Independent Auditor's Report

To the Members of Varun Beverages Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Varun Beverages Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 December 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture, the aforesaid consolidated 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 ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and joint venture, as at 31 December 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 Group, its associates and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint venture, 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, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of intangible assets including Goodwill (Refer note 3(e) and 3(k) for accounting policies on Intangibles assets and Business combinations and goodwill respectively. Further refer note 5A and note 5B to the consolidated financial statements)	Our audit procedures included, but were not limited, to the following: • Obtained an understanding of the management's process for identification of cash generating unit and processes performed by the management for their impairment testing;

Key audit matter	How our audit addressed the key audit matter
The Group carries Goodwill and franchisee rights/ trademarks as intangible assets having indefinite life amounting to ₹ 242.30 million and ₹ 5,385.99 million respectively, that are required to be tested for impairment by the management on an annual basis in accordance with Ind AS 36, Impairment of Assets. The aforesaid assessment of the impairment testing involves significant judgement around the determination of the recoverable amounts, being the higher of value in use and fair value less costs of disposal. Recoverable amounts are based on management's view of the future cash flows and prospects of the business, the appropriate discount rates and other industry specific risk factors. The key judgements in determining the recoverable amounts relates to the forecast of future cash flows based on strategy using macroeconomic assumptions such as industry growth, inflation and expected growth in market share, capital expenditure and working capital requirements, among others. Changes in the management forecasts or assumptions can impact the assessment of the discounted cash flows. Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the forecasted cash flows used in the impairment evaluation, which are dependent on current and future economic factors and trading conditions varying for different economic and geographical territories, impairment assessment of Goodwill and the franchise rights/ trademarks was determined as a key audit matter.	• Assessed the process by which management prepared its cash flow forecasts and held discussions with management to understand the assumptions used and estimates made by them for determining such projections; • Tested the design and operating effectiveness of internal controls over such identification and impairment test procedures; • Assessed the appropriateness of the Group's accounting policies, including those relating to recognition, measurement and impairment of intangibles by comparing with the applicable Ind AS; • Reviewed the valuation report obtained by the management from an independent valuer for Franchise rights and assessed the professional competence, skills and objectivity for performing the required valuations; • Assessed the appropriateness of the significant assumptions as well as the Group's valuation model with the support of auditor's valuation specialists, who assess the reasonableness of assumptions used and valuation methodology applied relating to discount rate, risk premium, industry growth rate etc. This included a discussion of the expected development of the business and results as well as of the underlying assumptions used with those responsible for the planning process; • Assessed the robustness of financial projections prepared by the management by comparing projections for previous financial years with actual results realised and discussed significant deviations, if any, with the management; • Tested mathematical accuracy of the projections and performed a sensitivity analysis for reasonably possible changes in the sales growth, discount rate applied and the long-term growth rate; and • Evaluated the adequacy and appropriateness of disclosures made by the Group in the consolidated financial statements, as required by the applicable provisions of the Act and Ind AS.
Claims, Appeals and Litigations – provisions and contingent liabilities (Refer note 42 to the consolidated financial statements for the amounts of contingent liabilities) The Group is involved in various direct, indirect tax and other claims, appeals and litigations (hereafter, referred to as "Matters") that are pending with different statutory authorities and judicial courts. The management exercises significant judgement for determining the need for and the amount of provisions, for any liabilities, arising from these matters.	Our audit procedures included, but were not limited to, the following: • Assessed the appropriateness of the Group's accounting policies relating to provisions and contingent liabilities with the applicable accounting standards; • Assessed the Group's process and the underlying controls for identification of the pending matters and completeness for financial reporting and also for monitoring of significant developments in relation to such pending matters;

Key audit matter	How our audit addressed the key audit matter
This judgement is dependent on a number of significant assumptions and evaluations which involves interpreting the various applicable rules, regulations, practices and considering precedents in the various jurisdictions including the opinions received from various legal counsels. This matter is considered as a key audit matter, in view of the uncertainty regarding the outcome of these matters, the significance of the amounts involved and the subjectivity involved in management's judgement as to whether any amount should be recognised as a provision or be disclosed or not as a contingent liability in the consolidated financial statements.	• Assessed the management's assumptions and estimates in respect of matters, including the liabilities or provisions recognised or contingent liabilities disclosed in the consolidated financial statements. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts based on the various legal counsel opinions received by the Group; • Recomputed the arithmetical accuracy of the underlying calculations supporting the provisions recorded from the supporting evidences including the correspondence with various authorities; • Assessed the management's conclusions through understanding relevant judicial precedents in similar cases and the applicable rules and regulations and through a discussion with Company's legal department and legal counsels appointed by the Company; • Obtained legal opinions and confirmation on completeness from the Group's external legal counsels, where appropriate; • Engaged auditor's experts to gain an understanding of the current status of matters and changes in the disputes, if any, through discussions with the management and by reading external advice received by the Group, where relevant, to validate management's conclusions; and • Assessed the appropriateness of the Group's description of the accounting policy, disclosures related to matters and whether these are adequately presented in the consolidated financial statements.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance and Director's Report, 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 and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated

cash flows of the Group including its associates and joint venture in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its associate companies and joint venture company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. 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.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to 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 Board of 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 ability of the Group and its associates and joint venture 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 Group and its associates and joint venture to cease to continue as a going concern; and

- 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 statements of the entities or business activities within the Group, and its associates and joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. 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.

13. 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.

14. 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.

Other Matters

15. We did not audit the financial statements of nine subsidiaries, whose financial statements reflects total assets of ₹ 35,471.10 million and net assets of ₹ 14,886.98 million as at 31 December 2023, total revenues of ₹ 43,269.44 million and net cash inflows amounting to ₹ 756.13 million for the year ended on that date, as considered in the consolidated financial statements. Out of the above, annual financial statements of one subsidiary included in the consolidated financial statements whose financial statement reflects total assets of ₹ 2,355.06 million and net assets of ₹ 1,773.69 million as at 31 December 2023, total revenues of ₹ 2,037.66 million and net cash outflows amounting to ₹ 213.63 million for the year ended on that date, as considered in the consolidated financial statement have been audited by one of the joint auditors, O P Bagla & Co LLP. The consolidated financial statements also includes the Group share of net loss (including other comprehensive income) ₹ 0.21 million for the year ended 31 December 2023, as considered in the consolidated financial statements, in respect of one associate, whose financial statement have not been audited by us. These financial statements has been audited by other auditor whose report has been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, are based solely on the reports of O P Bagla & Co LLP and the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of O P Bagla & Co LLP and the other auditors.

    The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 1.51 million for the year ended 31 December 2023, as considered in the consolidated financial statements, in respect of one associate based on their financial information, which have not been audited by us. This financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

16. The consolidated financial statements of the Group for the year ended 31 December 2022, were audited and reported jointly by then joint auditors Walker Chandiok & Co LLP and O P Bagla & Co LLP who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 06 February 2023.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors and one of the joint auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries and associate and joint venture, we report that the Holding Company, and one subsidiary company, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to nine subsidiary companies, two associate companies and one joint venture company, since none of such companies is a public company as defined under section 2(71) of the Act.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of company included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such company. Further, following is the company included in the consolidated financial statements for the year ended 31 December 2023 and covered under that Act that is audited by one of the joint auditors for which the respective report under section 143(11) of the Act of such company has not yet been issued by the respective joint auditor, as per information and explanation given to us by the management in this respect.

S. No	Name	CIN	Subsidiary/ Associate/ Joint Venture	Remarks
1	Lunarmech Technologies Private Limited	U72900DL2009PTC190619	Subsidiary	Company follows different financial year (April to March)

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of one of the joint auditors and other auditor on separate financial statements of the subsidiary, associate and joint venture, incorporated in India whose financial statements/ financial information have been audited under the Act and other financial information of the un-audited financial information of associate incorporated in India whose financial information are provided to us by the management of the Holding Company, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of one of the joint auditors and other auditor;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of O P Bagla & Co LLP, the statutory auditor of its subsidiary company, covered under the Act, none of the directors of the Group companies are disqualified as on 31 December 2023 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 with reference to financial statements of the Holding Company, and its subsidiary company, associate companies and joint venture company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

g) 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 and based on the consideration of the report of the one of the joint auditors and other auditor on separate financial statements and other financial information of the subsidiary, associates and joint venture incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 42 to the consolidated financial statements;

ii. The Holding Company, its subsidiary companies, associate companies and joint venture company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 December 2023

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company, associate companies and joint venture company covered under the Act, during the year ended 31 December 2023;

iv. a The respective managements of the Holding Company, its subsidiary company and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the joint auditors of such subsidiary, and in respect of the un-audited financial information of associate company incorporated in India the management of Holding Company have represented to us that, to the best of their knowledge and belief, as disclosed in note 60(e) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, its associates companies or its joint venture company to or in any person(s) or entity(ies), including foreign entities ('the 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 Holding Company, or any such subsidiary companies, its associate companies or its joint venture company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company, its subsidiary company and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary, and in respect of the un-audited financial information of associate company incorporated in India the management of Holding Company have represented to us that, to the best of their knowledge and belief, as disclosed in note 60(f) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, or its associate companies or its joint venture company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies, its associate companies or its joint venture 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; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The final dividend paid by the Holding Company during the year ended 31 December 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Holding Company during the year ended 31 December 2023 and until the date of this audit report is in compliance with section 123 of the Act. As stated in note 62(iii) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 December 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year ended 31 December 2023.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No. 001111N

Akhil Bhalla
Partner
Membership No: 505002
UDIN: 24505002BKBXPB7387

Place: Gurugram
Date: 05 February 2024

B-5, Sector-6, Noida
Uttar Pradesh 201301

For O P Bagla & Co LLP
Chartered Accountants
Firm's Registration No: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No. 094155
UDIN: 24094155BKEOZE2952

Place: Gurugram
Date: 05 February 2024

B-225, 5th Floor, Okhla Industrial Area,
Phase 1, New Delhi 110020

Annexure I

List of entities included in the Statement

Holding Company

1. Varun Beverages Limited

Subsidiaries

1. Varun Beverages (Nepal) Private Limited
2. Varun Beverages Lanka (Private) Limited
3. Varun Beverages Morocco SA
4. Ole Spring Bottlers (Private) Limited
5. Varun Beverages (Zambia) Limited
6. Varun Beverages (Zimbabwe) (Private) Limited
7. Lunarmech Technologies Private Limited
8. Varun Beverages RDC SAS
9. Varun Beverages International DMCC
10. Varun Beverages South Africa (Pty) Ltd (with effect from 23 May 2023)
11. VBL Mozambique,SA (with effect from 21 November 2023)

Associates

1. Clean Max Tav Private Limited
2. Huoban Energy 7 Private Limited (with effect from 09 May 2023)

Joint Venture

1. IDVB Recycling Operations Private Limited

Annexure II

Independent Auditor's report on the internal financial controls with reference to Consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Varun Beverages Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture as at and for the year ended 31 December 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, its associate companies and joint venture company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company, its associate companies and joint venture company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. The audit of internal financial controls with reference to financial statements of the aforementioned associates and joint venture, which are companies covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, which is a company covered under the Act, has in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 December 2023, based on the Guidance Note issued by the ICAI.

Other Matter

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of one of the joint auditors, O P Bagla & Co. LLP of such company incorporated in India.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No. 001111N

Akhil Bhalla
Partner
Membership No: 505002
UDIN: 24505002BKBXPB7387

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B-225, 5th Floor, Okhla Industrial Area,
Phase 1, New Delhi 110020

Consolidated Balance Sheet

As at 31 December 2023

(₹ in million)

	Notes	As at 31 December 2023	As at 31 December 2022
Assets			
Non-current assets			
(a) Property, plant and equipment	4A	68,031.32	54,415.78
(b) Capital work-in-progress	4B	19,222.22	6,066.32
(c) Right of use assets	4C	10,347.07	9,155.01
(d) Goodwill	5A	242.30	242.30
(e) Other intangible assets	5B	5,471.00	5,509.10
(f) Investment in associates and joint venture	6	179.32	0.04
(g) Financial assets			
(i) Investments	7	31.51	0.01
(ii) Other financial assets	8	622.67	486.80
(h) Other non-current assets	10	5,368.12	6,266.77
Total non-current assets		**109,515.53**	**82,142.13**
Current assets			
(a) Inventories	11	21,505.33	19,938.85
(b) Financial assets			
(i) Trade receivables	12	3,593.85	2,993.38
(ii) Cash and cash equivalents	13	2,422.12	1,543.32
(iii) Bank balances other than (ii) above	14	2,176.50	1,309.35
(iv) Others	15	7,388.23	3,977.06
(c) Current tax assets (Net)	16	3.11	-
(d) Other current assets	17	5,267.16	4,278.34
Total current assets		**42,356.30**	**34,040.30**
Total assets		**151,871.83**	**116,182.43**
Equity and liabilities			
Equity			
(a) Equity share capital	18	6,496.07	6,495.50
(b) Other equity	19	62,868.91	44,528.30
Equity attributable to owners of the Parent Company		**69,364.98**	**51,023.80**
Non-controlling interest		1,481.55	1,131.07
Total equity		**70,846.53**	**52,154.87**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20A	31,889.38	17,270.22
(ia) Lease liabilities	20B	1,978.85	1,654.25
(b) Provisions	21	2,126.44	2,041.13
(c) Deferred tax liabilities (Net)	9	3,430.11	3,368.48
(d) Other non-current liabilities	22	68.40	5.94
Total non-current liabilities		**39,493.18**	**24,340.02**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20C	20,054.49	19,677.90
(ia) Lease liabilities	20D	390.38	235.77
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	23	767.43	659.11
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	6,815.05	7,583.50
(iii) Other financial liabilities	24	7,638.39	5,593.90
(b) Other current liabilities	25	4,650.93	4,889.77
(c) Provisions	21	825.43	291.91
(d) Current tax liabilities (Net)	26	390.02	755.68
Total current liabilities		**41,532.12**	**39,687.54**
Total liabilities		**81,025.30**	**64,027.56**
Total equity and liabilities		**151,871.83**	**116,182.43**
Significant accounting policies	3		

The accompanying notes 1 to 63 are an integral part of the consolidated financial statements.
As per our report of even date attached.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No.: 001111N

Akhil Bhalla
Partner
Membership No.: 505002

For O P Bagla & Co LLP
Chartered Accountants
Firm's Registration No.: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155

For and on behalf of the Board of Directors of
Varun Beverages Limited

Varun Jaipuria
Whole Time Director
DIN 02465412

Raj Pal Gandhi
Whole Time Director
DIN 00003649

Lalit Malik
Chief Financial Officer

Ravi Batra
Chief Risk Officer and
Group Company Secretary
Membership No. F- 5746

Place : Gurugram
Dated : 05 February 2024

Consolidated Statement of Profit and Loss

For the year ended 31 December 2023

(₹ in million, unless otherwise stated)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Income			
Revenue from operations	27	163,210.63	133,905.58
Other income	28	793.59	388.49
Total income		**164,004.22**	**134,294.07**
Expenses			
Cost of materials consumed	29	70,264.61	64,170.92
Excise duty		2,784.82	2,174.16
Purchases of stock-in-trade	30	4,626.96	1,885.71
Changes in inventories of finished goods, intermediate goods, stock-in-trade and work-in-progress	31	(842.69)	(3,445.07)
Employee benefits expense	32	14,465.87	12,166.42
Finance costs	33	2,680.99	1,861.22
Depreciation, amortisation and impairment expense	34	6,809.06	6,171.89
Other expenses	35	35,816.21	29,072.39
Total expenses		**136,605.83**	**114,057.64**
Profit before share of loss of associate & joint venture and tax		**27,398.39**	**20,236.43**
Share of loss of associates and joint venture	6	(4.79)	(0.06)
Profit before tax		**27,393.60**	**20,236.37**
Tax expense			
(a) Current tax	26	6,290.81	4,258.66
(b) Adjustment of tax relating to earlier years	26	20.55	226.91
(c) Deferred tax charge	9	64.11	249.66
Total tax expense		**6,375.47**	**4,735.23**
Net profit for the year		**21,018.13**	**15,501.14**
Other comprehensive income	36		
(a) Items that will not to be reclassified to Profit or Loss:			
(i) Re-measurement (losses)/gain on defined benefit plans		(28.16)	107.87
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		6.98	(27.02)
(b) Items that will be reclassified to Profit or Loss:			
(i) Exchange differences arising on translation of foreign operations		(58.83)	(3,799.27)
Total other comprehensive loss		**(80.01)**	**(3,718.42)**
Total comprehensive income for the year (including non-controlling interest)		**20,938.12**	**11,782.72**
Net profit attributable to:			
(a) Owners of the Company		20,559.22	14,974.33
(b) Non-controlling interest		458.91	526.81
Other comprehensive income attributable to:			
(a) Owners of the Company		(56.45)	(3,154.79)
(b) Non-controlling interest		(23.56)	(563.63)
Total comprehensive income attributable to:			
(a) Owners of the Company		20,502.77	11,819.54
(b) Non-controlling interest		435.35	(36.82)
Earnings per equity share of face value of ₹ 5 each			
Basic (₹)	40	15.83	11.53
Diluted (₹)	40	15.82	11.52
Significant accounting policies	3		

The accompanying notes 1 to 63 are an integral part of the consolidated financial statements.
As per our report of even date attached.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No.: 001111N

For O P Bagla & Co LLP
Chartered Accountants
Firm's Registration No.: 000018N/N500091

For and on behalf of the Board of Directors of
Varun Beverages Limited

Akhil Bhalla
Partner
Membership No.: 505002

Neeraj Kumar Agarwal
Partner
Membership No.: 094155

Varun Jaipuria
Whole Time Director
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Raj Pal Gandhi
Whole Time Director
DIN 00003649

Lalit Malik
Chief Financial Officer

Ravi Batra
Chief Risk Officer and
Group Company Secretary
Membership No. F- 5746

Place : Gurugram
Dated : 05 February 2024

Consolidated Statement of Cash Flow
For the year ended 31 December 2023

(Indirect Method) (₹ in million)

		Year ended 31 December 2023	Year ended 31 December 2022
A.	**Operating activities**		
	Profit before tax and share of loss in associates and joint venture	27,398.39	20,236.43
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and impairment on property, plant and equipment	6,409.04	5,830.99
	Amortisation of intangible assets and right of use assets	400.02	340.90
	Interest expense at amortised cost	2,680.99	1,854.49
	Interest income at amortised cost	(238.00)	(228.29)
	Gain on derecognition of financial instruments	(0.81)	-
	Gain on sale of current investments	(3.51)	(3.67)
	Excess provisions and liabilities written back	(322.36)	(9.20)
	Share based payments	78.61	29.06
	Loss on disposal/written off of property, plant and equipment (Net)	843.64	623.26
	Bad debts and advances written off	3.24	25.71
	Allowance for expected credit loss	69.47	73.51
	Unrealised foreign exchange fluctuation	3.26	(1,287.68)
	Operating profit before working capital changes	**37,321.98**	**27,485.51**
	Working capital adjustments		
	Increase in inventories	(1,601.73)	(5,568.33)
	Increase in trade receivables	(730.18)	(1,233.80)
	Increase in current and non-current financial assets and other current and non-current assets	(4,572.18)	(3,257.13)
	Increase in current financial liabilities and other current and non-current liabilities and provisions	169.28	4,207.33
	Total cash from operations	**30,587.17**	**21,633.58**
	Income tax paid	(6,679.39)	(3,733.29)
	Net cash flows from operating activities (A)	**23,907.78**	**17,900.29**
B.	**Investing activities**		
	Purchase of property, plant and equipment, right of use assets and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(32,640.49)	(18,009.92)
	Proceeds from disposal of property, plant and equipment	701.31	510.93
	Investment made in associates, joint venture and other	(215.57)	(0.10)
	Purchase of additional stake from minority of a subsidiary	(100.00)	-
	Interest received	220.16	232.42
	Proceeds from sale of current investments (Net)	3.51	3.67
	Change in other bank balances	(867.59)	217.02
	Net cash used in investing activities (B)	**(32,898.67)**	**(17,045.98)**
C.	**Financing activities**		
	Proceeds from long-term borrowings	24,016.61	14,777.20
	Repayment of long-term borrowings	(12,765.22)	(11,373.59)
	Repayment of lease liabilities	(295.07)	(234.40)
	Proceeds/(Repayments) of short-term borrowings (Net)	3,812.66	(7.97)
	Proceeds from issue of share capital (including share premium thereon)	44.41	-
	Interest paid (inclusive of interest paid on lease liabilities ₹ 170.04 (31 December 2022: ₹ 44.26))	(2,694.42)	(1,716.79)

Consolidated Statement of Cash Flow

For the year ended 31 December 2023

(Indirect Method) (₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
Proceeds from share application money pending allotment	3.51	-
Dividend paid	(2,273.48)	(1,623.87)
Net cash flows from/(used) in financing activities (C)	**9,849.00**	**(179.42)**
Net change in cash and cash equivalents (D=A+B+C)	**858.11**	**674.89**
Cash and cash equivalents at the beginning of year (E)	1,543.32	1,507.50
Unrealised exchange difference on translation of cash and cash equivalent in subsidiaries (F)	20.69	(639.07)
Cash and cash equivalents at the end of year (G= D+E+F) (Refer note 13)	**2,422.12**	**1,543.32**

Notes:

(a) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes pursuant to Ind AS 7:

(₹ in million)

	Non-current borrowings*	Current borrowings	Lease Liabilities (Non-current and current)
Balance as at 01 January 2023	30,671.17	6,276.95	1,890.02
Cash flows (Net)	11,251.39	3,812.66	(295.07)
Non-cash changes:			
Recognition of lease liabilities	-	-	749.28
Impact of fair value changes	(10.74)	-	-
Impact of exchange fluctuations	-	(57.56)	25.00
Balance as at 31 December 2023	**41,911.82**	**10,032.05**	**2,369.23**

(₹ in million)

	Non-current borrowings*	Current borrowings	Lease Liabilities (Non-current and current)
Balance as at 01 January 2022	27,134.03	6,284.92	448.65
Cash flows (Net)	3,403.61	(7.97)	(234.40)
Non-cash changes:			
Recognition of lease liabilities	-	-	1,665.92
Impact of fair value changes	74.19	-	-
Impact of exchange fluctuations	59.34	-	9.85
Balance as at 31 December 2022	**30,671.17**	**6,276.95**	**1,890.02**

*includes current maturities of long-term debts amounting to ₹ 10,022.44 million (31 December 2022: ₹ 13,400.95 million). (Refer note 20A and 20C)

The accompanying notes 1 to 63 are an integral part of the consolidated financial statements.
As per our report of even date attached.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No.: 001111N

Akhil Bhalla
Partner
Membership No.: 505002

For O P Bagla & Co LLP
Chartered Accountants
Firm's Registration No.: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155

For and on behalf of the Board of Directors of Varun Beverages Limited

Varun Jaipuria
Whole Time Director
DIN 02465412

Raj Pal Gandhi
Whole Time Director
DIN 00003649

Lalit Malik
Chief Financial Officer

Ravi Batra
Chief Risk Officer and Group Company Secretary
Membership No. F- 5746

Place : Gurugram
Dated : 05 February 2024

Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

A. Equity share capital

(₹ in million)

