also responsible for overseeing the Holding Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

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We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

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

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

Report on Other Legal and Regulatory Requirements

Further as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a) we have sought obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying consolidated financial statements;

b) in our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;

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2194

c) the consolidated financial statements dealt with by this report are in agreement with the books of account for the purpose of preparation of consolidated financial statements.

d) in our opinion, the aforesaid consolidated financial statements comply with International Financial Reporting Standards (IFRS).

e) the Group does not have any pending litigation(s) which would impact its financial position as at 31 December 2024.

Yours sincerely

Per: Paddington Muskwe
Audit Partner
KPL Meraki Registered Auditors Inc
Firm Registration No: 948802
IRBA Membership No: 835561

05 February 2025

Directors' Report

The directors have pleasure in submitting their report on the special purpose annual consolidated and separate financial statements of The Beverage Company Proprietary Limited for the 6 months ended 31 December 2024.

1. Nature of business

The Beverage Company Proprietary Limited ("the company") is the holding company of The Beverage Company BIDCO Proprietary Limited ("BIDCO") and Little Green Beverages Proprietary Limited. Little Green Beverages Proprietary Limited's major activities comprised the manufacture, marketing, sales and distribution of non-alcoholic soft drinks. Effective 6 February 2024, Little Green Beverages Proprietary Limited transferred its business as a going concern to The Beverage Company Proprietary Limited as a distribution in anticipation of its liquidation. The remaining companies in The Beverage Company BIDCO group are dormant and are in the process of voluntary liquidation or deregistration except Softbev (Pty) Ltd which is dormant but remains registered.

2. Review of financial results and activities

The annual consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act 71 of 2008.

The company intends to change it's financial year end from 30 June to 31 December to ensure that the financial reporting timelines are aligned with the holding company. This change is expected to be filed on 01 July 2024.

These financial statements are prepared as special purpose set of financial statements to provide reporting information for the 6 month period ended 31 December 2024 to the group's holding company.

Full details of the financial position, results of operations and cash flows of the group are set out in these annual consolidated and separate financial statements.

3. Share capital

Refer to note 15 of the special purpose annual consolidated and separate financial statements for detail of the movement in authorised and issued share capital.

4. Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act 71 of 2008. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, under the control of the directors until the next AGM.

5. Dividends

No dividend was declared or paid by the group during the period (30 June 2024: R Nil).

6. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the group are unlimited. However, all borrowings by the group are subject to board approval as required by the board's approval framework.

7. Auditors

KPL Meraki Registered Auditors Inc were appointed in office as auditors of the group and its subsidiaries for the period ended 31 December 2024 in accordance with section 90(2) of the Companies Act of South Africa (2008).

8. Board of directors

The directors in office at the date of this report are as follows:

Directors	Designation	Changes
WR Nidd	Executive	
PW Spies	Executive	
K Naidoo	Executive	Appointed 01 July 2024
SR Mehmood	Non-executive	Appointed 01 July 2024
S Sharma	Non-executive	
SK Iyer	Non-executive	

9. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the group had an interest and which significantly affected the business of the group.

10. Events after the reporting period

Varun Beverages Limited ("VBL") introduced further cash equity of R900 million on 02 January 2025 in lieu of shares issued, which monies was used to settle the R900 million RMB term loan facility in full. In addition VBL loaned the group a further R310 million for working capital on 02 January 2025, which monies were utilised to reduced the current overdraft balance.

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

11. Secretary

S. David is the group company secretary in office.

12. Going concern

The special purpose annual consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

We draw attention to the fact that at 31 December 2024, the group had accumulated losses of R954 712 825 (30 June 2024: R904 493 130) and the company had accumulated losses of R955 919 130 (30 June 2024: R905 699 435). As at year end, the group's total liabilities exceeded its total assets by R104 745 027 (30 June 2024: R54 525 332) and the company's total liabilities exceeded it's total assets by R105 951 332 (30 June 2024: R55 731 637). The group incurred a net loss for the period of R50 219 695 (30 June 2024: R495 412 718) and the company incurred a net loss for the period of R50 219 695 (30 June 2024: R295 783 195). At year end the group's current liabilities exceed its current assets by R276 144 105 (30 June 2024: R4 611 819) and company's current assets exceed its current liabilities by R277 350 410 (30 June 2024:R8 784 780).

The directors are of the view that existing cash resources as well as continued committed funding from the Holding Company, the group will have sufficient resources to settle liabilities in the ordinary course of business as and when they arise.

Based on the above, the directors believe that the group will continue as a going concern in the foreseeable future. The annual financial statements have accordingly been prepared on the going concern basis.

13. Date of authorisation for issue of annual consolidated and separate financial statements

The special purpose annual consolidated and separate financial statements have been authorised for issue by the directors on 05 February 2025. No authority was given to anyone to amend the special purpose annual consolidated and separate financial statements after the date of issue.

14. Interests in subsidiaries

Details of material interests in subsidiary companies are presented in note 7.

15. Holding company

The group's holding company is Varun Beverages Limited which holds 95% (30 June 2024: 95%) of the group's equity. Varun Beverages Limited is incorporated in India and listed on the Mumbai Stock Exchange.

16. Transfer of business from Little Green Beverages Proprietary Limited

Following the sale of The Beverage Company Proprietary Limited to Varun Beverages Limited, and in terms of a group reorganisation, Little Green Beverages Proprietary Limited transferred its business as a going concern to The Beverage Company Proprietary Limited as a distribution in anticipation of its liquidation, partly, in terms of section 47of the Income Tax Act and partly not in terms of section 47 of the Income Tax Act. The sale of business was effected on 6 February 2024. Refer to note 34 for further information.

17. Sale of The Beverage Company Proprietary Limited to Varun Beverages Limited

On 20 December 2023, the shareholders of The Beverage Company Proprietary Limited entered into an agreement for the sale of The Beverage Company Proprietary Limited, its business, and its group to Varun Beverages Limited ("VBL"). VBL, a company headquartered in India and listed on the Indian Stock Exchanges – NSE and BSE. The sale transaction concluded on 26 March 2024, with VBL acquiring 100% of the issued shares in the BEVCO group. Ownership of the BEVCO group was fully transferred to VBL as of the closing date.

Consolidated and Separate Statement of Financial Position as at 31 December 2024

		Group		Company	
Figures in Rand	Note	31 December 2024 R	30 June 2024 R	31 December 2024 R	30 June 2024 R
Assets					
Non-Current Assets					
Property, plant and equipment	3	793 937 237	583 733 377	793 937 237	583 733 377
Right-of-use assets	4	533 052 053	353 386 605	533 052 053	353 386 605
Goodwill	5	606 135 487	606 135 487	606 135 487	606 135 487
Intangible assets	6	227 625 963	250 619 534	227 625 963	250 619 534
Investments in subsidiaries	7	-	-	-	-
Loans to related parties	8	-	-	-	2 966 656
Loans to shareholders	9	48 179 841	48 765 821	48 179 841	48 765 821
Other financial assets	10	20 038 181	-	20 038 181	-
Other receivables	11	9 299 346	-	9 299 346	-
		2 238 268 108	**1 842 640 824**	**2 238 268 108**	**1 845 607 480**
Current Assets					
Inventories	12	412 090 716	299 743 535	412 090 716	299 743 535
Trade and other receivables	13	1 020 466 666	558 338 577	1 020 466 666	558 338 577
Other receivables	11	123 829 095	-	123 829 095	-
Prepayments		18 855 249	84 109 245	18 855 249	84 109 245
Current tax receivable		4 982 400	4 172 969	3 776 088	-
Cash and cash equivalents	14	23 652 283	34 097 237	23 652 283	34 097 237
		1 603 876 409	**980 461 563**	**1 602 670 097**	**976 288 594**
Total Assets		**3 842 144 517**	**2 823 102 387**	**3 840 938 205**	**2 821 896 074**
Equity and Liabilities					
Equity					
Share capital	15	849 967 798	849 967 798	849 967 798	849 967 798
Accumulated loss		(954 712 825)	(904 493 130)	(955 919 130)	(905 699 435)
		(104 745 027)	**(54 525 332)**	**(105 951 332)**	**(55 731 637)**
Liabilities					
Non-Current Liabilities					
Loans from shareholders	16	650 000 000	650 000 000	650 000 000	650 000 000
Other financial liabilities	17	900 000 000	899 999 999	900 000 000	899 999 999
Lease liabilities	4	430 365 520	271 125 108	430 365 520	271 125 108
Deferred tax	18	81 748 755	71 429 230	81 748 755	71 429 230
Provisions		4 754 755	-	4 754 755	-
		2 066 869 030	**1 892 554 337**	**2 066 869 030**	**1 892 554 337**
Current Liabilities					
Trade and other payables	19	1 128 595 656	503 509 678	1 128 595 649	503 509 670
Lease liabilities	4	142 688 489	108 062 688	142 688 489	108 062 688
Current tax payable		17 068 120	10 470 402	17 068 120	10 470 402
Provisions		17 049 366	-	17 049 366	-
Bank overdraft	14	574 618 883	363 030 614	574 618 883	363 030 614
		1 880 020 514	**985 073 382**	**1 880 020 507**	**985 073 374**
Total Liabilities		**3 946 889 544**	**2 877 627 719**	**3 946 889 537**	**2 877 627 711**
Total Equity and Liabilities		**3 842 144 517**	**2 823 102 387**	**3 840 938 205**	**2 821 896 074**

Consolidated and Separate Statement of Comprehensive Income

		Group		Company	
Figures in Rand	Note	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R
Revenue	20	2 389 329 127	4 090 478 289	2 389 329 127	1 655 782 301
Cost of sales	21	(1 359 493 647)	(2 302 116 326)	(1 359 493 647)	(961 768 866)
Gross profit		**1 029 835 480**	**1 788 361 963**	**1 029 835 480**	**694 013 435**
Other operating income	22	4 764 982	6 989 506	4 764 982	1 769 963
Other operating gains	23	3 005 569	165 806	3 005 569	605 430
Movement in credit loss allowances	13	(8 000 000)	(84 887 007)	-	-
Operating expenses		(924 262 868)	(2 054 530 487)	(932 262 868)	(1 074 207 221)
Operating profit (loss)	24	**105 343 163**	**(343 900 219)**	**105 343 163**	**(377 818 393)**
Investment revenue	25	3 432 403	2 841 110	3 432 403	1 124 522 588
Finance charges	26	(148 675 705)	(223 852 563)	(148 675 705)	(162 084 564)
Other non-operating losses	27	-	-	-	(808 973 596)
Loss before taxation		**(39 900 139)**	**(564 911 672)**	**(39 900 139)**	**(224 353 965)**
Taxation	28	(10 319 556)	69 498 954	(10 319 556)	(71 429 230)
Loss for the year		**(50 219 695)**	**(495 412 718)**	**(50 219 695)**	**(295 783 195)**
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		**(50 219 695)**	**(495 412 718)**	**(50 219 695)**	**(295 783 195)**

Consolidated and Separate Statement of Changes in Equity

Figures in Rand	Share capital R	Accumulated loss R	Total equity R
GROUP			
Balance at 30 June 2023	**849 967 798**	**(409 080 412)**	**440 887 386**
Loss for the year	-	(495 412 718)	(495 412 718)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**-**	**(495 412 718)**	**(495 412 718)**
Balance at 30 June 2024	**849 967 798**	**(904 493 130)**	**(54 525 332)**
Loss for the 6 months	-	(50 219 695)	(50 219 695)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**-**	**(50 219 695)**	**(50 219 695)**
Balance at 31 December 2024	**849 967 798**	**(954 712 825)**	**(104 745 027)**
Note	15		
COMPANY			
Balance at 30 June 2023	**849 967 798**	**(609 916 240)**	**240 051 558**
Loss for the year	-	(295 783 195)	(295 783 195)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**-**	**(295 783 195)**	**(295 783 195)**
Balance at 30 June 2024	**849 967 798**	**(905 699 435)**	**(55 731 637)**
Loss for the 6 months	-	(50 219 695)	(50 219 695)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**-**	**(50 219 695)**	**(50 219 695)**
Balance at 31 December 2024	**849 967 798**	**(955 919 130)**	**(105 951 332)**
Note	15		

Consolidated and Separate Statement of Cash Flows

		Group		Company	
Figures in Rand	Note(s)	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R
Cash flows from operating activities					
Cash (used in)/generated from operations	29	221 177 260	(55 136 388)	221 177 260	(18 272 924)
Interest received	25	520 928	744 077	520 928	57 949
Interest paid	26	(121 440 186)	(97 086 400)	(121 440 186)	(48 089 371)
Tax received		5 788 287	9 559 110	5 788 287	8 530 034
Net cash from operating activities		**106 046 289**	**(141 919 601)**	**106 046 289**	**(57 774 312)**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(359 712 794)	(81 409 617)	(359 712 794)	(29 417 504)
Proceeds on disposal of property, plant and equipment	3	92 816 150	4 771 622	92 816 150	-
Increase in intangible assets	6	-	(3 149 599)	-	(527 378)
Sale of other intangible assets	6	-	1 482 807	-	-
Loans advanced to group companies		-	(17 257 147)	-	-
Proceeds from loans from group companies		-	-	-	32 127 110
Transfer of business		-	-	-	(213 640 383)
Repayment of loan from group company		-	-	-	(20)
Loans advanced to shareholders		-	-	-	(48 765 821)
Net cash used in investing activities		**(266 896 644)**	**(95 561 934)**	**(266 896 644)**	**(260 223 996)**
Cash flows from financing activities					
Proceeds from other financial liabilities	30	-	500 000 000	-	495 362 740
Redemption of preference share liabilities	30	-	(30 311 811)	-	(30 311 811)
Proceeds from shareholders loan	30	-	650 000 000	-	650 000 000
Repayment of shareholders loan	30	-	(1 088 449 852)	-	(1 088 449 852)
Cash repayments of lease liabilities	30	(61 182 868)	(105 977 792)	(61 182 868)	(37 902 854)
Net cash used in financing activities		**(61 182 868)**	**(74 739 455)**	**(61 182 868)**	**(11 301 777)**
Total cash movement for the 6 months		**(222 033 223)**	**(312 220 990)**	**(222 033 223)**	**(329 300 085)**
Cash at the beginning of the 6 months		(328 933 377)	(16 712 387)	(328 933 377)	366 708
Total cash at end of the 6 months	14	**(550 966 600)**	**(328 933 377)**	**(550 966 600)**	**(328 933 377)**

Accounting Policies

1. Material accounting policy information

The material accounting policies applied in the preparation of these annual consolidated and separate financial statements are set out below.

1.1 Basis of preparation

The annual consolidated and separate financial statements have been prepared on the historical cost basis in accordance with, and in compliance with,IFRS Accounting Standards and IFRIC® Interpretations interpretations issued and effective at the time of preparing these financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

The annual consolidated and separate financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group and company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual consolidated and separate financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales. The impairment assessment is based on assumptions of the inventory items' condition and realisable value. The group uses judgement in making these assumptions and the factors that contribute to the impairment.

Fair value estimation

The impairment tests of certain assets of the group (goodwill and intangible assets) require the determination of their fair value. Refer to the goodwill and intangible assets (notes 5 and 6 respectively) for details of the valuation techniques used in these determinations.

Impairment testing of non-financial assets

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable as well as in the annual testing of goodwill for impairment. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Expected manner of realisation of deferred tax

Management have reviewed the property, plant and equipment and intangible assets of the group in order to determine the appropriate rate at which to measure deferred tax. The manner of recovery of the carrying amount, i.e. through use or sale, affects the determination of the deferred tax assets or liabilities. Management considered the business model of the assets and concluded that the carrying amount of these assets is recovered through use rather than through sale and therefore the related deferred taxation should be measured on the use basis.

1.2 Significant judgements and sources of estimation uncertainty (continued)

Going concern

Management applied its judgement, taking into account the current financial position, future forecasted profits and future cash flows including its future obligations in terms of its borrowing in concluding that the company and group are going concerns. Changes in the assumptions regarding future cash flows and profits could affect the going concern of the company and/or group.

1.3 Property, plant and equipment

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the 6 months in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Depreciation rate
Plant and machinery	Straight line	5 - 12 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	3 years
Leasehold improvements	Straight line	Remaining lease term
Refrigerators	Straight line	5 years

The residual value, useful life and depreciation method of each asset class is reviewed at the end of each reporting 6 months. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

The depreciation charge for each 6 months is recognised in profit or loss unless it is included in the carrying amount of another asset. Management has re-assessed the useful lives of all classes of property, plant and equipment assets and no material impact has been concluded.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Goodwill

Goodwill is initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Subsequently goodwill is carried at cost less accumulated impairment.

1.5 Intangible assets

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Trademarks	Straight line	15 years
Computer software	Straight line	3 years
Marketing	Straight line	15 years
Customer relationships	Straight line	6 and 10 years

1.6 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses.

1.7 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group ,as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

Financial liabilities:

- Amortised cost.

The Financial instruments and risk management note (note 33) presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Financial assets at amortised cost

Classification

Financial assets include cash and cash equivalents, trade and other receivables, loans to group companies and , and are classified as financial assets subsequently measured at amortised cost.

Recognition and measurement

Financial assets at amortised cost are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any except for trade and other receivables which are measured at transaction price under IFRS 15.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method for any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

1.7 Financial instruments (continued)

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment revenue.

The application of the effective interest method to calculate interest income is dependent on the credit risk of the financial asset as follows:

- The effective interest rate is applied to the gross carrying amount of the loan or receivable, provided the loan or receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan or receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The group recognises a loss allowance for expected credit losses on all loans and trade receivables measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loan or receivable.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan or receivable has not increased significantly since initial recognition, then the loss allowance for that loan or receivable is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan or receivable. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan or receivable that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than the evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan or receivable has increased significantly since initial recognition, the group compares the risk of a default occurring on the loan or receivable as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information. This information includes inflation rates, GDP growth rates, interest rates and unemployment rates.

Irrespective of the outcome of the above assessment, the credit risk on a loan or receivable is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan or receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the group considers that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 120 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

1.7 Financial instruments (continued)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration. The group uses the simplified approach to determine the expected credit loss on trade and other receivables.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans or receivables are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and vice versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance.

