Annual Report

2025

VARUN BEVERAGES

30 Years

Strong.
Growing All Along.







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Read or download the report at:
www.varunbeverages.com

30 Years

Strong.
Growing All Along.



- Thirty years is not just a measure of time
- It is a measure of consistency
- Of decisions taken with conviction
- Of scale built patiently
- Of resilience proven repeatedly





CY 2025 marks a defining milestone in the journey of Varun Beverages Limited, three decades of disciplined expansion, execution excellence and partnership-led growth. From a regional bottler to one of the largest franchise partners of PepsiCo globally, our evolution reflects scale built with structure and ambition strengthened by experience.

Our presence in India continues to deepen, while our international footprint, particularly in Africa, has entered a structurally stronger phase. Capacity built over recent years is now translating into operating leverage, sharper systems and an integrated supply chain. What was once expansion-led is now execution-driven, with institutional depth supporting sustainable, long-term growth.

CY 2025 was also marked by strategic developments that reinforce our next phase of growth:

Expanding and diversifying our African footprint:

- We entered into an agreement to acquire a 100% stake in Twizza (Pty) Limited through our subsidiary The Beverage Company Proprietary Limited in South Africa (subject to regulatory approvals), incorporated a wholly-owned subsidiary in Kenya, commenced production of PepsiCo's snack brand "Cheetos" in Morocco and Zimbabwe, began distribution of PepsiCo snacks in Zimbabwe and Zambia, and signed an exclusive distribution agreement with Carlsberg Breweries A/S for its brand "Carlsberg" to test-market beer across select African territories
- Strengthening backward integration and cold-chain capabilities: We acquired a 50% stake in Everest Industrial Lanka (Private) Limited and formed a joint venture, White Peak Refrigeration Private Limited, to manufacture visi-coolers and refrigeration equipment in India — enhancing supply-chain integration and supporting scalable growth

As we expand, sustainability remains embedded in how we allocate capital, design plants and manage operations. Water stewardship, energy efficiency, packaging recycling and governance are integral to performance measurement. not parallel priorities. As our footprint grows, so does our accountability.

Thirty Years Strong reflects a resilient foundation built over three decades.

Growing All Along defines how we continue, expanding thoughtfully, executing consistently and growing sustainably.

Because strength is not only about the scale we have achieved, it is about how steadily and responsibly we continue to build the future.



Corporate Overview



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Numbers Reflecting Strength for the Year Under Review

Financial*

Net Revenue
₹ 216,854 Million

EBITDA
₹ 50,494 Million

Net Profit
₹ 30,620 Million

Net Worth
₹ 197,410 Million

*consolidated

Operational

Cases sold* in CY 2025

1,213 Million

Water usage ratio

1.50 Times

State-of-the-art production facilities around the globe

50

rPet used in Production

~13%

*A unit case is equal to 5.678 liters of beverage divided in 24 bottles of ~237 ml each





Ravi Jaipuria
Promoter & Non-Executive Chairman

Thirty Years of Bottled Growth

Dear Shareholders,

It gives me immense pleasure to present the 31st Annual Report of Varun Beverages Limited (VBL). As we enter into the fourth decade of our journey – a milestone built on formidable goodwill and sustained growth – we express our deepest gratitude to our stakeholders for their continued trust and confidence.

Overview of the year

CY 2025 was marked by steady execution across markets, despite weather-related disruptions in India. During the year, consolidated volumes grew by 7.9%, driving a revenue growth of 8.4% and EBITDA growth of 7.2%, while profit after tax increased by 16.2% to ₹ 30,620.4 Million. This performance underscores the resilience of our business model, the robustness of our operating platform, and disciplined execution across geographies.

In India, volume growth was impacted during parts of the year due to unusually heavy and prolonged rainfall across several regions. While adverse weather conditions affected peak-season consumption, underlying demand fundamentals remained intact. The domestic business demonstrated strong resilience, recording double-digit volume growth in the first quarter at the start of the year and, despite weather-related headwinds during the intervening period, successfully closing the fourth quarter with double-digit volume growth as well.

Throughout this period, we remained focused on strengthening market execution, optimizing supply-chain efficiencies, and enhancing product availability through our extensive distribution network, expanded manufacturing footprint, and strong brand portfolio.

Our international operations continued to scale steadily,

CY 2025 was marked by steady execution across markets, despite weather-related disruptions in India. During the year, consolidated volumes grew by 7.9%, driving a revenue growth of 8.4% and EBITDA growth of 7.2%, while profit after tax increased by 16.2% to ₹ 30,620.4 Million.

led by Africa. Ongoing investments in capacity expansion, backward integration and bolstering our distribution reach strengthened supply-chain efficiency and improved cost competitiveness across key markets. These initiatives proved instrumental in enabling VBL to seamlessly navigate operating challenges while solidifying long-term growth across international territories.

Strengthening execution and operational capabilities

As an organization that is '30 years strong, growing all along', we are making strategic investments to develop scalable and integrated operations in close proximity to our consumption markets. Consistent with this and in support of our long-term growth strategy, we significantly expanded and strengthened our manufacturing footprints.

In India, we commissioned four new greenfield production facilities at Prayagraj (Uttar Pradesh), Damtal (Himachal Pradesh), Buxar (Bihar) and Mendipathar (Meghalaya). In addition, backward integration facilities were established at our Prayagraj plant as well as at our facility in the Democratic Republic of Congo (DRC). The backward integration, other than enhancing our operational efficiencies, insulates our operations from supply-chain volatility and drives cost optimization, further augmenting our competitive edge.

These initiatives are yielding multiple benefits, notably improving asset utilization, reducing production costs, and providing better control over quality and execution. The facilities commissioned during the year are progressively stabilizing and are expected to contribute meaningfully to volumes and operating leverage as utilization levels improve over time.

Alongside manufacturing expansion, we continued to prioritize the strengthening of our distribution network and chilling infrastructure. Sustained investments in route-to-market expansion and visi-cooler deployment remain critical factors to deepen our presence in both established and under-penetrated markets, ensuring consistent product availability and reinforcing our execution capabilities across channels.

Building scale and efficiency internationally

In CY 2025, we fortified our international presence, with Africa continuing to serve as a key growth engine for the Company. International operations scaled steadily, supported by disciplined execution, capacity expansion, and backward integration initiatives across crucial markets.

A pivotal breakthrough this year was the proposed acquisition of Twizza (Pty) Limited in South Africa, through our subsidiary, The Beverages Company Proprietary Limited, subject to regulatory and other approvals. With three manufacturing facilities featuring robust backward integration, Twizza presents a compelling opportunity for your Company to boost its manufacturing capabilities and strengthen route-to-market presence in Africa's largest soft drinks market. Once completed, the acquisition is poised to unlock substantial operational and commercial synergies with our existing platform.

Continuing to scale our global presence, we incorporated a wholly-owned subsidiary in Kenya in CY 2025. Other than fortifying our position in East Africa, this move enables us to capitalize on the region's long-term growth potential, supported by favorable demographics and rising consumption trends.

The year witnessed sustained focus on general trade reach expansion, increased deployment of visi-coolers, and strengthening of local execution capabilities across international territories. Together, these efforts are enabling the Company to augment market penetration, improve service levels, and enhance cost efficiency, ultimately driving sustainable volume growth over the medium term.

Product portfolio expansion

We continued to expand our product portfolio during the year, aligned with evolving consumer preferences and growth opportunities across geographies. The snacks business in Morocco ramped up well. Additionally, PepsiCo's snack products distribution in Zimbabwe and Zambia gained traction, supported by enhanced distribution reach and in-market execution.

Leveraging our existing manufacturing and distribution infrastructure, we commenced commercial production of Cheetos in Morocco and Zimbabwe. Besides scaling our snacks presence, this move marked a significant stride towards our objective of building a more diversified platform across beverages and adjacent categories.



In India, we recently introduced Adrenaline Rush in the energy drink segment as a contemporary, high-energy offering, expanding our presence in the functional beverage space. This launch reflects our focus on participating in high-growth segments while strengthening our portfolio depth.

Further steps were also taken to enable VBL's participation in ready-to-drink and select adjacent beverage categories in India and the international markets. As part of this approach, we entered into an exclusive distribution agreement with Carlsberg Breweries A/S for their "Carlsberg" brand. The agreement enables us to test-market the products in select African territories, allowing us to evaluate category expansion opportunities in a calibrated and disciplined manner. Our focus remains on leveraging our established route-to-market capabilities while maintaining capital prudence and strategic flexibility.

Sustainability and responsible growth

Sustainability continues to remain integral to our long-term growth strategy. During CY 2025, we further strengthened our environmental initiatives across water stewardship, energy efficiency, renewable energy adoption, and packaging optimization. Our commitment to sustaining a "net positive" water balance remains central to our sustainability agenda, supported by conservation, recycling, and groundwater recharge initiatives across operating locations.

We continue to advance our Net Zero ambition, aligned with targets validated by the Science Based Targets initiative (SBTi), with a goal of achieving net-zero greenhouse gas emissions across our value chain by 2050. During the year, considerable progress was made in improving energy efficiency and

At VBL, sustainability is a cornerstone of our strategy. This year, we furthered our commitment to environmental stewardship by broadening the scope of initiatives like PET recycling, PET light-weighting, energy-efficient manufacturing, increasing renewable energy contribution and water conservation. A key focus is achieving a "net positive" water balance by replenishing more water than we use through conservation, recycling, and groundwater recharge projects.

expanding renewable energy usage across multiple facilities.