Particulars	Notes	Number of shares	Amount
Balance as at 01 January 2022		433,033,080	4,330.33
Changes in equity share capital during the year 2022		216,516,540	2,165.17
Balance as at 31 December 2022	18	**649,549,620**	**6,495.50**
Changes in equity share capital during the year 2023		649,665,356	0.57
Balance as at 31 December 2023	18	**1,299,214,976**	**6,496.07**

B. Other Equity

(₹ in million)

Particulars	Notes	Attributable to Owners of the Company										
		Reserve and surplus						Share application money pending allotment	Exchange differences on translating the financial statements of foreign operations	Total attributable to owners of the Group	Non-controlling interests	Total
		Capital reserve on consolidation	Capital reserve	Securities premium	Share option outstanding account	General reserve	Retained earnings					
Balance as at 01 January 2022		**(2,279.78)**	**533.93**	**24,734.73**	**-**	**444.26**	**13,967.42**	**-**	**(931.81)**	**36,468.75**	**1,167.89**	**37,636.64**
Profit for the year		-	-	-	-	-	14,974.33	-	-	**14,974.33**	526.81	**15,501.14**
Other comprehensive income for the year (Net of deferred taxes)												
Re-measurement gains on defined benefit plans (Net of taxes)#		-	-	-	-	-	80.96	-	-	**80.96**	(0.11)	**80.85**
Exchange differences arising on translation of foreign operations		-	-	-	-	-	-	-	(3,235.76)	**(3,235.76)**	(563.52)	**(3,799.28)**
Dividend paid** (Refer note 41)		-	-	-	-	-	(1,623.87)	-	-	**(1,623.87)**	-	**(1,623.87)**
Recognition of share based payment expenses (Refer note 32)		-	-	-	29.06	-	-	-	-	**29.06**		**29.06**
Amount utilised for bonus issue		-	-	(2,165.17)	-	-	-	-	-	**(2,165.17)**	-	**(2,165.17)**
Balance as at 31 December 2022	**19**	**(2,279.78)**	**533.93**	**22,569.56**	**29.06**	**444.26**	**27,398.84**	**-**	**(4,167.57)**	**44,528.30**	**1,131.07**	**45,659.37**

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

(₹ in million)

Particulars	Notes	Attributable to Owners of the Company										
		Reserve and surplus						Share application money pending allotment	Exchange differences on translating the financial statements of foreign operations	Total attributable to owners of the Group	Non-controlling interests	Total
		Capital reserve on consolidation	Capital reserve	Securities premium	Share option outstanding account	General reserve	Retained earnings					
Profit for the year		-	-	-	-	-	20,559.22	-	-	**20,559.22**	458.91	**21,018.13**
Other comprehensive income for the year (Net of deferred taxes)												
Re-measurement losses on defined benefit plans (Net of taxes)#		-	-	-	-	-	(21.08)	-	-	**(21.08)**	(0.10)	**(21.18)**
Exchange differences arising on translation of foreign operations		-	-	-	-	-	-	-	(35.37)	**(35.37)**	(23.46)	**(58.83)**
Dividend paid** (Refer note 41)		-	-	-	-	-	(2,273.48)	-	-	**(2,273.48)**	-	**(2,273.48)**
Pursuant to exercise of employee stock options		-	-	67.03	(23.19)	-	-	-	-	**43.84**	-	**43.84**
Share application money pending allotment		-	-	-	-	-	-	3.51	-	**3.51**		**3.51**
Recognition of share based payment expenses (Refer note 32)		-	-	-	79.10	-	-	-	-	**79.10**	-	**79.10**
Purchase of additional stake in subsidiary from minority		(15.13)	-	-	-	-	-	-	-	**(15.13)**	(84.87)	**(100.00)**
Balance as at 31 December 2023	**19**	**(2,294.91)**	**533.93**	**22,636.59**	**84.97**	**444.26**	**45,663.50**	**3.51**	**(4,202.94)**	**62,868.91**	**1,481.55**	**64,350.46**

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in Note 36.

**Transaction with owners in their capacity as owners.

The accompanying notes 1 to 63 are an integral part of the consolidated financial statements.
As per our report of even date attached.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No.: 001111N

Akhil Bhalla
Partner
Membership No.: 505002

For O P Bagla & Co LLP
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For and on behalf of the Board of Directors of Varun Beverages Limited

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Lalit Malik
Chief Financial Officer

Ravi Batra
Chief Risk Officer and
Group Company Secretary
Membership No. F- 5746

Place : Gurugram
Dated : 05 February 2024

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

1. Corporate information

Varun Beverages Limited ("VBL" or "the Company" or "Holding Company" or "Parent Company") is a public limited Company domiciled in India. Its registered office is at F-2/7, Okhla Industrial Area, Phase-I, New Delhi- 110 020. The Company's equity shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE). The Company was incorporated on 16 June 1995 with Corporate Identification Number L74899DL1995PLC069839 under the provisions of the Companies Act 1956.

The Company together with its subsidiaries and associates (hereinafter, "the Group") is engaged in manufacturing, selling, bottling and distribution of beverages of Pepsi brand in geographically pre-defined territories of India, Sri Lanka, Nepal, Zambia, Morocco and Zimbabwe as per franchisee agreement with PepsiCo India Holdings Private Limited ("PepsiCo India") and its affiliates. The sale of Group's products is seasonal.

2. Basis for preparation

These Consolidated Financial Statements ("the CFS") of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") and comply with requirements of Ind AS, stipulations contained in Schedule III (revised) as applicable under Section 133 of the Companies Act, 2013 ("the Act"), and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI) the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other pronouncements/ provisions of applicable laws. These financial statements are authorised for issue on 05 February 2024 in accordance with a resolution of the Board of Directors. The Board of Directors can permit the revision to the standalone financial statements after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

These CFS have been prepared using the significant accounting policies and measurement basis summarised below. These accounting policies have been used consistently throughout all periods presented in these consolidated financial statements except as mentioned in note 3 (b) below.

The CFS have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

i. Derivative financial instruments;

ii. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);

iii. Defined benefit plans- plan assets measured at fair value; and

iv. Share based payments;

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current if it satisfies any of the following conditions:

i. Expected to be realised or intended to sold or consumed in normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Expected to be realised within twelve months after the reporting period; or

iv. 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 current if it satisfies any of the following conditions:

i. It is expected to be settled in normal operating cycle;

ii. It is held primarily for the purpose of trading;

iii. It is due to be settled within twelve months after the reporting period; or

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

The Group 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 its realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

All amounts disclosed in the CFS and notes have been rounded off to the nearest million as per the requirement of Schedule III to the Act, unless otherwise stated.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

2.1. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associate. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) The contractual arrangement with the other vote holders of the investee;

b) The rights arising from other contractual arrangements;

c) The Group's voting rights and potential voting rights; and

d) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

An associate is an entity over which the Group has significant influence, i.e., the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended 31 December. When the end of the reporting period of the parent is different from that of a subsidiary/ associate, the subsidiary/ associate prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The following consolidation procedures are adopted:

Subsidiary:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill; and

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 'Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in Consolidated Statement of Profit and Loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Associates/Joint Venture:

Interests in associates/Joint Venture are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. When a member of the Group transacts with an associate of the Group, profits and losses from transactions with the associate/Joint Venture are recognised in the CFS only to the extent of interests in the associate/Joint Venture that are not related to the Group.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate/Joint Venture since the acquisition date. Goodwill relating to the associate/Joint Venture is included in the carrying amount of the investment.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the associate/Joint Venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate/Joint Venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate/Joint Venture are eliminated to the extent of the interest in the associate/Joint Venture. The aggregate of the Group's share of profit or loss of an associate/Joint Venture is shown on the face of the Consolidated Statement of Profit and Loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate/Joint Venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate/Joint Venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate/Joint Venture and its carrying value, and then recognises the loss as 'Share of loss of associates and Joint Venture in the Consolidated Statement of Profit and Loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant and the fair value of the retained investment and proceeds from disposal is recognised in the Consolidated Statement of Profit and Loss.

On acquisition of control over previously owned associates, the Group re-measures its previously held equity interest in the associates at the acquisition date fair value and the difference, if any, between the carrying amount and the fair value is recognised in the Consolidated Statement of Profit and Loss.

Goodwill is generally computed as the difference between the sum of consideration transferred (measured at the fair value) the non-controlling interest ("NCI") in the acquire and the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

3. Summary of significant accounting policies

a) Fair value measurements

The Group measures financial instruments at fair value which 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.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

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.

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group 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. For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by e-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 period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

b) Revenue recognition

Revenue is recognised upon transfer of control of promised goods or services to customers at an amount that reflects the consideration to which the Group 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.

Sale of goods

Revenue from the sale of manufactured and traded 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.

Interest income

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (“EIR”). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets. Interest income is included in finance income in the Consolidated Statement of Profit and Loss.

Dividends

Dividend is recognised when the Group’s right to receive the payment is established, which is generally when shareholders approve the dividend.

Services rendered

Revenue from service related activities including management and technical know-how service, job work are recognised as and when services are rendered and on the basis of contractual terms with the parties.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

c) **Inventories**

Inventories are valued as follows:

i. **Raw materials, components and stores and spares:** At lower of cost and net realisable value. 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 moving weighted average cost basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

ii. **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.

iii. **Intermediate goods/ Finished goods:**

a) **Self-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.

b) **Traded -** At lower of cost and net realisable value. 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.

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 Consolidated Statement of Profit and Loss.

d) **Property, plant and equipment**

Measurement at recognition:

Property, plant and equipment and capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost comprises the purchase price, borrowing costs if capitalization 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 is 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 Consolidated Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized 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 Consolidated Statement of Profit and Loss.

Value for individual assets acquired for a consolidated price, the consideration is apportioned to the various assets on a fair value basis as determined by competent valuers.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

Depreciation:

The management has estimated, supported by technical assessment, the useful lives of property, plant and equipment. 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. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Description	Useful lives (upto)
Leasehold land	Over lease period
Buildings-factory	20-50 years
Buildings-others	59-60 years
Plant and equipment	4-20 years
Furniture and fixtures	5-10 years
Delivery vehicles	4-10 years
Vehicles (other than delivery vehicles)	4-7 years
Office equipment	4-10 years
Computer equipment	3-5 years
Containers	4-10 years
Post-mix vending machines and refrigerators (Visi - Cooler)	7-10 years
Power generating assets	22 years

Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Act except where the management, based on independent technical assessment, depreciates certain assets are over estimated useful lives which are different from the useful life prescribed in the Schedule II to the Act.

The Group has used the remaining useful lives to compute depreciation on its property, plant and equipment, acquired under the business transfer agreement based on external technical evaluation.

Depreciation on property, plant and equipment which are added/disposed off during the year is provided on a pro-rata basis with reference to the month of addition/deletion.

The Group has technically evaluated all the property, plant and equipment for determining the separate identifiable assets having different useful lives under the component approach. On technical evaluation of all separate identifiable components, the management is of the opinion that they do not have any different useful life from that of the principal asset.

In case of revaluation of leasehold land, the resulting amortisation of the total revalued amount is expensed off to the Consolidated Statement of Profit and Loss.

Derecognition:

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds or amount of security deposit adjusted and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

Breakages of containers are adjusted on 'first bought first broken' basis, since it is not feasible to specifically identify the broken containers in the fixed assets records.

e) Intangible assets

Intangible assets are initially recognised at:

a. In case the assets are acquired separately, then at cost,

b. In case the assets are acquired in a business combination or under any asset purchase agreement, at fair value.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired.

Amortisation of other intangible assets are amortised on a straight-line basis using the estimated useful life as follows:

Intangible assets	Useful lives (years)
Software	3-5 Years
Market infrastructure	5 Years
Distribution network	8 Years

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

The franchise rights and trademarks acquired as part of business combinations normally have a remaining legal life of not exceeding ten years but is renewable every ten years at little cost and is well established. The Group intends to renew these rights continuously and evidence supports its ability to do so. An analysis of product life cycle studies, market and competitive trends provides evidence that the product will generate net cash inflows for the Group for an indefinite period. Therefore, these rights have been carried at cost without amortisation, but is tested for impairment annually, 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.

f) Borrowing costs

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 Consolidated Statement of Profit and Loss in the period in which they occur.

g) Leases

The Group as a lessee

The Group 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 Ind AS 116 – Leases, at inception of the contract, the Group 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 Group assesses whether:

- 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;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group 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 Group 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 Group 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 Group 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 Ind AS 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 assets are tested

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Consolidated 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, 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 unless the Group 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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group 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 Group 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 Group.

The Group has elected not to apply the requirements of Ind AS 116 - 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.

The Group as a lessor

When the Group 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 Group 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 Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group 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 Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognizes 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 Group as a lessor in the comparative period were not different from Ind AS 116 - Leases. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group 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

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

h) Employee benefits

Contribution to provident and other funds

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Group recognises termination benefit as a liability and an expense when the Group has a present obligation as a result of 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. If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Gratuity liability is accrued on the basis of an actuarial valuation made at the end of the year. The actuarial valuation is performed by an independent actuary as per projected unit credit method, except for few subsidiary companies where gratuity liability is provided on full cost basis.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in Consolidated Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

The Group 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 year end except for few subsidiary companies where accumulated leave liability is provided on full cost basis. Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred. The Group 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

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

for twelve months after the reporting date. Where Group 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 Group 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 Consolidated Statement of Profit and Loss in the period in which the employee renders the related service.

i) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

The cost of equity-settled transactions is determined by the fair value at the date of grant using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share option outstanding account' in other equity, over the period in which the performance and/or service conditions are fulfilled in relation to options granted to employees of the Group.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the parent company's best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the parent company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the parent company or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

j) Foreign currency transactions and translations

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. 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 recognised 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 after 01 January 2017: Exchange differences arising on conversion of long term foreign currency monetary items obtained or given is recorded in the Consolidated Statement of Profit and Loss.

Group companies

On consolidation, the assets and liabilities of foreign operations, whose functional currency is not the currency of a hyperinflationary economy, are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions.

However, all amounts (i.e. assets, liabilities, equity items, income and expenses) of foreign operation, whose functional currency is the currency of a hyperinflationary economy, are translated into INR at the rate of exchange prevailing at the reporting date and the comparative figures shall be those that were presented as current year amounts in the relevant prior year financial statement (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Financial statements of entity whose functional currency is the currency of a hyperinflationary economy

The financial statements of an entity whose functional currency is the currency of a hyperinflationary economy is stated in terms of the measuring unit current at the end of the reporting period.

Monetary items are not restated because they are already expressed in terms of the monetary unit current at the end of the reporting period.

Non-monetary items, which are carried at amounts current at the end of the reporting period, such as net realisable value and fair value, are not restated. All other nonmonetary assets and liabilities which are carried at cost or cost less depreciation are restated by applying to its historical cost and accumulated depreciation the change in a general price index from the date of acquisition to the end of the reporting period. However, where detailed records of the acquisition dates are not available or capable of estimation, in those cases, restatement is computed based on independent professional assessment or by using the best estimate, i.e., by capturing the movements in the exchange rate between the functional currency and a relatively stable foreign currency.

Statement of profit and loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore all amounts are restated by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

At the beginning of the first period of application, the components of shareholder's equity, excluding retained earnings and any revaluation surplus, are restated by applying a general price index from the dates on which the items were contributed or otherwise arose. Restated retained earnings are derived from all the other amounts in the restated statement of financial position.

The gain or loss on the net monetary position, being the difference resulting from the restatement of non-monetary assets, owners' equity and items in the statement of profit and loss and the adjustment of index linked assets and liabilities, is recognised in the consolidated statement of profit and loss.

k) 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.

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 the 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.

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 the 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; and
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferred.

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.

l) Government grants

Grants from the Government are recognised when there is reasonable assurance that all underlying conditions will be complied with and that the grant will be received.

Grants related to income are recognised as income on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate and are presented as 'other operating revenues'. Further, where loans or similar assistance are provided by Government or related institutions, with an interest rate below the current applicable market rate, the

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds to be received. That grant is recognised in the Consolidated Statement of Profit and Loss under 'other operating revenue'. The loan is subsequently measured in the year of disbursement as per the accounting policy applicable to financial liabilities.

Government grants related to assets are presented in the Consolidated balance sheet by deducting the grant from the carrying value of the asset and non-monetary grant is recognised at a nominal value.

m) Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current 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, 1961 and respective local jurisdictions of members of the Group.

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 in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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 provided using the liability method on temporary differences between the tax bases of assets and liabilities and their book bases. 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 (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries and associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the relevant members of the Group will pay normal income tax during the specified period. Such asset is reviewed at each reporting period end and the adjusted based on circumstances then prevailing.

Deferred tax assets are recognised on the unrealized profit for all the inter-company sale/ purchase eliminations of property, plant and equipment and inventories.

Deferred tax on business combination

When a liability assumed is recognized 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. In both cases, the resulting deferred tax asset affects goodwill.

n) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The business activities of the Group predominantly fall within a single operating segment, i.e., manufacturing and sale of beverages. The Group operates in two principal geographical areas, namely, India and other countries or 'outside India'. The Group prepares its segment information in conformity with the accounting policies adopted for preparing the CFS.

o) Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;

- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Consolidated Statement of Profit and Loss

p) Impairment of non-financial assets

The Group 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 Group 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

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

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 groups 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 company's or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

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 Group 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 Consolidated 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.

q) 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.

Financial assets

Initial recognition and measurement

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) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost where the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the 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 interest income from these financial assets is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

b) ***Debt instruments at Fair Value Through Other Comprehensive Income***

Assets that are held for collection of contractual cashflows and for selling the financial assets, where the cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income ("FVOCI"). The Group has not designated any debt instrument in this category.

c) ***Debt instruments at Fair Value Through Profit or Loss***

Fair Value Through Profit or Loss ("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 Group 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 recognised in the Consolidated Statement of Profit and Loss. The Group has not designated any debt instrument in this category.

d) ***Equity instruments***

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 'Business Combinations' applies are Ind AS classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Profit and Loss.

For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair values. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset is derecognised when the contractual rights to receive cash flows from the asset have expired or the Group 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

The Group measures the Expected Credit Loss ("ECL") associated with its assets based on historical trends, industry practices and the general business environment in which it operates. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Consolidated Statement of Profit and Loss under the head 'other expenses'.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

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, or as derivatives designated as hedging instruments in an effective hedge, 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 Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

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. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses are recognised in the Consolidated Statement of Profit or Loss, except for those attributable to changes in own credit risk, which are recognised in OCI. These gains/ loss are not subsequently transferred to the 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 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 amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and 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.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date of executing a derivative contract and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

r) Non-current assets and liabilities classified as held for sale

Non-current assets classified as held for sale are presented separately in the Balance Sheet and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as held for sale, the assets are not subject to depreciation or amortisation. Any gain or loss arises on remeasurement or sale is included in the Consolidated Statement of Profit and Loss.

If an entity has classified an asset (or disposal group) as held for sale, but the held-for-sale criteria as specified in Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations' are no longer met, the Group ceases to classify the asset (or disposal group) as held for sale.

The Group measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

a) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale, and

b) its recoverable amount at the date of the subsequent decision not to sell.

s) 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.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

t) Dividend distribution to equity holders of the parent

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) Provisions

Provisions are recognised when the Group 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 Group 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 Consolidated 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.

v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

w) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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.

3.1. Significant accounting judgements, estimates and assumptions

The preparation of the Group'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. 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 Group 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 consolidated financial statements. Changes in estimates are accounted for prospectively.

i) Judgements

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

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, 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.

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.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

The Group bases 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 Group. Such changes are reflected in the assumptions when they occur.

a) ***Useful lives of tangible/intangible assets***

The Group reviews its estimate of the useful lives of tangible/intangible 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 Group 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.

d) ***Business combinations***

The Group uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination.

e) ***Impairment of non-financial assets and goodwill***

In assessing impairment, Group estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

f) ***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 DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. 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.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

4A. Property, plant and equipment

(₹ in million)

	Land freehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Containers	Post-mix vending machines and refrigerators (Visi Cooler)	Total
Gross carrying amount										
Balance as at 01 January 2023	7,797.60	15,541.43	43,694.33	290.23	2,064.15	401.89	326.12	5,427.93	11,981.78	87,525.46
Additions for the year	587.25	3,986.62	12,341.75	117.60	2,122.24	112.60	97.53	1,557.21	724.81	21,647.61
Disposals/adjustments for the year	(12.49)	(273.73)	(1,364.31)	(0.19)	(125.57)	(5.74)	(11.80)	(918.86)	(318.33)	(3,031.02)
Foreign exchange fluctuation for the year	60.07	(44.35)	(11.55)	(1.19)	(10.19)	(0.39)	(2.30)	(147.26)	35.63	(121.53)
Balance as at 31 December 2023	**8,432.43**	**19,209.97**	**54,660.22**	**406.45**	**4,050.63**	**508.36**	**409.55**	**5,919.02**	**12,423.89**	**106,020.52**
Accumulated depreciation										
Balance as at 01 January 2023	-	3,531.23	15,596.24	183.59	1,610.47	249.22	222.80	2,416.92	9,299.21	33,109.68
Depreciation charge for the year	-	626.97	3,471.30	29.42	198.02	58.80	48.83	940.08	1,035.62	6,409.04
Reversal on disposals/adjustments for the year	-	(57.53)	(507.37)	(0.18)	(120.68)	(4.68)	(10.91)	(722.46)	(109.10)	(1,532.91)
Foreign exchange fluctuation for the year	-	7.79	49.51	(0.52)	(8.83)	0.17	(1.43)	(70.63)	27.33	3.39
Balance as at 31 December 2023	**-**	**4,108.46**	**18,609.68**	**212.31**	**1,678.98**	**303.51**	**259.29**	**2,563.91**	**10,253.06**	**37,989.20**
Carrying amount as at 31 December 2023	**8,432.43**	**15,101.51**	**36,050.54**	**194.14**	**2,371.65**	**204.85**	**150.26**	**3,355.11**	**2,170.83**	**68,031.32**

(₹ in million)

	Land freehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Containers	Post-mix vending machines and refrigerators (Visi Cooler)	Total
Gross carrying amount										
Balance as at 01 January 2022	7,203.14	14,414.94	39,658.25	293.35	2,102.07	344.58	284.03	4,508.86	12,080.03	80,889.25
Additions for the year	781.60	1,711.03	6,919.33	26.69	118.26	93.13	64.80	1,530.65	430.47	11,675.96
Disposals/adjustments for the year	(7.13)	(2.30)	(1,575.38)	(4.10)	(51.00)	(13.15)	(8.43)	(507.58)	(196.18)	(2,365.25)
Foreign exchange fluctuation for the year	(180.01)	(582.24)	(1,307.87)	(25.71)	(105.18)	(22.67)	(14.28)	(104.00)	(332.54)	(2,674.50)
Balance as at 31 December 2022	**7,797.60**	**15,541.43**	**43,694.33**	**290.23**	**2,064.15**	**401.89**	**326.12**	**5,427.93**	**11,981.78**	**87,525.46**
Accumulated depreciation and impairment										
Balance as at 01 January 2022	-	3,023.30	13,315.18	175.03	1,598.82	218.72	199.19	2,072.37	8,734.92	29,337.53
Depreciation charge for the year	-	537.87	2,859.42	21.97	117.11	49.91	37.73	809.85	922.89	5,356.75
Impairment loss for the year (Refer footnote iv)	-	84.24	386.38	-	-	-	-	-	-	470.62
Reversal on disposals/adjustments for the year	-	(0.58)	(591.90)	(3.32)	(38.40)	(9.70)	(7.76)	(383.55)	(171.75)	(1,206.96)
Foreign exchange fluctuation for the year	-	(113.60)	(372.84)	(10.09)	(67.06)	(9.71)	(6.36)	(81.75)	(186.85)	(848.26)
Balance as at 31 December 2022	**-**	**3,531.23**	**15,596.24**	**183.59**	**1,610.47**	**249.22**	**222.80**	**2,416.92**	**9,299.21**	**33,109.68**
Carrying amount as at 31 December 2022	**7,797.60**	**12,010.20**	**28,098.09**	**106.64**	**453.68**	**152.67**	**103.32**	**3,011.01**	**2,682.57**	**54,415.78**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

Footnotes to Note 4A:

i. Refer note 55 for information on property, plant and equipment pledged as security by the Group.

ii. Pre-operative expenses incurred and capitalised during the year are as under:

(₹ in million)

Net Book Value	31 December 2023	31 December 2022
Balance at the beginning of the year	359.72	179.74
Add: Incurred during the year		
Net gain on foreign currency transactions	(76.87)	(34.64)
Finance costs	625.45	171.76
Employee benefits expense and other expenses	685.56	466.43
Less: Capitalised during the year	(411.44)	(423.57)
Amount carried over included in CWIP	**1,182.42**	**359.72**

iii. The amount of contractual commitments for the acquisitions of property, plant and equipment are disclosed in Note 43.

iv. During the year ended on 31 December 2022, the Holding Company has impaired some of the property, plant and equipment, primarily used in production of beverages, amounting to ₹ 470.62 million, based on the detailed evaluation of capacity utilisation during the peak season and considering the future usability.

v. All title deeds of immovable properties are held in the name of the Group.