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 33).

Financial liabilities at amortised cost

Classification

Financial liabilities at amortised cost include borrowings, trade and other payables and loans from group companies, and are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Financial liabilities at amortised cost are recognised when the group becomes a party to the contractual provisions of the liability. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Interest expense, calculated on the effective interest method, is included in profit or loss as finance charges.

Financial liabilities expose the group to liquidity risk and interest rate risk. Refer to note 33 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are subsequently measured at amortised cost which approximates fair value. Cash and cash equiavlents include cash on hand and bank balances.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

1.7 Financial instruments (continued)

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The difference between the carrying amount of the financial asset derecognised and the consideration received or receivable is recognised in profit or loss.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceed the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities / (assets) for the current and prior periods are measured at the amount expected to be paid to / (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit / (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit / (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.9 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets (assets with a new replacement cost of less than R5 000). For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in interest expense.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Costs included in the measurement of the right-of-use asset comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;

1.9 Leases (continued)

- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and

- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter of the period of the lease term or useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation is charged from the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value, on the standard cost basis which approximates the weighted average cost. The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). At each reporting date, inventories are assessed for impairment taking into account damaged and expired inventory. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The write-down is recognised immediately in profit or loss in cost of sales.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Impairment of non-financial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed annually and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as .

Ordinary shares are recognised at no par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

Accounting Policies

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.14 Revenue from contracts with customers

The group recognises revenue from the sale of goods.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, trade discounts, allowances, indirect taxes and rebates. Trade incentives such as rebates, discounts and allowances are treated as variable considerations and deducted from gross revenue. These variable considerations are only included in the transaction price if it is highly probable that the amount of revenue recognised would not be subject to significant future reversals when the uncertainty is resolved.

The group recognises revenue when it transfers control of a product to a customer.

The group applies the core principles established in the five-step model framework in IFRS 15 when recognising revenue from contract with customers.

Sale of goods

Revenue is recognised at a point in time for sale of goods.

For sale of goods, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods. Payment of the transaction price is due immediately at the point the customer purchases the goods, or within credit terms for account holding customers. A receivable is recognised for account holding customers. The group applies the practical expedient for not accounting for significant financing components due to length of time being less than 12 months.

1.15 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs, in profit or loss as a reduction to cost of sales.

1.16 Finance costs

Finance costs are recognised as an expense in terms of the effective interest method.

1.17 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and

In circumstances where the group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, the group determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current 6 months

In the current 6 months, the branch has adopted the following standards and interpretations that are effective for the current financial 6 months and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 9 Financial Instruments Amendment: Fees in the '10 per cent' test for derecognition of financial liabilities 2: Clarifies the fees to be applied in the application of the '10 per cent' test when assessing whether to derecognise a financial liability. Only include fees paid or received between the borrower and the lender, including those paid or received on the other's behalf.	01 January 2022	This will be applied when derecognition occurs. There has been no derecognition of financial liabilities in the current year.

2.2 Standards and interpretations not yet effective

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IAS 1 Presentation of Financial Statements Amendment: Classification of Liabilities as Current or Non-current: - Classification to be based on whether the right to defer settlement by at least twelve months exists at the end of the reporting period. - Classification is unaffected by expectation of settlement. - Settlement refers to transfer of cash equity instruments, other assets or services. - Clarifies that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. Amendment: Disclosure of Accounting Policies (01 January 2023): - Accounting policies to be disclosed where the information is material, by nature or amount. - Explains when accounting policy information is considered material and provides examples. Clarifies that when an entity chooses to disclose an immaterial accounting. Amendment: Classification of long-term debt affected by convenants - Classify debt as non-current only if the branch can avoid settling the debt within 12 months after the reporting date. - Specify covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date - The amendments require the branch to disclose information about these covenants in the notes to the financial statements.	01 January 2024	Impact is currently being assessed
• IAS 12 Income Taxes Amendment: Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Narrows the scope of the exemption for recognition of taxable/deductible temporary differences that arise on certain transactions. The transaction should not give rise to equal taxable and deductible temporary differences. - Clarifies that deferred tax must be recognised on initial recognition of IFRS 16 leases and similar types of transactions that give rise to the recognition of an asset and a liability, such as decommissioning, restoration and similar liabilities with corresponding amounts recognised as part of the related asset.	01 January 2023	No material impact expected

2. New Standards and Interpretations (continued)

• IFRS 17 Insurance Contracts New standard establishing the principles for the recognition, measurement, presentation and disclosure of insurance contracts. The single accounting model makes use of current estimates. The amendments are aimed at helping companies implement the Standard and making it easier to explain their financial performance, are designed to: - reduce costs by simplifying some requirements; - make financial performance easier to explain; and - ease transition by deferring the effective date to 2023 and by providing additional relief to reduce the effort required when applying IFRS 17 for the first time.	01 January 2023	No material impact expected
• IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors Amendment: Definition of Accounting Estimates - Distinguishes clearly between a change in accounting policy and a change in accounting estimate. - Revises the definition of an accounting estimate. - Provides reworded and specific examples of accounting estimates. - Clarifies that measurement techniques and inputs used in developing accounting estimates are not accounting policies.	01 January 2023	There is no impact in the current year as the group did not have a change in accounting policy, accounting estimate or an error.

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
Figures in Rand	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R

3. Property, plant and equipment

Group	31 December 2024			30 June 2024		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Plant and machinery	1 105 610 427	(453 809 812)	651 800 615	931 067 147	(406 986 499)	524 080 648
Furniture and fixtures	3 259 850	(2 667 844)	592 006	3 259 850	(2 547 279)	712 571
Motor vehicles	37 801 751	(36 802 177)	999 574	37 801 751	(36 656 460)	1 145 291
Office equipment	3 937 713	(3 908 895)	28 818	3 937 713	(3 874 290)	63 423
Computer equipment	21 237 195	(15 390 733)	5 846 462	19 323 906	(13 887 730)	5 436 176
Leasehold improvements	16 912 406	(13 327 812)	3 584 594	16 912 406	(12 136 525)	4 775 881
Refrigerators	237 251 430	(106 166 262)	131 085 168	148 777 467	(101 258 080)	47 519 387
Total	**1 426 010 772**	**(632 073 535)**	**793 937 237**	**1 161 080 240**	**(577 346 863)**	**583 733 377**

Company	31 December 2024			30 June 2024		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Plant and machinery	1 105 610 427	(453 809 812)	651 800 615	931 067 147	(406 986 499)	524 080 648
Furniture and fixtures	3 259 850	(2 667 844)	592 006	3 259 850	(2 547 279)	712 571
Motor vehicles	37 801 751	(36 802 177)	999 574	37 801 751	(36 656 460)	1 145 291
Office equipment	3 937 713	(3 908 895)	28 818	3 937 713	(3 874 290)	63 423
IT equipment	21 237 195	(15 390 733)	5 846 462	19 323 906	(13 887 730)	5 436 176
Leasehold improvements	16 912 406	(13 327 812)	3 584 594	16 912 406	(12 136 525)	4 775 881
Refrigerators	237 251 430	(106 166 262)	131 085 168	148 777 467	(101 258 080)	47 519 387
Total	**1 426 010 772**	**(632 073 535)**	**793 937 237**	**1 161 080 240**	**(577 346 863)**	**583 733 377**

Reconciliation of property, plant and equipment - Group - 31 December 2024

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Plant and machinery	524 080 648	269 325 541	(93 439 727)	(48 165 847)	651 800 615
Furniture and fixtures	712 571	-	-	(120 565)	592 006
Motor vehicles	1 145 291	-	-	(145 717)	999 574
Office equipment	63 423	-	-	(34 605)	28 818
Computer equipment	5 436 176	1 913 290	-	(1 503 004)	5 846 462
Leasehold improvements	4 775 881	-	-	(1 191 287)	3 584 594
Refrigerators	47 519 387	88 473 963	-	(4 908 182)	131 085 168
	583 733 377	**359 712 794**	**(93 439 727)**	**(56 069 207)**	**793 937 237**

Reconciliation of property, plant and equipment - Group - 30 June 2024

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Plant and machinery	553 637 423	43 557 985	(3 945 538)	(69 169 222)	524 080 648
Furniture and fixtures	784 885	194 435	-	(266 749)	712 571
Motor vehicles	922 417	553 266	-	(330 392)	1 145 291
Office equipment	232 931	1 830	-	(171 338)	63 423
Computer equipment	4 583 663	4 111 386	(7 578)	(3 251 295)	5 436 176
Leasehold improvements	4 535 930	2 788 596	22 006	(2 570 651)	4 775 881
Refrigerators	37 913 624	30 202 119	-	(20 596 356)	47 519 387
	602 610 873	**81 409 617**	**(3 931 110)**	**(96 356 003)**	**583 733 377**

	Group		Company	
Figures in Rand	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 31 December 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	524 080 648	269 325 541	(93 439 727)	(48 165 847)	651 800 615
Furniture and fixtures	712 571	-	-	(120 565)	592 006
Motor vehicles	1 145 291	-	-	(145 717)	999 574
Office equipment	63 423	-	-	(34 605)	28 818
Computer equipment	5 436 176	1 913 290	-	(1 503 004)	5 846 462
Leasehold improvements	4 775 881	-	-	(1 191 287)	3 584 594
Refrigerators	47 519 387	88 473 963	-	(4 908 182)	131 085 168
	583 733 377	**359 712 794**	**(93 439 727)**	**(56 069 207)**	**793 937 237**

Reconciliation of property, plant and equipment - Company - 30 June 2024

	Opening balance	Transfer of business *	Additions	Disposals	Depreciation	Total
Plant and machinery	-	539 987 958	14 617 510	-	(30 524 820)	524 080 648
Furniture and fixtures	-	781 605	48 381	-	(117 415)	712 571
Motor vehicles	-	756 743	506 650	-	(118 102)	1 145 291
Office equipment	-	96 894	1 830	-	(35 301)	63 423
Computer equipment	-	6 007 792	855 280	(56)	(1 426 840)	5 436 176
Leasehold improvements	-	4 831 762	1 002 414	22 006	(1 080 301)	4 775 881
Refrigerators	-	47 087 909	12 385 439	-	(11 953 961)	47 519 387
	-	**599 550 663**	**29 417 504**	**21 950**	**(45 256 740)**	**583 733 377**

Changes in estimates

The group reassesses the useful lives and residual values of items of group at the end of each reporting period, in line with the accounting policy and IAS 16 Property, plant and equipment. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

In the prior year, the useful lives of certain assets included in plant and machinery were reassessed from 10 years to 12 years. In the current year, all items of property, plant and equipment were reassessed to include a residual value of 5% of the original cost.

Recognised cost of assets fully depreciated

Plant and machinery	1 824 064	1 824 943	1 824 064	1 824 943
Furniture and fixtures	5 218 412	5 252 577	5 218 412	5 252 577
Motor vehicles	36 221 911	36 211 911	36 221 911	36 211 911
Computer equipment	6 071 862	8 158 943	6 071 862	8 158 943
Leasehold improvements	5 868 705	6 022 845	5 868 705	6 022 845
Refrigerators	65 411 913	73 920 281	65 411 913	73 920 281
	120 616 867	**131 391 500**	**120 616 867**	**131 391 500**

*** Transfer of business from Little Green Beverages Proprietary Limited**

Property, plant and equipment was transferred from Little Green Beverages Proprietary Limited. Refer to note 34 for further information.

	Group		Company	
Figures in Rand	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R

4. Leases (company as lessee)

Details pertaining to leasing arrangements, where the group is lessee are presented below:

Net carrying amounts of right-of-use assets

Buildings	480 467 210	306 960 722	480 467 210	306 960 722
Motor vehicles	28 963 609	21 157 574	28 963 609	21 157 574
Forklifts	22 598 710	23 438 752	22 598 710	23 438 752
Equipment	1 022 524	1 829 557	1 022 524	1 829 557
	533 052 053	**353 386 605**	**533 052 053**	**353 386 605**

Additions to right-of-use assets

Buildings	210 341 302	39 586 569	210 341 302	-
Motor vehicles	13 098 093	25 615 770	13 098 092	8 287 895
Forklifts	2 755 376	41 117 895	2 755 376	7 641 652
Equipment	618 796	2 595 365	618 796	-
	226 813 567	**108 915 599**	**226 813 566**	**15 929 547**

Additions through transfer of business from Little Green Beverages Proprietary Limited

Buildings	-	-	-	118 086 314
Motor vehicles	-	-	-	17 327 875
Forklifts	-	-	-	17 717 169
Equipment	-	-	-	2 595 365
	-	**-**	**-**	**155 726 723**

Right-of-use assets were transferred from Little Green Beverages Proprietary Limited. Refer to note 34 for further information.

Depreciation recognised on right-of-use assets

Buildings	36 834 814	55 559 180	36 834 814	26 344 632
Motor vehicles	5 292 056	9 908 887	5 292 056	3 999 205
Forklifts	3 595 419	5 714 031	3 595 419	2 627 942
Equipment	1 425 830	2 655 521	1 425 830	1 123 146
	47 148 119	**73 837 619**	**47 148 119**	**34 094 925**

Lease liabilities

Within one year	142 727 854	108 170 513	142 727 854	108 170 513
Two to five years	422 845 434	298 601 460	422 845 434	298 601 460
More than five years	340 600 444	141 404 316	340 600 444	141 404 316
	906 173 732	548 176 289	906 173 732	548 176 289
Less finance charges component	(333 119 723)	(168 988 493)	(333 119 723)	(168 988 493)
	573 054 009	**379 187 796**	**573 054 009**	**379 187 796**

Split between non-current and current portions

Non-current liabilities	430 365 520	271 125 108	430 365 520	271 125 108
Current liabilities	142 688 489	108 062 688	142 688 489	108 062 688
	573 054 009	**379 187 796**	**573 054 009**	**379 187 796**

Figures in Rand	Group 6 months ended 31 December 2024 R	Group 12 months ended 30 June 2024 R	Company 6 months ended 31 December 2024 R	Company 12 months ended 30 June 2024 R

4. Leases (company as lessee) (continued)

Other disclosures

Interest expense on lease liabilities	28 235 518	30 395 468	28 235 518	17 624 498
Expenses on short-term leases included in operating expenses	14 359 957	18 675 766	14 359 957	6 294 337
Total cash outflow from leases	61 182 868	105 918 665	61 182 868	45 116 281

Transfers of business from Little Green Beverages Proprietary Limited

Lease liabilities amounting to R167 711 344 were transferred from Little Green Beverages Proprietary Limited. Refer to note 34 for further information.

5. Goodwill

Group	31 December 2024			30 June 2024		
	Cost	**Accumulated impairment**	**Carrying value**	**Cost**	**Accumulated impairment**	**Carrying value**
Goodwill	606 135 487	-	606 135 487	606 135 487	-	606 135 487

Reconciliation of goodwill - Group - 31 December 2024

	Opening balance	**Total**
Goodwill	606 135 487	606 135 487

Reconciliation of goodwill - Group - 30 June 2024

	Opening balance	**Impairment loss**	**Total**
Goodwill	637 592 487	(31 457 000)	606 135 487

Reconciliation of goodwill - Company - 31 December 2024

	Opening balance	**Total**
Goodwill	606 135 487	606 135 487

Reconciliation of goodwill - Company - 30 June 2024

	Opening balance	**Transfer of business**	**Total**
Goodwill	-	606 135 487	606 135 487

Assessment of goodwill impairment

At the end of the current period goodwill belongs to the cash generating unit being the entire business of The Beverage Company Proprietary Limited.

In the prior year goodwill comprised of Little Green Beverages Proprietary Limited and SoftBev Proprietary Limited with a gross carrying amount of R606 135 487 and R31 457 000 respectively. The goodwill of SoftBev was written off following the sale of business and group reorganisation.

5. Goodwill (continued)

The assessment for the impairment of goodwill included projected future cashflows using growth rates of between 10.32% and 48.15% (30 June 2024: 10.32% and 48.15%) per annum over a five year period and applying a discount rate of 16.48% (30 June 2024: 16.48%) per annum. The cash flows beyond this period have been extrapolated using a constant terminal growth rate of 4.5% (30 June 2024: 4.5%) per annum which is in line with current market conditions. The value in use, which approximates fair value less costs of disposal, amounts to R10 043 103 340.

Budgeted EBITDA was based on expectations of future performance taking into account past experience, adjusted for anticipated revenue growth.

Sensitivity analysis

The following sensitivity analysis was performed on the basis of a possible change in the discount rate and terminal growth rate. All the other variables remaining constant.

Discount rate

An increase and decrease of the discount rate by 1% results in a decrease of R636 263 363 and increase of R441 435 653 of the value in use respectively.

Terminal growth rate

An increase and decrease of the terminal growth rate by 1% results in an increase of R508 381 142 and decrease of R692 895 943 of the value in use respectively.

The value in use determined in all scenarios above is higher than the carrying value of the cash generating unit and does not result in any impairment loss.