Our ongoing efforts have been recognized through external assessments, including strong CDP ratings for Climate, water and supplier engagement. Sustainability remains embedded in our operating philosophy, enabling us to enhance resilience, strengthen operational efficiency, and create long-term value for stakeholders and the communities we serve.

Dividend & credit rating

Disciplined capital allocation continues to be the bedrock of our strategy for creating long-term value for our stakeholders. Consistent with our dividend distribution policy established post listing, the Board has recommended a final dividend of ₹ 0.50 per equity share (face value ₹ 2 each) for CY 2025, subject to shareholders' approval. Total dividend for the year amounted to ₹ 1.50 per equity share, including two interim dividends. This recommendation reflects our confidence in the Company's cash generation capabilities while maintaining financial flexibility to support organic expansion and strategic growth initiatives.

Our financial fortitude and prudent financial management were further validated this year by CRISIL's long-term credit rating upgrade to AAA / Stable. This prestigious milestone reflects our unwavering commitment to maintaining a robust and resilient financial profile, as we expand our capabilities and scale globally.

Outlook

Looking ahead, we remain confident in the long-term growth potential of the beverage industry in India and across our international markets. Low per-capita consumption, favorable demographics, expanding distribution infrastructure, and increasing penetration across semi-urban and rural markets continue to provide a strong foundation for growth.

With powerful execution capabilities, elevated manufacturing capacity, diversified portfolio, and a robust balance sheet, we are well-positioned for a strong recovery. Our steadfast focus on operational efficiency, disciplined capital allocation, and thoughtful expansion will continue to serve as strategic levers for sustained growth and long-term value creation.

Message to stakeholders

I express my sincere gratitude to our stakeholders for their continued trust and confidence in the Company. Without your unwavering support, this thirty-year journey of sustained growth, resilience and success would have been impossible.

As we move forward, we remain focused on strengthening our market position, leveraging growth opportunities across both domestic and international markets, and maintaining our commitment to sustainable practices. Our dedication to innovation and excellence continues to guide our journey while we look forward to a future of continued success and shared prosperity.

Vote of thanks

We express our deepest appreciation to our shareholders, investors, bankers, and creditors for their support and belief in our vision. A special thanks to our dedicated employees, whose tireless efforts and commitment have been instrumental in our achievements. We are also immensely grateful to our Board of Directors for their guidance and strategic insights, helping steer the Company towards new opportunities and sustained growth. Your collective contributions have been invaluable in our journey, and we look forward to your continued partnership.

Warm Regards,

Ravi Jaipuria

Promoter & Non-Executive Chairman

JOURNEY

Refreshing Growth, Step by Step

Our journey reflects a disciplined approach to growth, shaped by strategic partnerships, geographic expansion, and sustained investments over time. From a single bottling operation, the Company has evolved into a diversified, multi-geography beverage enterprise with a strong and expanding presence across India and international markets.

1991
Entered into a licensing agreement with PepsiCo through a group company for trademark use and bottling operations

1995
Incorporated as a public limited company

1996
Commenced commercial operations in Jaipur

1998
PepsiCo acquired 26% stake in Varun Beverages Limited

2004
Devyani Beverages Limited merged with Varun Beverages Limited, consolidating operations

2011 & 2012
Received investment from Standard Chartered Private Equity in Varun Beverages (International) Limited (VBIL); VBIL merged with VBL in 2012

2012
- Consolidated sub-territories across Goa, select districts of Maharashtra, and North-East India
- Subsidiaries in Nepal, Sri Lanka, and Morocco integrated into the Group. PepsiCo divested its 26% stake in VBL

2013
Acquired the remaining Delhi sub-territory

2014 & 2015

Promoter group infused ₹ 4,500 Million to support expansion and capacity growth

2015

- Received investment from AION Investment
- Expanded footprint across parts of Uttar Pradesh and Haryana, Uttarakhand, Himachal Pradesh, Punjab, and the Union Territory of Chandigarh

2016

- Acquired 60% stake in Varun Beverages (Zambia) Limited
- Listed on the NSE and BSE

2017

- Expanded sub-territories across parts of Madhya Pradesh and Odisha
- Increased stake in Varun Beverages (Zambia) Limited by an additional 30%

2018

- Expanded presence across Jharkhand, Chhattisgarh, and Bihar
- Secured sales and distribution rights for Tropicana and Gatorade
- Established greenfield production facilities in Nepal and Zimbabwe

2019

Expanded sub-territories across Maharashtra (14 districts), Karnataka (13 districts), and Madhya Pradesh (3 districts), covering seven states

2022

- Entered agreements to distribute Lay's, Doritos, and Cheetos in Morocco
- Commenced commercial production at the Kurkure Puffcorn facility in Kosi, Uttar Pradesh

2023

Incorporated VBL Mozambique, S.A. and Varun Beverages South Africa (Pty) Ltd, to strengthen distribution operations

2024

- Acquired BevCo along with its wholly-owned subsidiaries
- Secured exclusive snacks franchising rights for PepsiCo brands in Morocco, Zimbabwe, and Zambia

2025

- **Strategic Expansion Across Africa:** We entered into an agreement to acquire 100% stake in Twizza (Pty) Limited through our subsidiary BevCo in South Africa (subject to regulatory approvals); incorporated a wholly owned subsidiary in Kenya; commenced Cheetos production in Morocco and Zimbabwe; expanded PepsiCo snacks distribution in Zimbabwe and Zambia; and secured exclusive distribution rights with Carlsberg Breweries A/S in select African markets
- **Strengthening Backward Integration:** Acquired a 50% stake in Everest Industrial Lanka (Private) Limited and formed White Peak Refrigeration Private Limited to manufacture visi-coolers and refrigeration equipment in India



Designed for Growth. Built for Scale.

We are focused on expanding our portfolio with high-growth products. To drive this, we have streamlined our beverage and snack offerings across PepsiCo and our own brands into clearly defined, high-potential categories. By aligning with evolving consumer preferences and emerging trends, we are strategically positioning both global and regional brands for scalable and sustainable growth.




STING
MIRINDA
ORANGE
AQUAFINA
slice
PEPSI
Mountain Dew
PEPSI
ZERO SUGAR
Tropicana
KESAR BADAM
STING

Brands Licensed by PepsiCo

Carbonated Soft Drinks

Fruit Pulp / Juice-based Drinks

Club Soda

Energy Drinks



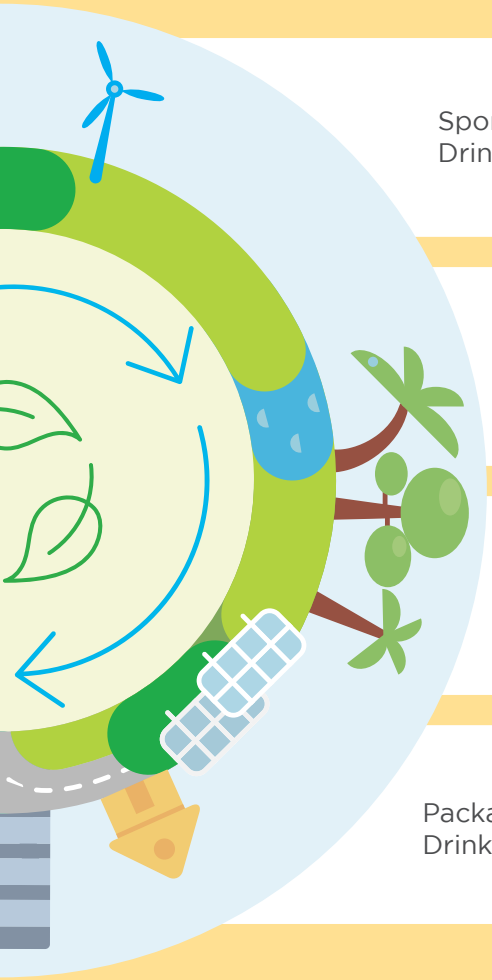
Own Brands^

Carbonated Soft Drinks

Energy Drink

Packaged Drinking Water

^ Manufacturing & Distribution of own brands is restricted in select territories.



Sports Drinks

Carbonated Juice-Based Drinks

Ice Tea

Snacks#

Packaged Drinking Water

Value-added Dairy-based Beverages*



Manufacturing of Cheetos & Distribution of Frito Lay, Doritos and Cheetos in Morocco; Manufacturing & Distribution of Cheetos in Zimbabwe; Distribution of Cheetos in Zambia; Co-manufacturing of Kurkure Puffcorn in India.

* "CreamBell" trademark has been licensed to be used by VBL for ambient temperature value-added dairy-based beverages.