4B. Capital work-in-progress (CWIP)

The changes in the carrying value of capital work-in-progress for the year ended 31 December 2023 and 31 December 2022 are as follows :

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2023	6,066.32
Additions for the year*	20,855.34
Transfer to property, plant and equipment	(7,529.15)
Foreign exchange fluctuation for the year	(170.29)
Balance as at 31 December 2023	**19,222.22**

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2022	4,966.08
Additions for the year*	7,551.52
Transfer to property, plant and equipment	(6,299.30)
Impairment loss for the year#	(3.62)
Foreign exchange fluctuation for the year	(148.36)
Balance as at 31 December 2022	**6,066.32**

* includes finance cost amounting to ₹ 625.45 million (31 December 2022: ₹ 171.76 million) and Employee benefits expenses & other expenses amounting to ₹ 685.56 million (31 December 2022: ₹ 466.43 million) respectively.

During the year ended 31 December 2022, the Holding Company has impaired some of the plant and equipment amounting to ₹ 3.62 million which indicates the cost incurred on Capital work-in-progres related to plant impaired during the previous year, based on the detailed evaluation of capacity utilisation during the peak season and considering the future usability.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

4B (i) CWIP ageing schedule

(₹ in million)

Particular	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
As at 31 December 2023	17,735.60	1,482.00	1.15	3.47	**19,222.22**
As at 31 Decemebr 2022	5,999.31	63.54	3.25	0.22	**6,066.32**

There are no projects as on each reporting period where activity has been suspended . Also, there are no project as on reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

4C. Right of use assets (ROU)

(₹ in million)

	Land leasehold	Leased buildings	Leased plant and equipment	Vehicles	Visi Coolers	Total
Gross carrying amount						
Balance as at 01 January 2023	8,996.88	326.20	314.26	456.84	-	10,094.18
Additions for the year	992.32	78.41	-	399.36	153.24	1,623.33
Rebate (Refer footnote i below)	(16.61)	-	-	-	-	(16.61)
Disposals for the year	-	(30.65)	-	-	-	(30.65)
Foreign exchange fluctuation for the year	(86.73)	-	13.99	30.61	3.59	(38.54)
Balance as at 31 December 2023	**9,885.86**	**373.96**	**328.25**	**886.81**	**156.83**	**11,631.71**
Accumulated Amortisation						
Balance as at 01 January 2023	483.81	250.61	49.00	155.75	-	939.17
Amortisation charge for the year	122.52	40.92	45.57	127.52	22.98	359.51
Reversal on disposals for the year	-	(28.22)	-	-	-	(28.22)
Foreign exchange fluctuation for the year	0.38	-	3.03	10.23	0.54	14.18
Balance as at 31 December 2023	606.71	263.31	97.60	293.50	23.52	1,284.64
Carrying amount as at 31 December 2023	**9,279.15**	**110.65**	**230.65**	**593.31**	**133.31**	**10,347.07**
Gross carrying amount						
Balance as at 01 January 2022	5,752.31	326.11	13.60	289.40	-	6,381.42
Additions for the year	3,316.84	0.09	291.75	163.92	-	3,772.60
Grant received (Refer footnote ii below)	(68.24)	-	-	-	-	(68.24)
Refund received (Refer footnote iii below)	(10.35)	-	-	-	-	(10.35)
Foreign exchange fluctuation for the year	6.32	-	8.91	3.52	-	18.75
Balance as at 31 December 2022	**8,996.88**	**326.20**	**314.26**	**456.84**	**-**	**10,094.18**
Accumulated Amortisation						
Balance as at 01 January 2022	388.99	171.23	4.41	88.80	-	653.43
Amortisation charge for the year	94.77	79.38	43.32	65.40	-	282.87
Foreign exchange fluctuation for the year	0.05	-	1.27	1.55	-	2.87
Balance as at 31 December 2022	483.81	250.61	49.00	155.75	-	939.17
Carrying amount as at 31 December 2022	**8,513.07**	**75.59**	**265.26**	**301.09**	**-**	**9,155.01**

Footnotes to Note 4C:

i. During the year ended on 31 December 2023, the Holding Company has received rebate on leasehold land acquired in Gorakhpur amounting to ₹ 16.61 million on account of full premium payment as per prescribed timeline. The rebate received is adjusted against the carrying value of the respective asset.

ii. During the year ended on 31 December 2022, the Holding Company had received government grant related to leasehold land acquired in Bihar amounting to ₹ 68.24 million. The grant received is adjusted against the carrying value of the respective asset.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

iii. During the year ended on 31 December 2022, the Holding Company had received refund amounting to ₹ 10.35 million due to revision in rates of leasehold land acquired during the previous year at Kathua (Jammu and Kashmir). The refund received is adjusted against the carrying value of the respective asset.

iv. All lease deeds of immovable properties are held in the name of the Holding Company except as disclosed below:

(₹ in million)

Description of property	Gross carrying value	Net carrying value	Whether title deed holder is a Promoter, director or relative of promoter/ director or employee	Date since the property is held	Reason for not being held in name of Holding Company
Land Situated at Buxar, Bihar	327.30	327.30	No	21 December 2023	The Holding Company has received the possession letter dated 21 December 2023 of land situated at Buxar, Bihar and is in the process of getting lease deed in its name.
Land Situated at Sonarpur, Kolkata	1.50	1.42	No	01 October 2018	The Holding Company has executed the lease agreement Sonarpur, (Kolkata) land, which is yet to be registered.

5A. Goodwill (Refer note i)

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2023	242.30
Acquired during the year	-
Balance as at 31 December 2023	**242.30**
Amortisation	
Balance as at 01 January 2023	-
Amortisation charge for the year	-
Balance as at 31 December 2023	-
Carrying amount as at 31 December 2023	**242.30**

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2022	242.30
Acquired during the year	-
Balance as at 31 December 2022	**242.30**
Amortisation	
Balance as at 01 January 2022	-
Amortisation charge for the year	-
Balance as at 31 December 2022	-
Carrying amount as at 31 December 2022	**242.30**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

5B. Other intangible assets

(₹ in million)

	Market infrastructure	Distribution network	Franchise rights/ trademarks (Refer note i)	Computer software	Total
Gross carrying amount					
Balance as at 01 January 2023	71.36	157.64	6,043.55	279.73	6,552.28
Additions for the year	-	-	-	1.34	1.34
Foreign exchange fluctuation for the year	3.32	-	(0.59)	0.04	2.77
Balance as at 31 December 2023	**74.68**	**157.64**	**6,042.96**	**281.11**	**6,556.39**
Amortisation					
Balance as at 01 January 2023	41.13	79.88	657.19	264.98	1,043.18
Amortisation charge for the year	11.95	19.70	-	8.86	40.51
Foreign exchange fluctuation for the year	1.89	-	(0.22)	0.03	1.70
Balance as at 31 December 2023	**54.97**	**99.58**	**656.97**	**273.87**	**1,085.39**
Carrying amount as at 31 December 2023	**19.71**	**58.06**	**5,385.99**	**7.24**	**5,471.00**

(₹ in million)

	Market infrastructure	Distribution network	Franchise rights/ trademarks (Refer note i)	Computer software	Total
Gross carrying amount					
Balance as at 01 January 2022	71.73	157.64	6,043.54	313.03	6,585.94
Additions for the year	-	-	-	1.48	1.48
Disposals/adjustments for the year	-	-	-	(34.71)	(34.71)
Foreign exchange fluctuation for the year	(0.37)	-	0.01	(0.07)	(0.43)
Balance as at 31 December 2022	**71.36**	**157.64**	**6,043.55**	**279.73**	**6,552.28**
Amortisation					
Balance as at 01 January 2022	29.06	60.18	657.15	253.81	1,000.20
Amortisation charge for the year	11.86	19.70	0.03	26.44	58.03
Reversal on disposals/adjustments on assets for the year	-	-	-	(15.20)	(15.20)
Foreign exchange fluctuation for the year	0.21	-	0.01	(0.07)	0.15
Balance as at 31 December 2022	**41.13**	**79.88**	**657.19**	**264.98**	**1,043.18**
Carrying amount as at 31 December 2022	**30.23**	**77.76**	**5,386.36**	**14.75**	**5,509.10**

Footnotes to Note 5A and 5B:

i. Goodwill and franchise rights/trade marks with indefinite useful lives are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

The Group has considered the related provisions of Ind AS 38 on 'Intangibles Assets' which permit certain intangible assets to have an indefinite life and accordingly the carrying value of franchisee rights have been considered to have an indefinite life. These franchisee rights meet the prescribed criteria of renewal at nominal cost, renewal with no specific conditions attached, are sustainable and the same is supported by evidences of being renewed. Management is of the opinion that, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the franchise rights are expected to generate net cash inflows for the Group.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

The assumptions used in this impairment assessment are most sensitive to following:

a) Weighted average cost of capital ''WACC'' of 13.33%-18.90% (Previous year - 13.52%) for the explicit period and 13.33%-18.90% (Previous year - 13.52%) for the terminal year.

b) For arriving at the terminal value, approximate growth rate of 2%-5% (Previous year - 5%) is considered.

c) Number of years for which cash flows were considered are 5 years.

d) The approximate rate of growth in sales is estimated at 8%-10% (Previous year - 8%-10%) in the discrete period.

e) Profit before tax 1%-2% in the discrete period for the impairment testing of goodwill.

No impairment loss was identified on the above assessment.

ii. The amount of contractual commitments for the acquisitions of intangible assets are disclosed in Note 43.

iii. Refer Note 55 for information on other intangible assets pledged as security by the Group.

6. Investment in associate and joint venture

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Investment in joint ventures accounted as per equity method (unquoted)		
13,007,000 (31 December 2022: 7000) fully paid equity shares of ₹ 10 each in IDVB Recycling Operations Private Limited~	130.07	0.07
Add: Share in loss of joint venture (Refer footnotes below)	(3.07)	(0.01)
	127.00	**0.06**
Investment in associates accounted as per equity method (unquoted)		
21,030 (31 December 2022: 2,600) fully paid equity shares of ₹ 10 each in Clean Max Tav Private Limited@	32.85	0.03
Add: Share in loss of associate (Refer footnotes below)	(0.26)	(0.05)
	32.59	**(0.02)**
1,247,943 (31 December 2022: Nil) fully paid equity shares of ₹ 10 each in Huoban Energy 7 Private Limited#	21.24	-
Add: Share in loss of associate (Refer footnotes below)	(1.51)	-
	19.73	**-**
Aggregate amount of unquoted investments*	**179.32**	**0.04**

~The Holding Company has subscribed the equity investment of IDVB Recycling Operations Private Limited amounting to ₹ 120.00 million (31 December 2022: ₹ 0.01 million) and loan given amounting to ₹ 10.00 million were converted into equity investment on 25 September 2023.

@The Holding Company has made investment in Clean Max Tav Private Limited amounting to ₹ 3.28 million and ₹ 29.54 million on 27 January 2023 and 13 March 2023 respectively.

The Holding Company has made equity investment in Huoban Energy 7 Private Limited amounting to ₹ 21.24 million on 09 May 2023.

The above investment is for business purposes.

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
Loss for the year*	(4.79)	(0.06)
Add/(less): Other comprehensive income	-	-
Total comprehensive income	**(4.79)**	**(0.06)**

*Refer note 58

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

7. Investments

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Fair value through Profit and Loss ("FVTPL")		
Investment in fully paid equity shares (unquoted)		
200 (31 December 2022: 200) shares of ₹ 50 each in The Margao Urban Co-operative Bank Limited	0.01	0.01
250 (31 December 2022: 250) shares of ₹ 10 each in The Goa Urban Co-operative Bank Limited**	0.00	0.00
3,150,000 (31 December 2022: Nil) fully paid equity shares of ₹ 10 each in Lone Cypress Ventures Private Limited~	31.50	-
	31.51	**0.01**
**Rounded off to Nil.		
Aggregate amount of unquoted investments	**31.51**	**0.01**

~ The Holding Company has made equity investment in Lone Cypress Ventures Private Limited amounting to ₹ 31.50 million on 13 March 2023.

8. Other non-current financial asset

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Financial assets at amortised cost		
Security deposits	577.63	477.53
Balance in deposit accounts with remaining maturity of more than 12 months#	10.49	9.27
Others	34.55	-
	622.67	**486.80**

#Includes deposits pledged as security with electricity department/banks.

9. Deferred tax assets and liabilities

Movement in deferred tax assets/liabilities during the year ended 31 December 2023 and 31 December 2022:

(₹ in million)

Deferred tax liabilities/(assets)	As at 01 January 2023	Recognised in other comprehensive income**	Recognised in the Consolidated Statement of Profit and Loss	As at 31 December 2023
Accelerated depreciation for tax purposes	3,914.39	-	213.39	4,127.78
Benefit accrued on government grants	96.59	-	(22.14)	74.45
Carry forward of unused tax losses	(61.07)	-	61.07	-
Allowance for doubtful debts	(85.32)	-	(0.92)	(86.24)
Accrued bonus	(47.50)	-	2.99	(44.51)
Provision for retirement benefits	(481.66)	(6.98)	(22.25)	(510.89)
Fair valuation of financial instruments	(15.22)	-	(10.65)	(25.87)
Borrowings	(1.00)	-	0.35	(0.65)

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million)

Deferred tax liabilities/(assets)	As at 01 January 2023	Recognised in other comprehensive income**	Recognised in the Consolidated Statement of Profit and Loss	As at 31 December 2023
Gain on acquisition of control over existing associate	36.83	-	-	36.83
Other expenses allowable on payment basis	12.44	-	(153.23)	(140.79)
	3,368.48	**(6.98)**	**68.61**	**3,430.11**
Exchange difference on re-statement of deferred tax balances	-	-	(4.50)	-
	3,368.48	**(6.98)**	**64.11**	**3,430.11**
Classified as:				
Deferred tax assets (Net)	-			-
Deferred tax liabilities (Net)	3,368.48			3,430.11

(₹ in million)

Deferred tax liabilities/(assets)	As at 01 January 2022	Recognised in other comprehensive income**	Recognised in the Consolidated Statement of Profit and Loss	As at 31 December 2022
Accelerated depreciation for tax purposes	3,958.14	-	(43.75)	3,914.39
Benefit accrued on government grants	136.58	-	(39.99)	96.59
Minimum alternate tax (MAT) credit*	(168.12)	-	168.12	-
Carry forward of unused tax losses	(164.98)	-	103.91	(61.07)
Allowance for doubtful debts	(77.08)	-	(8.24)	(85.32)
Accrued bonus	(19.73)	-	(27.77)	(47.50)
Provision for retirement benefits	(543.34)	27.02	34.66	(481.66)
Fair valuation of financial instruments	(35.50)	-	20.28	(15.22)
Borrowings	(1.24)	-	0.24	(1.00)
Gain on acquisition of control over existing associate	36.83	-	-	36.83
Other expenses allowable on payment basis	(34.22)	-	46.66	12.44
	3,087.34	**27.02**	**254.12**	**3,368.48**
Exchange difference on re-statement of deferred tax balances	-	-	(4.46)	-
	3,087.34	**27.02**	**249.66**	**3,368.48**
Classified as:				
Deferred tax assets (Net)	24.07			-
Deferred tax liabilities (Net)	3,111.41			3,368.48

*MAT credit (recognised in Holding Company): (₹ in million)

	Recognised in profit and loss	Utilised from profit and loss
31 December 2023	-	-
31 December 2022	-	(168.12)

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(i) A subsidiary of the Group has the following unused tax losses and unabsorbed depreciation, for which no deferred tax asset has been recognised in the books of accounts:

a) Unused business losses and unabsorbed amortisation on intangible assets that can be carried forward as follows:

Financial year of origination	Financial year of expiry	31 December 2023	31 December 2022
31 December 2018	31 December 2022	-	390.75
31 December 2019	31 December 2023	-	-
Total		**-**	**390.75**

b) Unused unabsorbed depreciation on tangible assets amounting to ₹ 1,957.14 million (31 December 2022: ₹ 1,870.10 million) can be carried forward indefintely.

Notes:

** The amounts recognised in other comprehensive income relates to the re-measurement of net defined retirement benefit liability and exchange differences arising on translation of foreign operations. Refer note 36 for the amount of the income tax relating to these components of other comprehensive income.

All significant deferred tax assets have been recognised in the balance sheet.

(ii) Three subsidiaries included in the Group are under the tax holiday period and based on the evaluation of future taxability and estimates of reversal of timing differences during the tax holiday periods, no deferred tax assets/liabilities has been recognised for these subsidiaries.

10. Other non-current assets

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
(Unsecured, considered good)		
Capital advances	5,194.24	6,111.99
Advances other than capital advances		
- Security deposits	12.07	5.89
- Income tax paid (includes amount paid under protest)	10.42	10.29
- Balance with statutory authorities (paid under protest)	117.21	111.69
- Prepaid expenses	34.18	26.91
	5,368.12	**6,266.77**

11. Inventories

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
(Valued at lower of cost or net realisable value)		
Raw and packing material (including raw material in transit of ₹ 345.74 (31 December 2022: ₹ 562.15)	9,756.31	9,613.51
Work in progress	25.81	61.80
Intermediate goods (including goods in transit of ₹ 232.21 (31 December 2022: ₹ 53.09))	4,372.42	3,392.40
Finished goods (including goods in transit of ₹ 152.14 (31 December 2022: ₹ 8.18))*	4,160.22	4,313.41
Stores and spares	3,190.57	2,557.73
	21,505.33	**19,938.85**

*The Group manufactures as well as purchases the same product from market for sale. In the absence of demarcation between manufactured and purchased goods and the value of stock in trade being insignificant, it is not separately ascertainable and disclosed.

The cost of inventories recognised as an expense during the year are disclosed in Note 29, Note 30, Note 31 and Note 35.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

12. Trade receivables

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Trade receivables considered good - Unsecured	3,330.75	2,742.81
Trade receivables considered good - Secured	263.10	250.57
Trade receivables - Credit impaired	586.23	538.87
	4,180.08	**3,532.25**
Less : Allowance for expected credit losses (Refer note 52.2)	(586.23)	(538.87)
	3,593.85	**2,993.38**
Includes amounts due, in the ordinary course of business, from companies in which directors of the Holding Company are also directors:		
i. Alisha Torrent Closures (India) Private Limited	0.00*	5.41
ii. Devyani Airport Services (Mumbai) Private Limited#	-	0.13

*Rounded off to Nil.

#Amalgamated with Devyani International Limited w.e.f. 01 April 2022 vide Hon'ble National Company Law Tribunal order dated 13 July 2023.

Trade receivables are non-interest bearing and credit period generally falls in the range of 0 to 120 days.
No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed above.

Trade receivables ageing schedule

31 December 2023

(₹ in million)

Particulars	Outstanding from transaction date					Total
	Less than 6 months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade Receivables – considered good	3,413.46	60.32	57.86	7.35	54.86	3,593.85
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	193.48	11.64	21.95	6.80	175.79	409.66
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	3.10	3.03	24.51	145.93	176.57
Total	**3,606.94**	**75.06**	**82.84**	**38.66**	**376.58**	**4,180.08**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

31 December 2022

(₹ in million)

Particulars	Outstanding from date of transactions					Total
	Less than 6 months	6 months-1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade Receivables – considered good	2,820.39	78.17	33.51	25.46	35.85	2,993.38
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	157.46	26.66	4.35	102.94	69.24	360.65
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	0.59	2.82	30.42	144.39	178.22
Total	**2,977.85**	**105.42**	**40.68**	**158.82**	**249.48**	**3,532.25**

13. Cash and cash equivalents

(also for the purpose of Consolidated Statement of Cash Flow)

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Balance with banks in current accounts*	1,707.72	938.31
Balance in deposits with original maturity of less than three months	613.35	539.52
Cash on hand	101.05	65.49
	2,422.12	**1,543.32**

* Includes inward remittance not yet cleared amounting to ₹ 127.77 million (31 December 2022: ₹ 278.49 millions)

14. Bank balances other than cash and cash equivalents

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Deposits with original maturity more than 3 months but less than 12 months*	2,150.25	1,308.52
Deposits with bank held as margin money	25.28	-
Unpaid dividend account**	0.97	0.83
	2,176.50	**1,309.35**

*Includes deposited pledged as security with statutory authorities/banks.