6. Intangible assets

Group	31 December 2024			30 June 2024		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Trademarks	7 500 000	(7 500 000)	-	7 500 000	(7 500 000)	-
Computer software	22 945 478	(20 457 496)	2 487 982	22 945 478	(18 878 088)	4 067 390
Marketing	232 983 571	(99 385 047)	133 598 524	232 983 571	(91 618 927)	141 364 644
Customer relationships	309 762 144	(218 222 687)	91 539 457	309 762 144	(204 574 644)	105 187 500
Total	**573 191 193**	**(345 565 230)**	**227 625 963**	**573 191 193**	**(322 571 659)**	**250 619 534**

Company	31 December 2024			30 June 2024		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Trademarks	7 500 000	(7 500 000)	-	7 500 000	(7 500 000)	-
Computer software	22 945 478	(20 457 496)	2 487 982	22 945 478	(18 878 088)	4 067 390
Marketing	232 983 571	(99 385 047)	133 598 524	232 983 571	(91 618 927)	141 364 644
Customer relationships	309 762 144	(218 222 687)	91 539 457	309 762 144	(204 574 644)	105 187 500
Total	**573 191 193**	**(345 565 230)**	**227 625 963**	**573 191 193**	**(322 571 659)**	**250 619 534**

Reconciliation of intangible assets - Group - 31 December 2024

	Opening balance	**Amortisation**	**Total**
Computer software	4 067 390	(1 579 408)	2 487 982
Marketing	141 364 644	(7 766 120)	133 598 524
Customer relationships	105 187 500	(13 648 043)	91 539 457
	250 619 534	**(22 993 571)**	**227 625 963**

6. Intangible assets (continued)

Reconciliation of intangible assets - Group - 30 June 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	7 244 691	3 149 599	(1 482 807)	(4 844 093)	4 067 390
Marketing	156 896 882	-	-	(15 532 238)	141 364 644
Client relationships	139 869 221	-	-	(34 681 721)	105 187 500
	304 010 794	**3 149 599**	**(1 482 807)**	**(55 058 052)**	**250 619 534**

Reconciliation of intangible assets - Company - 31 December 2024

	Opening balance	Amortisation	Total
Computer software	4 067 390	(1 579 408)	2 487 982
Marketing	141 364 644	(7 766 120)	133 598 524
Customer relationships	105 187 500	(13 648 043)	91 539 457
	250 619 534	**(22 993 571)**	**227 625 963**

Reconciliation of intangible assets - Company - 30 June 2024

	Opening balance	Transfer of business *	Additions	Amortisation	Total
Computer software	-	4 928 157	527 378	(1 388 145)	4 067 390
Marketing	-	147 568 613	-	(6 203 969)	141 364 644
Customer relationships	-	119 040 256	-	(13 852 756)	105 187 500
	-	**271 537 026**	**527 378**	**(21 444 870)**	**250 619 534**

*** Transfer of business fromLittle Green Beverages Proprietary Limited**

Intangible assets was transferred from Little Green Beverages Proprietary Limited. Refer to note 34 for further information.

Intangible assets acquired in purchase of business

The Marketing and Customer relationship intangible assets arose from the purchase of the SoftBev Proprietary Limited business. Marketing relates to trademarks acquired which have been recognised after meeting the contractual-legal criterion on acquisition. Client relationships relate to the contractual and non-contractual relationships between the group and its customers.

Pledge and cession of Trademarks

The group has pledged and ceded all current trademarks of the group as security for the due, proper and timeous payment and performance in full of all the of all the obligations in respect of the finance facilities provided by Rand Merchant Bank. Refer to notes 12 and 16 for further details of the facilities provided.

Remaining useful lives of individually material intangible assets

Marketing - 103 months
Customer relationships: Large group customers - 43 months
Customer relationships: Independent customers - nil

7. Investment in subsidiary

Company

Name of subsidiary	% voting power 2025	% voting power 2024	% holding 2025	% holding 2024	Carrying amount 31 December 2024	Carrying amount 30 June 2024
The Beverage Company BIDCO Proprietary Limited	100 %	100 %	100 %	100 %	873 967 817	873 967 817
Little Green Beverages Proprietary Limited	100 %	100 %	100 %	100 %	536 257 851	536 257 851
					1 410 225 668	1 410 225 668
Impairment of investment in subsidiaries					(1 410 225 668)	(1 410 225 668)
					-	-

The investments in The Beverage Company BIDCO Proprietary Limited ('BIDCO') were impaired due to an impairment of certain subsidiaries of BIDCO (Old Little Green Beverages Proprietary Limited and SoftBev Proprietary Limited). These subsidiaries are dormant and will be deregistered within the next 18 months.

8. Loans to related parties

Little Green Beverages Proprietary Limited	-	-	-	2 966 656

The loan was unsecured, bears interest at the prime interest rate plus 2% and was settled in the current year.

Split between non-current and current portions

Non-current assets	-	-	-	2 966 656

9. Loans to shareholders

Varun SA Proprietary Limited This loan was unsecured, bears interest at the prime interest rate and was transferred to the employee trust loan below during the year.	-	48 765 821	-	48 765 821
The Bevco Employee Trust This loan is unsecured, bears interest at the prime interest rate with no fixed terms of repayment.	48 179 841	-	48 179 841	-
	48 179 841	**48 765 821**	**48 179 841**	**48 765 821**

Split between non-current and current portions

Non-current assets	48 179 841	48 765 821	48 179 841	48 765 821

10. Other financial assets

At amortised cost				
Security deposits	16 549 726	-	16 549 726	-
Interest accrued on loan This interest relates to the loan received from The Bevco Employee Trust. This interest accrues at the prime lending rate.	3 488 455	-	3 488 455	-
	20 038 181	**-**	**20 038 181**	**-**

Non-current assets				
At amortised cost	20 038 181	-	20 038 181	-

Figures in Rand	Group 6 months ended 31 December 2024 R	Group 12 months ended 30 June 2024 R	Company 6 months ended 31 December 2024 R	Company 12 months ended 30 June 2024 R

11. Other receivables

Capital advances	133 128 441	-	133 128 441	-
Non-current assets	9 299 346	-	9 299 346	-
Current assets	123 829 095	-	123 829 095	-
	133 128 441	**-**	**133 128 441**	**-**

12. Inventories

Raw materials and components	150 810 390	90 514 095	150 810 390	90 514 095
Finished goods	120 253 565	109 976 441	120 253 565	109 976 441
Packaging materials	98 267 432	68 542 770	98 267 432	68 542 770
Consumable spares	48 890 866	45 389 517	48 890 866	45 389 517
	418 222 253	314 422 823	418 222 253	314 422 823
Provision for stock losses	(6 131 537)	(14 679 288)	(6 131 537)	(14 679 288)
	412 090 716	**299 743 535**	**412 090 716**	**299 743 535**

The amount of inventories expensed during the year amounted to R1 178 683 619 for the group (30 June 2024: R2 045 672 855) and R1 178 683 619 (30 June 2024: R844 261 869) for the company. Actual stock written-off during the year amounted to R17 182 809 for the group (30 June 2024: R57 413 525) and R17 182 809 (30 June 2024: R37 842 041) for the company.

13. Trade and other receivables

Financial instruments:				
Trade receivables	1 062 093 750	640 028 058	1 062 093 750	640 028 058
Loss allowance	(109 601 473)	(101 601 473)	(109 601 473)	(101 601 473)
Trade receivables at amortised cost	952 492 277	538 426 585	952 492 277	538 426 585
Deposits	258 331	10 890 038	258 331	10 890 038
Staff loans	20 429	25 929	20 429	25 929
Other receivables *	60 403 673	-	60 403 673	-
Non-financial instruments:				
Value added tax	7 291 956	8 996 025	7 291 956	8 996 025
Total trade and other receivables	**1 020 466 666**	**558 338 577**	**1 020 466 666**	**558 338 577**

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	1 013 174 710	549 342 552	1 013 174 710	549 342 552
Non-financial instruments	7 291 956	8 996 025	7 291 956	8 996 025
	1 020 466 666	**558 338 577**	**1 020 466 666**	**558 338 577**

* Included in other receivables are claims receivable, advances from contractors and other general receivables.

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due. A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

	Group		Company	
Figures in Rand	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R

13. Trade and other receivables (continued)

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The group's historical credit loss experience does show significantly different loss patterns for different customer segments. The segmentation is based on grouping customers with similar loss patterns (i.e. by geographical region, product type, customer type). Customers have therefore been grouped into two segments for this purpose namely - Low Risk and Other Trade Receivables.The provision for credit losses is accordingly based on past due status together with disaggregating the receivables into these two risk profiles. The Low Risk segment includes large listed groups, blue chip entities and large retail chains all who have historically had no collection issues. The loss allowance provision is determined as follows:

	31 December 2024	30 June 2024	31 December 2024	30 June 2024
Expected credit loss category and rate: **Low risk receivables**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Current: 0.00% (30 June 2024: 0.66%)	48 808 976	-	150 720 463	(1 044 396)
30 days: 0.00% (30 June 2024: 1.06%)	39 319 945	-	70 918 525	(752 753)
60 days: 0.00% (30 June 2024: 1.62%)	39 716 721	-	15 088 808	(244 106)
90 days and longer: 0.00% (30 June 2024: 2.75%)	36 570 421	-	9 924 533	(272 712)
	164 416 063	**-**	**246 652 329**	**(2 313 967)**

	31 December 2024	30 June 2024	31 December 2024	30 June 2024
Other trade receivables	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Current: 7,28% (30 June 2024: 17.66%)	556 174 688	(40 497 989)	250 032 543	(44 143 788)
30 days: 17,58% (30 June 2024: 44.96%)	181 852 901	(31 973 156)	100 839 746	(45 333 432)
60 days: 21,75% (30 June 2024: 24.61%)	71 240 238	(15 495 519)	16 471 987	(4 053 430)
90 days and longer: 24,47% (30 June 2024: 31.93%)	88 409 860	(21 634 809)	18 031 453	(5 756 856)
	897 677 687	**(109 601 473)**	**385 375 729**	**(99 287 506)**
Total	**1 062 093 750**	**(109 601 473)**	**640 028 058**	**(101 601 473)**

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

Opening balance	**(101 601 473)**	**(16 714 466)**	**(101 601 473)**	**-**
Increase in loss allowances	(8 000 000)	(84 887 007)	(8 000 000)	-
Closing balance	**(109 601 473)**	**(101 601 473)**	**(109 601 473)**	**-**

	Group		Company	
Figures in Rand	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R

13. Trade and other receivables (continued)

Concentration of credit risk

Concentration per sales channel				
Wholesale	530 624 280	354 288 209	551 258 839	354 288 209
Retail	403 298 671	240 340 603	403 298 671	240 340 603
Exports	79 012 944	42 590 256	79 012 944	42 590 256
Other	49 157 855	2 808 990	49 157 855	2 808 990
	1 062 093 750	**640 028 058**	**1 082 728 309**	**640 028 058**

Concentration per region				
South Africa	983 080 806	597 437 802	1 003 715 365	597 437 802
International	79 012 944	42 590 256	79 012 944	42 590 256
	1 062 093 750	**640 028 058**	**1 082 728 309**	**640 028 058**

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to their short-term nature.

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	193	-	193
Bank balances	23 652 283	34 097 044	23 652 283	34 097 044
Bank overdraft	(574 618 883)	(363 030 614)	(574 618 883)	(363 030 614)
	(550 966 600)	**(328 933 377)**	**(550 966 600)**	**(328 933 377)**

Current assets	23 652 283	34 097 237	23 652 283	34 097 237
Current liabilities	(574 618 883)	(363 030 614)	(574 618 883)	(363 030 614)
	(550 966 600)	**(328 933 377)**	**(550 966 600)**	**(328 933 377)**

The group has the following facilities with banking institutions:

Rand Merchant Bank

The total amount of undrawn facilities available for future operating activities and commitments	222 157 528	36 969 386	-	-
Direct card facility	7 000 000	7 000 000	-	-
Contingent facility	2 100 000	2 100 000	-	-

Refer to note 6 for details of the assets pledged and ceded for facilities provided by Rand Merchant Bank to the group. Refer to note 17 for details of the Rand Merchant Bank financial liability.

Credit quality of cash at bank and short-term deposits, excluding cash on hand

Credit risk from balances with banks and financial institutions is managed by the group's finance department in accordance with the group policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The credit risk associated with such counterparty is limited due to the fact that the counterparties are banks with high credit ratings assigned by international credit agencies. The credit risk of cash at banks and short-term deposits is therefore considered to be low.

	Group		Company	
Figures in Rand	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R

15. Share capital

Authorised
10 000 000 (June 2024: 10 000 000) ordinary shares

Issued - number of shares				
Ordinary shares	2 124 920	2 124 920	2 124 920	2 124 920
Issued - Rand value				
Ordinary shares	849 967 798	849 967 798	849 967 798	849 967 798

16. Loans from shareholders

Varun Beverages Limited	650 000 000	650 000 000	650 000 000	650 000 000

The loan is unsecured, bears interest at the prime interest rate. The loan is repayable in 2 instalments, the 1st instalment of 50% of the capital amount is repayable on the fifth anniversary of the disbursement of the loan and the balance of the loan is payable within 7 years of the loan disbursement.

The above loan has been subordinated in favour of the loan provided by Rand Merchant Bank to the company. The subordination agreements were extended to August 2026 after year end. Accordingly, the loan may only be settled subsequent to the Rand Merchant Bank loan being settled at the end of August 2026.

Split between non-current and current portions

Non-current liabilities	650 000 000	650 000 000	650 000 000	650 000 000

17. Other financial liabilities

Held at amortised cost				
Rand Merchant Bank	900 000 000	899 999 999	900 000 000	899 999 999

Split between non-current and current portions

Non-current liabilities	900 000 000	899 999 999	900 000 000	899 999 999

The loan is secured by a mortgage bond over the company's assets and trademarks to the value of R2.28 billion, bears interest at the JIBAR rate plus 3.8% and has quarterly repayments of interest. The facility is to be settled on 26 March 2027.

Financial covenants for the Rand Merchant Bank loan

The funding facilities to the group provided by Rand Merchant Bank are subject to the following financial covenants. All financial covenants were met in the respective periods.

a) The Net Debt/EBITDA ratio shall not exceed:

- Measurement period ending on or before 31 March 2026, ratio of 3.75:1 and;
- Measurement period after 31 March 2026, ratio of 3.50:1 and;
- The shareholder shall ensure that the ratio shall not exceed 2.5:1

b) The Net Interest Cover ratio shall be equal to or more than:

- Measurement period ending on or before 31 March 2026, ratio of 2.50:1

Figures in Rand	Group 6 months ended 31 December 2024 R	Group 12 months ended 30 June 2024 R	Company 6 months ended 31 December 2024 R	Company 12 months ended 30 June 2024 R

17. Other financial liabilities (continued)

Refer to note 6 for details of the assets pledged and ceded for facilities provided by Rand Merchant Bank to the company. Refer to note 14 for details of the banking facilities with Rand Merchant Bank.

Exposure to liquidity risk

Refer to note 33 for details of liquidity risk exposure and management.

18. Deferred tax

Deferred tax liability

Prepaid expenses	(3 502 380)	(421 085)	(3 502 380)	(421 085)
Right-of-use assets	(143 924 054)	(95 414 383)	(143 924 054)	(95 414 383)
Property, plant and equipment	(101 610 290)	(98 139 959)	(101 610 290)	(98 139 959)
Intangible assets	(59 504 546)	(66 593 119)	(59 504 546)	(66 593 119)
Total deferred tax liability	**(308 541 270)**	**(260 568 546)**	**(308 541 270)**	**(260 568 546)**

Deferred tax asset

Lease liability	154 724 583	102 380 705	154 724 583	102 380 705
Provision for bad debts	17 755 439	16 459 439	17 755 439	16 459 439
Income received in advance	-	2 060 387	-	2 060 387
Provisions	24 707 780	18 689 793	24 707 780	18 689 793
Deferred tax balance from temporary differences other than unused tax losses	197 187 802	139 590 324	197 187 802	139 590 324
Tax losses available for set-off against future taxable income	29 604 713	49 548 992	29 604 713	49 548 992
Total deferred tax asset	**226 792 515**	**189 139 316**	**226 792 515**	**189 139 316**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(308 541 270)	(260 568 546)	(308 541 270)	(260 568 546)
Deferred tax asset	226 792 515	189 139 316	226 792 515	189 139 316
Total net deferred tax liability	**(81 748 755)**	**(71 429 230)**	**(81 748 755)**	**(71 429 230)**

Reconciliation of deferred tax liability

At beginning of year	(71 429 230)	(143 003 963)	(71 429 230)	-
Tax loss available for set off against future taxable income	(19 944 279)	5 310 190	(19 944 279)	49 548 992
Temporary difference movement on computer software	-	392 889	-	-
Temporary difference movement on property, plant and equipment	(3 470 331)	28 402 159	(3 470 331)	(98 139 959)
Temporary difference movement on income received in advance	(2 060 387)	(516 384)	(2 060 387)	2 060 387
Temporary difference movement on provisions	6 017 987	9 156 545	6 017 987	18 689 793
Temporary difference movement on provision for doubtful debts	1 296 000	13 751 696	1 296 000	16 459 439
Temporary difference movement on prepaid expenses	(3 081 295)	(123 951)	(3 081 295)	(421 085)
Temporary difference movement on intangible assets	7 088 573	13 533 729	7 088 573	(66 593 119)
Temporary difference movement on right-of-use asset	(48 509 671)	(70 286 357)	(48 509 671)	(95 414 383)
Temporary difference movement on lease liability	52 343 878	71 954 217	52 343 878	102 380 705
	(81 748 755)	**(71 429 230)**	**(81 748 755)**	**(71 429 230)**

	Group		Company	
Figures in Rand	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R

18. Deferred tax (continued)

Change in tax rate

Effective 31 March 2023, the South African corporate income tax rate changed from 28% to 27%.

Utilisation of assessed losses

For tax years ending on or after 31 March 2023, Section 20 of the Income Tax Act of South Africa was amended to limit the deduction of carried forward accumulated assessed losses, as a deduction from taxable income, to the higher of R1 million and 80% of the entity's taxable income for the year, determined before taking into account this provision. The balance of accumulated assessed losses remains available for utilisation in future years, subject to the same provisions.

19. Trade and other payables

Financial instruments:				
Trade payables	785 551 090	286 914 301	785 551 083	286 914 293
Other payables *	72 191 327	15 187 263	72 191 327	15 187 263
Accrued interest	52 094 570	18 029 508	52 094 570	18 029 508
Other accrued expenses **	182 223 299	153 491 160	182 223 299	153 491 160
Non-financial instruments:				
Accrued leave pay	21 804 122	19 269 882	21 804 122	19 269 882
Accrued employee expenses	14 731 248	10 617 564	14 731 248	10 617 564
	1 128 595 656	**503 509 678**	**1 128 595 649**	**503 509 670**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	1 092 060 286	473 622 232	1 092 060 279	473 622 224
Non-financial instruments	36 535 370	29 887 446	36 535 370	29 887 446
	1 128 595 656	**503 509 678**	**1 128 595 649**	**503 509 670**

Other payables *

* Included in other payables is short term capital creditors and other dues payable.