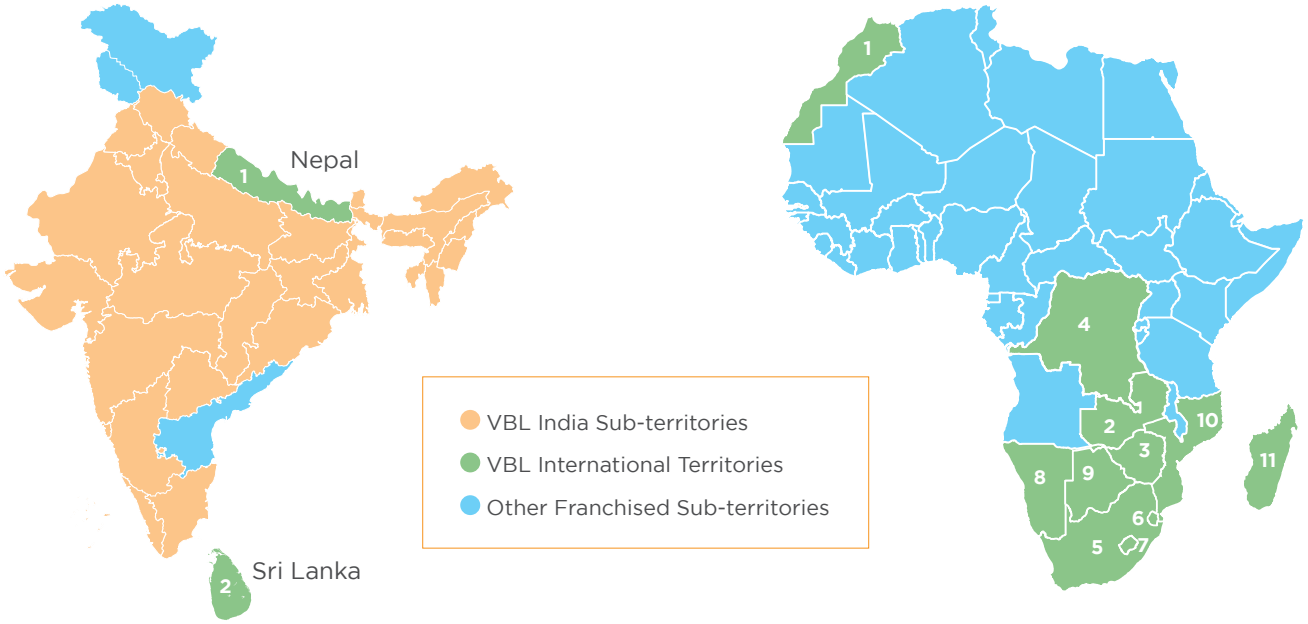
Strengthening a Global Beverage Network

Over the years, we have strengthened our global presence to become one of the foremost franchisee of PepsiCo, with India as our primary revenue driver. Our PepsiCo franchisee operations today extend across key international markets, including Nepal, Sri Lanka, Morocco, Zambia, Zimbabwe, South Africa, Lesotho, Eswatini, and the Democratic Republic of Congo.

Alongside our manufacturing presence, we also hold distribution rights for PepsiCo products in Namibia, Botswana, Mozambique, and Madagascar, further strengthening our cross-border beverage network.



Continental Presence



South Asia

- India
- 1 Nepal
- 2 Sri Lanka

Africa

- 1 Morocco
- 2 Zambia
- 3 Zimbabwe
- 4 DRC
- 5 South Africa
- 6 Eswatini
- 7 Lesotho
- 8 Namibia*
- 9 Botswana*
- 10 Mozambique*
- 11 Madagascar*

Distribution rights

Map not to scale.
For illustrative purposes only.

Manufacturing Facilities

India

- Pathankot
- Nuh
- Panipat
- Greater Noida I
- Greater Noida II
- Jainpur
- Bazpur
- Sathariya
- Sathariya II
- Kosi
- Sandila
- Jodhpur
- Bhiwadi
- Mandideep
- Jamshedpur
- Cuttack
- Kolkata
- Guwahati Unit I & II
- Goa
- Tirunelveli
- Dharwad
- Bharuch
- Begusarai
- Aurangabad
- Mahul#
- Nelamangala
- Mamandur
- Sangareddy
- Sri City
- Bundi
- Jabalpur
- Supa
- Gorakhpur
- Khordha
- Prayagraj
- Buxar
- Damtal
- Mendipathar

International

- Nepal I
- Nepal II
- Sri Lanka
- Morocco
- Zambia
- Zimbabwe
- South Africa – Johannesburg
- South Africa – Johannesburg 2
- South Africa – Durban
- South Africa – East London
- South Africa – Cape Town
- Democratic Republic of Congo (DRC)

#For land & building, company has short-term leasehold rights

Thriving at Thirty. Growing Strength by Strength.

Varun Beverages Limited operates a large-scale beverage platform built on a three-decade journey and a long-standing global partnership with PepsiCo. As we mark 30 years of operations, our strong presence across India and multiple international markets reflects the scale, resilience and institutional strength we have built over time. Backed by deep manufacturing capabilities, an extensive distribution network and disciplined execution, we continue to deliver consistent and sustainable value.

In association with PepsiCo

The long-standing partnership with PepsiCo, spanning over three decades, has established VBL as the second-largest PepsiCo franchisee globally (outside the United States). VBL manufactures and distributes an extensive portfolio of carbonated and non-carbonated beverages under PepsiCo's trademarks, supported by a growing production and distribution network. Disciplined expansion and portfolio diversification continue to enhance the Company's market presence and operational capabilities.



VBL - Demand delivery

- Production facilities
- Sales and distribution – GTM and logistics
- In-outlet management – Visi-coolers
- Consumer push management (BTL) – Market share gains

The correlation

Demand creation

- Trademarks
- Formulation through concentrate
- Product and packaging innovation through investment in R&D
- Consumer pull management (ATL) - Brand development



The Values we live by...

- Employee empowerment
- Inclusivity and diversity
- Community responsibility engagement
- Partnership and collaboration
- Customer satisfaction
- Social responsibility
- Environmental responsibility
- Integrity and transparency
- Ethical business practices

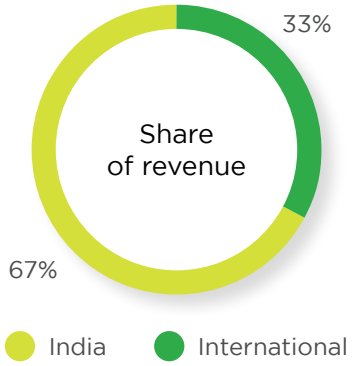
...towards our Vision

To be the most admired beverage company in all our markets.

As part of portfolio diversification in select African markets, the Company entered into an exclusive Distribution Agreement with Carlsberg Breweries A/S to initiate a test-market phase for the Carlsberg beer brand in identified territories.

Our expansion in Africa also extends beyond beverages. During the year CY 2025, we commenced production of PepsiCo's snack brand "Cheetos" in Morocco and Zimbabwe and began distribution of PepsiCo snacks in Zimbabwe and Zambia.

Contribution to revenue





Market positioning



India - The primary zone

We hold franchises across

26 States and 6 Union Territories, with India contributing approximately **67% of its net operational revenues** in CY 2025

Numbers that define our legacy

34+ Years
Of business association with PepsiCo

90%+
Accountability of sales volumes of PepsiCo in India

1.7 Billion+
Target consumers globally

14 Countries
Geographical presence

16,300+
Employees globally



International - The evolving zone



Note: Strengthening its African presence, the Company also entered into a binding agreement to acquire 100% stake in Twizza (Pty) Limited, through its subsidiary BevCo (subject to regulatory approvals).

Our international operations span

9 countries with franchise rights,
including Nepal, Sri Lanka, Morocco, Zambia, Zimbabwe, Democratic Republic of Congo, South Africa, Lesotho & Eswatini.

Additionally, the Company holds distribution rights in

4 countries
viz., in Namibia, Botswana, Mozambique, and Madagascar.

Our approach focuses on embedding responsible practices across operations while aligning growth objectives with environmental stewardship and social responsibility.

We integrate sustainability considerations into decision-making across the value chain, ensuring that business growth extends beyond commercial outcomes to create meaningful impact for the environment and society. By aligning initiatives with inclusive and responsible growth, we aim to balance operational scale with long-term value creation for all stakeholders.

Our philosophy is centered on collective prosperity, where business performance, community well-being, and environmental responsibility progress together.



SUSTAINABILITY REMAINS INTEGRAL TO THE WAY WE OPERATE AND GROW OUR BUSINESS.

Stakeholders impacted

Consumers
Delivering a wide range of carbonated and non-carbonated beverages to meet evolving consumer preferences.

Investors
Driving sustainable returns and long-term value creation to strengthen trust and confidence.

Business partners
Fostering collaborative and inclusive growth across the value chain.

Employees
Providing opportunities for development, capability building, and leadership growth.

Communities
Supporting initiatives that enhance livelihoods, promote education, and enable social development.

Environment
Adopting responsible water stewardship and environmental management practices to reduce and offset our ecological footprint.

Our pillars of sustainability

Water Conservation
Refer to **Page 58**

Energy Efficiency
Refer to **Page 70**

Waste Management
Refer to **Page 66**

Human Capital Management
Refer to **Page 84**

Corporate Governance
Refer to **Page 106**

Community Initiatives
Refer to **Page 116**



ASSOCIATIONS

Collective Strength. Shared Success.