**These balances are not available for use by the Group and corresponding balance is disclosed as unclaimed dividend in Note 24.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

15. Other current financial assets

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
(Unsecured, considered good)		
Interest accrued on:		
- Term deposits	22.37	16.36
- Others	34.99	23.16
Security deposits	137.93	106.49
Advances to Employees~	141.57	94.14
Government grant receivable	6,002.38	3,018.19
Claims receivable	595.27	550.31
Other receivables	453.72	168.41
	7,388.23	**3,977.06**
~Advance given to key management personnel (Refer Note 45A)	38.50	-

16. Current tax assets (Net)

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Advance tax (net of provision)	3.11	-
	3.11	**-**

17. Other current assets

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
(Unsecured, considered good)		
Security deposits	16.79	8.18
Advance to related party*	66.75	104.47
Other advances:		
- Contractors and suppliers	2,029.35	2,440.99
- Prepaid expenses	290.14	238.90
- Balance with statutory/government authorities	2,732.46	1,300.54
- Other advances	131.67	185.26
	5,267.16	**4,278.34**
*Amounts due, in the ordinary course of business, from related party:		
SMV Beverages Private Limited	66.75	104.47

18. Equity share capital

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Authorised share capital:		
2,000,000,000 (31 December 2022: 1,000,000,000) equity shares of ₹ 5 each (31 December 2022: ₹ 10 each)	10,000.00	10,000.00
	10,000.00	**10,000.00**
Issued, subscribed and fully paid up:		
1,299,214,976 equity shares of ₹ 5 each (31 December 2022: 649,549,620 equity shares of ₹ 10 each)	6,496.07	6,495.50
	6,496.07	**6,495.50**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

a) Reconciliation of share capital

(₹ in million)

Particular	No. of shares	Amount
Balance as at 01 January 2023	649,549,620	6,495.50
Add: Shares issued of ₹ 10 each pursuant to exercise of employee stock options	8,412	0.08
Add: Sub-division/split of 1 share of face value ₹ 10/- each into 2 share of face value ₹ 5/- each effective 15 June 2023 (Increase in shares on account of sub-division/split) (Refer note (h) below)	649,558,032	-
Add: Shares issued of ₹ 5 each pursuant to exercise of employee stock options	98,912	0.49
Balance as at 31 December 2023	**1,299,214,976**	**6,496.07**

(₹ in million)

Particular	No. of shares	Amount
Balance as at 01 January 2022	433,033,080	4,330.33
Add: Bonus shares issued during the year (Refer note (d) below)	216,516,540	2,165.17
Balance as at 31 December 2022	**649,549,620**	**6,495.50**

b) Terms/rights attached to shares

The Holding Company has only one class of equity shares having a par value of ₹ 5 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Holding Company, holders of equity shares will be entitled to receive any of the remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c) List of shareholders holding more than 5% of the equity share capital of the Holding Company at the beginning and at the end of the year :

Shareholders as at 31 December 2023	No. of shares (face value of ₹ 5 each)	% of shareholding
R J Corp Limited	349,750,824	26.92%
Mr. Ravi Kant Jaipuria	229,104,059	17.63%
Mr. Varun Jaipuria	208,343,948	16.04%

Shareholders as at 31 December 2022	No. of shares (face value of ₹ 10 each)	% of shareholding
R J Corp Limited	177,900,412	27.39%
Mr. Ravi Kant Jaipuria	116,734,060	17.97%
Mr. Varun Jaipuria	104,171,974	16.04%

As per records of the Holding Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

d) Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date:

(i) During the year ended 31 December 2019, the Holding Company has issued 91,327,613 equity shares of ₹ 10 each as fully paid-up bonus shares in the ratio of 1 (One) equity share for every 2 (Two) equity share outstanding on record date.

(ii) During the year ended 31 December 2021, the Holding Company has issued 144,344,360 equity shares of ₹ 10 each as fully paid-up bonus shares in the ratio of 1 (One) equity share for every 2 (Two) equity share outstanding on record date.

(iii) During the year ended 31 December 2022, the Holding Company has issued 216,516,540 equity shares of ₹ 10 each as fully paid-up bonus shares in the ratio of 1 (One) equity share for every 2 (Two) equity share outstanding on record date.

For the period of five years of the date of the immediately preceding the reporting date, there was no share allotment made for consideration other than cash. Further, there has been no buy back of shares during the period of five years immediately preceding 31 December 2023 and 31 December 2022.

e) Shares held by holding and ultimate holding company

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
RJ Corp Limited, Parent company*	1,748.75	1,779.00
349,750,824 fully paid-up equity shares of ₹ 5 each (31 December 2022: 177,900,412 fully paid-up equity shares of ₹ 10 each)		
	1,748.75	**1,779.00**

*As defined under Ind AS 110 - Consolidated Financial Statements

f) Details of shares held by promoters:

Shareholders as at 31 December 2023	No. of shares (face value of ₹ 5 each)	% of shareholding	% change during the year
R J Corp Limited	349,750,824	26.92%	-0.47%
Mr. Ravi Kant Jaipuria	229,104,059	17.63%	-0.34%
Mr. Varun Jaipuria	208,343,948	16.04%	0.00%

Shareholders as at 31 December 2022	No. of shares (face value of ₹ 10 each)	% of shareholding	% change during the year
R J Corp Limited	177,900,412	27.39%	-0.30%
Mr. Ravi Kant Jaipuria	116,734,060	17.97%	-0.69%
Mr. Varun Jaipuria	104,171,974	16.04%	0.00%

g) Conversion of authorised Preference share capital into authorised Equity share capital

On 07 April 2022, the Holding Company had converted the authorised preference share capital of 50,000,000 preference shares of ₹ 100 each into authorised equity share capital of 500,000,000 equity shares of ₹ 10 each.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

h) Sub-division/split of equity shares

The Board of Directors of the Holding Company in their meeting held on 02 May 2023 recommended the sub-division/split of existing Equity Shares of the Holding Company from 1 (One) Equity Share having face value of ₹ 10/- (Rupees Ten only) each fully paid-up, into 2 (Two) Equity Shares having face value of ₹ 5/- (Rupees Five only) each fully paid-up. The above sub-division/split has been approved by the equity shareholders of the Holding Company dated 02 June 2023 through postal ballot. Pursuant to sub-division/split of shares effective 15 June 2023 ("Record Date"), the paid up equity share capital of the Holding Company is ₹ 6,495.58 consisting of 1,299,116,064 equity shares having face value of ₹ 5/- (Rupees Five only) each fully paid-up.

19. Other equity

Refer Consolidated Statement of Changes in Equity for detailed movement in Other Equity balance.

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Capital reserve on consolidation	(2,294.91)	(2,279.78)
Capital reserve	533.93	533.93
General reserve	444.26	444.26
Securities premium	22,636.59	22,569.56
Retained earnings	45,663.50	27,398.84
Share option outstanding account	84.97	29.06
Share application money pending allotment	3.51	-
Exchange differences on translating the financial statements of foreign operations	(4,202.94)	(4,167.57)
	62,868.91	**44,528.30**

Description of nature and purpose of each reserve:

Capital reserve on consolidation - Created on additional consideration paid in form of cash on business combinations involving entities including businesses/entities under common control.

Capital reserve - Created on merger of Varun Beverages (International) Limited with the Holding Company pursuant to and in accordance with the Court approved scheme of amalgamation. Includes gain from bargain purchases.

General reserve - Created by way of transfer from debenture redemption reserve on redemption of debentures.

Securities premium - Created to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained earnings - Created from the profit of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

Share option outstanding account - Created to recognise the grant date fair value of options issued to employees under the employee stock option schemes and is adjusted on exercise / forfeiture of options.

Share application money pending allotment - Created to record the amount of money received for the purpose of allotment of equity share of the company pending at the reporting date. It will be utilised in accordance with the provisions of the Companies Act, 2013 upon issuance of equity shares.

Exchange differences on translating the financial statements of foreign operations - Exchange differences arising on translation of the foreign operations of the Group, recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within other equity.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

20. Borrowings

A. Non-current borrowings:

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Term loans (secured) (Refer note 20E)		
- Loans from banks	31,442.52	16,689.81
- Loan from others	446.86	580.41
	31,889.38	**17,270.22**

Loans and borrowing above are recognised at amortised cost taking into account any discount or premium on acquisition and fee or costs that are part of effective interest rate, accordingly the outstanding balances above may not necessarily reconcile with repayment amounts.

The carrying value of financial assets pledged as security for borrowings as disclosed under Note 55.

B. Non-current financial liabilities:

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Lease liabilities (Refer note 46)	1,978.85	1,654.25
	1,978.85	**1,654.25**

C. Current borrowings:

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Loans repayable on demand		
- Working capital facilities from banks (secured) (Refer footnote (a))	7,082.05	5,434.28
- Working capital facilities from banks (unsecured) (Refer footnote (b))	2,450.00	300.00
Working capital facility from banks (unsecured) (Refer footnote (c))	500.00	542.67
Current maturities of long-term debts (Refer note 20E)	10,022.44	13,400.95
	20,054.49	**19,677.90**

a) In case of the Holding Company, the working capital facilities from banks are secured by first charge on entire current assets of the Company ranking pari-passu amongst the banks and second charge on the movable and immovable assets of the Company pertaining to specific manufacturing units (wherever applicable). One short term loan facility from a bank were secured by subservient charge over entire current assets and movable fixed assets (both present and future) of the Company and during the previous year two facilities were secured by subservient charge over entire current assets and movable fixed assets (both present and future) of the Company. These facilities carry interest rates ranging between 7.45% to 7.76% (31 December 2022: 7.05% to 7.45%).

Working capital facilities in case of subsidiaries amounting to ₹ 2,277.05 million (31 December 2022: ₹ 1,104.00 million), are secured mainly by charge on trade receivables, inventories and other current assets of the respective subsidiary company, ranking pari passu and charge on certain movable and immovable assets of the respective subsidiary. Some of the facilities of subsidiaries are guaranteed by respective subsidiary company, as per the terms of respective agreements. The working capital facilities carries interest rates ranging between 5.50% to 14.50% (31 December 2022: 5.50% to 17%).

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

b) The Holding Company has availed working capital facilities from banks carrying interest rates ranging between 7.70% to 7.72% per annum (31 December 2022: 7.10% per annum).

c) The Holding Company has availed working capital facility from a bank carrying interest rate 7.76% per annum is repayable in three equal instalments from the date of disbursement. During the previous year, buyers credit carrying interest rate ranging between 3.70% to 3.86% per annum were repaid during the year.

There are no defaults in repayment of principal borrowing or interest thereon.

D. Current financial liabilities:

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Lease liabilities (Refer note 46)	390.38	235.77
	390.38	**235.77**

E. Terms and conditions/details of securities for loans:

(₹ in million)

Particulars	Loan outstanding			
	31 December 2023		31 December 2022	
	Non-current	Current	Non-current	Current
Term loans				
i) Indian rupee loan from banks (secured)				
Loans carrying weighted average rate of interest 8.01% (31 December 2022: 7.50%) depending upon tenure of the loans. For repayment terms refer note 20F.	29,283.63	8,068.46	14,233.50	11,273.11
These loan are secured on first pari-passu charge on the entire movable and immovable property, plant and equipment of the Company including the territory /franchisee rights acquired under the business acquisition except vehicles and lands for which no mortgages have been created till date.				
ii) Indian rupee loan from banks (secured)				
Loans carrying rate of interest 7.40% (31 December 2022: 7.15%) depending upon tenure of the loans. For repayment terms refer note 20F.	-	800.00	800.00	600.00
These loans are secured with subservient charge on movable fixed assets of the Company and one facility during the previous year was further secured with first pari-passu charge on the inventories and receivables of the Holding Company.				
iii) Indian rupee loan from banks (secured)				
Loans carrying rate of interest 7.95% (31 December 2022: 7.35%) depending upon tenure of the loans. For repayment terms refer note 20F.	375.00	541.67	916.67	541.67

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million)

Particulars	Loan outstanding			
	31 December 2023		31 December 2022	
	Non-current	Current	Non-current	Current
These loan are secured on first pari-passu charge on the entire movable assets of the Company including the territory /franchisee rights acquired under the business acquisition except vehicles.				
iv) Vehicle rupee term loan in Holding Company				
Loans carrying rate of interest in range of Nil (31 December 2022: 8.02% to 9.25 %). These loans were repaid during the year.	-	-	2.00	37.92
v) Term loan at Varun Beverages Morocco				
(a) Loan carrying a rate of interest of 4.00% per annum. For repayment terms refer note 20F.	54.72	41.67	92.11	38.11
(b) Loan carrying a rate of interest of 5.00% per annum. For repayment terms refer note 20F.	337.04	92.25	408.65	64.55
Above loan are secured by corporate guarantee of the Holding Company.				
(c) Loan carrying a rate of interest of 5.75% per annum and is secured against Land. For repayment terms refer note 20F.	799.95	-	-	-
vi) Term loan at Lunarmech Technologies Private Limited				
(a) Loan carrying a rate of interest of Euribor+48 bps per annum and are repayable over a period of 3 years as a single payment. The loan was secured against respective asset financed and paid on 10 Jan 2023.	-	-	-	95.10
(b) Loan carrying a rate of interest of Euribor+55 bps per annum and are repayable over a period of 3 years as a single payment. The loan was secured against respective asset financed and paid on 20 March 2023.	-	-	-	95.10
(c) Loan carrying a rate of interest of Euribor+88 bps per annum and are repayable over a period of 3 years as a single payment. The loan was secured against respective asset financed and paid on 28 December 2023.	-	-	-	95.12
(d) Loan carrying a rate of interest of Euribor+88 bps per annum and are repayable over a period of 3 years as a single payment. The loan is repayble on 10 January 2024 and are secured against respective asset financed.	-	99.28	95.12	-

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million)

Particulars	Loan outstanding			
	31 December 2023		31 December 2022	
	Non-current	Current	Non-current	Current
(e) Loan carrying a rate of interest of Euribor+88 bps per annum and are repayable over a period of 3 years as a single payment. The loan is repayble on 31 May 2024 and are secured against respective asset financed.	-	48.69	46.65	-
(f) Loan carrying a rate of interest of Euribor+75 bps per annum and are repayable over a period of 3 years as a single payment. The loan is repayble on 14 April 2025 and are secured against respective asset financed.	99.28	-	95.11	-
(g) Loan carrying a rate of interest of 8.10% per annum and are repayable from Jan 2025 in equal monthly installments. The loan is secured against respective asset financed.	1.00	-	-	-
vii) Term loan at Varun Beverages RDC SA				
(a) Loan carrying a rate of interest of 7.25% per annum. For repayment terms refer note 20F.	491.90	-	-	-
Above loan is secured by corporate guarantee of the Holding Company.				
Total loans from banks (secured)	**31,442.52**	**9,692.02**	**16,689.81**	**12,840.68**

(₹ in million)

Particulars	Loan outstanding			
	31 December 2023		31 December 2022	
	Non-current	Current	Non-current	Current
Loans from others (secured)				
Interest free loans from The Pradeshiya Industrial & Investment Corporation of U.P. Limited are repayable in one instalment after expiry of seven years from the date of disbursement. Loans are secured against bank guarantee equivalent to 100% of loan amount valid up to the repayment date of loan plus six months grace period. The loans are recognised at amortised cost basis using weighted average rate of borrowing on date of receipt, i.e., 8.52%-9.72% (31 December 2022: 8.52%-9.72%) The repayment schedule is as under: **Date of repayment** — **Amount** 30 November 2024 — 177.83 01 November 2025 — 211.98 31 March 2030 — 65.90 07 July 2030 — 139.92	308.20	166.86	323.34	141.42

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million)

Particulars	Loan outstanding			
	31 December 2023		31 December 2022	
	Non-current	Current	Non-current	Current
Interest free loans from The Director of Industries and Commerce, Haryana are repayable in one instalment after expiry of five years from the date of disbursement. Loans are secured against bank guarantee equivalent to 100% of loan amount valid up to the repayment date of loan plus six months grace period. The loans are recognised at amortised cost basis using weighted average rate of borrowing on date of receipt, i.e., 8.33% (31 December 2022: 8.33%) The repayment schedule is as under: **Date of repayment** — **Amount** 20 February 2024 — 91.36 27 May 2024 — 36.85 29 August 2024 — 39.10 17 February 2025 — 43.98 13 October 2025 — 23.96 21 February 2027 — 70.83 18 July 2028 — 33.30	138.66	163.56	257.07	418.85
Total loans from others (secured)	**446.86**	**330.42**	**580.41**	**560.27**
Total	**31,889.38**	**10,022.44**	**17,270.22**	**13,400.95**

F. Repayment terms:

(₹ in million)

S.No	Description	31 December 2023		31 December 2022		Repayment terms
		Non-current	Current	Non-current	Current	
i)	**Indian rupee loan from banks**					
1	Term loan - 1	-	-	-	150.00	Loan was repaid during the year.
2	Term loan - 2	-	-	-	250.00	Loan was repaid during the year.
3	Term loan - 3	-	240.00	240.00	90.00	One instalment of ₹ 90.00 due in May 2024 and one instalment of ₹ 150.00 due in June 2024.
4	Term loan - 4	-	-	-	85.00	Loan was repaid during the year.
5	Term loan - 5	-	-	-	241.60	Loan was repaid during the year.
6	Term loan - 6	-	-	-	222.40	Loan was repaid during the year.
7	Term loan - 7	291.49	291.80	583.18	291.60	Two instalments of ₹ 145.90 each due in June 2024 and July 2024 and two instalments of ₹ 145.90 each due in June 2025 and July 2025.
8	Term loan - 8	-	-	-	749.79	Loan was repaid during the year.
9	Term loan - 9	499.32	500.00	998.51	500.00	Two instalments of ₹ 250.00 each due in May 2024 and June 2024 and two instalments of ₹ 250.00 each due in May 2025 and June 2025.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million)

S.No	Description	31 December 2023		31 December 2022		Repayment terms
		Non-current	Current	Non-current	Current	
10	Term loan - 10	-	-	-	599.59	Loan was repaid during the year.
11	Term loan - 11	200.00	200.00	400.00	150.00	Two instalments of ₹ 100.00 each due in May 2024 and June 2024 and two instalments of ₹ 100.00 each due in May 2025 and June 2025.
12	Term loan - 12	199.73	200.00	398.56	200.00	Two instalments of ₹ 100.00 each due in May 2024 and June 2024 and two instalments of ₹ 100.00 each due in May 2025 and June 2025.
13	Term loan - 13	-	-	-	500.00	Loan was repaid during the year.
14	Term loan - 14	-	-	-	676.47	Loan was repaid during the year.
15	Term loan - 15	-	-	-	1,300.00	Loan was repaid during the year.
16	Term loan - 16	699.75	400.00	1,100.00	200.00	Two instalments of ₹ 200.00 each due in May 2024 and June 2024, two instalments of ₹ 200.00 each due in May 2025 and June 2025, one instalment of ₹ 200.00 due in May 2026 and one instalment of ₹ 100.00 due in June 2026.
17	Term loan - 17	-	-	-	2,000.00	Loan was repaid during the year.
18	Term loan - 18	1,050.00	380.00	1,430.00	300.00	Two instalments of ₹ 190.00 each due in May 2024 and June 2024, two instalments of ₹ 190.00 each due in May 2025 and June 2025, two instalments of ₹ 185.00 each due in May 2026 and June 2026 and two instalments of ₹ 150.00 each due in May 2027 and June 2027.
19	Term loan - 19	-	800.00	800.00	600.00	Two instalments of ₹ 400.00 each due in May 2024 and June 2024.
20	Term loan - 20	1,600.00	500.00	2,100.00	200.00	Two instalments of ₹ 250.00 each due in May 2024 and June 2024, two instalments of ₹ 250.00 each due in May 2025 and June 2025, two instalments of ₹ 250.00 each due in May 2026 and June 2026 and two instalments of ₹ 300.00 each due in May 2027 and June 2027.
21	Term loan - 21	1,350.00	300.00	1,650.00	100.00	Two instalments of ₹ 150.00 each due in May 2024 and June 2024, one instalment of ₹ 150.00 due in May 2025, one instalment of ₹ 180.00 due in June 2025, two instalments of ₹ 180.00 each due in May 2026 and June 2026 and three instalments of ₹ 220.00 each due in May 2027, June 2027 and July 2027.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million)

S.No	Description	31 December 2023		31 December 2022		Repayment terms
		Non-current	Current	Non-current	Current	
22	Term loan - 22	1,333.34	666.66	1,333.26	666.66	Two instalments of ₹ 333.33 each due in May 2024 and June 2024, two instalments of ₹ 333.33 each due in May 2025 and June 2025 and two instalments of ₹ 333.34 each due in May 2026 and June 2026.
23	Term loan - 23	3,750.00	1,250.00	1,000.00	-	Two instalments of ₹ 625.00 each due in May 2024 and June 2024, two instalments of ₹ 625.00 each due in May 2025 and June 2025, two instalments of ₹ 625.00 each due in May 2026 and June 2026 and two instalments of ₹ 625.00 each due in May 2027 and June 2027.
24	Term loan - 24	-	-	-	1,800.00	Loan was repaid during the year.
25	Term loan - 25	375.00	375.00	750.00	375.00	Two instalments of ₹ 187.50 each due in May 2024 and June 2024 and two instalments of ₹ 187.50 each due in May 2025 and June 2025.
26	Term loan - 26	-		166.67	166.67	Two instalments of ₹ 83.33 each due in May 2024 and June 2024.
27	Term loan - 27	2,000.00	1,000.00	2,999.99	-	Two instalments of ₹ 500.00 each due in May 2024 and June 2024, two instalments of ₹ 500.00 each due in May 2025 and June 2025 and two instalments of ₹ 500.00 each due in May 2026 and June 2026.
28	Term loan - 28	2,350.00	100.00	-	-	Two instalments of ₹ 50.00 each due in May 2024 and June 2024, two instalments of ₹ 250.00 each due in May 2025 and June 2025, two instalments of ₹ 250.00 each due in May 2026 and June 2026, two instalments of ₹ 350.00 each due in May 2027 and June 2027,one instalment of ₹ 350.00 due in May 2028 and one instalment of ₹ 300.00 due in June 2028.
29	Term loan - 29	2,400.00	600.00	-	-	Two instalments of ₹ 300.00 each due in May 2024 and June 2024, two instalments of ₹ 300.00 each due in May 2025 and June 2025, two instalments of ₹ 300.00 each due in May 2026 and June 2026, two instalments of ₹ 300.00 each due in May 2027 and June 2027 and two instalments of ₹ 300.00 each due in May 2028 and June 2028.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million)

S.No	Description	31 December 2023		31 December 2022		Repayment terms
		Non-current	Current	Non-current	Current	
30	Term loan - 30	1,900.00	100.00	-	-	Two instalments of ₹ 50.00 each due in May 2024 and June 2024, two instalments of ₹ 200.00 each due in May 2025 and June 2025, two instalments of ₹ 250.00 each due in May 2026 and June 2026, two instalments of ₹ 250.00 each due in May 2027 and June 2027 and two instalments of ₹ 250.00 each due in May 2028 and June 2028.
31	Term loan - 31	750.00	250.00			Two instalments of ₹ 125.00 each due in May 2024 and June 2024, two instalments of ₹ 125.00 each due in May 2025 and June 2025, two instalments of ₹ 125.00 each due in May 2026 and June 2026 and two instalments of ₹ 125.00 each due in May 2027 and June 2027.
32	Term loan - 32	3,150.00	350.00	-	-	Two instalments of ₹ 175.00 each due in May 2024 and June 2024, two instalments of ₹ 525.00 each due in May 2025 and June 2025, two instalments of ₹ 525.00 each due in May 2026 and June 2026 and two instalments of ₹ 525.00 each due in May 2027 and June 2027.
33	Term loan - 33	2,760.00	240.00	-	-	Two instalments of ₹ 120.00 each due in May 2024 and June 2024, two instalments of ₹ 240.00 each due in May 2025 and June 2025, two instalments of ₹ 360.00 each due in May 2026 and June 2026, two instalments of ₹ 360.00 each due in May 2027 and June 2027and two instalments of ₹ 420.00 each due in May 2028 and June 2028.
34	Term loan - 34	1,500.00	-	-	-	Two instalments of ₹ 75.00 each due in May 2025 and June 2025, two instalments of ₹ 131.25 each due in May 2026 and June 2026, two instalments of ₹ 168.75 each due in May 2027 and June 2027, two instalments of ₹ 187.50 each due in May 2028 and June 2028 and two instalments of ₹ 187.50 each due in May 2029 and June 2029.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million)