Other accrued expenses **

* Included in other accrued expenses is accrued transport costs, resin purchase accruals and trade rebate accruals.

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
Figures in Rand	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R

20. Revenue

Revenue from contracts with customers				
Sale of goods	2 389 329 127	4 090 478 289	2 389 329 127	1 655 782 301

Composition of revenue

The group composition of revenue is as follows:

Sale of goods				
Sale of goods - Soft drinks	2 735 570 876	5 551 053 871	2 735 570 876	2 226 953 183
Rebates, discounts and allowances	(346 241 749)	(1 460 575 582)	(346 241 749)	(571 170 882)
	2 389 329 127	**4 090 478 289**	**2 389 329 127**	**1 655 782 301**
Revenue by sales channel				
Wholesale	1 347 646 234	2 246 230 209	1 347 646 234	911 289 585
Retail	701 497 470	1 262 580 458	701 497 470	509 115 525
Exports	196 916 579	315 337 621	196 916 579	126 171 326
Other	143 268 844	266 330 001	143 268 844	109 205 865
	2 389 329 127	**4 090 478 289**	**2 389 329 127**	**1 655 782 301**

Timing of revenue recognition

At a point in time				
Sale of goods	2 389 329 127	4 090 478 289	2 389 329 127	1 655 782 301

Transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied

No portion of the transaction price included in revenue has been allocated to performance obligations which are unsatisfied or partially unsatisfied at the reporting date.

21. Cost of sales

Sale of goods	1 311 327 800	2 232 947 104	1 311 327 800	931 244 046
Manufactured goods:				
Depreciation	48 165 847	69 169 222	48 165 847	30 524 820
	1 359 493 647	**2 302 116 326**	**1 359 493 647**	**961 768 866**

22. Other operating income

Other recoveries	589 390	2 825 463	589 390	1 374 055
Claims, refunds and sundry income *	4 041 427	3 823 276	4 041 427	384 572
Discount received	-	23 352	-	11 336
Profit on disposal of property, plant and equipment	134 165	317 415	134 165	-
	4 764 982	**6 989 506**	**4 764 982**	**1 769 963**

* Comprises mainly of income from the sale of raw materials, supplier re-imbursement for defective materials, co-pack income for co-packing service and re-imbursements from transporters for damages or lost goods.

Figures in Rand	Note	Group 6 months ended 31 December 2024 R	Group 12 months ended 30 June 2024 R	Company 6 months ended 31 December 2024 R	Company 12 months ended 30 June 2024 R

23. Other operating gains and losses

Gains (losses) on disposals, scrappings and settlements					
Property, plant and equipment	3	(623 577)	840 512	(623 577)	840 512
Foreign exchange losses					
Net foreign exchange gains (losses)		3 629 146	(674 706)	3 629 146	(235 082)
Total other operating gains		**3 005 569**	**165 806**	**3 005 569**	**605 430**

24. Operating profit (loss)

Operating profit (loss) for the 6 months is stated after accounting for the following, amongst others:

Employee costs				
Salaries, wages, bonuses and other benefits	237 516 984	531 577 769	237 516 984	301 233 850
Retirement plans: defined contribution expense	9 110 314	15 336 209	9 110 314	5 231 405
Total employee costs in operating expenses	**246 627 298**	**546 913 978**	**246 627 298**	**306 465 255**
Short-term and low value leases				
Operating lease charges				
Premises	11 694 562	14 592 929	11 694 562	4 994 328
Equipment	26 566 970	56 737 159	26 566 970	25 289 368
	38 261 532	**71 330 088**	**38 261 532**	**30 283 696**
Depreciation and amortisation				
Depreciation of right-of-use assets	47 148 119	73 837 619	47 148 119	34 094 925
Depreciation of property, plant and equipment	56 069 207	96 356 003	56 069 207	45 256 740
Amortisation of intangible assets	22 993 571	55 058 052	22 993 571	21 444 870
Amortisation of security deposits	571 322	-	571 322	-
Total depreciation and amortisation	**126 782 219**	**225 251 674**	**126 782 219**	**100 796 535**
Less: Depreciation included in cost of merchandise sold and inventories	(48 165 847)	(69 169 222)	(48 165 847)	(30 524 820)
	78 616 372	**156 082 452**	**78 616 372**	**70 271 715**
Other material items				
Net foreign exchange loss (gain)	(3 629 146)	674 706	(3 629 146)	235 082
Motor vehicle expenses	15 172 869	34 058 857	15 172 869	13 357 369
Repairs and maintenance	67 258 160	133 693 786	67 258 160	50 827 412
Integration costs	-	862 580	-	862 580
Merchandising expenses	23 198 900	39 825 514	23 198 900	14 902 639
IT expenses	22 391 596	21 766 431	22 391 596	9 090 185
Municipal expenses and utilities	4 747 738	9 553 858	4 747 738	3 260 220
Advertising and promotion expenses	70 497 704	169 937 745	70 497 704	51 340 004
Depot costs	80 416 668	179 246 557	80 416 668	77 819 594
Legal fees	2 772 818	2 800 838	2 772 818	589 631
Deal costs	-	48 933 414	-	35 760 300

	Group		Company	
Figures in Rand	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R

25. Investment revenue

Dividend income				
Subsidiaries	-	-	-	1 041 496 206
Bank	529 928	158 097	529 928	57 948
Shareholders	2 902 475	2 097 033	2 902 475	-
Other related parties	-	585 980	-	82 968 434
	3 432 403	**2 841 110**	**3 432 403**	**83 026 382**
	3 432 403	**2 841 110**	**3 432 403**	**1 124 522 588**

26. Finance charges

Loans to related parties	39 853 347	96 370 695	39 853 347	96 370 695
Lease liabilities	28 235 518	30 395 468	28 235 518	17 624 498
Bank overdraft	28 284 011	32 669 124	28 284 011	14 119 256
Other interest paid	477 495	8 423 073	477 495	5 128 856
Finance facility	44 265 205	55 994 203	44 265 205	28 841 259
Guarantee fee	7 560 129	-	7 560 129	-
	148 675 705	**223 852 563**	**148 675 705**	**162 084 564**

27. Other non-operating losses

Impairment losses on				
Investments in subsidiaries	-	-	-	(808 973 596)

	Group		Company	
Figures in Rand	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R

28. Taxation

Major components of the tax expense / (income)

Current				
Local income tax - current period	-	434 733	-	-
Deferred				
Originating and reversing temporary differences	10 319 556	(69 933 687)	10 319 556	71 429 230
	10 319 556	**(69 498 954)**	**10 319 556**	**71 429 230**

Reconciliation of the tax expense / (income)

Reconciliation between accounting profit / (loss) and tax expense / (income):

Accounting loss	(39 900 139)	(564 911 672)	(39 900 139)	(224 353 965)
Tax at the applicable tax rate of 27% (June 2024: 27%)	(10 773 038)	(152 526 151)	(10 773 038)	(60 575 571)
Tax effect of adjustments on taxable income				
Non-deductible expenses	32	86 651	32	68
Legal fees	359 575	78 668	359 575	74 364
Deal costs	-	13 212 022	-	9 655 281
Fines and penalties	8 333	53 835	8 333	40 622
Depreciation on leasehold improvements	321 648	694 076	321 648	291 681
Non-deductible interest	635 522	-	635 522	-
Plant and machinery deferred tax adjustments	-	12 437 259	-	56 089
Dividend received	-	-	-	(281 203 976)
Tax losses carried forward	-	-	-	218 422 870
Assessed losses carried forward	-	14 534 904	-	-
Section 23N interest not deductible	12 295 039	40 333 376	12 295 039	26 020 088
Other deferred tax adjustments	7 472 445	1 161 673	7 472 445	-
Section 45 transfers	-	-	-	158 647 714
Assessed loss limitation	-	434 733	-	-
	10 319 556	**(69 498 954)**	**10 319 556**	**71 429 230**

The estimated tax loss available for set off against future taxable income is R161 741 656 (30 June 2024: R183 514 787).

Change in tax rate

Effective 31 March 2023, the South African corporate income tax rate changed from 28% to 27%.

Figures in Rand	Group 6 months ended 31 December 2024 R	Group 12 months ended 30 June 2024 R	Company 6 months ended 31 December 2024 R	Company 12 months ended 30 June 2024 R

29. Cash generated from / (used in) operations

Loss before taxation	(39 900 139)	(564 911 672)	(39 900 139)	(224 353 965)
Adjustments for:				
Depreciation and amortisation	126 210 897	225 251 674	126 210 897	100 796 535
(Profit) / loss on disposal of property, plant and equipment	623 577	(840 512)	623 577	(21 950)
Credit loss allowances	8 000 000	84 887 007	8 000 000	101 601 473
Dividend income	-	-	-	(1 041 496 206)
Investment revenue	(3 432 403)	(2 841 110)	(3 432 403)	(83 026 382)
Interest expense	148 675 705	223 852 563	148 675 705	162 084 564
Impairments	-	31 457 000	-	808 973 596
Movement in stock loss provision	(8 547 751)	13 185 276	(8 547 751)	14 679 288
Other non-cash items	-	(3 282 092)	-	-
Changes in working capital:				
Inventories	(103 799 430)	27 582 718	(103 799 430)	14 036 878
Trade and other receivables	(446 775 895)	18 388 673	(446 775 895)	183 912 092
Prepayments	33 420 693	(76 446 368)	33 420 693	(74 326 160)
Trade and other payables	506 702 006	(31 419 545)	506 702 006	18 867 313
	221 177 260	**(55 136 388)**	**221 177 260**	**(18 272 924)**

30. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 31 December 2024

	Opening balance	Interest accrued	New leases	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Other financial liabilities	899 999 999	-	-	1	1	-	900 000 000
Loans from shareholders	650 000 000	-	-	-	-	-	650 000 000
Lease liabilities	379 187 796	28 235 518	226 813 563	-	255 049 081	(61 182 868)	573 054 009
	1 929 187 795	**28 235 518**	**226 813 563**	**1**	**255 049 082**	**(61 182 868)**	**2 123 054 009**

Reconciliation of liabilities arising from financing activities - Group - 30 June 2024

	Opening balance	Interest accrued	New leases	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Other financial liabilities	399 999 999	-	-	-	-	500 000 000	899 999 999
Loans from shareholders	992 079 157	96 370 695	-	-	96 370 695	(438 449 852)	650 000 000
Lease liabilities	112 690 696	30 395 468	108 915 589	233 163 835	372 474 892	(105 977 792)	379 187 796
Preference share liabilities	30 311 811	-	-	-	-	(30 311 811)	-
	1 535 081 663	**126 766 163**	**108 915 589**	**233 163 835**	**468 845 587**	**(74 739 455)**	**1 929 187 795**

Reconciliation of liabilities arising from financing activities - Company - 31 December 2024

	Opening balance	Interest accrued	New leases	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Other financial liabilities	899 999 999	-	-	1	1	-	900 000 000
Loans from shareholders	650 000 000	-	-	-	-	-	650 000 000
Lease liabilities	379 187 796	28 235 518	226 813 563	-	255 049 081	(61 182 868)	573 054 009
	1 929 187 795	**28 235 518**	**226 813 563**	**1**	**255 049 082**	**(61 182 868)**	**2 123 054 009**

	Group		Company	
Figures in Rand	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R

30. Changes in liabilities arising from financing activities (continued)

Reconciliation of liabilities arising from financing activities - Company - 30 June 2024

	Opening balance	Interest accrued	New leases	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Other financial liabilities	-	-	-	404 637 259	404 637 259	495 362 740	899 999 999
Loans from shareholders	992 079 157	96 370 695	-	-	96 370 695	(438 449 852)	650 000 000
Lease liabilities	-	17 624 498	15 929 547	383 536 605	417 090 650	(37 902 854)	379 187 796
Preference share liabilities	30 311 811	-	-	-	-	(30 311 811)	-
	1 022 390 968	**113 995 193**	**15 929 547**	**788 173 864**	**918 098 604**	**(11 301 777)**	**1 929 187 795**

31. Related parties

Relationships

Holding company	Varun Beverages Limited
Subsidiaries	The Beverage Company BIDCO Proprietary Limited Little Green Beverages Proprietary Limited SoftBev Proprietary Limited
Fellow subsidiaries	Varun Beverages (Zimbabwe) Pvt Limited VBL Mozambique, SA Lunarmech Technologies Private Limited
Shareholders	Varun Beverages Limited Varun Beverages SA Proprietary Limited The Bevco Employee Trust
Directors and key management	WR Nidd PW Spies SK Iyer K Naidoo SR Mehmood S Sharma

Related party balances

Loan accounts - Owing (to) by related parties				
Little Green Beverages Proprietary Limited	-	-	-	2 966 656
Varun Beverages Limited	(650 000 000)	(650 000 000)	(650 000 000)	(650 000 000)
Varun Beverages SA Proprietary Limited	-	48 765 821	-	48 765 821
The Bevco Employee Trust (original capital)	48 179 841	-	48 179 841	-
The Bevco Employee Trust (interest receivable)	3 488 455	-	3 488 455	-
Amounts included in Trade receivable (Trade Payable) regarding related parties				
Varun Beverages Limited	(52 094 570)	(18 029 508)	(52 094 570)	(18 029 508)
Varun Beverages (Zimbabwe) Pvt Limited	942 671	-	942 671	-
VBL Mozambique, SA	706 560	-	706 560	-
Lunarmech Technologies Private Limited	(2 017 802)	-	(2 017 802)	-
Varun Beverages Limited	(4 144 943)	-	(4 144 943)	-
Varun Beverages Limited	(347 527)	-	(347 527)	-

	Group		Company	
Figures in Rand	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R	6 months ended 31 December 2024 R	12 months ended 30 June 2024 R

31. Related parties (continued)

Related party transactions

Interest earned from related parties				
Little Green Beverages Proprietary Limited	-	-	-	(81 823 294)
Little Green Beverages Management Trust	-	(3 311 449)	-	-
Varun Beverages SA Proprietary Limited	-	(585 980)	-	(585 980)
The Bevco Employee Trust	(2 902 475)	-	(2 902 475)	-
The Beverage Company BIDCO Proprietary Limited	-	-	-	(1 145 139)
Interest accrued to related parties				
BOE Private Equity Investments Proprietary Limited	-	22 117 743	-	5 805 901
Ethos Capital VI GP (SA) Limited	-	6 532 836	-	6 532 836
Ethos Capital VI GP (Jersey) Limited	-	48 124 621	-	48 124 621
Ethos Fund VI GP Co-Investment Trust	-	1 565 987	-	1 565 987
Gilbert Marketing CC	-	247 795	-	247 795
Harlequin Holdings Trust	-	1 384 154	-	1 384 154
Varun Beverages Limited	39 853 347	18 029 508	39 853 347	18 029 508
Dividends paid to / (received from) related parties				
The Beverage Company Proprietary Limited	-	-	-	(1 041 496 104)
Guarantee fees paid to related parties				
Varun Beverages Limited	7 560 129	-	7 560 129	-
Sales to related parties				
Varun Beverages (Zimbabwe) Pvt Limited	(2 599 556)	-	(2 599 556)	-
Capital expenses from related parties				
Lunarmech Technologies Private Limited	1 976 600	-	1 976 600	-
Varun Beverages (Zimbabwe) Pvt Limited	15 514 800	-	15 514 800	-

32. Commitments and contingencies

The group is suvject to capital commitments amounting to R44 570 000 and contingencies amounting to R573 000.

33. Financial instruments and risk management

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Interest rate risk.

The board of directors have overall responsibility for the establishment and oversight of the group's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the group's risk management policies. The committee reports quarterly to the board of directors on its activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The group's management oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk on other receivables, trade and other receivables, and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments.

In order to calculate credit loss allowances, management determines whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management applies the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 120 days past due). When determining the risk of default, management considers information such as payment history to date, industry in which the customer operates, period for which the customer has been in existence, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivables which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopts this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

33. Financial instruments and risk management (continued)

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. Management has chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables. The maximum exposure to credit risk is presented in the table below:

Group		31 December 2024			30 June 2024		
	Note	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Loans to shareholders	9	48 179 841	-	48 179 841	48 765 821	-	48 765 821
Other receivables		133 128 441	-	133 128 441	-	-	-
Other financial assets	10	20 038 181	-	20 038 181	-	-	-
Trade and other receivables	13	1 122 776 183	(109 601 473)	1 013 174 710	650 944 025	(101 601 473)	549 342 552
Cash and cash equivalents	14	23 652 283	-	23 652 283	34 097 237	-	34 097 237
		1 347 774 929	**(109 601 473)**	**1 238 173 456**	**733 807 083**	**(101 601 473)**	**632 205 610**

Company		31 December 2024			30 June 2024		
	Note	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Loans to related parties	8	-	-	-	2 966 656	-	2 966 656
Loans to shareholders	9	48 179 841	-	48 179 841	48 765 821	-	48 765 821
Other receivables		133 128 441	-	133 128 441	-	-	-
Other financial assets	10	20 038 181	-	20 038 181	-	-	-
Trade and other receivables	13	1 122 776 183	(109 601 473)	1 013 174 710	650 944 025	(101 601 473)	549 342 552
Cash and cash equivalents	14	23 652 283	-	23 652 283	34 097 237	-	34 097 237
		1 347 774 929	**(109 601 473)**	**1 238 173 456**	**736 773 739**	**(101 601 473)**	**635 172 266**

Refer to the notes specific to the exposures in the table above, for additional information concerning credit risk.