Subsidiaries, Associates & Joint Ventures

Name of The Holding / Subsidiary / Associate Companies / Joint Ventures	Indicate Whether Holding / Subsidiary/ Joint Venture / Associate	% of Shares Held by Listed Entity
Varun Beverages (Nepal) Private Limited	Subsidiary	100.00%
Varun Beverages Lanka (Private) Limited	Subsidiary	100.00%
Ole Spring Bottlers (Private) Limited	Subsidiary	100.00%
Varun Beverages Morocco SA	Subsidiary	100.00%
Varun Beverages (Zambia) Limited	Subsidiary	95.00%
Varun Beverages (Zimbabwe) (Private) Limited	Subsidiary	85.00%
Varun Beverages RDC SAS	Subsidiary	100.00%
Lunarmech Technologies Private Limited	Subsidiary	100.00%
Varun Beverages International DMCC	Subsidiary	100.00%
Varun Beverages South Africa (PTY) Ltd.	Subsidiary	100.00%
VBL Mozambique, SA	Subsidiary	100.00%
The Beverage Company Proprietary Limited	Subsidiary	97.92%
The Beverage Company Bidco Proprietary Limited	Subsidiary	97.92%
Little Green Beverages Proprietary Limited	Subsidiary	97.92%
VBL Industries (Kenya) Limited	Subsidiary	100.00%
IDVB Recycling Operations Private Limited	Joint Venture	50.00%
Everest Industrial Lanka (Private) Limited	Joint Venture	50.00%
White Peak Refrigeration Private Limited	Joint Venture	50.00%
Clean Max Tav Private Limited	Associate	26.00%
Huoban Energy 7 Private Limited	Associate	26.34%

Membership Associations & Business Relationships

Name of the Trade & Industry Chambers / Associations	Reach of Trade & Industry Chambers / Associations (State / National)
Federation of Indian Chambers of Commerce and Industry	National
PHD Chamber of Commerce and Industry	National
The Associated Chambers of Commerce and Industry of India	National
Action Alliance for Recycling Beverage Cartons	National
Confederation of Indian Industry	National
Indian Beverage Association	National



Strong at 30. Stronger in Performance.

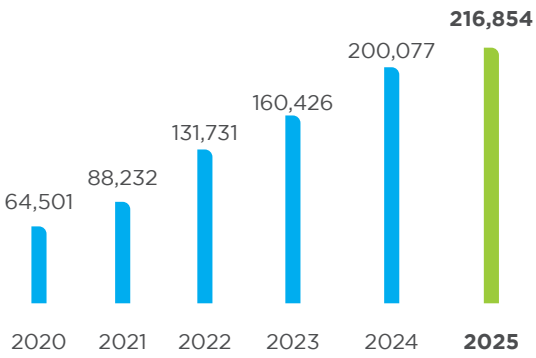
Three decades of disciplined execution have shaped a business defined by scale, resilience, and operational strength. The year under review reflects continued expansion, stronger fundamentals, and a sharper focus on efficiency across the value chain, showing a trajectory of sustained growth, improving profitability, and a steadily strengthening financial position.

Financial

Profit and Loss indicators

Net revenue

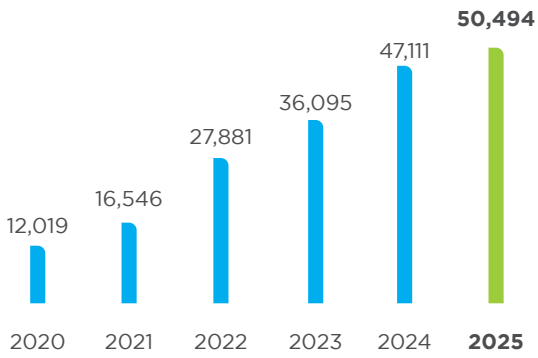
(₹ in Million)



5-year CAGR : **27.4%** | Y-o-Y: **8.4%**

EBITDA

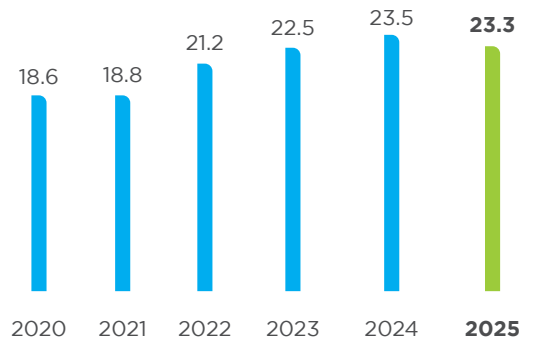
(₹ in Million)



5-year CAGR : **33.3%** | Y-o-Y: **7.2%**

EBITDA margin

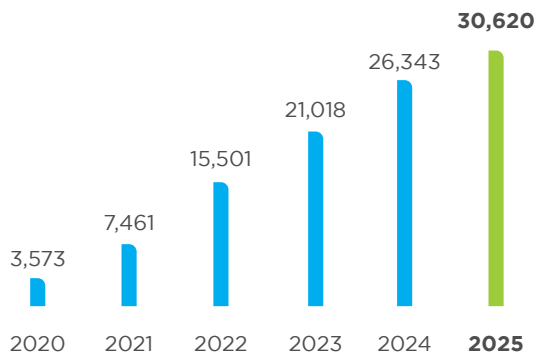
(%)



5-year: **470** bps | Y-o-Y: **(26)** bps

PAT

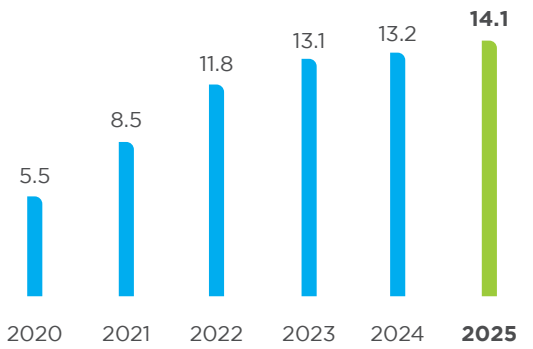
(₹ in Million)



5-year CAGR : **53.7%** | Y-o-Y: **16.2%**

PAT margin

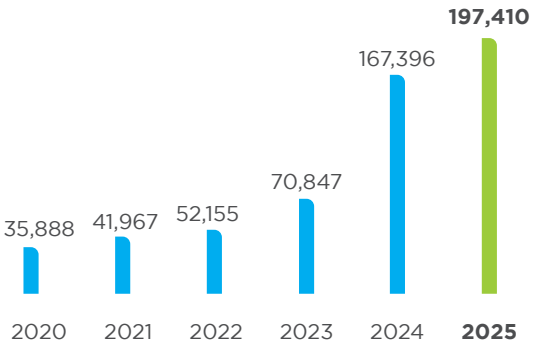
(%)



5-year: **860** bps | Y-o-Y: **95** bps

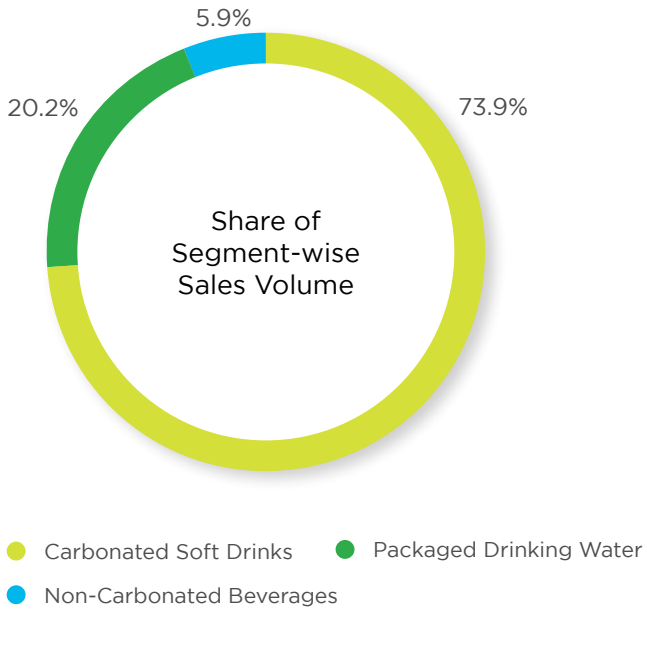
Net worth

(₹ in Million)



5-year CAGR : **40.6%** | Y-o-Y: **17.9%**





Corporate Information

Board of Directors

Mr. Ravi Jaipuria*
Non-Executive Chairman

Mr. Varun Jaipuria*
Executive Vice Chairman & Whole-time Director

Mr. Raj Gandhi
Mr. Rajinder Jeet Singh Bagga
Executive / Whole-time Directors

Dr. Naresh Trehan
Non-Executive, Non-Independent Director

Dr. Ravi Gupta
Mr. Abhiram Seth
Mr. Anil Kumar Sondhi
Ms. Rashmi Dhariwal
Ms. Sita Khosla
Non-Executive, Independent Directors

*Mr. Ravi Jaipuria and Mr. Varun Jaipuria are Promoters of the Company.

Chief Financial Officer
Mr. Pankaj Madan

Chief Risk Officer & Group Company Secretary
Mr. Ravi Batra

Joint Statutory Auditors
M/s. J.C. Bhalla & Co.
Chartered Accountants,
New Delhi

M/s. O.P. Bagla & Co LLP
Chartered Accountants,
New Delhi

Corporate Office
RJ Corp House, Plot No. 31,
Institutional Area, Sector-44,
Gurugram - 122 002

Registered Office
F-2/7, Okhla Industrial Area, Phase-I
New Delhi - 110 020

Registrar to an Issue and Share Transfer Agent
KFin Technologies Limited
Selenium Building, Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500 032
Toll Free No. : 1800 309 4001
Email: einward.ris@kfintech.com
Website: www.kfintech.com
SEBI Registration No.: INR000000221

Bankers
1 Axis Bank Limited
2 HDFC Bank Limited
3 IndusInd Bank Limited
4 ICICI Bank Limited
5 Kotak Mahindra Bank Limited
6 YES Bank Limited
7 The Hongkong and Shanghai Banking Corporation Limited
8 The Federal Bank Limited
9 JP Morgan Chase Bank N.A.
10 RBL Bank Limited
11 IDFC FIRST Bank Limited
12 Standard Chartered Bank
13 DBS Bank India Limited


TASTE THE JOURNEY
30 YEARS
WELCOME
TASTE THE JOURNEY
30 YEARS
TASTE THE JOURNEY
30 YEARS

Our Board: Enriched by Diversity, Focused on Value



Ravi Jaipuria
Promoter &
Non-Executive Chairman

He is the Promoter & Chairman of the Company and has over four decades of experience in conceptualizing, executing, developing and expanding food, beverages and dairy business in South Asia and Africa. He has an established reputation as an entrepreneur and business leader and is the only Indian Company's promoter to receive PepsiCo's award for International Bottler of the Year, awarded in 1997. He was also awarded the 'Distinguished Entrepreneurship Award' at the PHD Chamber Annual Awards for Excellence 2018.