S.No	Description	31 December 2023		31 December 2022		Repayment terms
		Non-current	Current	Non-current	Current	
35	Term loan - 35	1,500.00	500.00	-	-	Two instalments of ₹ 250.00 each due in May 2024 and June 2024, two instalments of ₹ 250.00 each due in May 2025 and June 2025, two instalments of ₹ 250.00 each due in May 2026 and June 2026 and two instalments of ₹ 250.00 each due in May 2027 and June 2027.
	Total (A)	**29,658.63**	**9,410.13**	**15,950.17**	**12,414.78**	
ii)	**Term Loan at Varun Beverages Morocco**					
36	Term loan - 36	54.72	41.67	92.11	38.11	Balance amount as at 31 December 2023 is repayable in multiple instalments till January 2026.
37	Term loan - 37	337.04	92.25	408.65	64.55	Balance amount as at 31 December 2023 is repayable in multiple instalments till January 2028.
38	Term loan - 38	799.95	-	-	-	Balance amount as at 31 December 2023 is repayable in multiple instalments once full disbursement is done.
	Total (A)	**1,191.71**	**133.92**	**500.76**	**102.66**	
iii)	**Term Loan at Varun Beverages RDC SA**					
39	Term loan - 39	491.90	-	-	-	Balance amount as at 31 December 2023 is repayable in equal monthly instalments starting from January 2025.
	Total (C)	**491.90**	**-**	**-**	**-**	
	Total (A+B+C)	**31,342.24**	**9,544.05**	**16,450.93**	**12,517.44**	

21. Provisions

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Non-current		
Provision for employee benefits (Refer note 39)		
Defined benefit liability (net)	1,470.83	1,431.93
Other long term employee obligations	655.61	609.20
	2,126.44	**2,041.13**
Current		
Provision for employee benefits (Refer note 39)		
Defined benefit liability (net)	3.99	2.18
Other short term employee obligations	317.72	289.73
Others (Refer note 59)	503.72	-
	825.43	**291.91**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

22. Other non-current liabilities

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Deferred revenue on government grant	5.16	5.94
Deferred income	63.24	-
	68.40	**5.94**

23. Trade payables

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Total outstanding dues of-		
Micro enterprises and small enterprises (Refer note 48)	767.43	659.11
Creditors other than micro enterprises and small enterprises	6,815.05	7,583.50
	7,582.48	**8,242.61**

Trade payables ageing schedule

31 December 2023

(₹ in million)

Particulars	Outstanding from date of transactions					Total
	Unbilled	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed trade payable						
Micro enterprises and small enterprises	68.73	692.31	5.34	0.36	0.50	767.24
Others	2,123.29	4,408.76	157.26	16.32	30.08	6,735.71
Disputed trade payable	-	-	-	-	-	
Micro enterprises and small enterprises	-	0.19	-	-	-	0.19
Others	-	52.46	13.18	6.95	6.75	79.34
Total	**2,192.02**	**5,153.72**	**175.78**	**23.63**	**37.33**	**7,582.48**

31 December 2022

(₹ in million)

Particulars	Outstanding from date of transactions					Total
	Unbilled	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed trade payable						
Micro enterprises and small enterprises	-	657.80	0.28	0.37	0.50	658.95
Others	1,910.88	5,481.13	41.55	45.14	21.60	7,500.30
Disputed trade payable						
Micro enterprises and small enterprises	-	-	0.01	0.15	-	0.16
Others	-	48.49	11.48	11.97	11.26	83.20
Total	**1,910.88**	**6,187.42**	**53.32**	**57.63**	**33.36**	**8,242.61**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

24. Other current financial liabilities

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Interest accrued but not due on borrowings	115.82	82.79
Interest payable	27.21	13.71
Payable for capital expenditures	4,543.04	2,448.01
Employee related payables	810.91	761.56
Unclaimed dividends#	0.97	0.83
Security deposits	2,140.44	2,287.00
	7,638.39	**5,593.90**

#Not due for deposit to the Investor Education and Protection Fund in the books of Holding Company.

25. Other current liabilities

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Advances from customers	1,804.71	2,033.83
Statutory dues payable	2,806.31	2,853.67
Deferred income	39.91	2.27
	4,650.93	**4,889.77**

26. Current tax liabilities (Net)

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Provision for tax (Net)	390.02	755.68
	390.02	**755.68**

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

A. Income tax expense reported in the Consolidated Statement of Profit and Loss:

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
(i) Profit and Loss section		
(a) Current tax	6,290.81	4,258.66
(b) Adjustment of tax relating to earlier years	20.55	226.91
(c) Deferred tax charge	64.11	249.66
	6,375.47	**4,735.23**
Income tax charged to OCI:		
(ii) OCI section		
Deferred tax related to items recognised in OCI during the year:		
(a) Net gain on remeasurements of defined benefit plans	6.98	(27.02)
	6.98	**(27.02)**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

B. Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Accounting profit before tax	**27,393.60**	**20,236.37**
Tax expense at statutory income tax rate of 25.167% (31 December 2022: 25.167%)	6,894.15	5,092.89
Adjustments in respect of current income tax of previous years	20.55	226.91
Non deductible expenses	75.14	89.92
Deduction claimed u/s Chapter-VI A of Income-tax Act, 1961 by Holding Company	(109.46)	(271.45)
Income chargeable at lower tax rate	102.56	135.77
Tax rate differential for taxes provided in subsidiaries	(145.66)	(34.09)
Tax impact of exempted income of subsidiaries	(512.55)	(603.63)
Impact due to change in tax rate*	-	114.32
Others	50.74	(15.41)
Income tax expense at effective tax rate reported in the Consolidated Statement of Profit and Loss	**6,375.47**	**4,735.23**

*The Holding Company had made an assessment of the impact of Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit and expiry of other tax benefits/holidays available. The Holding Company had decided to opt for the new tax regime u/s 115BAA of the Income Tax Act,1961 w.e.f. Assessment year 2023-24 after utilisation of all unutilised Minimum Alternate Tax credit and other tax benefits/holidays available and hence the tax provision has been done accordingly.

27. Revenue from operations

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
Sale of products (inclusive of excise duty) *	158,687.38	131,383.91
Rendering of services	314.86	0.77
Other operating revenue	4,208.39	2,520.90
	163,210.63	**133,905.58**

*Sale of products includes excise duty collected from customers of ₹ 2,784.82 million (31 December 2022: ₹ 2,174.16 million) in subsidiaries.

Disclosure on revenue pursuant to Ind AS 115- Revenue from contract with customers:

A. Reconciliation of revenue recognised with the contracted price:

(₹ in million)

Particulars	Year ended 31 December 2023	Year ended 31 December 2022
Gross revenue/Contracted price	162,329.34	135,195.74
Less: Discounts and rebates	(3,327.10)	(3,811.06)
Revenue from contracts with customers	**159,002.24**	**131,384.68**

B. Disaggregation of revenue

a) Information about geographical area

(₹ in million)

Particulars	Year ended 31 December 2023	Year ended 31 December 2022
i. Sale of products and rendering of services		
(i) Within India	121,594.93	102,606.78
(ii) Outside India	37,407.31	28,777.90
Total sale of products and rendering of services	**159,002.24**	**131,384.68**

b) Revenue from sale of goods and services are recognised at a point in time. There are no disaggregation of revenue with respect to this information.

c) No single external customer amounts to 10% or more of the Company's revenue from operations.

d) The Group manufactures as well as purchases the same product from market for sale. In the absence of demarcation between manufactured and purchased goods and the value of stock in trade being sold is insignificant, it is not separately ascertainable and disclosed.

C. Contract balances:

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

Receivables

(₹ in million)

Particulars	As at 31 December 2023	As at 31 December 2022
Trade receivables	4,180.08	3,532.25
Less: Allowances for expected credit loss	(586.23)	(538.87)
Net receivables	**3,593.85**	**2,993.38**

Contract liabilities

(₹ in million)

Particulars	As at 31 December 2023	As at 31 December 2022
Advance from customers (Refer note 25)	1,804.71	2,033.83
	1,804.71	**2,033.83**

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

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

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls in the range of 0 to 120 days from the completion of performance obligation.

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

E. Government grant recongnised under the head 'Other operating revenue' amounts to ₹ 3,462.98 million (31 December 2022 ₹ 1,853.06 million) under different industrial promotion tax exemption schemes.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

F. Changes in the contract liabilities balances during the year are as follows:

(₹ in million)

Particulars	As at 31 December 2023	As at 31 December 2022
Balance at the beginning of the year	2,033.83	794.30
Addition during the year	1,804.71	2,033.83
Revenue recognised during the year	(2,033.83)	(794.30)
Balance at the closing of the year	**1,804.71**	**2,033.83**

28. Other income

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
Interest income on items at amortised cost:		
- term deposits	205.44	203.46
- others	32.56	24.83
Gain on sale of current investments	3.51	3.67
Excess provisions and liabilities written back	322.36	9.20
Gain on derecognition of financial instruments	0.81	-
Miscellaneous income	228.91	147.33
	793.59	**388.49**

29. Cost of materials consumed

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
Raw material and packing material consumed		
Inventories at beginning of the year	9,613.51	8,070.05
Purchases during the year (Net)	72,762.19	72,052.48
	82,375.70	**80,122.53**
Less: Sold during the year	2,354.78	6,338.10
Less: Inventories at end of the year	9,756.31	9,613.51
	70,264.61	**64,170.92**

30. Purchases of stock-in-trade

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
Beverages	1,378.89	1,082.66
Others	3,248.07	803.05
	4,626.96	**1,885.71**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

31. Changes in inventories of finished goods, intermediate goods, stock-in-trade and work-in-progress

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
As at the beginning of the year		
- Finished goods	4,313.41	2,530.16
- Intermediate goods	3,392.40	1,795.66
- Work in progress	61.80	69.24
	7,767.61	**4,395.06**
As at the closing of the year		
- Finished goods	4,160.22	4,313.41
- Intermediate goods	4,372.42	3,392.40
- Work in progress	25.81	61.80
	8,558.45	**7,767.61**
Finished goods used as property, plant and equipment*	(51.85)	(72.52)
	(842.69)	**(3,445.07)**

*The Holding Company and a subsidiary manufactures plastic shells at some of their manufacturing facilities. The shells manufactured are used for beverages operations of the Group as property, plant and equipment (under the head 'Containers'). These containers are sold to third parties. The cost of manufacturing of plastic shells is being shown here separately with a corresponding debit to property, plant and equipment.

32. Employee benefits expense

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
Salaries, wages and bonus*	13,041.12	11,026.09
Contribution to provident fund and other funds*	679.36	538.82
Staff welfare expenses*	666.78	572.45
Share based payments** (Refer note 51)	78.61	29.06
	14,465.87	**12,166.42**

*Refer note 4A for capitalisation of employee benefits expense in setting-up of new manufacturing facilities.

**excluding expenses of ₹ 0.49 related to one subsidiary, which has been capitalised in new projects.

33. Finance costs

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
Interest on items at amortised cost:		
- Term loans*	2,044.26	1,282.52
- Working capital facilities*	214.28	272.70
- Financial liabilities (inclusive of interest on lease liabilities ₹ 170.04 (31 December 2022: ₹ 44.26))	260.05	137.15
- Bank guarantee fees	17.82	17.48
- Others (inclusive of interest on income tax ₹ 82.28 (31 December 2022: ₹ 111.47))	130.03	127.08
Exchange differences regarded as an adjustments to borrowings	-	6.73
Other ancillary borrowing costs	14.55	17.56
	2,680.99	**1,861.22**

*Refer note 4A for capitalisation of finance costs in setting-up of new manufacturing facilities.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

34. Depreciation, amortisation and impairment expense

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
Depreciation on property, plant and equipment	6,409.04	5,356.75
Amortisation of intangible assets	40.51	58.03
Amortisation of ROU	359.51	282.87
Impairment of property, plant and equipment and others (Refer Note 4A and 4B)	-	474.24
	6,809.06	**6,171.89**

35. Other expenses*

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
Power and fuel	5,502.85	4,792.20
Repairs to plant and equipment	2,973.81	2,577.68
Repairs to buildings	178.12	138.03
Other repairs	923.29	811.00
Consumption of stores and spares	1,296.28	1,193.75
Rent (Refer note 46 (iv))	801.60	542.21
Rates and taxes	901.80	204.98
Insurance	180.99	159.31
Printing and stationery	91.43	70.11
Communication	121.27	101.99
Travelling and conveyance	1,215.23	1,064.08
Sitting fees/commission paid to non-executive directors (Refer note 45A)	5.85	185.55
Payment to auditors**	27.69	31.45
Vehicle running and maintenance	594.23	180.49
Lease and hire (Refer note 46 (iv))	297.62	304.77
Security and service charges	564.00	445.46
Legal, professional and consultancy	510.05	339.25
Bank charges	234.96	179.65
Advertisement and sales promotion	1,963.65	1,397.69
Meeting and conferences	117.98	35.91
Royalty	165.93	159.68
Freight, octroi and insurance paid (net)	11,020.58	9,112.67
Delivery vehicle running and maintenance	832.34	841.58
Distribution expenses	2,250.15	2,100.79
Loading and unloading charges	881.69	681.47
Donations	2.23	2.04
Property, plant and equipment written off	1.37	54.01
Loss on disposal of property, plant and equipment (net)	842.27	569.25
Bad debts and advances written off	3.24	25.71
Allowance for expected credit loss and advances	69.47	73.51
Corporate social responsibility expenditure	169.42	92.57
Net loss on foreign currency transactions and translations	574.92	64.74
General office and other miscellaneous	499.90	538.81
	35,816.21	**29,072.39**

*Refer note 4A for capitalisation of other expenses in setting-up of new manufacturing facilities.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

****Includes payment to statutory auditors of the Holding Company as follows:-**

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
Services rendered for:		
- Audit and reviews	11.46	13.33
- taxation matters	2.11	2.30
- other matters#	1.86	0.64
- reimbursement of expenses	0.23	0.92
	15.66	**17.19**

#Excludes expense of ₹ 0.23 (31 December 2022: ₹ Nil) towards fee related to other matters, which has been capitalised in new projects.

36. Other comprehensive income (OCI)

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

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
Retained earnings		
Re-measurement (losses)/gain on defined benefit plans	(28.16)	107.87
Tax impact on re-measurement gains on defined benefit plans	6.98	(27.02)
Exchange differences arising on translation of foreign operations	(58.83)	(3,799.27)
	(80.01)	**(3,718.42)**

37. Composition of the Group

These consolidated financial statements include the respective financial statements of Varun Beverages Limited (the "Parent Company" or the "Holding Company"), its subsidiaries and the results of operations of its associate & joint venture as listed below. The principal activity of the Parent Company, subsidiaries and erstwhile associate, predominantly comprise manufacturing and sale of beverages including its packing material.

Name of the company/entity	Country of incorporation and principal place of business	Proportion of ownership interests held by the Group at year end	
		As at 31 December 2023	As at 31 December 2022
Varun Beverages (Nepal) Private Limited ("VBL Nepal")	Nepal	100.00%	100.00%
Varun Beverages Lanka (Private) Limited ("VBL Lanka")	Sri Lanka	100.00%	100.00%
Varun Beverages Morocco SA ("VBL Morocco")	Morocco	100.00%	100.00%
Ole Spring Bottlers Private Limited ("Ole")*	Sri Lanka	100.00%	100.00%
Varun Beverages (Zambia) Limited ("VBL Zambia")	Zambia	90.00%	90.00%
Varun Beverages (Zimbabwe) (Private) Limited ("VBL Zimbabwe")	Zimbabwe	85.00%	85.00%
Varun Beverages RDC SAS ("VBL RDC")	Democratic Republic of the Congo	100.00%	99.90%

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

Name of the company/entity	Country of incorporation and principal place of business	Proportion of ownership interests held by the Group at year end	
		As at 31 December 2023	As at 31 December 2022
Varun Beverages South Africa (PTY) Limited**	South Africa	100.00%	Not Applicable
Lunarmech Technologies Private Limited#	India	60.07%	55.04%
Varun Beverages International DMCC@	Dubai	100.00%	100.00%
Clean Max Tav Private Limited^	India	26.00%	26.00%
IDVB Recycling Operations Private Limited##	India	50.00%	50.00%
Huoban Energy 7 Private Limited~	India	26.34%	Not Applicable
VBL Mozambique, SA^^	Mozambique	100.00%	0.00%

*subsidiary of VBL Lanka

**w.e.f 23 May 2023 (refer note 49)

@w.e.f. 31 January 2022 (refer note 49)

^w.e.f. 23 November 2022 ((refer note 6)

##w.e.f. 01 July 2022 (refer note 6)

~w.e.f 09 May 2023 (refer note 6)

refer note 49

^^Subsidiary incorporated on 21 November 2023, 100% share capital subscribed subsequent to year end 31 December 2023

38. The Group conducts business operations in the Republic of Zimbabwe through its subsidiary VBL Zimbabwe.

During the year ended 31 December 2019, the Reserve Bank of Zimbabwe ("RBZ") recomended use of Zimbabwe Dollar ("ZWL" or "RTGS") as a local currency for domestic transactions in Zimbabwe w.e.f. 22 February 2019 which was till then interchangeable with USD at the rate of 1:1 and subsequently vide its notification dated 25 June 2019, prohibited the usage of any other currency for domestic transactions other than ZWL. This resulted in a change in the primary economic environment in which VBL Zimbabwe was operating and accordingly, the functional and presentational currency was changed from USD to ZWL.

During the year ended 31 December 2019, the Zimbabwean economy was classified as hyperinflationary in accordance with the factors and characteristics of a hyperinflationary economy as described in Ind AS 29 'Financial Reporting in Hyper-Inflationary Economies' ("Ind AS 29"). In accordance with Ind AS 29, the historical cost financial statements of VBL Zimbabwe have been restated for the changes in the general purchasing power of the functional currency and consequently are stated in terms of the measuring unit current at the year end. For the purposes of restatement, the management has applied the Consumer Price Index ("CPI") published by the Reserve Bank of Zimbabwe. The CPI (in units) was 13,672.91 on 31 December 2022.

During the current financial year, on the basis of the factors mentioned in Ind AS 21 in relation to functional currency assessment, functional and presentation currency has changed from ZWL to USD since the substantial transactions in sales, purchase, manpower and other cost are being transacted in USD.

39. Gratuity and other post-employment benefit plans

Parent Company and other components of the Group provide its employees gratuity and compensated absences benefits in accordance with the respective local statutory requirements and entity's policies. The following tables summaries the changes in their present values over the reporting periods, components of expense recognised in the Consolidated Statement of Profit and Loss, their funded status and amounts recognised in the consolidated balance sheet:

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Changes in present values are as follows:				
Balance at the beginning of the year	1,852.54	1,817.62	898.93	830.82
Current service cost	235.94	221.07	168.68	141.55
Interest cost	137.42	119.39	65.54	57.31
Benefits settled	(101.03)	(185.59)	(59.74)	(77.14)
Actuarial loss/(gain)	25.66	(108.20)	(99.43)	(53.67)
Foreign exchange translation reserve	(2.82)	(11.75)	(0.65)	0.06
Balance at the end of the year	**2,147.71**	**1,852.54**	**973.33**	**898.93**

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Changes in fair value of plan assets are as follows:				
Plan assets at the beginning of the year, at fair value	418.43	65.61	-	-
Expected income on plan assets	36.31	13.75	-	-
Actuarial loss	(2.51)	(0.34)	-	-
Contributions by employer	250.00	350.00	-	-
Benefits settled	(29.34)	(10.59)	-	-
Plan assets at the end of the year, at fair value	**672.89**	**418.43**	**-**	**-**

The Holding Company has taken an insurance policy against its liability towards gratuity, the same has been disclosed as plan assets above.

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Reconciliation of present value of the obligation and the fair value of the plan assets:				
Present value of obligation	2,147.71	1,852.54	973.33	898.93
Fair value of plan assets	(672.89)	(418.43)	-	-
Net liability recognised in the consolidated balance sheet	**1,474.82**	**1,434.11**	**973.33**	**898.93**

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Amount recognised in consolidated statement of profit and loss:				
Current service cost	235.94	221.07	168.68	141.55
Interest cost	137.42	119.39	65.54	57.31
Expected return on plan assets	(36.31)	(13.75)	-	-
Actuarial gain	-	-	(99.43)	(53.67)
Net cost recognised	**337.05**	**326.71**	**134.79**	**145.19**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Amount recognised in Other Comprehensive Income:				
Actuarial changes arising from changes in financial assumptions	21.67	(114.92)	-	-
Experience adjustments	3.98	6.71	-	-
Return on plan assets	2.51	0.34	-	-
Amount recognised loss/(gain)	**28.16**	**(107.87)**	**-**	**-**

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Assumptions used:				
Mortality	IALM 2012-2014 and A 1967/70 mortality table (issued by Institute of Actuaries, London)	IALM 2012-2014 and A 1967/70 mortality table (issued by Institute of Actuaries, London)	IALM 2012-2014	IALM 2012-2014
Discount rate	7.23%-13.50%	7.4%-25%	7.23%-8.50%	6.40%-11.00%
Rate of return on plan assets	6.79%-7.65%	6.69%-7.40%	0.00%	0.00%
Withdrawal rate	3%-12%	3%-12%	3%-12%	3%-12%
Salary increase	6% -12%	6% -18%	6%-12%	6%-12%
Rate of leave availment	-	-	3.50%-20%	3.50%-20%
Retirement age (Years)	55-70 years	55-70 years	58-70 years	58-70 years

These assumptions were developed by management of the respective company/entity with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of high quality corporate bonds that are denominated in the respective currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligations. Other assumptions are based on current actuarial benchmarks and respective management's historical experience.

The defined benefit obligation and plan assets are composed by geographical locations as follows:

(₹ in million, unless otherwise stated)

31 December 2023	India	Outside India	Total
Defined benefit obligation	2,097.23	50.48	2,147.71
Fair value of plan assets	672.89	-	672.89

(₹ in million, unless otherwise stated)

31 December 2022	India	Outside India	Total
Defined benefit obligation	1,806.97	45.57	1,852.54
Fair value of plan assets	418.43	-	418.43

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

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

(₹ in million, unless otherwise stated)

	Sensitivity level		Gratuity		Compensated Absences	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Discount rate	+1%	+1%	(129.68)	(112.82)	(29.68)	(27.59)
	-1%	-1%	145.63	126.73	31.60	29.39
Salary increase	+1%	+1%	138.06	120.39	29.98	27.92
	-1%	-1%	(125.76)	(109.60)	(28.73)	(26.75)
Withdrawal rate	+1%	+1%	(30.37)	(25.98)	(9.80)	(9.21)
	-1%	-1%	33.59	28.60	10.33	9.70

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	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.
Interest risk (discount rate risk)	A decrease in the bond interest rate (discount rate) will increase the plan liability.
Mortality risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2012-2014) (31 December 2022: (2012-14) ultimate table). A change in mortality rate will have a bearing on the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Effect of the defined benefit plan on the Company's future cash flows:

Funding arrangements and funding policy:

The Holding Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the company. Any deficit in the assets arising as a result of such valuation is funded by the company.