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due. The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short-term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions. There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group - 31 December 2024

	Note	**On demand**	**Less than one year**	**More than one year**	**Total**	**Carrying amount**
Non-current liabilities						
Loans from shareholders	16	-	-	(668 029 508)	(668 029 508)	(650 000 000)
Other financial liabilities	17	-	-	(1 198 484 999)	(1 198 484 999)	(900 000 000)
Lease liabilities	4	-	-	(763 445 878)	(763 445 878)	(430 365 520)
Current liabilities						
Trade and other payables	19	-	(1 092 060 286)	-	(1 092 060 286)	(1 092 060 286)
Lease liabilities	4	-	(142 727 854)	-	(142 727 854)	(142 688 489)
Bank overdraft	14	(574 618 883)	-	-	(574 618 883)	(574 618 883)
		(574 618 883)	**(1 234 788 140)**	**(2 629 960 385)**	**(4 439 367 408)**	**(3 789 733 178)**

33. Financial instruments and risk management (continued)

Non-current assets						
Loans to shareholders	9	-	-	48 179 841	48 179 841	48 179 841
Other financial assets	10	-	-	20 038 181	20 038 181	20 038 181
Other receivables	11	-	-	9 299 346	9 299 346	9 299 346
Current assets						
Other receivables	11	-	123 829 095	-	123 829 095	123 829 095
Trade and other receivables	13	-	1 013 174 710	-	1 013 174 710	1 013 174 710
Cash and cash equivalents	14	23 652 283	-	-	23 652 283	23 652 283
		23 652 283	**1 137 003 805**	**77 517 368**	**1 238 173 456**	**1 238 173 456**
		(550 966 600)	**(97 784 335)**	**(2 552 443 017)**	**(3 201 193 952)**	**(2 551 559 722)**

Group - 30 June 2024

	Note	On demand	Less than one year	More than one year	Total	Carrying amount
Non-current liabilities						
Loans from shareholders	16	-	-	(668 029 508)	(668 029 508)	(650 000 000)
Other financial liabilities	17	-	-	(1 198 484 999)	(1 198 484 999)	(899 999 999)
Lease liabilities	4	-	-	(440 005 776)	(440 005 776)	(271 125 108)
Current liabilities						
Trade and other payables	19	-	(473 622 232)	-	(473 622 232)	(473 622 232)
Lease liabilities	4	-	(108 170 513)	-	(108 170 513)	(108 062 688)
Bank overdraft	14	(363 030 614)	-	-	(363 030 614)	(363 030 614)
		(363 030 614)	**(581 792 745)**	**(2 306 520 283)**	**(3 251 343 642)**	**(2 765 840 641)**
Non-current assets						
Loans to shareholders	9	-	-	48 765 821	48 765 821	48 765 821
Current assets						
Trade and other receivables	13	-	549 342 552	-	549 342 552	549 342 552
Cash and cash equivalents	14	34 097 237	-	-	34 097 237	34 097 237
		34 097 237	**549 342 552**	**48 765 821**	**632 205 610**	**632 205 610**
		(328 933 377)	**(32 450 193)**	**(2 257 754 462)**	**(2 619 138 032)**	**(2 133 635 031)**

Company - 31 December 2024

	Note	On demand	Less than one year	More than one year	Total	Carrying amount
Non-current liabilities						
Loans from shareholders	16	-	-	(650 000 000)	(650 000 000)	(650 000 000)
Other financial liabilities	17	-	-	(1 198 484 999)	(1 198 484 999)	(900 000 000)
Lease liabilities	4	-	-	(763 445 878)	(763 445 878)	(430 365 520)
Current liabilities						
Trade and other payables		-	(1 092 060 279)	-	(1 092 060 279)	(1 092 060 279)
Lease liabilities	4	-	(142 727 854)	-	(142 727 854)	(142 688 489)
Bank overdraft	14	(574 618 883)	-	-	(574 618 883)	(574 618 883)
		(574 618 883)	**(1 234 788 133)**	**(2 611 930 877)**	**(4 421 337 893)**	**(3 789 733 171)**

33. Financial instruments and risk management (continued)

Non-current assets						
Other receivables	11	-	-	9 299 346	9 299 346	9 299 346
Loans to shareholders	9	-	-	48 179 841	48 179 841	48 179 841
Other financial assets	10	-	-	20 038 181	20 038 181	20 038 181
Current assets						
Other receivables	11	-	123 829 095	-	123 829 095	123 829 095
Trade and other receivables	13	-	1 013 174 710	-	1 013 174 710	1 013 174 710
Cash and cash equivalents	14	23 652 283	-	-	23 652 283	23 652 283
		23 652 283	**1 137 003 805**	**77 517 368**	**1 238 173 456**	**1 238 173 456**
		(550 966 600)	**(97 784 328)**	**(2 534 413 509)**	**(3 183 164 437)**	**(2 551 559 715)**

Company - 30 June 2024

	Note	On demand	Less than one year	More than one year	Total	Carrying amount
Non-current liabilities						
Loans from shareholders	16	-	-	(668 029 508)	(668 029 508)	(650 000 000)
Other financial liabilities	17	-	-	(1 198 484 999)	(1 198 484 999)	(899 999 999)
Lease liabilities		-	-	(440 005 776)	(440 005 776)	(271 125 108)
Current liabilities						
Trade and other payables	19	-	(473 622 224)	-	(473 622 224)	(473 622 224)
Lease liabilities		-	(108 062 688)	-	(108 062 688)	(108 062 688)
Bank overdraft	14	(363 030 614)	-	-	(363 030 614)	(363 030 614)
		(363 030 614)	**(581 684 912)**	**(2 306 520 283)**	**(3 251 235 809)**	**(2 765 840 633)**
Non-current assets						
Loans to shareholders	9	-	-	48 765 821	48 765 821	48 765 821
Loans to related parties	8	-	-	2 966 656	2 966 656	2 966 656
Current assets						
Trade and other receivables	13	-	549 342 552	-	549 342 552	549 342 552
Cash and cash equivalents	14	34 097 237	-	-	34 097 237	34 097 237
		34 097 237	**549 342 552**	**51 732 477**	**635 172 266**	**635 172 266**
		(328 933 377)	**(32 342 360)**	**(2 254 787 806)**	**(2 616 063 543)**	**(2 130 668 367)**

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the group is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable or fixed rate bank loans.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

33. Financial instruments and risk management (continued)

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group	31 December 2024	30 June 2024	31 December 2024	30 June 2024
Increase or decrease in rate by 2%	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Varun Beverages Limited	(13 000 000)	13 000 000	(13 000 000)	13 000 000

Company	31 December 2024	30 June 2024	31 December 2024	30 June 2024
Increase or decrease in rate by 2%	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Little Green Beverages Proprietary Limited (prime interest rate plus 2%)	-	-	59 333	(59 333)
Varun Beverages Limited	(13 000 000)	13 000 000	(13 000 000)	13 000 000
	(13 000 000)	**13 000 000**	**(12 940 667)**	**12 940 667**

Capital risk management

The group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise sustainable stakeholder returns.

The group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the group may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The financial covenants of the Rand Merchant Bank loan imposes capital requirements on the group. Refer to note 17 for further details.

33. Financial instruments and risk management (continued)

Categories of financial instruments

Categories of financial assets

Group - 31 December 2024

	Note(s)	Amortised cost	Total	Fair value
Loans to shareholders	9	48 179 841	48 179 841	48 179 841
Other financial assets	10	20 038 181	20 038 181	20 038 181
Other receivables		133 128 441	133 128 441	133 128 441
Trade and other receivables	13	1 013 174 710	1 013 174 710	1 013 174 710
Cash and cash equivalents	14	23 652 283	23 652 283	23 652 283
		1 238 173 456	**1 238 173 456**	**1 238 173 456**

Group - 30 June 2024

	Note(s)	Amortised cost	Total	Fair value
Loans to shareholders	9	48 765 821	48 765 821	48 765 821
Trade and other receivables	13	549 342 552	549 342 552	549 342 552
Cash and cash equivalents	14	34 097 237	34 097 237	34 097 237
		632 205 610	**632 205 610**	**632 205 610**

Company - 31 December 2024

	Note(s)	Amortised cost	Total	Fair value
Loans to shareholders	9	48 179 841	48 179 841	48 179 841
Other financial assets	10	20 038 181	20 038 181	20 038 181
Other receivables	11	133 128 441	133 128 441	133 128 441
Trade and other receivables	13	1 013 174 710	1 013 174 710	1 013 174 710
Cash and cash equivalents	14	23 652 283	23 652 283	23 652 283
		1 238 173 456	**1 238 173 456**	**1 238 173 456**

Company - 30 June 2024

	Note(s)	Amortised cost	Total	Fair value
Loans to related parties	8	2 966 656	2 966 656	2 966 656
Loans to shareholders	9	48 765 821	48 765 821	48 765 821
Trade and other receivables	13	549 342 552	549 342 552	549 342 552
Cash and cash equivalents	14	34 097 237	34 097 237	34 097 237
		635 172 266	**635 172 266**	**635 172 266**

Categories of financial liabilities

Group - 31 December 2024

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	19	1 092 060 286	-	1 092 060 286	1 092 060 286
Loans from shareholders	16	650 000 000	-	650 000 000	650 000 000
Other financial liabilities	17	900 000 000	-	900 000 000	900 000 000
Lease liabilities	4	-	573 054 009	573 054 009	573 054 009
Bank overdraft	14	574 618 883	-	574 618 883	574 618 883
		3 216 679 169	**573 054 009**	**3 789 733 178**	**3 789 733 178**

33. Financial instruments and risk management (continued)

Group - 30 June 2024

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	19	473 622 232	-	473 622 232	473 622 232
Loans from shareholders	16	650 000 000	-	650 000 000	650 000 000
Other financial liabilities	17	899 999 999	-	899 999 999	899 999 999
Lease liabilities	4	-	379 187 796	379 187 796	379 187 796
Bank overdraft	14	363 030 614	-	363 030 614	363 030 614
		2 386 652 845	**379 187 796**	**2 765 840 641**	**2 765 840 641**

Company - 31 December 2024

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	19	1 092 060 279	-	1 092 060 279	1 092 060 279
Loans from shareholders	16	650 000 000	-	650 000 000	650 000 000
Other financial liabilities	17	900 000 000	-	900 000 000	900 000 000
Lease liabilities	4	-	573 054 009	573 054 009	573 054 009
Bank overdraft	14	574 618 883	-	574 618 883	574 618 883
		3 216 679 162	**573 054 009**	**3 789 733 171**	**3 789 733 171**

Company - 30 June 2024

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	19	473 622 224	-	473 622 224	473 622 224
Loans from shareholders	16	650 000 000	-	650 000 000	650 000 000
Other financial liabilities	17	899 999 999	-	899 999 999	899 999 999
Finance lease obligations		-	379 187 796	379 187 796	379 187 796
Bank overdraft	14	363 030 614	-	363 030 614	363 030 614
		2 386 652 837	**379 187 796**	**2 765 840 633**	**2 765 840 633**

34. Transfer of business from Little Green Beverages Proprietary Limited

In the prior year following the change of the ultimate shareholder of The Beverage Company Proprietary Limited to Varun Beverages Limited, and in terms of a group reorganisation, Little Green Beverages Proprietary Limited transferred its business as a going concern to The Beverage Company Proprietary Limited as a distribution in anticipation of its liquidation. The sale of business was effected on 6 February 2024.

Carrying value of assets and liabilities transferred	
Property, plant and equipment	599 550 665
Intangible assets	271 537 025
Right-of-use assets	155 726 722
Goodwill	606 135 487
Inventories	328 459 701
Trade and other receivables	839 393 872
Trade and other payables	(470 401 104)
Lease liabilities	(167 711 344)
Borrowings	(404 637 259)
Cash	2 155 135
Loans from group companies	(1 987 079 543)
Loans to group companies	31 692 685
Bank overdraft	(215 795 518)
	(410 973 476)
Consideration	
Dividend in specie declared	410 973 476
Net cash transferred	
Bank overdraft transferred	(215 795 518)
Bank balances transferred	2 155 135
	(213 640 383)

Varun Foods (Zimbabwe) (Private) Limited
Balance sheet as at 31 Dec 2024

Particular	**USD** **31 Dec 2024**
Assets	
Bank account	10,347.30
Total Assets	**10,347.30**
Equity Share capital	**10,000.00**
Other Equity	
Opening	-
Add: Loss	(46.51)
Reserve & Surplus	**(46.51)**
Liabilities	
Other Current Liabilities	393.81
Total Assets	**393.81**
Total Liabilities	**10,347.30**

For Varun Foods (Zimbabwe) (Private) Limited

Place: Harare
Date: 22-01-2025

Vijay Bahl
(Director)

Varun Foods (Zimbabwe) (Private) Limited
Statement of Profit and Loss for the period ended 31 Dec 2024

Particular	USD 31 Dec 2024
Revenue	-
Expenses	
Bank Charges	46.51
	46.51
Profit before tax	**(46.51)**
Tax expenses	-
Profit After tax	**(46.51)**

For Varun Foods (Zimbabwe) (Private) Limited

Place: Harare
Date: 22-01-2025

Vijay Bahl
(Director)

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LUNARMECH TECHNOLOGIES PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Lunarmech Technologies Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the **profit** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and 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.

The Board of Directors 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 SAs 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 SAs, 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

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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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

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Other Matter

The financial statements of the Company for the year ended 31st March 2023 were audited by the predecessor auditor, M/s APAS & CO LLP, Chartered Accountants, who have expressed an unmodified opinion on those financial statements vide their audit report dated 31st May 2023.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except having a feature of recording audit trail (edit log) facility so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations on its financial position in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources- or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not proposed, declared or paid any dividend during the year under audit.

vi. Based on our examination, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which does not have a feature of recording audit trail (edit log) facility.

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As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

Firm Regn No. 000018N/N500091

O P BAGLA & CO. LLP FRN : 000018N/N500091 New Delhi Chartered Accountants

PLACE : NEW DELHI

DATED : 10/6/2024

ATUL AGGARWAL

PARTNER

M No. 92656

UDIN : 24092656BKGQDU6296

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ANNEXURE- I TO THE INDEPENDENT AUDITOR'S REPORT

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company does not own any intangible asset, hence reporting under clause 3(i)(a)(B) of the Order is not applicable.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so as to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the records of the company for land, we report that the title in respect of the land, building & title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the Balance Sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. As per Information and explanation given to us by the company, no discrepancy of 10% or more in the aggregate for each class of inventory were noticed. Other discrepancies were properly dealt with in the books of account.

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(b) The company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. As per Information and explanations given to us, the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. The Company has neither made investments in, companies, firms, Limited Liability Partnerships, nor granted unsecured loans or advances in the nature of loans to other parties, during the year, hence reporting under clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable.

iv. In our opinion, the Company has not entered into any transaction covered under Section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

vii. (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and Goods and Service tax that have not been deposited with the appropriate authorities on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) As per Information and explanation given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The loan obtained by the company during the year have been applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or Joint Ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year.
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us by the management, no whistle blower complaints have been received by the Company during the year (and upto the date of this report).

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

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b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. in our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) As per Information and explanation given to us, the group does not have more than one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

xvii. The Company has not incurred any cash losses during the financial year under audit or during the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors of the Company during the year and based on the information and explanation given to us by the management and the response to our communication with the outgoing auditors, there have been no issues/objections/concerns raised by the outgoing auditors.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing or other than ongoing projects. Accordingly, reporting under clause 3(xx)(a) & (b) of the Order is not applicable for the year.

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xxi. No reporting under clause 3(xxi) of the order is done as the clause is applicable to Consolidated Financial Statements only.

For O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

Firm Regn No. 000018N/N500091

O P BAGLA & CO. LLP * FRN : 000018N/N500091 * New Delhi * Chartered Accountants *

PLACE : NEW DELHI

DATED : 10/06/2024

ATUL AGGARWAL

PARTNER

M No. 92656

UDIN : 24092656BKGQDU6296

O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

Regd. Office :
B-225, 5th Floor, Okhla Indl. Area
Phase - 1, New Delhi - 110020
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ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **LUNARMECH TECHNOLOGIES PRIVATE LIMITED** ("the Company") as of 31st March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For O P BAGLA & CO LLP
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Firm Regn No. 000018N/N500091

PLACE : NEW DELHI
DATED : 10|06|2024

ATUL AGGARWAL
PARTNER
M No. 92656

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New Delhi
Chartered Accountants

LUNARMECH TECHNOLOGIES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2024

(Amount in Rupees Lacs, unless otherwise stated)

Particulars	Note No.	AS AT 31ST MARCH 2024	AS AT 31ST MARCH 2023
Assets			
Non-current assets			
a) Property, plant and equipment	3A	9,691.13	9,637.55
b) Capital work in progress	3B	7.36	-
c) Right-of-use asset	3C	274.59	74.16
d) Financial assets			
i) Other financial assets	4	21.83	86.46
e) Other non current assets	5	904.93	710.97
Total non-current assets		10,899.84	10,509.14
Current assets			
a) Inventories	6	3,127.36	2,866.29
b) Financial assets			
i) Trade receivables	7	1,364.22	4,055.16
ii) Cash & cash equivalents	8A	1,128.01	2,385.85
iii) Other bank balances	8B	5,126.12	928.79
iv) Other financial assets	4	295.21	192.79
c) Other current assets	5	1,906.54	646.01
Total current assets		12,947.46	11,074.89
Total assets		23,847.30	21,584.03
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	9	99.50	99.50
b) Other equity	10	18,198.14	14,703.38
Total equity		18,297.63	14,802.88
Liabilities			
Non-current liabilities			
a)Financial liabilities			
i) Borrowings	11	983.54	1,441.16
ii) Lease liabilities	12	266.35	23.82
b) Provisions	13	83.97	65.73
c) Deferred tax liabilities (net)	14	598.42	340.67
Total non-current liabilties		1,932.28	1,871.38
Current liabilities			
a) Financial liabilities			
i) Borrowings	11	1,564.09	2,342.02
ii) Lease liabilities	12	11.44	70.09
iii) Trade payables			
Dues to micro enterprises and small enterprises	15	-	-
Dues to Others	15	1,754.19	2,039.34
iv) Other financial liabilities	16	95.46	40.37
b) Other current liabilities	17	24.92	208.59
c) Provisions	13	11.26	8.12
d) Current tax liabilities (Net)	18	156.01	201.24
Total current liabilities		3,617.39	4,909.77
Total liabilities		5,549.66	6,781.15
Total equity & liabilities		23,847.30	21,584.03
Significant accounting policies	2		