Raj Gandhi
Whole-time Director

He is a Chartered Accountant of 1980 batch. He also participated in a residential management program on Venture Capital and Private Equity at Harvard Business School. Out of his experience of 45 years, 33 years are with the current group namely RJ Corp. As a member of its core team, he is on the Board and several committees of NSE & BSE listed entities namely Varun Beverages Limited and Devyani International Limited. Being a Whole Time Director, he is instrumental in formulating company's growth strategy. He oversees M&As, expansion and diversification activities of the Group. He spearheaded the public listing of Group's two companies. He enjoys longstanding relationship with institutional investors and lenders and meets FIIs on regular basis as a part of investor relations.



Dr. Naresh Trehan
Non-Executive Non-Independent Director

He is a Graduate from King George Medical College and a renowned Cardiothoracic Surgeon by the American Board of Thoracic Surgery. He has trained & practised at New York University Medical Center at Manhattan USA from July 1, 1971 to June 30, 1975 and is an honorary fellow at the Royal Australasian College of Surgeons. He has received many prestigious awards, including the Padma Bhushan Award, presented by the Government of India. He is a Diplomate from the American Board of Surgery and the American Board of Cardiothoracic Surgery and has around 50 years of vast experience.



Varun Jaipuria
Promoter, Executive Vice-Chairman and Whole-time Director

He is the Promoter & Executive Vice Chairman of the Company. He has been actively working with the Company since 2009 and has been instrumental in comprehensive development of Company's business including acquisitions and integration of acquired territories. Under his leadership, Varun Beverages was awarded PepsiCo's International Bottler of the Year in 2023 and Best Bottler in AMESA (Africa, Middle East and South Asia) sector in 2021 in recognition of Company's operational excellence, governance practices and sustainability initiatives. He attended Bachelor's degree program in international business from the Regent's University, London. He is a Harvard Alumni and had attended Program for Leadership Development (PLD), 2018-2019 batch from Harvard Business School, Boston.



Rajinder Jeet Singh Bagga
Whole-time Director

He holds a master's degree in mechanical engineering from the Indian Institute of Technology, Kanpur. He has been associated with the Company since 1996 and is currently heading technical operations since 2003. He has an experience of 29 years with the Company in managing technical operations and execution of projects. Prior to this, he was associated with Eveready Industries India Limited for approximately 10 years and was last working in the capacity as their production manager.



Dr. Ravi Gupta
Independent Director

He holds a Bachelor's degree and a Master's degree in commerce from the University of Delhi. He also holds a Bachelor's degree in law from the University of Delhi, a diploma in labor law from the Indian Law Institute, a Master's degree in business administration from the Faculty of Management Studies, University of Delhi and a doctorate in philosophy for his thesis on 'Country Risk Analysis in Investment Financing Decision Making' from the University of Delhi. He was employed as an Associate Professor in the commerce department of Shri Ram College of Commerce, University of Delhi. He was appointed by the Government of India as a member of the committee constituted for simplification of Income Tax Act. He was also nominated by the government to the Central Council of the Institute of Chartered Accountants of India. He is Founder and President of Tax Law Educare Society, a non-profit making voluntary organization, with the main objective to educate general public and professionals on Taxation, Law and Allied Matters for last 16 years.



Rashmi Dhariwal
Independent Director

She holds a bachelor's degree in Arts from the University of Delhi and is a practising advocate at the Calcutta High Court since 1978. She is also the chairperson of a non-profit organization called Prayatn which provides education to underprivileged children. She has also worked in several leading firms in India including Khaitan & Co, Calcutta and Delhi, Mulla & Mulla, Mumbai and also in the Philippines.



Anil Kumar Sondhi
Independent Director

He is B.Tech from IIT Delhi and Master of Business Administration from Faculty of Management Studies, Delhi University. He has more than 45 years experience in the areas of Projects, Manufacturing & Technical operations of process industry. He has worked as Director – Projects, Director – Quality & Food Safety for PepsiCo India Holdings Pvt. Ltd., Chief of Technical Operations & Supply Chain for NourishCo Beverages Pvt. Ltd. (Tata PepsiCo JV) and Vice President – Operations of Safe Water Network. During the early years of career, he worked for manufacturing as well as projects for heavy chemicals like Acids, Oleums, Caustic Soda, Chlorine, Edible Oils, Fats and Calcium Carbide with Shriram Industrial Enterprises Limited.



Sita Khosla
Independent Director

She holds a BA honours degree in History from St. Stephen's College, Delhi and an LLB from the Faculty of Law, University of Delhi and is enrolled with the Bar Council of Delhi. She has over 35 years experience in the practice of law, specialising in the areas of mergers and acquisitions and corporate advisory. She has been extensively involved in providing advice on cross border and domestic transactions including complex deal structuring and regulatory compliance. She has been a partner with major Indian law firms and has advised public and private companies, private equity funds, institutional investors,and governmental agencies on a range of legal issues across multiple sectors including telecom, civil aviation, retail, FMCG, manufacturing and publishing.



Abhiram Seth
Independent Director

He is a graduate in Economics from Delhi University and Masters in Management Studies from Jamnalal Bajaj Institute, Bombay University with specialization in marketing. He is the Managing Director of Aquagri since 2008 that is focused on promoting Aqua Agriculture through self-help groups amongst the coastal communities. He started his career with Hindustan Lever Limited in 1975 where he worked in the Sales and Marketing function and then moved on to the MGF group, where he looked after the industrial gases business. Since 1993, he was the Executive Director – Exports and External Affairs for PepsiCo India and in 2001, at PepsiCo he took on additional responsibility of driving the sustainability agenda and external affairs.

SUSTAINABILITY REPORT



Sustainability: Our Strength for the Next Thirty



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52 Driving ESG Excellence



About the ESG Report



Content of the report

Our ESG issues are classified in 10 specific areas including Water Management, Carbon Footprint & Emissions, Product Safety & Quality, Consumer Health & Nutrition, Corporate Citizenship, Employee Health & Safety, Packaging Lifecycle Management, Business Performance, Corporate Governance, and Business Ethics.

Reporting guidelines and principles

Varun Beverages Limited, as a responsible corporate citizen and strong advocate for sustainability and people-welfare, has listed down all sustainability initiatives taken across the identified material topics. Comprehensive data across all our sustainability efforts has been systematically captured, and our performance as well as the impact of these initiatives on our stakeholders have been carefully measured.

Additionally, appropriate disclosures of data and our processes have been made in the Business Responsibility and Sustainability Report, in line with SEBI's new mandate, details of which can be found in our Business Responsibility and Sustainability Report.

Reporting reference

This report is prepared in accordance with the GRI reporting standard. The foundation of this report rests on the principles of transparency, consistency, reliability, completeness, and materiality as outlined by the GRI reporting standards.

Additionally, the report aligns with the United Nations Sustainable Development Goals (UN SDGs) recommendations. In compliance with SEBI's new mandate, our Business Responsibility and Sustainability Report disclosed, is distinct from our ESG sustainability report.

In presenting this information, we aim for comprehensive transparency, relying on the integrity and robustness of the disclosed data to provide consolidated insights. This report showcases our progress in communicating various sustainability initiatives to our stakeholders, symbolizing the collaborative efforts within our organization to advance our sustainability goals. As we continue this journey, our team, in collaboration with leadership, has carefully reflected and consolidated our commitment and efforts toward sustainability.

For detailed disclosure mapping, please refer to the GRI index in the report's appendix.

The report is also available on our Company's website: www.varunbeverages.com. We value our stakeholders and the relationship we share.

Please direct your concerns and feedback on this report to complianceofficer@rjcorp.in

This report serves as a platform to showcase our Environmental, Social, and Governance (ESG) initiatives and accomplishments for the reporting year, along with outlining our future roadmap.

ESG: Our approach

Various material issues may have a long-term impact on our business, customers, communities that we operate and the planet. Recognizing this, we utilize stakeholder engagement as a reliable tool for effectively managing such issues and taking sustainable action. Regular communication with our consumers, employees, communities, government, and other stakeholders helps us remain aligned with their evolving needs and concerns and efficiently navigate through the changing business landscape to deliver maximum value.

Refer to **Page 44** for more information on how we engage with our stakeholders.

Scope and boundary of reporting and its period

The Report covers financial and non-financial information and activities of subsidiaries of Varun Beverages Limited for the period January 1, 2025 to December 31, 2025. This Annual Report 2025 with GRI Index is externally assured by an independent assurer, Deutsch Quality Systems (DQS) India) Pvt. Ltd in accordance with:

ISAE 3000 (Revised)

International Standard on Assurance Engagements (Assurance on Non-Financial Information)

ISO 14064:2019 Part 3

Specification with guidance for the verification and validation of greenhouse gas statements.