Expected contribution during the next annual reporting period:

The Holding Company's best estimate of contribution during the next financial year approximates to ₹ 1,637.97 million (31 December 2022: ₹ 1,566.90 million).

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

The following are maturity profile of Defined Benefit Obligations in future years (before adjusting fair value of plan assets):

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
i) Weighted average duration of the defined benefit obligation	6 years - 10 years	5.62 years - 9.38 years	3 years- 5 years	3 years- 6 years
ii) Expected cash flows over the years (valued on undiscounted basis):				
Duration (years)				
1	328.23	265.79	315.81	287.12
2 to 5	961.20	843.17	627.31	584.93
Above 5	2,433.78	2,176.33	312.80	297.01
	3,723.21	**3,285.29**	**1,255.92**	**1,169.06**

Defined contribution plan:

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

Employer's contribution to provident and other funds ₹ 679.36 million (31 December 2022 ₹ 538.82 million) (Refer note 32)

40. Earnings per share (EPS)

(₹ in million, unless otherwise stated)

	31 December 2023	31 December 2022
Profit attributable to the equity shareholders	20,559.22	14,974.33
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (nos.)*	1,299,140,257	1,299,099,240
Add: Weighted average number of potential equity shares on account of employee stock options	559,133	342,466
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (nos.)*	1,299,699,390	1,299,441,706
Nominal value per equity shares (₹)	5.00	5.00
Basic earnings per share (₹)	15.83	11.53
Diluted earnings per share (₹)	15.82	11.52

*Previous year numbers are adjusted for shares split during the current year.(Refer note 18h)

41. Dividend

(₹ in million)

	31 December 2023	31 December 2022
Dividend on equity shares declared and paid during the year:		
Final dividend of ₹ 0.50 per share for financial year ended 31 December 2022* by Holding Company	649.55	-
Interim dividend ₹ 1.25 per share (31 December 2022: ₹ 1.25 per share)* by Holding Company	1,623.93	1,623.87

*Refer note 56

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

42. Contingent liabilities

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Claims against the Group not acknowledged as debts (being contested):		
i. Goods and Service Tax	140.90	26.70
ii. For excise and service tax	103.35	145.81
iii. For customs	90.75	90.75
iv. For sales tax (VAT)/entry tax	778.65	1,010.99
v. For income tax	378.35	223.35
vi. For mandi tax and others*	388.60	447.43

*excludes pending matters where amount of liability is not ascertainable.

43. Commitments

(₹ in million, unless otherwise stated)

	31 December 2023	31 December 2022
a. Guarantee issued to third party by subsidiaries for business purposes	373.39	355.43
b. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances ₹ 5,194.24 (31 December 2022 ₹ 6,111.99))*	30,726.98	16,804.28

*Inclusive of commitment as mentioned in note no. 61.

44. Pursuant to transfer pricing legislations under the Income-tax Act, 1961, the Holding Company is required to use specified methods for computing arm's length price in relation to specified international and domestic transactions with its associated enterprises. Further, the Holding Company is required to maintain prescribed information and documents in relation to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Holding Company is in the process of updating its transfer pricing documentation for the current financial year. Based on the preliminary assessment, the management is of the view that the update would not have a material impact on the tax expense recorded in these consolidated financial statements. Accordingly, these consolidated financial statements do not include any adjustments for the transfer pricing implications, if any.

45. Related party disclosures (as per Ind AS-24)

Following are the related parties and transactions entered with related parties for the relevant financial year:

(i) List of related parties and relationships:-

I. Key managerial personnel (KMPs)

Mr. Ravi Kant Jaipuria	Non-executive chairman
Mr. Varun Jaipuria	Executive vice chairman (w.e.f. 03 March 2022) and Whole Time Director
Mr. Raj Pal Gandhi	Whole Time Director
Mr. Rajinder Jeet Singh Bagga	Whole Time Director
Mr. Kapil Agarwal	Chief Executive Officer (till 03 March 2022) and Whole Time Director (till 01 November 2022)
Mr. Lalit Malik	Chief Financial Officer (appointed w.e.f. 04 August 2023)
Mrs. Sita Khosla	Non-executive independent director
Dr. Ravi Gupta	Non-executive independent director

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

Mrs. Rashmi Dhariwal	Non-executive independent director
Mr. Abhiram Seth	Non-executive independent director (w.e.f. 02 May 2023)
Mr. Anil Kumar Sondhi	Non-executive independent director (w.e.f. 02 May 2023)
Mr. Pradeep Khushalchand Sardana	Non-executive independent director (till 27 March 2023)
Mr. Naresh Kumar Trehan	Non-executive independent director (till 30 November 2023)
Mr. Ravi Batra	Company secretary
Mr. Rajesh Chawla	Chief Financial Officer (till 03 August 2023)
Mr. Mahavir Prasad Garg	Company secretary of the parent, namely RJ Corp Limited

II. Parent and ultimate parent

RJ Corp Limited	Parent

III. Fellow subsidiaries and entities controlled by parent and ultimate parent*

Devyani International Limited
Devyani Food Industries Limited
Varun Food and Beverages Zambia Limited
Varun Developers Private Limited
Wellness Holdings Limited
SVS India Private Limited
Ole Marketing (Private) Limited
Devyani Food Industries (Kenya) Limited
Devyani Airport Services (Mumbai) Private Limited#
Devyani International Nepal Private Limited
Cryoviva Biotech Private Limited

IV. Joint venture and associate*

IDVB Recycling Operations Private Limited	Joint venture (w.e.f. 01 July 2022)
Clean Max Tav Private Limited	Associate (w.e.f. 23 November 2022)
Huoban Energy 7 Private Limited	Associate (w.e.f. 09 May 2023)

V. Relatives of KMPs*

Mrs. Dhara Jaipuria
Mrs. Devyani Jaipuria
Mr. Ravindra Dhariwal
Mrs. Aastha Agarwal (till 01 November 2022)
Mr. Kaustubh Agarwal (till 01 November 2022)

VI. Entities in which a director or his/her relative is a member/director/trustee*

SMV Beverages Private Limited
Alisha Torrent Closures (India) Private Limited
Lineage Healthcare Limited
Jai Beverages Private Limited
Diagno Labs Private Limited (till 29 March 2022)
RJ Foundation (Trust)
Global Health Limited

VII. Entities which are post employment benefits plans

VBL Employees' Gratuity Trust

*With whom the Group had transactions during the current year and previous year.

#Amalgamated with Devyani International Limited w.e.f. 01 April 2022 vide Hon'ble National Company Law Tribunal order dated 13 July 2023.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(ii) Terms and conditions of transactions with related parties

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(iii) Transactions with KMPs (Refer note 45A)

(iv) Transactions with related parties (Refer note 45B)

45A. Transactions with KMPs

(₹ in million)

		For year ended 2023	For year ended 2022
I.	**Remuneration paid**		
	Mr. Ravi Kant Jaipuria	151.72	-
	Mr. Varun Jaipuria	54.02	54.69
	Mr. Raj Pal Gandhi	62.45	56.60
	Mr. Kapil Agarwal	-	237.21
	Mr. Lalit Malik	20.63	-
	Mr. Rajesh Chawla	6.35	9.61
	Mr. Ravi Batra	14.85	13.30
	Mr. Rajinder Jeet Singh Bagga	57.66	52.45
	Mr. Mahavir Prasad Garg	2.99	2.74
II.	**Director sitting fees paid**		
	Mr. Pradeep Khushalchand Sardana	0.10	0.60
	Mrs. Sita Khosla	1.00	1.00
	Dr. Ravi Gupta	1.40	1.70
	Mrs. Rashmi Dhariwal	1.80	1.80
	Mr. Abhiram Seth	0.40	-
	Mr. Anil Kumar Sondhi	0.40	-
III.	**Dividend paid**		
	Mr. Varun Jaipuria	364.60	260.43
	Mr. Raj Pal Gandhi	4.66	3.36
	Mr. Kapil Agarwal	-	2.12
	Mr. Ravi kant Jaipuria	403.11	291.84
	Mr. Rajinder Jeet Singh Bagga	1.02	0.73
	Mr. Pradeep Khushalchand Sardana	0.00*	0.01
IV.	**Commission paid to non-executive director**		
	Mr. Ravi Kant Jaipuria	-	180.45
V.	**Defined benefit obligation (Cumulative) for KMP**		
i.	**Gratuity**		
	Mr. Varun Jaipuria	56.52	52.21
	Mr. Raj Pal Gandhi	53.21	48.83
	Mr. Ravi Batra	3.41	2.64
	Mr. Mahavir Prasad Garg	0.97	0.76
	Mr. Rajinder Jeet Singh Bagga	45.13	39.50
	Mr. Rajesh Chawla	-	0.42
	Mr. Lalit Malik	0.01	-

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million)

		For year ended 2023	For year ended 2022
ii.	**Compensated absences**		
	Mr. Varun Jaipuria	21.01	20.89
	Mr. Raj Pal Gandhi	15.19	14.48
	Mr. Ravi Batra	2.29	2.07
	Mr. Mahavir Prasad Garg	0.68	0.68
	Mr. Rajinder Jeet Singh Bagga	12.93	11.74
	Mr. Rajesh Chawla	-	0.88
	Mr. Lalit Malik	0.79	-
VI.	**Bonus Share issued**		
	Mr. Varun Jaipuria	-	347.24
	Mr. Raj Pal Gandhi	-	4.58
	Mr. Kapil Agarwal	-	2.83
	Mr. Ravi kant Jaipuria	-	389.11
	Mr. Pradeep Khushalchand Sardana	-	0.01
	Mr. Rajinder Jeet Singh Bagga	-	0.97
VII.	**Advance given**		
	Mr. Lalit Malik	38.50	-
VIII.	**Balances (payable)/receivable outstanding at the end of the year, net**		
	Mr. Varun Jaipuria	(2.78)	(2.60)
	Mr. Raj Pal Gandhi	(1.96)	(1.75)
	Mr. Rajinder Jeet Singh Bagga	(2.22)	0.36
	Mr. Ravi Batra	(0.73)	(0.72)
	Mr. Mahavir Prasad Garg	0.46	0.11
	Mr. Rajesh Chawla	(0.49)	(0.45)
	Mr. Lalit Malik	37.02	-
	Dr. Ravi Gupta	(0.09)	-
	Mrs. Rashmi Dhariwal	(0.09)	-
	Mr. Abhiram Seth	(0.09)	-
	Mr. Anil Kumar Sondhi	(0.09)	-
	Mrs. Sita Khosla	(0.09)	-

*Rounded off to Nil.

Note:

(i) Stock options have been granted to KMPs of the Group. The number of stock options granted to such KMPs outstanding as at 31 December 2023: 58,000 (31 December 2022 : 28,000). However as the liability has not been determined for individual employees, the charge thereof for the individual employees is not disclosed above.

45B. Transactions with related parties

(₹ in million)

Description	Parent and ultimate parent		Fellow subsidiaries and entities controlled by parent		Joint Venture and Associates (or an associate of any member of the company)		Relatives of KMPs		Entities in which a director or his/her relative is a member/ director/trustee		Entities which are post employment benefits plans		Total	
	For year ended		For year ended		For year ended		For year ended		For year ended		For year ended		For year ended	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Sale of goods														
- SMV Beverages Private Limited	-	-	-	-	-	-	-	-	105.41	148.32	-	-	**105.41**	**148.32**
- Alisha Torrent Closures (India) Private Limited	-	-	-	-	-	-	-	-	11.35	21.28	-	-	**11.35**	**21.28**
- Devyani Food Industries (Kenya) Limited	-	-	32.38	59.04	-	-	-	-	-	-	-	-	**32.38**	**59.04**
- Jai Beverages Private Limited	-	-	-	-	-	-	-	-	170.49	197.12	-	-	**170.49**	**197.12**
- Devyani International Limited	-	-	59.15	89.37	-	-	-	-	-	-	-	-	**59.15**	**89.37**
- Devyani Food Industries Limited	-	-	30.19	45.23	-	-	-	-	-	-	-	-	**30.19**	**45.23**
- Lineage Healthcare Limited	-	-	-	-	-	-	-	-	0.11	0.11	-	-	**0.11**	**0.11**
- Devyani Airport Services (Mumbai) Private Limited	-	-	2.02	2.36	-	-	-	-	-	-	-	-	**2.02**	**2.36**
- Devyani International Nepal Private Limited	-	-	-	8.59	-	-	-	-	-	-	-	-	**-**	**8.59**
Sale of raw materials and stores														
- Devyani Food Industries (Kenya) Limited	-	-	8.50	-	-	-	-	-	-	-	-	-	**8.50**	**-**
- Jai Beverages Private Limited	-	-	-	-	-	-	-	-	-	2.17	-	-	**-**	**2.17**
- Devyani Food Industries Limited	-	-	45.91	36.26	-	-	-	-	-	-	-	-	**45.91**	**36.26**
- SMV Beverages Private Limited	-	-	-	-	-	-	-	-	172.40	219.28	-	-	**172.40**	**219.28**
Purchase of goods														
- SMV Beverages Private Limited	-	-	-	-	-	-	-	-	575.53	525.89	-	-	**575.53**	**525.89**
- Devyani Food Industries Limited	-	-	384.89	464.64	-	-	-	-	-	-	-	-	**384.89**	**464.64**
Purchase of raw materials and stores														
- SMV Beverages Private Limited	-	-	-	-	-	-	-	-	16.65	14.37	-	-	**16.65**	**14.37**
- Devyani Food Industries Limited	-	-	60.45	79.13	-	-	-	-	-	-	-	-	**60.45**	**79.13**
House keeping and cleaning charges paid														
- Varun Developers Private Limited	-	-	-	12.53	-	-	-	-	-	-	-	-	**-**	**12.53**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million)

Description	Parent and ultimate parent		Fellow subsidiaries and entities controlled by parent		Joint Venture and Associates (or an associate of any member of the company)		Relatives of KMPs		Entities in which a director or his/her relative is a member/ director/trustee		Entities which are post employment benefits plans		Total	
	For year ended		For year ended		For year ended		For year ended		For year ended		For year ended		For year ended	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Loan given														
- IDVB Recycling Operations Private Limited	-	-	-	-	10.00	-	-	-	-	-	-	-	**10.00**	-
- Varun Developers Private Limited	-	-	407.08	-	-	-	-	-	-	-	-	-	**407.08**	-
Loan taken														
- Varun Developers Private Limited	-	-	407.08	-	-	-	-	-	-	-	-	-	**407.08**	-
Conversion of loan into investment														
- IDVB Recycling Operations Private Limited	-	-	-	-	10.00	-	-	-	-	-	-	-	**10.00**	-
Interest received/(paid)														
- SMV Beverages Private Limited	-	-	-	-	-	-	-	-	(7.00)	(2.00)	-	-	**(7.00)**	**(2.00)**
- IDVB Recycling Operations Private Limited	-	-	-	-	0.68	-	-	-	-	-	-	-	**0.68**	-
Contribution to corporate social responsibility activities														
- RJ Foundation (Trust)	-	-	-	-	-	-	-	-	158.50	85.04	-	-	**158.50**	**85.04**
Equity investment														
- IDVB Recycling Operations Private Limited	-	-	-	-	120.00	0.07	-	-	-	-	-	-	**120.00**	**0.07**
- Clean Max Tav Private Limited	-	-	-	-	32.82	0.03	-	-	-	-	-	-	**32.82**	**0.03**
- Huoban Energy 7 Private Limited	-	-	-	-	21.24	-	-	-	-	-	-	-	**21.24**	-
Professional charges paid														
- Mr. Ravindra Dhariwal	-	-	-	-	-	-	1.25	4.88	-	-	-	-	**1.25**	**4.88**
Travelling expenses paid														
- Wellness Holdings Limited	-	-	102.02	263.80	-	-	-	-	-	-	-	-	**102.02**	**263.80**
Contribution to gratuity trust														
- VBL Employees' Gratuity Trust	-	-	-	-	-	-	-	-	-	-	250.00	350.00	**250.00**	**350.00**

(₹ in million)

Description	Parent and ultimate parent		Fellow subsidiaries and entities controlled by parent		Joint Venture and Associates (or an associate of any member of the company)		Relatives of KMPs		Entities in which a director or his/her relative is a member/ director/trustee		Entities which are post employment benefits plans		Total	
	For year ended		For year ended		For year ended		For year ended		For year ended		For year ended		For year ended	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Dividend paid														
- RJ Corp Limited	615.09	444.75	-	-	-	-	-	-	-	-	-	-	**615.09**	**444.75**
- Mrs. Aastha Agarwal	-	-	-	-	-	-	-	0.75	-	-	-	-	**-**	**0.75**
- Mr. Kaustubh Agarwal	-	-	-	-	-	-	-	0.56	-	-	-	-	**-**	**0.56**
- Mrs. Dhara Jaipuria	-	-	-	-	-	-	0.02	0.02	-	-	-	-	**0.02**	**0.02**
- Mrs. Devyani Jaipuria	-	-	-	-	-	-	55.15	39.39	-	-	-	-	**55.15**	**39.39**
(Recovery of Expenses incurred by the Company on behalf of others)/expenses incurred by others on behalf of the Company														
- Devyani International Limited	-	-	3.37	0.79	-	-	-	-	-	-	-	-	**3.37**	**0.79**
- RJ Corp Limited	(2.43)	(1.81)	-	-	-	-	-	-	-	-	-	-	**(2.43)**	**(1.81)**
- Devyani Food Industries (Kenya) Limited	-	-	(0.61)	(1.34)	-	-	-	-	-	-	-	-	**(0.61)**	**(1.34)**
- Devyani Food Industries Limited	-	-	(21.36)	(19.70)	-	-	-	-	-	-	-	-	**(21.36)**	**(19.70)**
Licence fee paid														
- Devyani Food Industries Limited	-	-	0.90	1.27	-	-	-	-	-	-	-	-	**0.90**	**1.27**
Purchase of property, plant and equipment														
- Devyani Food Industries (Kenya) Limited	-	-	-	3.32	-	-	-	-	-	-	-	-	**-**	**3.32**
- Varun Food and Beverages Zambia Limited	-	-	-	43.10	-	-	-	-	-	-	-	-	**-**	**43.10**
- Cryoviva Biotech Private Limited	-	-	-	3.62	-	-	-	-	-	-	-	-	**-**	**3.62**
Rent/ lease charges paid/ (received)														
- RJ Corp Limited	112.80	112.80	-	-	-	-	-	-	-	-	-	-	**112.80**	**112.80**
- Devyani Food Industries Limited	-	-	(8.82)	(8.82)	-	-	-	-	-	-	-	-	**(8.82)**	**(8.82)**
- SMV Beverages Private Limited	-	-	-	-	-	-	-	-	27.00	27.00	-	-	**27.00**	**27.00**
- SVS India Private Limited	-	-	2.97	2.73	-	-	-	-	-	-	-	-	**2.97**	**2.73**
- Alisha Torrent Closures (India) Private Limited	-	-	-	-	-	-	-	-	-	(1.23)	-	-	**-**	**(1.23)**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million)

Description	Parent and ultimate parent		Fellow subsidiaries and entities controlled by parent		Joint Venture and Associates (or an associate of any member of the company)		Relatives of KMPs		Entities in which a director or his/her relative is a member/ director/trustee		Entities which are post employment benefits plans		Total	
	For year ended		For year ended		For year ended		For year ended		For year ended		For year ended		For year ended	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
IT infrastructure support fee														
- Devyani Food Industries Limited	-	-	11.96	8.86	-	-	-	-	-	-	-	-	**11.96**	**8.86**
- RJ Corp Limited	0.84	1.03	-	-	-	-	-	-	-	-	-	-	**0.84**	**1.03**
- Devyani Food Industries (Kenya) Limited	-	-	2.06	1.77	-	-	-	-	-	-	-	-	**2.06**	**1.77**
- Diagno Labs Private Limited	-	-	-	-	-	-	-	-	-	0.03	-	-	**-**	**0.03**
- Devyani International Limited	-	-	4.41	1.53	-	-	-	-	-	-	-	-	**4.41**	**1.53**
- Cryoviva Biotech Private Limited	-	-	3.16	0.89	-	-	-	-	-	-	-	-	**3.16**	**0.89**
- Lineage Healthcare Limited	-	-	-	-	-	-	-	-	0.57	-	-	-	**0.57**	**-**
Capital commitments														
- SMV Beverages Private Limited	-	-	-	-	-	-	-	-	201.60	201.60	-	-	**201.60**	**201.60**
Bonus share issued														
- RJ Corp Limited	-	593.00	-	-	-	-	-	-	-	-	-	-	**-**	**593.00**
- Mrs. Aastha Agarwal	-	-	-	-	-	-	-	1.00	-	-	-	-	**-**	**1.00**
- Mr. Kaustubh Agarwal	-	-	-	-	-	-	-	0.75	-	-	-	-	**-**	**0.75**
- Mrs. Dhara Jaipuria	-	-	-	-	-	-	-	0.02	-	-	-	-	**-**	**0.02**
- Mrs. Devyani Jaipuria	-	-	-	-	-	-	-	52.52	-	-	-	-	**-**	**52.52**
Medical Expenditure paid														
- Global Health Limited	-	-	-	-	-	-	-	-	0.11	-	-	-	**0.11**	**-**
Electricity Charges (Solar Power) Paid														
- Clean Max Tav Private Limited	-	-	-	-	28.24	-	-	-	-	-	-	-	**28.24**	**-**
- Huoban Energy 7 Private Limited	-	-	-	-	13.34	-	-	-	-	-	-	-	**13.34**	**-**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million)