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 000018N/N500091

ATUL AGGARWAL
PARTNER
M.No. 92656

MG. DIRECTOR

DIRECTOR

PLACE :NEW DELHI
DATED : 10/06/2024

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LUNARMECH TECHNOLOGIES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rupees Lacs, unless otherwise stated)

Particulars	Note No.	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Income			
Revenue from operations	19	18,449.16	23,086.93
Other income	20	507.81	492.47
Total income		18,956.97	23,579.40
Expenses			
Cost of material consumed	21	9,891.85	11,545.27
Purchases of Stock-in-Trade		1,004.25	1,454.70
Changes in Inventories of finished goods, stock-in-trade and Work-in-progress	22	-717.88	910.10
Employee benefit expenses	23	797.75	740.66
Finance costs	24	173.18	105.28
Depreciation and amortization expense	25	989.97	821.58
Other expenses	26	2,075.61	1,695.36
Total expenses		14,214.73	17,272.94
Profit before tax		4,742.25	6,306.46
Tax expenses			
Current tax			
Current year		950.00	1,496.00
Adjustment of earlier years		36.18	44.24
Deferred Tax		258.64	161.88
Profit for the year		3,497.43	4,604.33
Other comprehensive income			
a) Items that will not be reclassified to statement of profit & loss			
Remeasurement of post employment benefit		-3.56	-4.26
Less: Deferred tax on above item		-0.90	-1.07
Total Other comprehensive income		-2.67	-3.19
Total comprehensive income		3,494.76	4,601.14
Earning per share (Basic / Diluted) (Rs.)	43	351.49	462.74
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

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MG. DIRECTOR **DIRECTOR**

ATUL AGGARWAL
PARTNER
M.No. 92656

PLACE :NEW DELHI
DATED : 10/06/2024

O P BAGLA & CO. LLP FRN : 000018N/N500091 New Delhi Chartered Accountants

LUNARMECH TECHNOLOGIES PRIVATE LIMITED

Statement of changes in equity for the year ended 31st March, 2024

I) Equity share capital

(Amount in Rupees Lacs, unless otherwise stated)

Balance as at April 1, 2022	99.50
Changes in equity share capital during the year	-
Balance as at March 31, 2023	**99.50**
Changes in equity share capital during the year	-
Balance as at March 31, 2024	**99.50**

II) Other equity

Particulars	Reserve & Surplus		Other comprehensive income	Total
	Retained earnings	Capital Reserve		
As at April 1, 2022	10,163.97	-66.00	4.27	10,102.24
Profit / Loss for the year	4,604.33	-	-	4,604.33
Remeasurement gains/losses on defined employment benefit (Net of Taxes)	-		-3.19	-3.19
As at March 31, 2023	14,768.30	-66.00	1.08	14,703.38

Particulars	Reserve & Surplus		Other comprehensive income	Total
	Retained earnings	Capital Reserve		
As at April 1, 2023	14,768.30	-66.00	1.08	14,703.38
Profit / Loss for the year	3,497.43	-	-	3,497.43
Remeasurement gains/losses on defined employment benefit (Net of Taxes)	-		-2.67	-2.67
As at March 31, 2024	18,265.73	-66.00	-1.59	18,198.14

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LUNARMECH TECHNOLOGIES PRIVATE LIMITED

CASH FLOW STATEMENT FOR Y.E. 31.03.2024

(Amount in Rupees Lacs, unless otherwise stated)

		31.03.2024	31.03.2023
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax and extra ordinary items	4742.25	6306.46
	Adjustment for :		
	Depreciation	989.97	821.58
	Interest Paid	163.70	105.28
	Remeasurement of post employment benefit	(3.56)	(4.26)
	(Profit)/Loss on sale of Fixed Assets	(5.88)	0.00
	Interest on Lease liabilities	9.48	13.70
	Unwinding of interest on security deposit	(2.52)	(2.48)
	Gain on Derecognition of Financial instrument	(8.07)	0.00
	Interest Received	(423.61)	(172.46)
		719.50	761.36
	Operating Profit before Working Capital Facilities	5461.75	7067.81
	Adjustment for :		
	Trade & Other Receivable	1201.19	(1526.93)
	Inventories	(261.07)	(209.86)
	Trade Payable	(392.35)	1098.94
		547.77	(637.84)
	Cash generated from operation	6009.52	6429.97
	Direct Taxes Paid	(1026.11)	(1539.82)
		(1026.11)	(1539.82)
	Net Cash Flow from operating activities	4983.42	4890.15
B.	**Cash Flow From Investing activities**		
	Purchase of fixed assets	(1003.06)	(5512.03)
	Sale of Fixed Assets	20.21	0.00
	Change in Capital Work-In- Progress	(7.36)	0.00
	Interest Received	423.61	172.46
	Outflow for Bank Deposits with more than 3 months maturity	(4197.33)	2381.48
		(4763.93)	(2958.09)
	Net Cash used in investing activities	(4763.93)	(2958.09)

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LUNARMECH TECHNOLOGIES PRIVATE LIMITED

C. Cash Flow from Financing Activities

Proceeds from/Repayment of long term borrowings	(457.62)	(833.99)
Proceeds from/Repayment of Short Term borrowings	(777.93)	515.40
Payment of lease liabilities	(78.08)	(91.83)
Interest Paid	(163.70)	(105.28)
Net Cash used in financing activities	**(1477.32)**	**(515.70)**
Net increase/(decrease) in cash & cash equivalents	**(1257.83)**	**1416.36**
Cash & Cash equivalent Opening	**2385.85**	**969.48**
Cash & Cash equivalent Closing	**1128.01**	**2385.85**

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

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MG. DIRECTOR

DIRECTOR

PLACE :NEW DELHI
DATED : 10/06/2024

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LUNARMECH TECHNOLOGIES PRIVATE LIMITED

Notes of the financial statements for the year ended March 31, 2024

1. Background of the Company

Lunarmech Technologies Private Limited ('the Company') was incorporated on 26th May. 2009 The Company is engaged in manufacturing, selling, and distribution of Plastic (PP) Closure. During the year 2022-23, the company has also set up Solar Power Generation Plant & equipment and started power generation. During the year 2023-24, the Company has shifted it manufacturing activities from the State of Uttar Pradesh to Rajasthan.

The financial statements of the company for the year ended 31st March 2024 were authorized for issue in accordance with a resolution of the directors on 10-06-2024.

2. Significant Accounting Policies

2.1 Basis of preparation

*(i) Compliance with **Ind AS**-*

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements are presented in INR and all values are rounded to the nearest Lacs (INR 00,000), except when otherwise indicated.

(ii) Historical cost convention-

The financial statements have been prepared on a historical cost basis, except for:

a) Certain financial assets & liabilities (including derivative instruments) and contingent consideration that are measured at fair value.

b) Assets held for sale have been measured at fair value less cost to sell

c) Defined benefit plans – plan assets measured at fair value.

2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle of the Company
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non -current.
- *A liability is treated as current when:*
- It is expected to be settled in normal operating cycle of the Company

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• It is held primarily for the purpose of trading

• It is due to be settled within twelve months from the reporting period, or

• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Revenue recognition

i) Revenue is recognised on transfer of premised Goods and Services to the customers on performance of obligation at the price that reflects the consideration to which the company expects to receive a performance of obligation, regardless of when payment is being made. Revenue from operations includes Sale of Goods and adjustments for discounts.

ii) **Interest**:
Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

iii) Export License Income
Export license income is recognized on receipt/certainty of receipt basis.

iv) Claims
Revenue in respect of claims is recognized only when the same are reasonably ascertained.

2.4 Taxes

a) The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate as per the Income tax Act, 1961 adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

b) The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

c) Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

d) Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Therefore, in the case of a history of recent losses, the Company recoganises the deferred tax asset to the extent that it has sufficient taxable temporary differences or there is convincing other evidences that sufficient taxable profit will be available against which such deferred tax can be realised.

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e)Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

f) Current and deferred tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity and in this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.5 Property, plant and equipment

a) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

b) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of profit and loss during the reporting year in which they are incurred.

(c)*Depreciation methods, estimated useful lives and residual value-*

Depreciation / amortization on tangible and intangible fixed assets is provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 The useful lives have been determined based on those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets except in case of Plant & Machinery for manufacturing of Plastic (PP) closures , where useful life has been taken to be 10 years and Plant & Machinery for Solar Power Generation where the useful life has been taken as 25 years based on external / internal technical evaluation. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. There is no asset which is to be treated as a separate component for the purpose providing depreciation. The capital expense on building renovation is depreciated over the lease period of the building.

(d) 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.

(e) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of profit and loss within other gains/ (losses).

2.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

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Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.7 Leases

The Company as a lessee

As inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

b) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.
Lease payments included in the measurement of the lease liability comprise the following:

a) fixed payments, including in-substance fixed payments;

b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) amounts expected to be payable under a residual value guarantee; and

d) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the balance sheet. Also, the Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

In the comparative period, as a lessee, the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. Leases of property, plant and equipment in which significant portion of risks and rewards of ownership were not transferred were classified as operating leases. In determining the appropriate classification, the substance of the transaction rather than the form was considered. In case, the lease arrangement includes other consideration, it was separated at the inception of the lease arrangement or upon a reassessment of the lease arrangement into those for the lease and those for other elements on the basis of their relative fair values. Lease classification was made at the inception of the lease. Lease classification was changed only if, at any time during the lease, the parties to the lease agreement agree to revise the terms of the lease (without renewing it) in a way that it would have been classified differently, had the changed terms been in effect at inception. The revised agreement involves renegotiation of original terms and conditions and were accounted prospectively over the remaining term of the lease. Lease payments Lease payments in respect of assets taken on operating lease are charged to the profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increase.

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The Company as a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116. However, when the Company was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

2.8 Inventories

Inventories are valued on the following basis:

(i) Finished Goods -	- At lower of cost or net realisable value
(ii) Semi Finished Goods	- At Estimated cost
(iii) Raw Materials	- At cost (on weighted Average Method)
(iv) Packing Material	- At cost (on weighted Average Method)
(v) Stores and Spares etc.	- At cost

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in- progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.9 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 Employee Benefits

(i) *Short-term obligations-*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) *Post-employment obligations-*

The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund and ESI.

Gratuity obligations-

The liability or asset recognised in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting year less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries.

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The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting year on government bonds that have terms approximating to the terms of the related obligation.

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

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans-

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

2.12 Investments and Other financial assets

(i) Classification-

The Company classifies its financial assets in the following measurement categories:

Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement-

At initial recognition, the Company measures a financial asset at its fair value, in the case of a financial asset is not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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(a) Debt instruments-

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other Income.

(b) Equity instruments-

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Derecognition of financial assets-

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or, retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.14 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the credit terms.

2.15 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

2.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Accordingly, segmental reporting is performed on the basis of geographical location of customer which is also used by the chief financial decision maker of the company for allocation of available resources and future prospects.

2.17 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.18 Foreign currency translation or transaction

Transactions in foreign currencies are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Exchange differences pertaining to long-term foreign currency monetary items obtained or given on or before 31 December 2016: Exchange differences arising on conversion of long term foreign currency monetary items used for acquisition of depreciable fixed assets are added to the cost of fixed assets and is depreciated over the remaining life of the respective fixed asset and in other cases, is recorded under the head 'Foreign Currency Monetary Item Translation Difference account' and is amortized over the period of maturity of underlying long term foreign currency monetary items, in accordance with the option available under Ind as 101.

Exchange differences pertaining to long-term foreign currency monetary items obtained or given on or after 01 January 2017: Exchange differences arising on restatement of long term foreign currency monetary items obtained or given is recorded in the Statement of Profit and Loss.

2.19 Financial liabilities

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement-

The measurement of financial liabilities depends on their classification, as described below:

(a)Financial liabilities at fair value through profit or loss-

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

(b)Loans and borrowings-

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

2.20 Contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the Company's control, or present obligations that are not recognised because of the following: (a) It is not probable that an outflow of economic benefits will be required to settle the obligation; or (b) the amount cannot be measured reliably.

Contingent liabilities are not recognised but are disclosed and described in the notes to the financial statements, including an estimate of their potential financial effect and uncertainties relating to the amount or timing of any outflow, unless the possibility of settlement is remote.

Contingent assets are possible assets whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the Company's control. Contingent assets are not recognised. When the realisation of income is virtually certain, the related asset is not a contingent asset; it is recognised as an asset.

Contingent assets are disclosed and described in the notes to the financial statements, including an estimate of their potential financial effect if the inflow of economic benefits is probable.

2.21 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

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Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(b) Defined benefit plans

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

(c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the NAV model.

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Government corporate bond rate has been used to fair value the security deposits at amortised cost.

Financial liability like long term borrowings received, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Average market borrowing rate has been used to fair value the long term loan at amortised cost.

2.22 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively. When a liability assumed is recognised at the acquisition date but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. A deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 'Financial Instruments' ("Ind AS 109"), is measured at fair value with changes in fair value recognised in Consolidated Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in Consolidated Statement of Profit and Loss. an impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash- generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash- generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combinations involving entities that are controlled by the Group are accounted for using the 'pooling of interests' method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts;
- Except for adjustments made to harmonise accounting policies, no adjustments are made to reflect fair values, or recognise any new assets or liabilities;
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve;
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee; and
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

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LUNARMECH TECHNOLOGIES PVT. LTD.

(Amount in Rupees Lacs, unless otherwise stated)

3A Property, plant and equipment

PARTICULAR	Free Hold Land & Site Development	Building Renovation	Plant & Equipment	Office Equipment	Airconditioner	Furniture & Fixtures	Generator	Computers	Lab Equipment	Vehicles	Solar Power Plant	Sundry Assets(Pallets)	Total
Cost													
As at April 1, 2022	-	86.01	9,184.64	12.28	22.23	18.81	16.04	11.75	19.24	2.69	-	1.27	9,374.96
Additions	274.55	-	2,228.17	13.36	9.27	0.86	-	4.08	3.01	-	2,978.73	-	5,512.03
Disposals	-		-										-
As at March 31, 2023	274.55	86.01	11,412.80	25.64	31.50	19.68	16.04	15.83	22.25	2.69	2,978.73	1.27	14,886.99
Additions	70.44	-	924.61	1.22	0.72	3.31	-	2.75	-	-	-	-	1,003.06
Disposals	-		33.11										33.11
As at March 31, 2024	344.99	86.01	12,304.31	26.85	32.23	22.99	16.04	18.58	22.25	2.69	2,978.73	1.27	15,856.94
Accumulated Depreciation													
As at April 1, 2022	-	62.87	4,359.48	8.23	15.97	12.04	15.24	8.10	15.76	0.48	-	1.20	4,499.36
Depreciation charge for the year		8.60	730.95	2.58	0.64	0.63	-	1.97	0.42	0.27	4.02		750.08
Disposals			-										-
As at March 31, 2023	-	71.47	5,090.43	10.80	16.61	12.67	15.24	10.07	16.18	0.75	4.02	1.20	5,249.44
Depreciation charge for the year		14.54	797.02	3.83	1.54	1.33	-	2.74	0.69	0.27	113.19		935.15
Disposals			18.78										18.78
As at March 31, 2024	-	86.01	5,868.67	14.63	18.15	14.01	15.24	12.80	16.87	1.02	117.21	1.20	6,165.81
Net Block :													
As at March 31, 2024	344.99	0.00	6,435.63	12.22	14.07	8.98	0.80	5.78	5.38	1.67	2,861.53	0.06	9,691.13
As at March 31, 2023	274.55	14.54	6,322.37	14.83	14.89	7.00	0.80	5.76	6.07	1.94	2,974.72	0.06	9,637.55

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(Amount in Rupees Lacs, unless otherwise stated)

3(B)CWIP as at 31 March 2024

Particular	31/03/2024	31/03/2023
Gross Carrying amount		
Balance as at 01 April	-	-
Addition for the year	7.36	-
Transfer to Property/ Plant & Machinery	-	-
Balance as at 31 March	**7.36**	**-**

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3C Right-of-use asset

	AS AT 31ST MARCH 2024	AS AT 31ST MARCH 2023
Buildings (Refer Note- 34)	274.59	74.16
	274.59	**74.16**

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

	Buildings	Total
As at 01 April, 2022	145.66	145.66
Addition/(Deletion)	-	-
Amortization expense	71.50	71.50
As at 31st March, 2023	74.16	74.16
Addition/(Deletion)	279.54	279.54
Amortization expense	54.82	54.82
Derecognition of ROU	24.28	24.28
As at 31st March, 2024	274.59	274.59

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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 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Security deposits	21.83	86.46	86.37	23.82
Claim Receivable	-	-	13.43	74.34
Other recoverable	-	-	195.41	94.63
	21.83	**86.46**	**295.21**	**192.79**

5 Other Assets	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Capital Advance	904.93	710.97	-	-
Balance With GST Authorities	-	-	1,517.82	146.25
Advances to Suppliers, Contractors & Others	-	-	14.62	435.24
Prepaid expenses/Amount recoverable	-	-	374.10	64.53
	904.93	**710.97**	**1,906.54**	**646.01**

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(Amount in Rupees Lacs, unless otherwise stated)

Notes of the financial statements

PARTICULARS	As at 31ST MARCH , 2024	As at 31ST MARCH , 2023
6 Inventories		
(As certified by the management)		
Raw Material	1,853.90	1,801.87
Raw Material Inventories in transit	93.95	597.00
Packing Material	11.19	31.69
Semi Finished Goods	-	63.04
Finished Goods	68.91	3.58
Finished Goods-in Transit	951.03	235.45
Fuel (Deisel)	3.05	-
Stores, Spares and Others	145.33	133.67
TOTAL	3,127.36	2,866.29

Note:

For mode of valuation refer Accounting policy number 2.8

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(Amount in Rupees Lacs, unless otherwise stated)

PARTICULARS	As at 31ST MARCH , 2024	As at 31ST MARCH , 2023
7 Trade receivables		
Trade Receivable considered good - Secured	-	-
Trade Receivable considered good - Unsecured	1,364.22	4,055.16
Trade Receivable which have significant increase in credit Risk, and	-	-
Trade Receivable - Credit Impaired	-	-
TOTAL	1,364.22	4,055.16

Note:

1 Refer Note no 33 for related party disclosures

2 Additional disclosures

AS ON 31-03-20

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 consicered good	-	1,364.17	0.05				1364.
(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							

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AS ON 31-03-20

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		2527.90	1527.26				4055.
(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							

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(Amount in Rupees Lacs, unless otherwise stated)

	PARTICULARS	As at 31ST MARCH , 2024	As at 31ST MARCH , 2023
8A	**Cash and cash equivalents**		
	Balances with banks		
	-In Current Account	127.08	19.30
	-Deposits with maturity with in three months	996.23	2,014.99
	(Lien Marked Rs 38.70 lacs (Previous year Rs 78.66 lacs))		
	-Cheque/Remittance in transit	-	350.65
	Cash on hand	4.71	0.90
	TOTAL	1,128.01	2,385.85
	For the purpose of statement of cash flow, cash and cash equivalent comprises of the following:		
	Balances with banks	1,123.30	2,034.30
	Cheque/Remittance in transit	-	350.65
	Cash on hand	4.71	0.90
		1,128.01	2,385.85
8B	**Other bank balances**		
	Bank Deposit with more than three months maturity	5,126.12	928.79
	(Lien Marked Rs.544.39 Lacs (Previous year Rs.500.00 Lac)		
	TOTAL	5,126.12	928.79

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PARTICULARS	As at 31ST MARCH , 2024	As at 31ST MARCH , 2023
9 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 begining and end of the year.