The financial statements has been audited by M/s. J.C. Bhalla & Co and M/s. O.P. Bagla & Co LLP, our joint statutory auditors.

The reporting scope and boundary for our disclosures, unless otherwise stated, covers the operations of Varun Beverages Limited.

Geographies covered

Our entire operations in India and International markets.



Varun Jaipuria
Promoter, Executive Vice-Chairman & Whole-time Director

Three Decades of Building with Discipline

Dear Stakeholders,

This year, Varun Beverages completes 30 years. For me, this milestone is not just about longevity, it is about the discipline, consistency and resilience that have defined our journey.

When we began three decades ago, the ambition was clear: build scale, execute well, and grow in a way that stands the test of time. CY 2025 reflects that same mindset. We have continued to expand, invest and strengthen the business, but always with control and long-term clarity.

Across markets, we focused on execution. In India, we deepened our distribution reach and strengthened our presence across both urban and rural territories. Internationally, our South Africa operations scaled further, and our broader Africa play continues to evolve into a meaningful growth engine. Each expansion is planned carefully, supported by capacity creation, supply chain alignment and on-ground execution.

Even in a dynamic operating environment, we remained disciplined. Capacity additions were aligned with demand visibility. Cost management remained a priority. Efficiencies across procurement, manufacturing and logistics were continuously pursued. After 30 years, one thing has not changed, we believe growth must be structured and sustainable.

Growing with Responsibility

As we expand, expectations from stakeholders are also rising. Sustainability today is not optional, it is fundamental to how businesses are assessed. At VBL, this is not new. Responsible operations have long been part of our philosophy.

During the year, renewable energy contributed approximately **21% of our total energy consumption**, as we continued integrating cleaner

This year, Varun Beverages completes 30 years. For me, this milestone is not just about longevity, it is about the discipline, consistency and resilience that have defined our journey. When we began three decades ago, the ambition was clear: build scale, execute well, and grow in a way that stands the test of time. CY 2025 reflects that same mindset.

energy solutions across facilities. This transition is gradual but deliberate, balancing operational stability with environmental responsibility.

Water stewardship remains one of our most important priorities. We achieved a **22% reduction in water usage per liter of beverage production compared to our base year 2020**. In a business like ours, where water is central, improving efficiency is not just about compliance, it is about long-term viability.

Our approach to plastic waste management also saw substantial progress as we achieved **100% PET bottle recycling** in CY 2025. Strengthening collection ecosystems, improving recycling partnerships and driving awareness remain ongoing focus areas.

We are committed to reducing **absolute Scope 1 and Scope 2 emissions by 60% by 2033 from a 2023 baseline**, along with a **60% reduction in Scope 3 emissions**, and achieving **net-zero emissions by 2050**. These are long-term commitments, as validated by SBTi and they require consistent progress year after year.

Importantly, sustainability considerations are increasingly embedded at the design stage, whether it is a new facility, a capacity expansion or a process upgrade. Energy efficiency, water optimization and waste management are factored in from the beginning, not added later.

Strengthening the Foundation

As we operate across multiple countries and regulatory environments, governance becomes even more critical. Over the years, we have steadily strengthened our internal controls, compliance systems and risk management frameworks.

In CY 2025, we enhanced ESG data tracking and reporting processes to ensure greater transparency and accountability. Responsible sourcing standards were reinforced across supply chains. For us, growth without strong governance is not acceptable. Institutional strength is what protects long-term value.

At the same time, we continued investing in our people. Capability development, workplace safety and leadership training remain areas of consistent attention. As we expand geographically, building local leadership and operational depth becomes increasingly important.

Our community initiatives also continue across markets, with focus areas including water access, livelihood support and local engagement programs. Our responsibility extends beyond our factories and distribution centers.

Looking Ahead

The beverage industry is evolving, consumer preferences are shifting, retail formats are expanding, and environmental expectations are becoming sharper. We see these changes not as challenges, but as signals to adapt and strengthen.

Our priorities for the coming years remain clear:

- Continue disciplined capacity expansion in high-growth markets
- Increase renewable energy integration across facilities
- Advance water efficiency and water positivity efforts
- Sustain 100% PET bottle recycling and increase the rPET mix in packaging.
- Maintain cost discipline while scaling operations

Thirty years have given us perspective. They have taught us that scale alone is not enough, what matters is how that scale is built and sustained.

Milestones are important, but what truly matters is continuity. We are entering the next phase of our journey with the same discipline that brought us here. Strong fundamentals, responsible operations and long-term thinking will continue to guide us.

On behalf of the leadership team, I thank all our stakeholders for their ongoing trust and partnership. We remain focused on building a business that will stand strong for decades to come.

30 Years Strong. Growing All Along.

Warm Regards,

Varun Jaipuria

Promoter, Executive Vice-Chairman & Whole-time Director

Details of Business Activities (Accounting for More Than 90% of the Turnover)

Description of Main Activity	Description of Business Activity	% of Turnover of The Entity
Manufacturing of Beverages	Manufacturing of carbonated, non-carbonated beverages and packaged drinking water	98.2%*

*on consolidated basis

Economic Value Distributed	CY 2025	CY 2024
Direct Economic Value Generated (Refer note 1)	**216,853.8**	**200,076.5**
Economic Value Distributed	**192,840.9**	**176,166.6**
Employee Wages and Benefits	22,007.4	18,850.3
Operating Costs (Refer note 2)	156,052.0	143,271.5
Payments to providers of capital (Refer note 3)	6,768.6	7,752.4
Payments to Governments (Refer note 4)	7,547.6	5,974.5
Community Investments (CSR)	465.3	317.9
Economic Value Retained = Direct Economic Value Generated Less Economic Value Distributed	**24,012.8**	**23,909.9**

Note:

1. Revenue generated net of excise duty excluding other income
2. Operating cost includes Raw material consumed, Purchase of finished goods, increase/decrease in WIP, depreciation & other expenses excluding CSR
3. Payment to providers of capital includes finance cost paid and dividend paid to shareholders
4. Payments to government includes Corporate tax (excluding Interest u/s 234A/234B/234C) for the financial year



VALUE CREATION MODEL

Value in Action. Growth in Motion.

What we depend on → **Value creation mechanism**

Financial capital
Prudent capital allocation, strong cash flows, and an optimized capital structure to support operations and strategic priorities

Manufacturing capital
50 state-of-the-art production facilities. 38 in India and 12 in International territories

Intellectual capital
Strong R&D capabilities, robust technology, deep know-how and consumer insights

Human capital
16,300+ talented employees across our operating locations

Social and relationship capital
₹465.3 Million CSR expenditure for CY 2025 at consolidated level

Natural capital
New installments towards climate positivity

Key business activities
We are engaged in the manufacturing, distribution and sale of a diverse range of beverages and other value-added products under PepsiCo's iconic trademarks. We serve the varied preferences of a broad consumer base through an extensive portfolio which includes carbonated soft drinks (CSDs), non-carbonated beverages (NCBs), packaged drinking water, and snacks.

Core purpose

Vision

We will be the most admired beverage company in all our markets.

ESG mission

While refreshing billions of consumers with a vast portfolio of beverages touching all age groups, we shall ensure a suitable ecosystem with a positive impact on our planet and well-being.

Guided by our values

- Inclusivity and diversity
- Community responsibility engagement
- Partnership and collaboration
- Customer satisfaction
- Employee empowerment
- Social responsibility
- Environmental responsibility
- Integrity and transparency
- Ethical business practices

Contributing to our SDG Goals

For the past three decades, sustainability has always remained a cornerstone at VBL, fueling our journey of consistent growth. Our value creation model therefore focuses on integrating responsible environmental, social and governance considerations into our strategy and all aspects of our operations, delivering sustained growth while creating long-term value for our stakeholders.

Sustainable value created → **Impact across stakeholders**

Business focus areas

- Manufacturing
- Distribution and warehousing
- Customer management
- In-market execution
- Cost efficiencies
- Cash management

Value drivers

- Solid infrastructure
- Robust supply chain
- Demand delivery
- Market share gains
- Margin expansion
- ROE expansion

Financial capital
Strong growth in revenue, profit and cashflow

Manufacturing capital
Operational efficiencies through reduced production overheads

Intellectual capital
Customer satisfaction

Human capital
We are proud to be recognized as a Great Place to Work

Social and relationship capital
Making a difference by helping the communities around us with health, nutrition, sustainable living

Natural capital
Increasing renewable energy

We enable wider availability and accessibility of our products while enhancing nutritional value and driving positive environmental impact.

Beneficiaries

Consumers
We successfully fulfill the dynamic preferences of our consumers through a comprehensive range of carbonated and non-carbonated beverages.

Investors
Desirable returns on investments and a strong growth strategy build lasting trust and foster long-term relationships with investors.

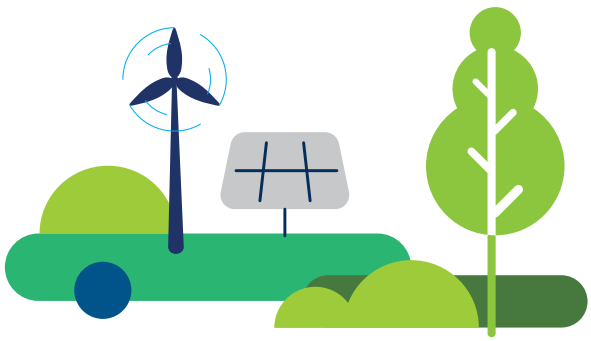
Business Partners
A culture of inclusive growth fuels opportunities for mutual success and shared benefits.