Description	Parent and ultimate parent		Fellow subsidiaries and entities controlled by parent		Joint Venture and Associates (or an associate of any member of the company)		Relatives of KMPs		Entities in which a director or his/her relative is a member/ director/trustee		Entities which are post employment benefits plans		Total	
	For year ended		For year ended		For year ended		For year ended		For year ended		For year ended		For year ended	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Balances outstanding at the end of the year, net including loan outstanding														
A. Receivable/(payable),net														
- Devyani International Limited	-	-	11.90	3.75	-	-	-	-	-	-	-	-	**11.90**	**3.75**
- RJ Corp Limited	36.24	35.60	-	-	-	-	-	-	-	-	-	-	**36.24**	**35.60**
- Wellness Holdings Limited	-	-	-	(23.07)	-	-	-	-	-	-	-	-	**-**	**(23.07)**
- Devyani International Nepal Private Limited	-	-	0.49	0.95	-	-	-	-	-	-	-	-	**0.49**	**0.95**
- Lineage Healthcare Limited	-	-	-	-	-	-	-	-	0.39	(0.00)*	-	-	**0.39**	**(0.00)***
- Ole Marketing (Private) Limited	-	-	24.68	21.64	-	-	-	-	-	-	-	-	**24.68**	**21.64**
- SMV Beverages Private Limited	-	-	-	-	-	-	-	-	100.23	161.91	-	-	**100.23**	**161.91**
- Diagno Labs Private Limited	-	-	-	-	-	-	-	-	-	0.12	-	-	**-**	**0.12**
- Devyani Food Industries (Kenya) Limited	-	-	24.94	20.76	-	-	-	-	-	-	-	-	**24.94**	**20.76**
- Alisha Torrent Closures (India) Private Limited	-	-	-	-	-	-	-	-	0.00	5.41	-	-	**0.00**	**5.41**
- Devyani Airport Services (Mumbai) Private Limited	-	-	-	0.13	-	-	-	-	-	-	-	-	**-**	**0.13**
- Jai Beverages Private Limited	-	-	-	-	-	-	-	-	1.05	0.70	-	-	**1.05**	**0.70**
- Devyani Food Industries Limited	-	-	4.95	(56.21)	-	-	-	-	-	-	-	-	**4.95**	**(56.21)**
- Varun Food and Beverages Zambia Limited	-	-	(48.85)	(59.28)	-	-	-	-	-	-	-	-	**(48.85)**	**(59.28)**
- Mr. Ravindra Dhariwal	-	-	-	-	-	-	-	(0.40)	-	-	-	-	**-**	**(0.40)**
- SVS India Private Limited	-	-	(0.58)	(1.17)	-	-	-	-	-	-	-	-	**(0.58)**	**(1.17)**
- Cryoviva Biotech Private Limited	-	-	4.78	1.05	-	-	-	-	-	-	-	-	**4.78**	**1.05**
- IDVB Recycling Operations Private Limited	-	-	-	-	(0.00)	-	-	-	-	-	-	-	**(0.00)**	**-**
- Clean Max Tav Private Limited	-	-	-	-	(1.88)	-	-	-	-	-	-	-	**(1.88)**	**-**
- Huoban Energy 7 Private Limited	-	-	-	-	(1.70)	-	-	-	-	-	-	-	**(1.70)**	**-**

*Rounded off to Nil.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

46. Disclosure on lease transactions pursuant to Ind AS 116 - Leases

The Group lease asset class primarily consists of leases for land, buildings, plant and equipments and vehicles. With the exception of short-term leases, leases of low-value and cancellable long-term leases underlying assets, each lease is reflected on the balance sheet as a right of use asset and a lease liability.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the weighted average borrowing rate on the date of adoption ranging between 5.44% - 13.56% (31 December 2022: 5.44% - 10.00%).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right of use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets other than leasehold lands as security against the Group's other debts and liabilities.

i. Lease liabilities are presented in the balance sheet as under:

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Current maturities of lease liabilities (Refer note 20D)	390.38	235.77
Non-current lease liabilities (Refer note 20B)	1,978.85	1,654.25
Total	**2,369.23**	**1,890.02**

ii. The recognised right of use assets relate to land, buildings and plant and equipments as at 31 December 2023 and 31 December 2022:

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Right of use assets - land, buildings and plant and equipments		
Balance at the beginning of the year	9,155.01	5,727.99
Additions for the year	1,623.33	3,772.60
Derecognition for the year	(2.43)	-
Rebate/grant related to asset received	(16.61)	(68.24)
Refund received for the year	-	(10.35)
Amortisation charge for the year	(359.51)	(282.87)
Exchange differences on translation of foreign operations	(52.72)	15.88
Balance at the end of the year	**10,347.07**	**9,155.01**

iii. The following are amounts recognised in Consolidated Statement of Profit and Loss:

(₹ in million)

	Year ended 31 December 2023	Year ended 31 December 2022
Amortisation charge on right of use assets	359.51	282.87
Interest expense on lease liabilities*	179.04	44.26
Total	**538.55**	**327.13**

*In Holding Company, during the previous year ended on 31 December 2022, interest expense on leasehold lands acquired were capitalised as pre-operative expense amounting to ₹ 24.70 million.

iv. Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less), non-cancellable long-term leases and for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹ 1,099.22 (31 December 2022: ₹ 846.98 million).

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

v. Refer Consolidated Cash Flow Statement for total cash outflow for leases for the year ended 31 December 2023 and 31 December 2022.

vi. Maturity of lease liabilities

Future minimum lease payments for year ended 31 December 2023 were as follows:

(₹ in million)

	Lease payments	Interest expense	Net Present value*
Not later than 1 year	554.90	169.21	390.38
Later than 1 year not later than 5 years	1,872.67	379.76	1,508.34
Later than 5 years	1,359.42	881.62	470.51
Total	**3,786.99**	**1,430.59**	**2,369.23**

* Includes exchange differences on translation of foreign operations of ₹ 12.83 million

Future minimum lease payments for year ended 31 December 2022 were as follows:

(₹ in million)

	Lease payments	Interest expense	Net Present value*
Not later than 1 year	370.84	138.33	235.77
Later than 1 year not later than 5 years	1,430.10	354.68	1,086.53
Later than 5 years	1,133.92	568.87	567.72
Total	**2,934.86**	**1,061.88**	**1,890.02**

* Includes exchange differences on translation of foreign operations of ₹ 17.04 million

47. Segment Reporting

The business activity of the Group predominantly fall within a single reportable business segment viz manufacturing and sale of beverages. There are no separate reportable business segments. As part of reporting for geographical segments, the Group operates in two principal geographical areas of the world, i.e., within India and other countries (outside India). The aforesaid is in line with review of operating results by the chief operating decision maker. The sale of products of the Group is seasonal.

The following table presents segment non-current assets, revenue from external customers regarding geographical segments:

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Non-current assets*		
- Within India	89,820.78	67,717.76
- Outside India	18,861.25	13,937.52

* excluding Investment in associates & joint venture, financial instruments and post-employment benefit assets.

(₹ in million)

	As at 31 December 2023	As at 31 December 2022
Revenue from external customers		
- Within India	125,763.47	105,100.36
- Outside India	37,447.16	28,805.22

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

48. Dues to Micro and Small Enterprises

The dues to micro and small enterprises as required under the Micro, Small and Medium Enterprises Development Act ("MSMED"), 2006 to the extent information available with the Holding Company is given below:

(₹ in million)

Particulars	31 December 2023	31 December 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	767.43	659.11
Interest due on above	4.83	1.07
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year*	522.67	116.95
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	8.67	2.91
The amount of interest accrued and remaining unpaid at the end of each accounting year	27.21	13.71
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, 2006	27.21	13.71

*includes principal amounting to ₹ 522.67 million (31 December 2022: ₹ 116.95 million).

49. Investments in Subsidiary

i. On 23 May 2023, the Holding Company incorporated a new wholly-owned subsidiary company i.e. Varun Beverages South Africa (Pty) Ltd in Johannesburg, South Africa by subscription of its 100% share capital for a consideration of ₹ 0.05 million to explore the business of manufacturing and distribution of beverages.

ii. On 16 October 2023, the Holding Company has acquired 50,000 equity shares of Lunarmech Technologies Private Limited for a purchase consideration of ₹ 100 million. Post acquisition, the Holding Company is holding 60.07% of the effective equity share capital of Lunarmech Technologies Private Limited.

iii. On 21 November 2023, incorporated a new subsidiary company i.e. VBL Mozambique,SA in Mozambique for selling and distribution of beverages. Subsequent to year ended 31 December 2023, the Group has subscribed its 100% share capital for a consideration of ₹ 1.33 million.

iv The Holding Company has subscribed 370,370 equity shares of Varun Beverages (Nepal) Private Limited amounting to ₹ 625.00 million on 18 May 2023 and Varun Beverages (Nepal) Private Limited on 24 December 2023 allotted 551,130 equity shares as bonus shares of NPR 1,000 each to its existing shareholder.

v During the previous year ended 31 December 2022, the Holding Company has subscribed equity shares of Varun Beverages International DMCC amounting to ₹ 2.05 million and ₹ 18.63 million on 31 January 2022 and 11 April 2022 respectively to render business-related management and technical services to the Group.

50. The Holding Company follows calendar year as its financial year as approved by the Company Law Board, New Delhi.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

51. Share-based payments

a. Description of share based payment arrangements

i) Share Options Schemes (equity settled)

Employees Stock Option Scheme 2016 ("ESOS 2016 or scheme")

The ESOP 2016 was approved by the Board of Directors and the shareholders on 27 April 2016 and further ratified and amended by the shareholders in their meetings held on 17 April 2017 and 07 April 2022 respectively. Further, National Stock Exchange of India Limited and BSE Limited have accorded their in principle approvals for issue and allotment of upto 16,695,152 equity shares ("Ceiling Limit"). The scheme was formulated with the objective to enable the Company to grant Options for equity shares of the Company to certain eligible employees as defined in the Scheme at a pre-determined price.

The Options were granted on the dates as mentioned in the table below:

31 December 2023

Scheme	Grant Date	Number of Options Granted	Exercise Price	Vesting Conditions	Vesting Period	Contractual period
ESOS 2016	06-Feb-23	54,000	628	Graded vesting over 4 years	06 Feb 2023 to 01 Jan 2027	0-3.92 Years
ESOS 2016	02-May-23	12,000	643	Graded vesting over 4 years	02 May 2023 to 01 Jan 2027	0-3.67 Years
ESOS 2016	03-Aug-23	50,000	801	Graded vesting over 4 years	03 Aug 2023 to 01 Jan 2027	0-3.42 Years
ESOS 2016	06-Nov-23	26,000	899	Graded vesting over 4 years	06 Nov 2023 to 01 Jan 2027	0-3.17 Years
ESOS 2016	23-Nov-23	30,000	899	Graded vesting over 4 years	23 Nov 2023 to 01 Jan 2027	0-3.09 Years

31 December 2022

Scheme	Grant Date	Number of Options Granted	Exercise Price	Vesting Conditions	Vesting Period	Contractual period
ESOS 2016	04-Jan-22	280,950	303	Graded vesting over 4 years	04 Jan 2023 to 01 Jan 2026	0-4 Years
ESOS 2016	03-Feb-22	9,000	299	Graded vesting over 4 years	03 Feb 2023 to 01 Jan 2026	0-3.92 Years
ESOS 2016	03-Mar-22	18,000	298	Graded vesting over 4 years	03 Mar 2023 to 01 Jan 2026	0-3.83 Years
ESOS 2016	13-Apr-22	9,000	303	Graded vesting over 4 years	13 Apr 2023 to 01 Jan 2026	0-3.75 Years
ESOS 2016	28-Apr-22	18,000	306	Graded vesting over 4 years	28 Apr 2023 to 01 Jan 2026	0-3.75 Years
ESOS 2016	24-Sep-22	902,000	435	Graded vesting over 4 years	24 Sep 2023 to 01 Jan 2026	0-3.33 Years

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

b. Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton model. The fair value of the options and inputs used in the measurement of the grant date fair values of the equity-settled share based payments are as follows:

31 December 2023

Particulars	Options granted on 06 February 2023	Options granted on 02 May 2023	Options granted on 03 August 2023	Options granted on 06 November 2023	Options granted on 23 November 2023
Fair value per Option at grant date (in ₹)	172.00	263.87	243.57	290.42	347.52
Share price at grant date (in ₹)	577.45	722.60	808.10	951.85	1,031.35
Exercise price (in ₹)	627.50	643.00	801.00	899.00	899.00
Expected volatility	38.03%-40.07%	37.33%-39.95%	36.65%-39.12%	35.77%-37.09%	35.71%-36.46%
Expected life (in years)	1.6-4.5	1.6-4.2	1.6-4.0	1.57-3.72	1.57-3.68
Expected dividends	0.22%	0.24%	0.43%	0.37%	0.34%
Risk-free interest rate	6.57%-6.91%	6.60%-6.69%	6.67%-6.80%	6.82%-6.96%	6.75%-6.89%

31 December 2022

Particulars	Options granted on 04 January 2022	Options granted on 03 February 2022	Options granted on 03 March 2022	Options granted on 13 April 2022	Options granted on 28 April 2022	Options granted on 24 September 2022
Fair value per Option at grant date (in ₹)	130.82	154.17	166.75	167.58	184.29	244.41
Share price at grant date (in ₹)	439.90	470.33	487.93	491.95	518.23	579.48
Exercise price (in ₹)	453.50	448.50	447.00	453.50	459.00	435.00
Expected volatility	37.45%-39.59%	37.59%-39.90%	37.56%-39.94%	37.83%-40.09%	37.64%-40.26%	37.45%-40.70%
Expected life (in years)	1.6-4.6	1.6-4.5	1.6-4.4	1.6-4.3	1.6-4.3	1.6-3.8
Expected dividends	0.28%	0.27%	0.26%	0.25%	0.24%	0.22%
Risk-free interest rate	4.28%-5.59%	4.41%-5.83%	4.52%-5.79%	4.82%-6.27%	4.9%-6.22%	6.44%-6.92%

The risk-free interest rate (continuous compounding) being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options on the date of grant of options based on the zero-coupon yield curve for Government Securities available as on Valuation date taken from www.ccilindia.com.

The measure of volatility used in the Option-Pricing Model is the annualised standard deviation of the continuous rates of return on the stock over a period of time.

c. Effect of employee stock option schemes on the standalone statement of profit and loss

(₹ in million, unless otherwise stated)

Particulars	31 December 2023	31 December 2022
Employee stock option expense*	78.61	29.06

*included in employee benefits expense (refer note 32)

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

d. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option scheme is as follows:

	As at 31 December 2023		As at 31 December 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Number of options granted, exercised and forfeited				
Options outstanding as at the beginning of the year	1,221,950	399.55	-	-
Add: Options granted during the year	172,000	767.41	1,236,950	399.55
Less: Options exercised during the year	115,736	399.55	-	-
Less: Options forfeited/lapsed during the year	45,000	399.55	15,000	399.55
Options outstanding as at the end of the year	1,233,214	450.86	1,221,950	399.55
Options exercisable at the end of the year	180,750	399.55	-	-

	As at 31 December 2023	As at 31 December 2022
Weighted average remaining life of options outstanding at the end of year (in years)	2.70	3.56

Also refer note 18(h) on sub-division/split of equity shares of the Holding Company during the year. The outstanding stock options (whether vested or unvested as on the Record Date) and exercise prices as above has been adjusted to ensure fair and reasonable adjustment to the entitlement of the Eligible Employees under the Schemes due to the sub-division/split of equity shares.

52. Financial instruments risk

Financials risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The main types of financial risks are market risk, credit risk and liquidity risk.

The respective management of the Holding Company and other companies/entities comprising the Group monitors and manages the financial risks relating to the operations of the respective entity/company on a continuous basis. The Group's risk management is coordinated at head office, in close cooperation with the management of respective entity/company, and focuses on actively securing the short to medium-term cash flows and simultaneously minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

52.1 Market risk analysis

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. The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest rate risk and commodity price risk, which result from its operating, investing and financing activities. Contracts to hedge exposures in foreign currencies, interest rates etc. are entered into wherever considered necessary by the management.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The functional currency of the Holding Company is Indian Rupees ('INR' or '₹'). Most of the transactions of the Holding Company and other entities/companies are carried out in the respective local currency. Exposures to currency exchange rates mainly arise from the overseas operations and external commercial borrowings etc., which are primarily denominated in US Dollar ("USD"), Euro ("EUR"), Australian Dollars (AUD), Pound Sterling ("GBP"), Zuid-Afrikaanse Rand ("ZAR"), Emirati Dirham ("AED") and Zimbabwe Dollar ("ZWL").

To mitigate its exposure to foreign currency risk, the Group continuously monitors non-INR cash flows and hedging contracts are entered into wherever considered necessary.

The carrying amounts of the Group's foreign currency denominated monetary items are restated at the end of each reporting period. Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are as follows:

(amount in million)

	USD	GBP	EUR	ZWL	AUD	AED	ZAR
31 December 2023							
Financial assets							
(i) Trade receivables	0.78	-	-	6,884.63	-	-	0.02
(ii) Others	6.43	-	-	-	-	-	-
(iii) Cash and cash equivalents	7.42	-	-	10,016.19	-	-	0.79
(iv) Other bank balances	0.01	-	-	-	-	-	0.00
Total financial assets	**14.64**	**-**	**-**	**16,900.82**	**-**	**-**	**0.81**
Financial liabilities							
(i) Borrowings	7.89	-	2.76	-	-	-	-
(ii) Trade payables	15.98	0.00	1.88	2,570.26	-	-	4.27
(iii) Other financial liabilities	3.46	-	9.63	196.19	-	-	-
Total financial liabilities	**27.33**	**0.00**	**14.27**	**2,766.45**	**-**	**-**	**4.27**
31 December 2022							
Financial assets							
(i) Trade receivables	5.72	-	-	-	-	-	0.00*
(ii) Others	2.13	-	-	-	-	-	-
(iii) Cash and cash equivalents	3.42	-	-	-	-	-	6.01
(iv) Other bank balances	0.13	-	-	-	-	-	-
Total financial assets	**11.40**	-	-	-	-	-	**6.01**
Financial liabilities							
(i) Borrowings	2.77	-	5.92	-	-	-	-
(ii) Trade payables	16.26	0.00*	1.67	-	0.03	0.02	2.91
(iii) Other financial liabilities	3.21	-	6.38	-	-	-	-
Total financial liabilities	**22.24**	**0.00***	**13.97**	**-**	**0.03**	**0.02**	**2.91**

*Rounded off to Nil
^Outstanding foreign currency exposure hedged (excluding interest thereon)
There are no other exposure hedged against advance currency fluctuations.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

The foreign currency sensitivity of profit and equity in regards to the Group's financial assets and financial liabilities considering 'all other things being equal' and ignoring the impact of taxation. It assumes a +/- 1% change of the respective countries exchange rates (i.e. local currency to foreign currency) for the year ended at 31 December 2023 (31 December 2022: +/-1%). These are the sensitivity rates used when reporting foreign currency exposures internally to the key management personnel and represents respective management's assessment of the reasonably possible changes in the foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at end of each period reported upon. A positive number indicates an increase in profit or equity and vice-versa.

If the INR had strengthened against the USD by 1% (31 December 2022: 1%), AUD by 1% (31 December 2022: 1%), GBP by 1% (31 December 2022: 1%), ZWL by 1% (31 December 2022: 1%) EUR by 1% (31 December 2022: 1%), AED by 1% (31 December 2022: 1%) and ZAR by 1% (31 December 2022: 1%), the following would have been the impact:

(₹ in million)

Particulars	Profit/(Loss) for the year		Equity	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
USD	10.55	8.97	10.55	8.97
GBP	0.00	0.00*	0.00	0.00*
EUR	13.14	12.32	13.14	12.32
ZWL	(32.43)	-	(32.43)	-
AUD	-	0.02	-	0.02
ZAR	0.16	(0.15)	0.16	(0.15)
AED	-	0.00	-	0.00

*Rounded off to Nil

If the INR had weakened against the USD by 1% (31 December 2022: 1%), AUD by 1% (31 December 2022: Nil), GBP by 1% (31 December 2022: 1%), ZWL by 1% (31 December 2022: 1%) EUR by 1% (31 December 2022: 1%), AED by 1% (31 December 2022: Nil) and ZAR by 1% (31 December 2022: 1%), the following would have been the impact:

(₹ in million)

Particulars	Profit/(Loss) for the year		Equity	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
USD	(10.55)	(8.97)	(10.55)	(8.97)
GBP	(0.00)	(0.00)*	(0.00)	(0.00)*
EUR	(13.14)	(12.32)	(13.14)	(12.32)
ZWL	32.43	-	32.43	-
AUD	-	(0.02)	-	(0.02)
ZAR	(0.16)	0.15	(0.16)	0.15
AED	-	(0.00)	-	(0.00)

*Rounded off to Nil

Exposures to foreign exchange rates vary during the year depending on the volume of the overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. The Group is exposed to changes in market interest rates as some of the bank and other borrowings are at variable interest rates.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (31 December 2022: +/- 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.

(₹ in million)

Particulars	Profit/(Loss) for the year		Equity	
	+1%	-1%	+1%	-1%
31 December 2023	(396.00)	396.00	(396.00)	396.00
31 December 2022	(293.64)	293.64	(293.64)	293.64

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of sugar and pet chips and therefore require a continuous supply. In view of volatility of price of sugar and pet chips, the Group also executes into various advance purchase contracts.

Commodity price sensitivity

The following tables shows the effect of price change in sugar and pet chips

(₹ in million)

Particulars	Change in yearly average price	Effect on profit before tax		Effect on equity	
31 December 2023					
Sugar	+/-1%	(169.53)	169.53	(169.53)	169.53
Pet chips	+/-1%	(145.18)	145.18	(145.18)	145.18
31 December 2022					
Sugar	+/-1%	(148.65)	148.65	(148.65)	148.65
Pet chips	+/-1%	(107.25)	107.25	(107.25)	107.25

Other price sensitivity

The Group is not exposed to any listed equity or listed debt price risk as it does not hold any investments in listed entities.

52.2 Credit risk analysis

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

(₹ in million)

Particulars	As at 31 December 2023	As at 31 December 2022
Classes of financial assets-carrying amounts:		
Investments (non-current)	31.51	0.01
Others non-current financial assets	622.67	486.80
Trade receivables	3,593.85	2,993.38
Cash and cash equivalents	2,422.12	1,543.32
Bank balances (other than those classified as cash and cash equivalents above)	2,176.50	1,309.35
Others current financial assets	7,388.23	3,977.06
	16,234.88	**10,309.92**

The Group continuously monitors receivables and defaults of customers and other counterparties, and incorporates this information into its credit risk controls. Appropriate security deposits are kept against the supplies to customers and balances are reconciled at regular intervals. The Group's policy is to deal only with creditworthy counterparties. In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty. Trade receivables consist of a large number of customers of various scales and in different geographical areas. Based on historical information about customer default rates, management considers the credit quality of trade receivables. In case the receivables are not recovered even after regular follow up, measures are taken to stop further supplies to the concerned customer. The expected credit loss is based on the five years historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Movement in expected credit loss allowance on trade receivables and capital advances:

(₹ in million)

Particulars	As at 31 December 2023	As at 31 December 2022
Balance as at beginning of the year	538.87	495.36
Loss allowance measured at lifetime expected credit loss	69.47	73.51
Reversal of allowance during the year	(2.31)	-
Foreign currency translation reserve	(19.80)	(30.00)
Balance at the end of the year	**586.23**	**538.87**

The credit risk for cash and cash equivalents, bank deposits including interest accrued thereon and Government grant receivables is considered negligible, since the counterparties are reputable banks with high quality external credit ratings and State Government bodies.

In respect of financial guarantees provided by the Group, the maximum exposure to which the Group is exposed to is the maximum amount which it would have to pay if the guarantee is called upon. Based on the expectation at the end of each reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

52.3 Liquidity risk analysis

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities and considering the maturity profiles of financial assets and other financial liabilities as well as forecast of operational cash inflows and outflows. Liquidity needs are monitored in various time bands, on a day-to-day basis, a week-to-week basis and a month-to-month basis. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls.

Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the Group's ability to avail further credit facilities subject to creation of requisite charge on its assets. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

As at 31 December 2023, the Group's non-derivative financial liabilities have contractual undiscounted maturities as summarised below:

(₹ in million)

31 December 2023	Carrying value	1 to 12 months	1 to 5 years	Later than 5 years	Total contractual cash flow
Borrowings (current and non-current)	51,943.87	20,069.19	31,452.89	580.82	52,102.91
Lease liabilities (current and non-current)	2,369.23	554.90	1,872.67	1,359.42	3,786.99
Trade payables	7,582.48	7,582.48	-	-	7,582.48
Other financial liabilities (current)	7,638.39	7,638.39	-	-	7,638.39
Total	**69,533.97**	**35,844.96**	**33,325.56**	**1,940.24**	**71,110.77**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting periods as follows:

(₹ in million)

31 December 2022	Carrying value	1 to 12 months	1 to 5 years	Later than 5 years	Total contractual cash flow
Borrowings (current and non-current)	36,948.12	19,666.69	17,388.87	-	37,055.56
Lease liabilities (current and non-current)	1,890.02	370.84	1,430.10	1,133.92	2,934.86
Trade payables	8,242.61	8,242.61	-	-	8,242.61
Other financial liabilities (current)	5,593.90	5,593.90	-	-	5,593.90
Total	**52,674.65**	**33,874.04**	**18,818.97**	**1,133.92**	**53,826.93**

53. Fair value measurements

Financial instruments by categories

The carrying values and fair values of financial instruments by categories are as follows:

(₹ in million)

Particulars	31 December 2023		31 December 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
(i) Non-current financial assets				
(a) Investment (non-current)	31.51	-	0.01	-
(ii) Non-current financial assets				
(a) Others financial assets	-	622.67	-	486.80
(iii) Current financial assets				
(a) Trade receivables	-	3,593.85	-	2,993.38
(b) Cash and cash equivalents	-	2,422.12	-	1,543.32
(c) Bank balances other than above	-	2,176.50	-	1,309.35
(d) Others financial assets	-	7,388.23	-	3,977.06
Total	**31.51**	**16,203.37**	**0.01**	**10,309.91**
Financial liabilities				
(i) Non-current borrowings (excluding those disclosed under FVTPL category above)	-	31,889.38	-	17,270.22
(ii) Non-current lease liabilities	-	1,978.85	-	1,654.25
(iii) Current financial liabilities				
(a) Borrowings	-	20,054.49	-	19,677.90
(b) Lease liabilities	-	390.38	-	235.77
(c) Trade payables	-	7,582.48	-	8,242.61
(d) Others financial liabilities	-	7,638.39	-	5,593.90
Total	**-**	**69,533.97**	**-**	**52,674.65**

Valuation technique to determine fair value

Cash and cash equivalents, other bank balances, trade receivables, other current financial assets, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the long term borrowings, loans and other deferred payments are determined by using discounted cash flow method using the appropriate discount rate. The discount rate is determined using other similar instruments incorporating the risk associated.
- The Group executed derivative financial instruments such as cross currency interest rate swap being valued using valuation techniques, which employs use of market observable inputs. The Group uses mark to market valuation provided by bank for its valuation.

Fair value hierarchy

The financial assets measured at fair value are grouped into the fair value hierarchy as on 31 December 2023 and 31 December 2022 as follows: (also refer note 3(a))

(₹ in million)

31 December 2023	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment (non-current)	31 December 2023	**31.51**	-	-	31.51

There have been no transfers of financial assets and financial liabilities between the levels during the year 2022

(₹ in million)

31 December 2022	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment (non-current)	31 December 2022	**0.01**	-	-	0.01

54. Capital management

For the purpose of the Group's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity shareholders of the Group.

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, non-current and current borrowings, deferred payment liabilities, current maturity of long-term debts and lease liabilities, less cash and cash equivalents, excluding discontinued operations, if any.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

The amounts managed as capital by the Group for the reporting periods are summarised as follows:

(₹ in million)

Particulars		As at 31 December 2023	As at 31 December 2022
Non-current borrowings (Refer note 20A)		31,889.38	17,270.22
Current borrowings (Refer note 20C)		20,054.49	19,677.90
Lease liabilities (Refer note 20B)		1,978.85	1,654.25
Current portion of lease liabilities (Refer note 20D)		390.38	235.77
		54,313.10	**38,838.14**
Less: Cash and cash equivalents (Refer note 13)		(2,422.12)	(1,543.32)
Net debt	**(A)**	**51,890.98**	**37,294.82**
Equity share capital (Refer note 18)		6,496.07	6,495.50
Other equity (Refer note 19)		62,868.91	44,528.30
Total capital	**(B)**	**69,364.98**	**51,023.80**
Capital and net debt	**(C=A+B)**	**1,21,255.96**	**88,318.62**
Gearing ratio	**(A/C)**	**42.79%**	**42.23%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 31 December 2022.

There is no breaches in the financial covenants of the borrowing that would permit the banks to immediately call loans and borrowings in the reporting periods.

55. Assets pledged as security

The carrying amount of assets pledged as security are:

(₹ in million)

Particulars	As at 31 December 2023	As at 31 December 2022
Inventories and trade receivable	19,928.92	18,518.69
Other bank deposits	1,652.34	1,219.30
Other current financial assets	8,243.82	4,907.30
Other current assets	4,086.65	3,545.52
Other non current assets	42.23	1,815.72
Other intangible assets	5,450.94	5,478.86
Property, plant and equipment (including capital work-in-progress)	83,894.08	54,313.33
Right of use assets	6,400.64	6,578.77
Cash and cash equivalent	129.20	-

56. During the year ended 31 December 2023, the Holding Company on 15 June 2023 ("Record Date"), sub-divided/ split of existing Equity Shares of the Company from 1 (One) Equity Share having a face value of ₹ 10/- (Rupees Ten only) each fully paid-up, into 2 (Two) Equity Shares having face value of ₹ 5/- (Rupees Five only) each fully paid-up. Accordingly, the final dividend per share of the current year and interim dividend per share of the previous year presented have been recalculated based on the number of shares outstanding in respective periods, as increased by sub-divided/split of shares.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

57. Additional information, as required to Consolidated Financial Statements pursuant to Schedule III to the Companies Act, 2013

(₹ in million)

Name of the company/entity	Net assets i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of consolidated net assets*	Amount	As % of consolidated profit/(loss)*	Amount	As % of consolidated OCI*	Amount	As % of consolidated TCI*	Amount
For the year ended 31 December 2023								
A. Parent Company								
Varun Beverages Limited	84.07%	70,758.02	84.17%	17,751.30	-874.44%	(20.77)	84.06%	17,730.53
B. Subsidiaries								
Indian								
Lunarmech Technologies Private Limited	2.11%	1,773.69	1.93%	407.47	-10.54%	(0.25)	1.93%	407.22
Foreign								
Varun Beverages (Nepal) Private Limited	2.79%	2,346.21	3.33%	701.72	0.00%	-	3.33%	701.72
Varun Beverages Lanka (Private) Limited (Consolidated)	2.37%	1,992.19	1.91%	403.14	-6.93%	(0.16)	1.91%	402.98
Varun Beverages Morocco SA	3.41%	2,868.04	2.12%	446.63	0.00%	-	2.12%	446.63
Varun Beverages (Zambia) Limited (Consolidated)	0.55%	459.59	-2.71%	(571.56)	0.00%	-	-2.71%	(571.56)
Varun Beverages (Zimbabwe) (Private) Limited	5.76%	4,851.54	10.05%	2,119.24	0.00%	-	10.05%	2,119.24
Varun Beverages RDC SAS	-0.03%	(22.03)	-0.01%	(2.26)	0.00%	-	-0.01%	(2.26)
Varun Beverages International DMCC	0.73%	617.76	1.42%	299.06	0.00%	-	1.42%	299.06
Varun Beverages South Africa (PTY) Limited	0.00%	0.04	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Non-controlling interests in subsidiaries	-1.76%	(1,481.55)	-2.19%	(458.91)	991.91%	23.56	-2.07%	(435.35)
C. Associate (Investment as per equity method)								
Indian								
Clean Max Tav Private Limited^	0.00%	-	0.00%	(0.21)	0.00%	-	0.00%	(0.21)
Huoban Energy 7 Private Limited	0.00%	-	-0.01%	(1.51)	0.00%	-	-0.01%	(1.51)
D. Joint venture (Investment as per equity method)								
Indian								
IDVB Recycling Operations Private Limited^	0.00%	-	-0.01%	(3.07)	0.00%	-	-0.01%	(3.07)
	100.00%	**84,163.50**	**100.00%**	**21,091.03**	**100.00%**	**2.38**	**100.00%**	**21,093.41**
Inter group eliminations/adjustments		(14,798.52)		(531.81)		(58.83)		(590.64)
Total		**69,364.98**		**20,559.22**		**(56.45)**		**20,502.77**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

(₹ in million)

Name of the company/entity	Net assets i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of consolidated net assets*	Amount	As % of consolidated profit/(loss)*	Amount	As % of consolidated OCI*	Amount	As % of consolidated TCI*	Amount
For the year ended 31 December 2022								
A. Parent Company								
Varun Beverages Limited	85.19%	55,174.01	81.73%	12,701.99	12.51%	80.60	78.98%	12,782.59
B. Subsidiaries								
Indian								
Lunarmech Technologies Private Limited	2.11%	1,366.47	3.08%	478.85	-0.04%	(0.25)	2.96%	478.60
Foreign								
Varun Beverages (Nepal) Private Limited	2.20%	1,426.37	1.90%	294.66	0.00%	-	1.82%	294.66
Varun Beverages Lanka (Private) Limited (Consolidated)	2.20%	1,424.60	0.53%	82.87	0.08%	0.50	0.52%	83.37
Varun Beverages Morocco SA	3.68%	2,385.33	0.71%	110.42	0.00%	-	0.68%	110.42
Varun Beverages (Zambia) Limited (Consolidated)	1.70%	1,097.89	0.83%	128.42	0.00%	-	0.79%	128.42
Varun Beverages (Zimbabwe) (Private) Limited	4.19%	2,712.82	12.81%	1,991.16	0.00%	-	12.30%	1,991.16
Varun Beverages RDC SAS	-0.01%	(7.87)	-0.02%	(2.40)	0.00%	-	-0.01%	(2.40)
Varun Beverages International DMCC	0.48%	313.58	1.81%	281.78	0.00%	-	1.74%	281.78
Non-controlling interests in subsidiaries	-1.74%	(1,131.07)	-3.38%	(526.81)	87.45%	563.63	0.22%	36.82
C. Associate (Investment as per equity method)								
Indian								
Clean Max Tav Private Limited^	0.00%	-	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
D. Joint venture (Investment as per equity method)								
Indian								
IDVB Recycling Operations Private Limited^	0.00%	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
	100.00%	**64,762.13**	**100.00%**	**15,540.88**	**100.00%**	**644.48**	**100.00%**	**16,185.36**
Inter group eliminations/adjustments		(13,738.33)		(566.55)		(3,799.27)		(4,365.82)
Total		**51,023.80**		**14,974.33**		**(3,154.79)**		**11,819.54**

*Percentage has been determined before considering elimination/adjustments arising out of consolidation.

^ Refer note 6.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

58. Summarised financial information for Associate and Joint Venture:

The Group has subscribed 50% ownership interest in IDVB Recycling Operations Private Limited ("IDVB"), a joint venture on 1 July 2022, 26% ownership interest in Clean Max Tav Private Limited ("Clean Max") on 23 November 2022 and 26.34% ownership interest in Huoban Energy 7 Private Limited ("Huoban") on 09 May 2023. The Holding Company's interest in IDVB, Huoban and Clean Max is accounted at cost using the equity method in these financial statements. Summarised financial information of IDVB, Huoban and Clean Max, is set out below:

A. Principal place of business: India

B. Summarised balance sheet as on 31 December 2023:

(₹ in million)

Particulars	IDVB	Huoban	Clean Max
Non-current assets	140.30	323.32	449.58
Current assets	120.85	22.92	30.26
Non-current liabilities	(7.16)	(250.91)	(336.11)
Current liabilities	(0.01)	(32.18)	(18.35)
Net assets	**253.98**	**63.15**	**125.38**
Group share of net assets	50.00%	26.34%	26.00%
Group's carrying amount of investment	**126.99**	**16.63**	**32.60**

C. Group's share of loss for the year

(₹ in million)

Particulars	IDVB	Huoban	Clean Max
Revenue	-	12.55	36.68
Other income	0.69	0.18	1.13
Total income	**0.69**	**12.73**	**37.81**
Finance costs	2.17	10.53	26.10
Depreciation and amortisation expense	0.09	4.34	10.60
Other expenses	4.57	3.76	11.39
Total expense	**6.83**	**18.63**	**48.09**
Loss before tax	**(6.14)**	**(5.90)**	**(10.28)**
Tax expense	-	(0.18)	(9.49)
Loss after tax	**(6.14)**	**(5.72)**	**(0.79)**
Other comprehensive income	-	-	-
Total comprehensive income	**(6.14)**	**(5.72)**	**(0.79)**
Group's share of loss	(3.07)	(1.51)	(0.21)
Group's share of OCI	**-**	**-**	**-**
Group's share of total comprehensive income	**(3.07)**	**(1.51)**	**(0.21)**

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

59. Disclosure relating to provision:

(₹ in million)

Particulars	31 December 2023	31 December 2022
Opening balance	-	-
Addition	503.72	-
Utilisation	-	-
Closing balance	**503.72**	**-**

The Holding Company has made GST provision towards tax rate difference based on the demand order amounting to ₹ 120.08 million issued by Central GST Commissionerate, Jalandhar for the period 01 July 2017 to 30 September 2021 in the State of Punjab. Considering the demand order, Holding Company has provided for GST liability on entire sales of a product for the said period. The Holding Company has not recovered the additional GST liability from its customers.

Notes:

(i) This provision represent estimates made mainly for probable claim arising out of dispute pending with authority. The probability and the timing of the outflow with regard to the matter depend on the final outcome of the dispute. Hence, the Holding Company is not able to reasonably ascertain the timing of the outflow.

(ii) Discounting obligation has not been considered as the dispute relates to Government Authority.

60. Additional regulatory information not disclosed elsewhere in the financial information

a) The Holding Company and its Indian subsidiary does not have any Benami property and no proceedings have been initiated or pending against the Group for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

b) The Holding Company and its Indian subsidiary does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, except for the parties mentioned below:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31 December 2023	Relationship with the struck off company	Balance outstanding as at 31 December 2022	Relationship with the struck off company
Ace Polypet Private Limited	Sale of goods	(0.00)*	No relationship	(0.00)*	No relationship
C A Trade Links Private Limited	Security deposit received	(0.09)	No relationship	(0.09)	No relationship
Ngen Auto Private Limited	Purchases	0.00*	No relationship	0.00*	No relationship
J K Cement Private Limited	Purchases	-	No relationship	0.00*	No relationship
Nts Engineering Private Limited	Purchases	-	No relationship	-	No relationship

*Rounded off to Nil

c) The Group does not have any charges which is yet to be registered with ROC beyond the statutory period. The Group had obtained loans from banks in earlier years which have been fully repaid. However pending NOCs from banks, the satisfaction of charges is yet to be registered with ROC in some of the cases.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

d) The Group has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.

e) The Group has not advanced or provided loan to or invested funds in any entity(ies) including foreign entities (Intermediaries) or to any other person(s), 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

f) The Group 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,

g) The Group has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

h) The Holding Company and its Indian subsidiary has not been declared a 'Wilful Defaulter' by any bank (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

i) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

j) The borrowings obtained by the Holding Company from banks have been applied for the purposes for which such loans were taken.

k) The Holding Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

l) The Holding Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Holding Company with banks are in agreement with the books of accounts.

61. On 19 December 2023, the Holding Company has entered into a binding agreement to acquire 100% stake in the business conducted by The Beverage Company (Proprietary) Limited, South Africa along with its wholly owned subsidiaries (hereinafter referred as "Bevco") with an option to accept minority co-investment from large equity fund, subject to approvals from PepsiCo Inc., Competition Commissions and other regulatory approvals (if any) for a proposed purchase consideration amounting to ZAR 3 Billion (₹ 13.2 Billion; 1 ZAR= ₹4.4). The indicative time period for completion of the acquisition is on or before 31 July 2024. Bevco is engaged in the business of manufacturing and distribution of licensed (PepsiCo Inc.) and own-branded non-alcholic beverages in South Africa. Bevco has franchise bottling rights from PepsiCo Inc. for South Africa, Lesotho and Eswatini and distribution rights for Namibia and Botswana.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2023

62. Subsequent events occurred after the balance sheet date:

i. On 25 January 2024, the Holding Company has started commercial production of products of the Company including backward integeration at its new greenfiled production facilitiy at Supa, Maharashtra.

ii. The Holding Company and Varun Beverages International DMCC has subscribed its 99% and 1% share capital for a consideration of ₹ 1.32 million and ₹ 0.01 million on 02 January 2024 and 18 January 2024 respectively in newly incorporated subsidiary company i.e. VBL Mozambique,SA in Mozambique for selling and distribution of beverages.

iii. The Board of Directors in their meeting held on 05 February 2024 have approved a payment of final dividend of ₹ 1.25 (Rupees one and paise twenty five only) per equity share of the face value of ₹ 5 each, subject to the approval of equity shareholders in ensuing annual general meeting of the Holding Company. With this, total dividend declared for year ended 31 December 2023 stands at ₹ 2.50 (Rupees two and paise fifty only) per equity share of the face value of ₹ 5 each.

63. The amounts of previous reported period have been regrouped/reclassified wherever considered necessary in order to comply with financial reporting requirements.

The accompanying notes 1 to 63 are an integral part of the consolidated financial statements.
As per our report of even date attached.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No.: 001111N

Akhil Bhalla
Partner
Membership No.: 505002

For O P Bagla & Co LLP
Chartered Accountants
Firm's Registration No.: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155

For and on behalf of the Board of Directors of
Varun Beverages Limited

Varun Jaipuria
Whole Time Director
DIN 02465412

Raj Pal Gandhi
Whole Time Director
DIN 00003649

Lalit Malik
Chief Financial Officer

Ravi Batra
Chief Risk Officer and
Group Company Secretary
Membership No. F- 5746

Place : Gurugram
Dated : 05 February 2024

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013
read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint ventures

Part A: Subsidiaries

(₹ in million, except as stated otherwise)

S. No	Particulars	1	2	3	4	5	6	7	8	9
	Particulars	**Varun Beverages (Nepal) Private Limited**	**Varun Beverages Lanka (Private) Limited***	**Varun Beverages Morocco SA**	**Varun Beverages (Zambia) Limited**	**Varun Beverages (Zimbabwe) (Private) Limited**	**Lunarmech Technologies Private Limited**	**Varun Beverages RDC SAS**	**Varun Beverages International DMCC**	**Varun Beverages South Africa (Pty) Limited^**
	Date of acquisition	**01 January 2012**	**01 January 2012**	**01 January 2012**	**01 January 2016**	**01 January 2016**	**04 November 2019**	**31 December 2021**	**31 January 2022**	**23 May 2023**
	Financial year ended	**16 July 2023**	**31 December 2023**	**31 December 2023**	**31 December 2023**	**31 December 2023**	**31 March 2023**	**31 December 2023**	**31 December 2023**	**31 December 2023**
	Reporting period for consolidation	**31 December 2023**	**31 December 2023**	**31 December 2023**	**31 December 2023**	**31 December 2023**	**31 December 2023**	**31 December 2023**	**31 December 2023**	**31 December 2023**
	Reporting Currency	**NPR**	**LKR**	**MAD**	**ZMW**	**USD**	**INR**	**CDF**	**AED**	**ZAR**
	Exchange rate on the last day of financial year	**0.62441**	**0.25509**	**8.25350**	**3.21714**	**83.11640**	**1.00000**	**0.03075**	**22.60700**	**4.53425**
	Average exchange rate during the financial year	**0.62441**	**0.25096**	**8.06442**	**4.11611**	**82.59991**	**1.00000**	**0.03537**	**22.47730**	**4.53425**
1	Share Capital	907.31	2,896.82	6,215.07	843.71	0.07	9.95	0.74	20.68	0.05
2	Reserves and surplus	1,438.90	(904.63)	(3,347.04)	(384.12)	4,851.46	1,763.74	(22.78)	597.07	(0.01)
3	Total Assets	5,652.98	2,598.37	9,228.87	2,081.67	7,300.82	2,355.06	2,779.47	3,473.86	0.04
4	Total Liabilities	3,306.77	606.24	6,339.92	1,627.68	2,449.28	581.37	2,782.55	2,853.66	-
5	Investments	-	-	-	-	-	-	-	-	-
6	Turnover	6,631.65	2,848.23	10,164.07	3,415.72	14,379.04	2,001.10	-	3,395.26	-
7	Profit/(Loss) before tax	890.07	444.55	410.98	(406.37)	2,111.76	540.11	(2.26)	298.09	(0.01)
8	Provision for tax	188.35	85.17	38.96	-	-	132.64	-	-	-
9	Profit/(Loss) after tax	701.72	359.39	372.02	(406.37)	2,111.76	407.47	(2.26)	298.09	(0.01)
10	Proposed Dividend	407.53	-	-	-	-	-	-	-	-
11	% of shareholding	100.00%	100.00%	100.00%	90.00%	85.00%	60.07%	100.00%	100.00%	100.00%

* Consolidated figures

^ Incorporated on 23 May 2023 and yet to commence operations as on reporting date.

Note: On 21 November 2023, incorporated a new subsidiary named "VBL Mozambique, SA" and subsequent to the year ended 31 December 2023, the Group has subscribed its 100% share capital and the said subsidiary is yet to commence its operations as on reporting date.

Part B: Associates and Joint venture

(₹ in million, except as stated otherwise)

S. No.	Particulars	IDVB Recycling Operations Private Limited*	Clean Max Tav Private Limited	Huoban Energy 7 Private Limited
	Latest Audited Balance sheet date	31 March 2023	31 December 2023	31 March 2023
	Date of acquisition	01 July 2022	23 November 2022	09 May 2023
	Reporting Currency	INR	INR	INR
1	Shares of Associate/Joint venture held by the Holding company on the year end: (Number)	13,007,000	21,030	1,247,943
	Amount of investment in Associate/joint venture	130.07	32.85	21.24
	Total number of shares	26,014,000	80,881	4,738,129
	Extent of holding %	50.00%	26.00%	26.34%
	Description of how there is significant influence	Joint Venture	Associate	Associate
2	Networth attributable to shareholding as per latest Balance Sheet	253.98	125.38	63.14
3	Loss for the year:			
	Considered in consolidation	(3.07)	(0.21)	(1.51)
	Not considered in consolidation	(3.07)	(0.59)	(4.22)

* Incorporated on 20 May 2022 and yet to commence commercial operations as on reporting date.

For and on behalf of the Board of Directors of
Varun Beverages Limited

Varun Jaipuria
Whole Time Director
DIN 02465412

Raj Pal Gandhi
Whole Time Director
DIN 00003649

Ravi Batra
Chief Risk Officer and Group Company Secretary
Membership No. F- 5746

Lalit Malik
Chief Financial Officer

Place: Gurugram
Dated: 05 February 2024