Equity share capital	31ST MARCH , 2024	31ST MARCH , 2023
No. of Shares outstanding at the beginning of the year	995,020	995,020
Add: Equity Shares issued as fully paid up shares	-	-
No. of Shares outstanding at the end of the year	995,020	995,020

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

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

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

Name of the shareholder	31ST MARCH , 2024	31ST MARCH , 2023
Varun Beverages Limited	597645(60.07%)	547645(55.04%)
Lunarmech Investments & Holdings	NIL	50000(5.03%)
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 persuent to the scheme of amalgamation without payment being recovered in cash.

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f) Details of Promoter's Shareholding 31/03/2024

S. No.	Promoter' Name	No. of Shares	%age of shares held	%age change during the year
1	Varun Beverages Limited	597645	60.07	5.03
2	Vivek Gupta	397159	39.91	No change
3	Vivek gupta (HUF)	108	0.01	No change
4	Shalini Gupta	108	0.01	No change

f) Details of Promoter's Shareholding 31/03/2023

S. No.	Promoter' Name	No. of Shares	%age of shares held	%age change during the year
1	Varun Beverages Limited	547645	55.04	No change
2	Vivek Gupta	397159	39.91	No change
3	Vivek gupta (HUF)	108	0.01	No change
4	Shalini Gupta	108	0.01	No change

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	PARTICULARS	As at 31ST MARCH , 2024	As at 31ST MARCH , 2023
10	**Other equity**		
a)	**Retained Earning**		
	As per Last balance Sheet	14,769.38	10,168.24
	Add: Net Profit after Tax	3,497.43	4,604.33
	Remeasurement gains/losses on defined employment benefit	-2.67	-3.19
	Total-(A)	18,264.14	14,769.38
b)	**Capital Reserve**		
	As per Last balance Sheet	-66.00	-66.00
	Total-(B)	-66.00	-66.00
	Total-(A+B)	18,198.14	14,703.38

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(Amount in Rupees Lacs, unless otherwise stated)

11 Borrowings	Non-current		Current	
	As at	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Secured term loan from Banks :				
Foreign Currency Loans (Buyers credit)				
-IndusInd Bank -SBLC-5 (Repayable on 14/04/2025 and rate of interest is Euribor + 75bps PA)	973.54	965.96	-	-
-IndusInd Bank -SBLC-4 (Repayable on 31/05/2024 and rate of interest is Euribor + 88bps PA)	477.43	474.20	-	-
-IndusInd Bank -SBLC-3B (Repayable on 10/01/2024 and rate of interest is Euribor + 88bps PA)	-	965.96	-	-
-IndusInd Bank -SBLC-3A (Repayable on 28/12/2023 and rate of interest is Euribor + 88bps PA)	-	965.96	-	-
- IndusInd Bank -SBLC-1 (Repayable on 20/03/2023 and rate of interest is Euribor + 55bps PA)	-	-	-	-
- IndusInd Bank -SBLC-1 (Repayable on 10/01/2023 and rate of interest is Euribor + 48bps)	-	-	-	-
Rupee Loan from Bank	-	-	-	-
-HDFC Bank	10.00	-	-	-
Secured Working Capital facility	-	-	1,086.66	408.11
Current maturities of long term debt, discolsed under current borrowing	-477.43	-1,933.91	477.43	1,933.91
	983.54	**1,441.16**	**1,564.09**	**2,342.02**

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:

a) First and Exclusive charge on Hypothecation of entire Plant & Machinery funded by Indusind Bank.

b) First Pari passu charge over entire current assets of the company, both present and future.

c) First pari passu charge on Hypothecation of entire fixed assets of the borrower.

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

i) 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.

ii) The Term loan carry an interest rate 8.10% P.A

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

i) Against first Pari passu charge entire current assets of the company, both present and future.
ii) First pari passu charge on Hypothecation of entire fixed assets of the borrower.
iii) The working capital limits carry an interest rate ranging 10.00% to 10.32%. P.A.

D) The Working capital limit taken from HDFC Bank is secured against following securities

i) The term loan from HDFC Bank were secured against first Pari passu charge over current assets, entire movable & immovable fixed
ii) The working capital limits carry an interest rate 8.60% to 8.72% P.A

E) There has been no default in repayment of any of the loans or interest thereon as at the end of the year.
F) The Company has registered/satisfied all the charges whereever required with Registrar of Companies within the statutory period.
G) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

12	**Lease Libilities**	**Non-current**		**Current**	
		As at 31 March 2024	**As at 31 March 2023**	**As at 31 March 2024**	**As at 31 March 2023**
	Lease Libilities	266.35	23.82	11.44	70.09
		266.35	**23.82**	**11.44**	**70.09**
	a) The following is the lease liabilities movement for year ended:				
	Balance at beginning of the year	93.91	172.04	-	-
	Additions	279.54	-	-	-
	Finance cost incurred during the period (Refer Note 24)	9.48	13.70	-	-
	Payment of lease liabilites	-78.08	-91.83	-	-
	Derecognition of lease liability	-27.06	-		
	Balance at end of the year	**277.79**	**93.91**	**-**	**-**
	Non Current	266.35	23.82	-	-
	Current	11.44	70.09	-	-
		277.79	**93.91**	**-**	**-**

13	**Provisions**	**Non-current**		**Current**	
		As at 31 March 2024	**As at 31 March 2023**	**As at 31 March 2024**	**As at 31 March 2023**
	(Refer note 23)				
	Defined benefit liability - Gratuity	64.31	51.41	8.58	6.20
	Other employee obligations - Leave encashment	19.66	14.33	2.68	1.92
		83.97	**65.73**	**11.26**	**8.12**

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	PARTICULARS	As at 31ST MARCH , 2024	As at 31ST MARCH , 2023
14	**Deferred tax liabilities (net)**		
	Deferred tax arising from temporary differences		
	As at beginning of the year	340.67	179.86
	Adjustment during the year	257.75	160.81
	Total	598.42	340.67

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(Amount in Rupees Lacs, unless otherwise stated)

PARTICULARS	As at 31ST MARCH , 2024	As at 31ST MARCH , 2023
15 Trade payables		
Dues to Micro Enterprises and Small Enterprises(as per the intimation received from vendors)		
i) Principal amount due to suppliers under MSMED Act	-	-
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 enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-
Other trade payables	1,754.19	2,039.34
TOTAL	**1,754.19**	**2,039.34**

Notes:
Disclosure with respect to related party transactions is given in note 33

31/03/2024

Particulars	Unbilled Dues	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	-	-	-	-	-	-
ii.Others	355.34	1,398.85	-	-	-	1,754.19
iii.Disputed dues- MSME	-	-	-	-	-	-
iv.Disputed dues- Others	-	-	-	-	-	-

31/03/2023

Particulars	Unbilled Dues	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	-	-	-	-	-	-
ii.Others	216.88	1,822.46	-	-	-	2,039.34
iii.Disputed dues- MSME	-	-	-	-	-	-
iv.Disputed dues- Others	-	-	-	-	-	-

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16 Other financial liabilities	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Security Received From Transporters	-	-	6.00	9.50
Interest accrued but not due on borrowings	-	-	89.46	30.87
	-	**-**	**95.46**	**40.37**

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(Amount in Rupees Lacs, unless otherwise stated)

	PARTICULARS	As at 31ST MARCH , 2024	As at 31ST MARCH , 2023
17	**Other Current liabilities**		
	Statutory Dues Payable	24.58	113.58
	Advances from customers and others	0.34	95.01
	TOTAL	24.92	208.59
18	**Current tax liabilities (Net)**		
	Provision for current tax		
	As per last balance sheet	201.24	200.81
	Add:- Provision for Current Year	950.00	1,496.00
	Amount adjusted during the year	1.25	2.82
	Less:-Set off against Taxes paid/Mat credit	-996.47	-1,498.39
	Provision for current tax (Net)	156.01	201.24
	TOTAL	156.01	201.24

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	PARTICULARS	Year Ended 31ST MARCH , 2024	Year Ended 31ST MARCH , 2023
19	**Revenue from operations**		
	Sale of Products	18,343.67	23,013.44
	Other operating revenue		
	Export Incentive	38.55	34.14
	Scrap Sales	66.94	39.35
	TOTAL	18,449.16	23,086.93

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	18,343.70	23,020.60
Adjustments:		
Discount	-	-
Sales return	-0.03	-7.16
Revenue as per Statement of Profit and Loss	18,343.67	23,013.44

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

Revenue from customers outside India	3,122.24	4,668.33
Revenue from customers within India	15,221.43	18,345.11
Revenue as per the Statement of Profit and Loss	18,343.67	23,013.44

C) **Contract balances:**

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

Receivables	As at 31ST MARCH , 2024	As at 31ST MARCH , 2023
Trade receivables	1,364.22	4,055.16
Less: Allowances for expected credit loss	-	-
	1,364.22	4,055.16

Contract liabilities	As at 31ST MARCH , 2024	As at 31ST MARCH , 2023
Advance from Customers	0.34	95.01
	0.34	95.01

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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 Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter durat 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 of 0 to 120 days from the completion of performance obligation.

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

20 Other income

Interest On Fixed Deposit Receipts	423.61	172.46
Interest Received on Electricity Security	3.83	2.99
Net Gain in Foreign Currency Transactions	63.90	309.65
Sundary Balances Written Back	-	4.88
Profit on Sale of Fixed assets	5.88	-
Unwinding of interest on security deposit	2.52	2.48
Gain on Derecognition of Financial instrument	8.07	-
TOTAL	507.81	492.47

21 Cost of material consumed

Raw Material Consumed		
Inventories at Beginning of the Year	1,801.87	869.13
Add : Purchases during the year (Net)	9,541.21	12,488.83
	11,343.08	13,357.96
Less : Sale of Raw material	208.04	725.94
Less : Inventories at the end of the year	1,853.90	1,801.87
Consumed	9,281.14	10,830.14
Packing Material Consumed	610.71	715.12
TOTAL	9,891.85	11,545.27

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(Amount in Rupees Lacs, unless otherwise stated)

PARTICULARS	Year Ended 598.42	Year Ended 31ST MARCH , 2023
22 Changes in Inventories of finished goods, stock-in-trade and work-in-progress		
AS AT THE BEGINNING OF THE YEAR		
Finished Goods	3.58	23.11
Finished Goods-in Transit	235.45	1,104.13
Semi Finished Goods	63.04	84.92
	302.06	1,212.16
AS AT THE CLOSING OF THE YEAR		
Finished Goods	68.91	3.58
Finished Goods-in Transit	951.03	235.45
Semi Finished Goods	-	63.04
	1,019.95	302.06
NET	-717.88	910.10
23 Employee benefit expenses		
Salaries and wages *	756.74	702.70
Employer's contribution to provident and other funds	16.55	15.04
Staff welfare expenses	24.46	22.93
TOTAL	797.75	740.66
* Includes Managerial Remuneration paid to Directors	180.00	180.00
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	16.55	15.04

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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 March 2022, 31 March 2021 :

i. Changes in present value are as follows:

Particulars	**31ST MARCH , 2024**	**31ST MARCH , 2023**
Balance at the beginning of the year	57.61	49.42
Interest cost	4.26	3.55
Current service cost	8.53	6.88
Benefits settled	-1.07	-6.49
Actuarial loss/(gain)	3.56	4.26
Balance at the end of the year	72.89	57.61

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

Particulars	**31ST MARCH , 2024**	**31ST MARCH , 2023**
Current service cost	8.53	6.88
Interest cost	4.26	3.55
Total	12.79	10.42

Other Comprehensive Income (OCI)

Particulars	**31ST MARCH , 2024**	**31ST MARCH , 2023**
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	-3.56	-4.26
Actuarial gain /(loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) For the Period.	-3.56	-4.26

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Amount recognised in the balance sheet

Particulars	31ST MARCH , 2024	31ST MARCH , 2023
Present value of defined benefit obligation	72.89	57.61
Fair value of plan assets		
Net assets/(liability) recognized in balance sheet as provision	-72.89	-57.61

Bifurcation of closing net liability at the end of year	31ST MARCH , 2024	31ST MARCH , 2023
Current	8.58	6.20
Non-Current	64.31	51.41

iii.Actuarial assumptions

a) Economic assumptions

Particulars	31ST MARCH , 2024	31ST MARCH , 2023
i) Discounting rate	7.22%	7.39%
ii) Future salary increase*	6.00%	6.00%

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

b) Demographic assumption

Particulars	31ST MARCH , 2024	31ST MARCH , 2023
i) Retirement age (years)	58.00	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

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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	**72.89**	**57.61**
a)	Impact due to increase of 0.5%	**-3.89**	**-3.09**
b)	Impact due to decrease of 0.5%	**4.26**	**3.38**
B)	**Impact of the change in salary increase**		
	Present Value obligation at the end of the period	**72.89**	**57.61**
a)	Impact due to increase of 0.5%	**4.14**	**3.41**
b)	Impact due to decrease of 0.5%	**-3.95**	**-3.14**

The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period,

Risk associated:

Investment risk	If plan is funded then assets liabilities mismatch and acutal investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Interest risk (discount rate risk)	Reduction in discount rate in subsequent valautions can increase the plan's liability.
Mortality risk	Actual deaths and diability cases proving lower or higher than assumed in the valaution can impact the liabilities.
Salary risk	Acutal salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Withdrawls	Actual withdrawls proving higher or lower than assumed withdrawls and change of withdrawl rates at subsequent valautions can impact Plan's liability.

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

Year			31ST MARCH , 2024	31ST MARCH , 2023
0 to 1 year			8.58	6.20
1 to 2 year			1.19	3.59
2 to 3 year			1.20	0.87
3 to 4 year			1.54	0.88
4 to 5 year			1.19	1.07
5 to 6 year			4.47	0.87
6 year onwards			54.72	44.13

III. Compensated absences (Other benefits)

The Company recognises the compensated
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 MARCH , 2024**	**31ST MARCH , 2023**
Balance at the beginning of the year	16.24	13.25
Add: Interest cost	1.20	0.95
Add: Current service cost	3.81	2.31
Less: Benefits paid	-0.08	-1.26
Add: Net actuarial gain/loss during the year	1.16	0.99
Balance at the end of the year	**22.34**	**16.24**

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.

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iii. Amount recognised in the balance sheet

Particulars	31ST MARCH , 2024	31ST MARCH , 2023
Present value of defined benefit obligation	22.34	16.24
Fair value of plan assets	-	-
Net assets/(liability) recognized in balance sheet as provision	-22.34	-16.24

iv. Expense recognised in the Statement of Profit and Loss

Particulars	31ST MARCH , 2024	31ST MARCH , 2023
Current service cost	3.81	2.31
Interest on defined benefit obligation	1.20	0.95
Net actuarial gain/loss in the year	1.16	0.99
Total	**6.17**	**4.25**

Actuarial assumptions

a) Economic assumptions

Particulars	31ST MARCH , 2024	31ST MARCH , 2023
i) Discounting rate	7.22%	7.18%
ii) Future salary increase*	6.00%	6.00%

*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 MARCH , 2024	31ST MARCH , 2023
i) Retirement age (years)	58.00	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

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	31ST MARCH , 2024	31ST MARCH , 2023
Bifurcation of closing net liability		
Current	2.68	1.92
Non-current	19.66	14.33

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	22.34	16.24
a)	Impact due to increase of 0.5%	-1.22	-0.86
b)	Impact due to decrease of 0.5%	1.32	0.93
B)	**Impact of the change in salary increase**		
	Present Value obligation at the end of the period	22.34	16.24
a)	Impact due to increase of 0.5%	1.33	0.95
b)	Impact due to decrease of 0.5%	-1.23	-0.87

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	If plan is funded then assets liabilities mismatch and acutal investment return on assets lower than the discount rate assumed at the last valuation date can impact the liabilitv.
Interest risk (discount rate risk)	Reduction in discount rate in subsequent valautions can increase the plan's liability.
Mortality risk	Actual deaths and diability cases proving lower or higher than assumed in the valaution can impact the liabilities.
Salary risk	Acutal salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Withdrawls	Actual withdrawls proving higher or lower than assumed withdrawls and change of withdrawl rates at subsequent valautions can impact Plan's liability.