Employees
We provide adequate opportunities for our employees to learn, grow and excel in their career.

Environment
Implementation of sustainable practices across all aspects of our operations significantly reduces our environmental footprint.

Collaborating for Sustainable Growth

At the heart of our sustainability approach over the past three decades has been a strong emphasis on consistent and meaningful communication with our stakeholders. At Varun Beverages, open and ongoing dialogues with our key stakeholder groups help us stay aligned with their evolving needs and expectations, driving resilience, scale and sustainable growth. An environment of collaboration and transparency fosters mutual trust and builds enduring relationships with our internal and external stakeholders.



Key stakeholder groups

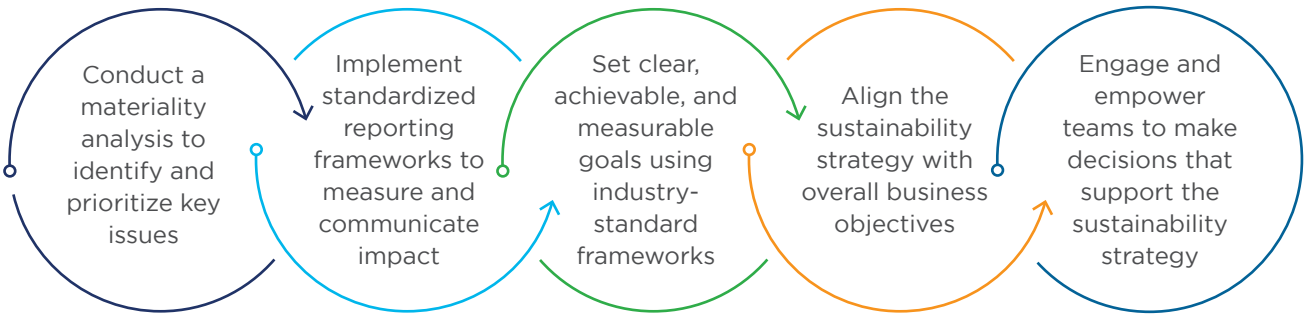
Internal stakeholders

- Management
- Employees

External stakeholders

- Suppliers
- Retailers/ consumers
- Industry association

Engagement approach

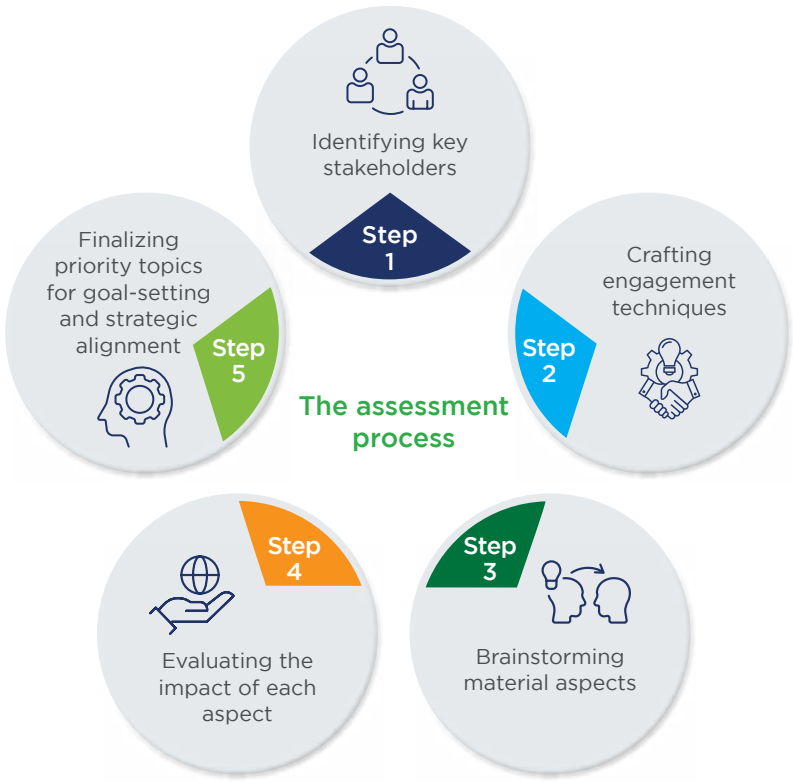


Engaging with our stakeholders

Stakeholder	Engagement Pattern	Key Concerns	Frequency of Engagement
Management	Interviews, Board meetings	Business Performance	Quarterly
		Business Ethics	
		Supply Chain Management	
		Carbon Footprint & Emissions	
		Energy Management	
		Waste Management	
		Resource Use & Conservation	
Employees	Facilitated discussions, Surveys, Townhall meetings, Leadership meetings, Email communications, Employee engagement activities, Webinars	Occupational Health & Safety	Need-based
		Freedom of Association	
		Diversity & Inclusion	
		Talent Management	
		Community Engagement	
		Employee Engagement & Development	
		Human Rights & Fair Labor Practices	
Suppliers	Individual and broad-based communications, Supplier trainings, assessments, and remediation processes	Product Safety & Quality	Need-based
		Human Rights & Fair Labor Practices	
		Responsible Sourcing	
		Sustainable Agriculture	
		Packaging Lifecycle Management	
		Regulation & Taxation	
		Environmental Stewardship	
		Diversity & Inclusion	
Retailers/ Consumers	Surveys, Corporate websites, Marketing activities & communication, Social media	Product Labeling	Need-based
		Responsible Marketing	
		Consumer Health & Nutrition	
		Corporate Citizenship	
		Product Safety & Quality	
Industry Association	Surveys, Annual & Sustainability Reports, Ratings, rankings and other indices, Social media	Business Performance	Annually
		Innovation and R&D	
		Human Rights & Fair Labor Practices	
		Sustainable Initiatives	
		Product Safety & Quality	

Growing All Along with What Matters Most

As we continue our journey of sustained growth, our steadfast focus remains on the key material aspects that matter most to our business, stakeholders, and the environment. A structured approach to materiality assessment has helped us to successfully identify and prioritize the economic, social, and environmental aspects that are most critical to our long-term success.



Independent expertise and assurance

The materiality assessment was conducted in collaboration with Deutsch Quality Systems (DQS) and guided by GRI principles. DQS India, a subsidiary of DQS Holding GmbH, is a globally recognized authority in management system certification, assessment, and training. The collaboration provided deep insight and rigor to our materiality assessment process.

Finalizing material aspects

Material priority identification at Varun Beverages was guided by a structured dual approach which involved both stakeholder engagement and impact assessment, in collaboration with DQS. We identified and engaged with five key stakeholder groups through various surveys and discussions, resulting in identification of 29 high-impact metrics. These metrics will evolve based on internal and external factors, ensuring our strategies remain adaptable.

Ongoing review and adaptation

In a dynamic business environment, the priorities and concerns of our stakeholders are ever-evolving. A continuous re-evaluation of our material aspects, driven by consistent and open dialogue with our stakeholders, helps us quickly adapt to their changing expectations and remain aligned with our business goals.

The 5 pillars of material aspects

The '5 Pillars of Material Aspects' at Varun Beverages refer to the five core categories under which all identified material aspects have been systematically grouped, namely Environmental, Social Capital, Human Capital, Business Model & Innovation, and Leadership & Governance.

Aligned with the GRI and United Nations Sustainable Development Goals (SDGs), the categories have been identified after a thorough review of materiality assessments within the beverages industry. Together, they constitute our key ESG focus areas and provide a structured framework for addressing what matters most and drive VBL's sustainable growth.

Environmental

- Water management
- Carbon footprint
- Energy management
- Waste management
- Ecological impact

UNSDG's Catered to:

Human Capital

- Employee health and safety
- Diversity, equity and inclusion
- Employee engagement and development
- Talent recruitment and retention

UNSDG's Catered to:

Business Model & Innovation

- Packaging lifestyle management
- Business performance
- Responsible sourcing
- Supply chain management
- Innovation and R&D
- Sustainable agriculture
- Resource use and conservation

UNSDG's Catered to:

Social Capital

- Product safety and quality
- Consumer health and nutrition
- Corporate citizenship
- Human rights and fair labor practices
- Product labeling
- Responsible marketing
- Sanitation and hygiene
- Data privacy and information security
- Rural livelihood and generation

UNSDG's Catered to:



Leadership and Governance

- Corporate governance
- Business ethics
- Regulation and taxation
- Advocacy and public policy

UNSDG's Catered to:

Materiality Matrix



Ranking

Pillar	Material Aspects	Ranking
Environment	Water Management	1
	Carbon Footprint & Emissions	2
Social Capital	Product Safety & Quality	4
	Consumer Health & Nutrition	5
	Corporate Citizenship	9
Human Capital	Employee Health & Safety	6
Business Model and Innovation	Packaging Lifecycle Management	3
	Business Performance	10
Leadership & Governance	Corporate Governance	7
	Business Ethics	8

● Environment ● Social Capital ● Human Capital ● Business Model and Innovation ● Leadership & Governance



Embedding ESG Across Our Growth Story

Sustainability, at VBL, is not merely a concept. It is a strategic lever that powers our growth while setting a strong foundation for our long-term success. It is the core principle that guides our business decisions and shapes how we operate. It is an approach that has helped us stay relevant, resilient and scale consistently in an ever-evolving business landscape.

A robust ESG framework empowers us to continually formulate and implement socially and environmentally responsible practices throughout the organization, in alignment with our net-zero target, social welfare goals and aspiration to create long-term value for our stakeholders.