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

Year			31ST MARCH , 2024	31ST MARCH , 2023
0 to 1 year			2.68	1.92
1 to 2 year			0.40	1.64
2 to 3 year			0.38	0.24
3 to 4 year			0.53	0.24
4 to 5 year			0.36	0.31
5 to 6 year			1.88	0.23
6 year onwards			16.10	11.66

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	PARTICULARS	For the Year ended 31ST MARCH , 2024	For the Year ended 31ST MARCH , 2023
24	**Finance costs**		
	Interest on :		
	- Term loans(Including buyers credit)	153.96	87.52
	- Working capital Loans	7.50	0.26
	- Lease Liability	9.48	13.70
	- Others	2.24	3.80
	TOTAL	173.18	105.28
25	**Depreciation and amortization expense**		
	Depreciation of property, plant and equipment (Refer Note 3A)	935.15	750.08
	Depreciation of right-of-use asset (Refer Note 3C)	54.82	71.50
		989.97	821.58

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	PARTICULARS	For the Year ended 31ST MARCH , 2024	For the Year ended 31ST MARCH , 2023
26	**Other expenses**		
	Manufacturing Expenses		
	Power and Fuel	806.07	746.01
	Stores & Spares Consumed	25.02	28.67
	Repairs & Maintenance		
	- Plant & Machinery	64.32	72.77
	- Building	19.07	39.91
	- Miscellaneous	32.06	14.22
	Bank Charges	11.87	16.12
	Rent, Rates & Taxes	31.53	16.32
	Printing & Stationery	2.15	2.34
	Communication Expenses	4.28	4.25
	Conveyance & Travelling	45.92	33.81
	Insurance	40.77	34.85
	Shifting Expenses Jaipur	62.72	-
	Legal & Professional Charges	19.10	50.03
	General Office & Misc. Expenses	42.38	41.09
	Forfeiture of Land advance on cancellation of allotment	-	69.89
	Computer Expenses	1.32	1.14
	Vehicle Running & Maintenance	25.00	26.43
	Director Sitting Fee	5.00	3.25
	Auditors' Remuneration		
	- As Audit Fees	2.75	2.75
	- For Tax Audit and Income Tax Matters	0.35	0.33
	- For Other Services	1.00	1.00
	Freight Outward & Octroi Charges	745.54	433.62
	Corporate Social Responsibility Expenses	87.39	56.58
	TOTAL	2,075.61	1,695.36

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27 Income Taxes

The major components of income tax expense for the year ended 31 March 2024 and 31 March 2023 are:

A. Statement of profit and loss:

(i) Profit & loss section

	31 March 2024	31 March 2023
Current income tax charge	950.00	1,496.00
Adjustments in respect of current income tax of previous year	36.18	44.24
Deferred tax:		
Relating to origination and reversal of temporary differences	258.64	161.88
Income tax expense reported in the statement of Profit & loss	**1,244.82**	**1,702.13**

(ii) OCI Section

Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	(0.90)	(1.07)
Income tax charged to OCI	**(0.90)**	**(1.07)**

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for FY ended 31 March 2024 and 31 March 2023:

	31 March 2024	31 March 2023
Accounting profit before income tax	**4,742.25**	**6,306.46**
At India's statutory income tax rate of 25.168% (31 March 2023: 25.168%)	1,193.53	1,587.21
Expenses not allowed as deduction	22.04	32.21
Adjustments in respect of current income tax of previous year	36.18	44.24
Tax impact on foreign Exchange Rate Variation on capex borrowing	1.44	30.35
Impact of change in provisional and actual tax liability at the time of filing of ITR	(8.36)	8.11
At the effective income tax rate of 26.25% (31 March 2023: 26.99%)	**1,244.82**	**1,702.13**

C. Deferred tax

Deferred tax relates to the following:

	Balance sheet		Statement of profit and loss	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Deferred tax arising from temporary differences	-598.42	-340.67	258.64	161.88
Tax (income)/expense during the period recognised in OCI			(0.90)	(1.07)
Deferred tax expense/(income)			**257.75**	**160.81**
Net deferred tax assets/(liabilities)	**-598.42**	**-340.67**		

Reflected in the balance sheet as follows:

	31 March 2024	31 March 2023
Deferred tax liabilities (Net)	**(598.42)**	**(340.67)**

Reconciliation of deferred tax liabilities (net):

	31 March 2024	31 March 2023
Opening balance as of 1 April	340.67	179.86
Tax (income)/expense during the period recognised in Profit & loss	258.64	161.88
Tax (income)/expense during the period recognised in OCI	(0.90)	(1.07)
Closing balance as at 31 March	598.42	340.67

28 Fair values measurements

(i) Financial instruments by category **(Amount in Rupees Lacs, unless otherwise stated)**

Particulars	31 March 2024		31 March 2023	
	FVTOCI	Amortised cost	FVTOCI	Amortised cost
Financial assets				
Other financial assets (non current)	-	21.83	-	86.46
Trade receivables	-	1,364.22	-	4,055.16
Cash and cash equivalents	-	1,128.01	-	2,385.85
Other bank balance	-	5,126.12	-	928.79
Other financial assets (current)	-	295.21	-	192.79
Total financial assets		**7,935.39**	-	**7,649.05**
Financial liabilities				
Borrowings (non current)	-	983.54	-	1,441.16
Borrowings (current)	-	1,564.09	-	2,342.02
Lease Liabilities(non current)		266.35		23.82
Lease Liabilities(current)		11.44		70.09
Trade payables	-	1,754.19	-	2,039.34
Other financial liabilities	-	95.46	-	40.37
Total financial liabilities	-	**4,675.08**	-	**5,956.80**

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.

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29 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 March 2024

	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	-3.56	-3.56
Income tax effect	-0.90	-0.90
	-2.67	**-2.67**

During the year ended 31 March 2023

	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	-4.26	-4.26
Income tax effect	-1.07	-1.07
	-3.19	**-3.19**

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30 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 Company. The financial risk committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

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 March 2024 and 31 March 2023.

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 23.

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 March 2024 and 31 March 2023.

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 exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. However the risk is very low due to negligible borrowings by the Company.

	Increase/ decrease in basis points	Effect on profit before tax
		(` Rs in Lacs)
31-Mar-24		
INR	+ 0.5%	-12.74
INR	- 0.5%	12.74
31-Mar-23		
INR	+ 0.5%	(18.92)
INR	- 0.5%	18.92

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 senstivity 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)
31-Mar-24	5%	72.55
	-5%	-72.55
31-Mar-23	5%	168.75
	-5%	-168.75

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.

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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 7.
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 28. 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
Year ended				
31-Mar-24				
Borrowings	1,564.09	983.54	0	2,547.63
Lease liabilities	38.72	224.65	178.47	441.84
Trade payables	1,754.19			1,754.19
Other financial liabilities	95.46			95.46
	3,452.47	**1,208.19**	**178.47**	**4,839.13**

	Less than 1 year	1 to 5 years	> 5 years	Total
Year ended				
31-Mar-23				
Borrowings	2,342.02	1,441.16		3,783.18
Lease liabilities	75.64	24.31		99.95
Trade payables	2,039.34			2,039.34
Other financial liabilities	40.37			40.37
	4,497.37	**1,465.47**	**-**	**5,962.84**

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.

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31 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.
The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.
No changes were made in the objectives, policies or processes during the year ended 31 March 2024.

	31 March 2024	31 March 2023
Total Liabilities	5,549.66	6,781.15
Less: Cash & Cash Equivalents	1,128.01	2,385.85
Net debts	**4,421.65**	**4,395.31**
Total equity	**18297.64**	**14802.88**
Gearing ratio (%)	**24.2%**	**29.7%**

32 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 -

		31 March 2024	31 March 2024	31 March 2023	31 March 2023
Particulars	**Currency**	**Foreign Currency (In Lacs)**	**(Rs in Lacs)**	**Foreign Currency (In Lacs)**	**(Rs in Lacs)**
Liabilities					
IndusInd Bank (Buyer's credit)	EURO	16.08	1,450.97	37.67	3,375.07
Interest Payable	EURO	0.97	87.06	0.34	30.87
Trade Payable	USD	15.13	1,261.22	10.51	863.77
Advances from customers	USD	-	-	1.13	92.90
Assets					
Trade Receivable	USD	6.95	579.20	25.84	2,124.49
Capital Advance given	EURO	-	-	8.14	710.97
Advances to Suppliers, Contractors & Others	USD	-	-	4.85	402.06
Remitance / Cheque in Transit	USD	-	-	1.61	132.23
HDFC Bank EEFC Account	USD	1.47	122.92	0.21	17.09

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33 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 and, where transactions have taken place during the year, alongwith description of relationship as identified, are given below:-

A) Relationships

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 Ole Spring Bottler Pvt. Ltd.	Fellow Subsidiary
M/s Varun Beverages International DMCC	Fellow Subsidiary
M/s Varun Beverages RDC SAS	Fellow Subsidiary
M/s Devyani Food Industries Kenya Limited	Subsidiary of ultimate parent company

ii) Key Managerial Personnel*

Mr. Vivek Gupta	Managing Director
Mr. Satya Vir Singh	Independent Director
Mr. Praveen Jain	Chief Financial Officer (upto 12/08/2022)
Mr. Pradeep Khushalchand Sardana	Independent Director

iii) Entities with joint control or significant influence*

Shri NSMM Charitable And Welfare Trust	Directors and their relatives having common control.

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

B) Transactions during the year

(Amount in Rupees Lacs, unless otherwise stated)

Description	Relationship	31 March 2024	31 March 2023
Purchase Of Rm/Pm			
M/S Varun Beverages Ltd	Holding	558.43	1,271.74
Factory Rent Expenses			
M/S Varun Beverages Ltd	Holding	6.40	-
Payment for CSR Expenses			
Shri NSMM Charitable And Welfare Trust	Entities with joint control or significant influence	56.78	-
Remuneration paid to KMP			
Mr. Vivek Gupta	Key Managerial Personnel	180.00	180.00
Mr. Praveen Jain	Key Managerial Personnel	-	8.54
Director Sitting Fee			
Mr. Satya Vir Singh	Independent Director	2.25	0.75
Mr. Pradeep Khushalchand Sardana	Independent Director	2.75	2.50
Sale of Finished goods (Net of GST & inculsive of freight & insurance in case of Exports)			
M/S Varun Beverages Ltd	Holding	16,018.98	17,292.20
M/s Varun Beverages (Zimbabwe) (Private) Ltd	Fellow Subsidiary	1,089.32	3,617.68
M/s Varun Beverages Morocco SA	Fellow Subsidiary	458.12	642.33
M/s Varun Beverages (Zambia) Ltd	Fellow Subsidiary	284.67	344.36
M/s Varun Beverages (Lanka) Pvt Ltd	Fellow Subsidiary	554.15	461.14
M/s Varun Beverages Nepal Pvt. Ltd	Fellow Subsidiary	17.78	20.95
M/s Ole Spring Bottler Pvt. Ltd.	Fellow Subsidiary	37.51	-
M/s Varun Beverages International DMCC	Fellow Subsidiary	-	165.48
M/s Varun Beverages RDC SAS	Fellow Subsidiary	175.25	-
M/s Devyani Food Industries Kenya Limited	Fellow Subsidiary	26.33	28.31

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C) Balances outstanding as at the year end

(Amount in Rupees Lacs, unless otherwise stated)

Description		31 March 2024 Debit / (Credit)	31 March 2023 Debit / (Credit)
M/s Varun Beverages Ltd	Holding	784.06	1,930.67
M/s Varun Beverages (Zimbabwe) (Private) Ltd	Fellow Subsidiary	7.74	1,608.20
M/s Varun Beverages Morocco SA	Fellow Subsidiary	13.10	200.44
M/s Varun Beverages (Zambia) Ltd	Fellow Subsidiary	87.70	24.92
M/s Varun Beverages (Lanka) Pvt Ltd	Fellow Subsidiary	155.07	70.29
M/s Varun Beverages Nepal Pvt. Ltd	Fellow Subsidiary	8.82	-
M/s Varun Beverages International DMCC	Fellow Subsidiary	-	77.88
M/s Varun Beverages RDC SAS	Fellow Subsidiary	177.08	-
M/s Devyani Food Industries Kenya Limited	Fellow Subsidiary	13.33	15.39

D

Provision for doubtful debts/expenses recognised during the period in respect of bad or doubtful debts due from related parties.		NIL	NIL

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34 Leases

Leases where the Company is a lessee

The Company has taken buildings on lease for Factory & Wharehouse. Lease payments are generally fixed as defined in agreement and average lease term is 5 years.

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 and equipment.

	Buildings 31/03/2024	Buildings 31/03/2023
Opening balance (refer note 3C)	74.16	145.66
Additions	279.54	-
Depreciation	-54.82	-71.50
Impairment	-24.28	-
Closing balance	**274.59**	**74.16**

ii. For lease liabilities refer note 12

iii. Amounts recognised in the statement of profit or loss

	Note	For the year ended 31/03/2024	For the year ended 31/03/2023
Depreciation	25	54.82	71.50
Interest on lease liabilities	24	9.48	13.70
Expense relating to short term lease/variable lease payments not included in the measurement of the lease liability	26	6.71	4.68
Net impact on statement of profit and loss		**71.01**	**89.88**

iv. Amounts recognised in the cash flow statement

	For the year ended 31 March 2024	For the year ended 31 March 2023
Payment for finance cost	9.48	13.70
Principal repayments	68.60	78.13
Total cash outflows	**78.08**	**91.83**

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 as an expense in profit or loss.
Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

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

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35 Financial Ratios

Ratio	Numerator	Denominator	31-Mar-24	31-Mar-23	% change	Reason for variance above 25%
Current ratio	Current Assets	Current Liabilities	3.58	2.26	58.68	Increase in Bank deposits and inventory.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.14	0.26	-45.52	Repayment of loan.
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses+Interest	Debt service = Interest & Lease Payments + Principal Repayments	19.27	30.14	-36.08	Repayment of loan.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.21	0.37	-42.62	Decrease in profit due to decrease in sales.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	3.67	5.32	-30.92	Decrease in purchase.
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.81	7.24	-5.90	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	5.36	9.04	-40.69	Decrease in purchase.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	1.98	3.74	-47.20	Decrease in sales.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.19	0.20	-4.95	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.24	0.38	-36.81	Decrease in profit due to decrease in sales.
Return on Investment	Earnings before interest and taxes	Average total assets	0.22	0.34	-36.38	Decrease in profit due to decrease in sales.

*** Average= (Opening+Closing)/2**

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36 **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)

	Year ended and as of 31 March 2024			Year ended and as of 31 March 2023		
Particulars	**Plastic Cap & Closure**	**Solar Power Genaration**	**Total**	**Plastic Cap & Closure**	**Solar Power Genaration**	**Total**
Revenue						
Revenue from customers	18,089.09	360.08	18,449.16	23,086.00	0.93	23,086.93
			-			
Total Revenue	**18,089.09**	**360.08**	**18,449.16**	**23,086.00**	**0.93**	**23,086.93**
Result						
Segment Result	4,184.81	222.80	4,407.61	5,922.35	(3.08)	5,919.27
Inter segment eliminations			-			-
Finance cost			173.18			105.28
Finance income			423.61			172.46
Non operating income			84.20			320.01
Profit Before Tax			**4,742.25**			**6,306.46**
Other Segment items						
Depreciation and amortization expense	876.78	113.19	989.97	817.56	4.02	821.58
Other Expesnes		24.08	24.08			
Impairment of non-financial assets	-	-	-	-	-	
Other Information						
Segment Assets	19,833.03	2,886.26	22,719.29	16,215.46	2,982.73	19,198.18
Unallocated Assets			1,128.01			2,385.85
Total Assets			**23,847.30**			**21,584.03**
Segment Liabilities	20,961.04	2,886.26	23,847.30	18,601.28	2,982.75	21,584.03
Total Liabilities			**23,847.30**			**21,584.03**

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

(Amount in Rupees Lacs, unless otherwise stated)

Paerticulars	**31 March 2024**	**31 March 2023**
Revenue from customers outside India	3,160.79	4,702.47
Revenue from customers within India	15,288.37	18,384.46
Total	**18,449.16**	**23,086.93**

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OTHER NOTES ON ACCOUNTS

37 Contingent liabilities and commitments

Particulars	31 March 2024	31 March 2023
Contingent liabilities:		
Claims against the company not acknowledged as debt	NIL	NIL
TDS Demand as per traces site	0.25	NIL
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	5,205.19	4,342.90
Letters of Credit opened in favour of inland/overseas suppliers	-	962.41
	5,205.44	5,305.31

38 Balances appearing under Sundry Debtors, Loans and advances, sundry creditors and other liabilities in various schedules are subject to confirmation/ reconciliations.

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 Corporate Social Responsibility Expenses

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:

				31-03-2024 (Rs. in Lacs)	31-03-2023 (Rs. in Lacs)
	Amount required to be spent for the year on CSR activities as per section 135(5) of companies Act 2013			87.39	56.58
	Carry forward from previous year			54.56	-2.02
	Gross amount required to be spent			141.94	54.56
	Amount spent during the year			141.94	0.00
	Unspent amount			0.00	54.56

Nature of CSR Activities		
Promoting Healthcare, Education, Environmental Sustainability, Rural Development, etc.		
Shri NSMM Charitable And Welfare Trust	56.78	-
R J Foundation	85.17	-
	141.94	-

For relare party transactions refer note-33

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

Particulars	%	2023-24	%	2022-23
RAW MATERIAL				
- Imported	96.18	8,926.28	94.84	10,271.05
- Indigenous	3.82	354.86	5.16	559.09
		9,281.14		10,830.14

Particulars	%	2023-24	%	2022-23
Packing Material				
- Imported	0	0	0	0
- Indigenous	100	610.71	100.00	715.12

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42 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** Entiy 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.

(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

43 Earnings per share (EPS)

			Year ended	Year ended
			31-Mar-24	31-Mar-23
Profit/(Loss) for the year			4,742.25	6,306.46
Less: Provision for Income Tax			950.00	1,496.00
Less: Income Tax Adjustment			36.18	44.24
Less :Deferred Tax			258.64	161.88
Profit/(Loss) attributable to the Equity Shareholders – (A)			3,497.43	4,604.33
Basic /Weighted average number of Equity Shares outstanding during the year (B)			995,020	995,020
Nominal value of Equity Shares (Rs)			10	10
Basic/Diluted Earnings per share (Rs) – (A)/(B)			351.49	462.74

44 Previous year figures have been regrouped/reclassified wherever necessary to make them comparable with the current year classification.

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

MG. DIRECTOR **DIRECTOR**

PLACE :NEW DELHI
DATED : 10/06/2024

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