For the past thirty years, our sustainability efforts have delivered significant progress in reducing VBL's carbon emissions, enhancing energy efficiency, enabling water conservation, recycling plastic waste and contributing to a more resilient and sustainable planet. Our ESG commitment enables us to actively manage the evolving environmental and social trends, uphold human rights, and effectively mitigate risks arising from public policies and regulations.

ESG Mission

While refreshing billions of consumers with a vast portfolio of beverages touching all age groups, we shall ensure a sustainable ecosystem with a positive impact on our planet and well-being.

ESG Vision

At VBL, we are committed to achieving net-zero emissions while driving sustainable growth through environmental responsibility, social equity, and strong governance, creating long-term value for our stakeholders and the planet.

Key ESG priorities

Environment
- Water stewardship
- Waste management
- Renewable energy
- Carbon emission reduction

Social
- Human capital management and diversity
- Health and safety
- Community engagement
- Nutrition and product safety risk

Governance
- Corporate governance
- Code of conduct, Anti-bribery, FCPA and POSH
- Transparency, responsibility and accountability
- Risk management

ESG at the core of our operations

Key ESG considerations are integral to VBL's strategy and operations. Social, environmental and governance principles are strategically embedded into our way of doing business, enabling us to achieve responsible growth while fostering a sustainable ecosystem for our people and the planet.

In CY 2025, we remain focused on accelerating progress and delivering on ambitious sustainability goals aligned with our 2030 ESG targets. This will be achieved through diverse initiatives and process improvements to further reduce our carbon footprints, improve water efficiency, ramp up plastic waste recycling, and increase renewable energy share.

Key ESG Achievements 2025

22%
Reduction in water used per liter of beverage production from base year CY 2020

100%
Recycling of used PET bottles (12% points increase over 2024)

~21%
Renewable Energy Mix in 2025 (5% points increase over 2024)

Net Zero
by 2050, Net-Zero targets, officially validated by the Science Based Targets initiative (SBTi).

Looking ahead: Our targets for a sustainable future

Water positivity
Water Usage Ratio: 1.40 by 2030

Water Recharge Ratio: Sustain 2X of water consumption

Reducing plastic waste
Committed to 100% recycling every year

Carbon footprint reduction
Committed to reaching net-zero greenhouse gas emissions across the value chain by 2050

Enhancing renewable energy
Increasing contribution from Renewable Energy to 30% by 2030

CDP A List 2025

- A- rating for Climate
- A- rating for Water Security
- A for Supplier Engagement Assessment rating

ESG TEAM

Driving ESG Excellence

Sustainability, a core priority, is driven by a seasoned and professional ESG team comprising a specialized Board-level ESG Committee, supported by a Steering Committee strengthened by cross-functional expertise. Together, they provide strategic direction, ensure accountability, foster innovation, and meet regulatory requirements, enabling us to advance our ESG goals and ensure long-term value creation. ESG leadership at VBL has ensured that our scale and growth over the past 30 years are measured not only by profits and market reach, but also by our resilience, accountability and the positive impact we create.

ESG Committee

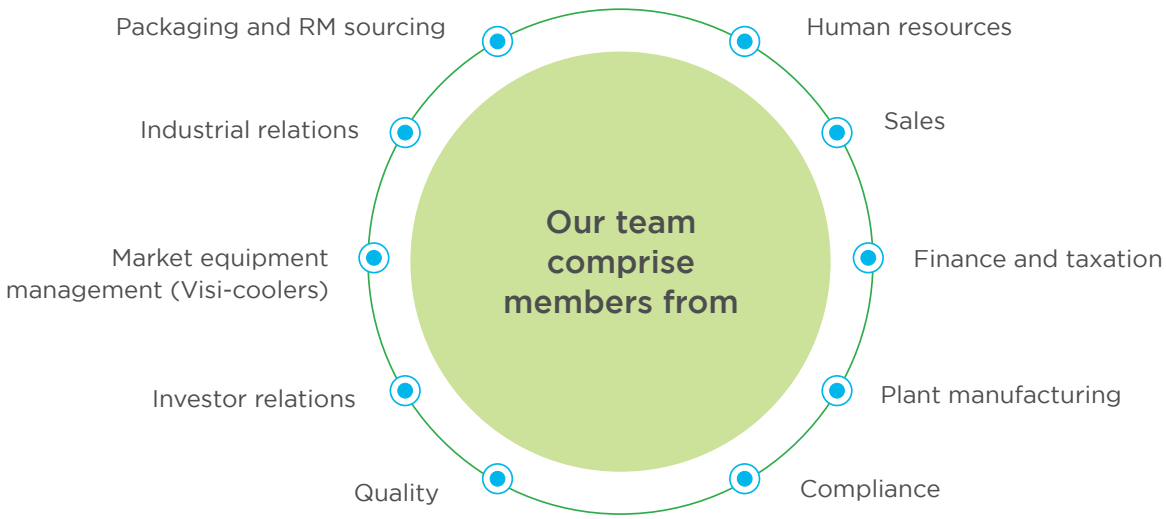
The ESG Committee, led by Mr. Varun Jaipuria, Executive Vice Chairman – VBL, plays an instrumental role in identifying risks, opportunities, and steering VBL's ESG efforts to meet global standards. In line with the company's overarching environmental and social goals, the Committee drives various initiatives including water stewardship, water management, energy efficiency, waste management, health & safety, and diversity.

Steering Committee

The Steering Committee is central to advancing our ESG strategy. It plays a crucial part in optimizing energy efficiency, executing and monitoring water stewardship, improving waste management, and successfully implementing diversity and health & safety strategies.

A system of continuous review and monitoring helps both committees to assess and address gaps, refine processes, and enhance data transparency - driving better ESG outcomes.

Team Composition



Governance: ESG Cross-Functional Team

BOARD-LEVEL ESG COMMITTEE

- Executive Vice-Chairman & Whole-Time Director
- President & Whole-Time Director
- Technical Head & Whole-Time Director

Advisor
Independent Consultant

OVERALL MANAGEMENT
CFO / ESG Head

Cross-Functional Heads

Environment
- Water Positive
- Energy & Carbon Reduction
- Packaging Initiatives

Social
- Diversity & Inclusion
- Employee Safety
- Nutrition (Low Sugar and No Sugar)
- Community Engagement

Governance
- Reporting & Disclosures
- Awards & Ratings
- PepsiCo pep+ Initiative Alignment

ESG Initiatives

- Initiatives Implementation & Monitoring
- ESG Reporting & Disclosures
- Rating Agencies
  MSCI, CDP, S&P Global, NSE ESG Score





Environment



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Green Vision. Growth Mission.

Safeguarding our environment is no longer a choice; it is a critical responsibility that guides VBL's operations, strategy and business decisions. Over the past 30 years, we have steadily advanced environmental conservation initiatives in energy efficiency, water conservation, waste management, and climate action. Aligned with our long-term net-zero target, these initiatives reinforce our commitment to nurture a sustainable planet for future generations while building a stronger and more resilient foundation for VBL's sustained progress.

As a company with significant reliance on natural resources, we strive to minimize our carbon footprint and embed globally recognized sustainability standards. A robust approach enables us to continuously track and measure our performance across sustainability initiatives and maximize impact while transparent reporting and regular audits build trust. Consistent stakeholder engagement further ensures that our environmental sustainability strategy is aligned with their evolving interests and concerns.

Key focus areas

Five strategic areas have been identified to efficiently reduce our environmental footprint and contribute towards a greener, cleaner planet.

- **Support biodiversity conservation and protect ecosystems within our sphere of influence**
- **Improve energy efficiency**
- **Minimize plastic waste generation and increase recycling rates**
- **Reduce Greenhouse Gas (GHG) Emissions**
- **Implement water conservation measures and reduce water consumption**

As a measure to consistently monitor and assess our performance across key environmental parameters, regular environmental performance reports are prepared by the ESG/ Steering Committee and subsequently presented to the Board of Directors. These reports detail the progress made by VBL towards achieving its environmental objectives, key performance indicators, and other relevant metrics.

Initiatives undertaken	Details of the initiative	Outcome of the initiative
Plastic waste management	Engaged Gem Enviro Management Ltd. for phased implementation (up to 100%) recycling of used plastic waste from end users	Recycling of plastic waste
Water conservation	Engaged DQS which verifies water mass balance. We also undertook several other initiatives towards water conservation and water recharge	Reduction in wastage of water and recharge of water
Reduced Grammage of Plastic Closures and Preforms (used for PET Bottles) Over the Years	Packaging innovations introduced by PepsiCo India Holding in India through Global R&D and best practices	Reduction in plastic usage
Reduced Grammage of Plastic Closures and Preforms (used for PET Bottles) Over the Years	Packaging innovations introduced by PepsiCo India Holding in India through Global R&D and best practices	Reduction in plastic usage
Use of Fuels like Biomass for Steam Generation, Usage of Solar Energy	We proactively adopting new technologies that use cleaner fuels for energy. We are increasing green energy use across our manufacturing locations through rooftop installations and group captive open access PPAs, thereby reducing our dependence on conventional grid electricity.	Reduction in Greenhouse Gases
Installation of Effluent Treatment Plant	Plants have installed online monitoring systems in Effluent Treatment Plant as well as Boiler emissions for all time compliance which is being monitored by CPCB on a real-time basis	Effluents are treated and discharged under prescribed limits thereby remaining well within the prescribed norms and consent conditions

Groundwater recharge commitment

India, despite receiving adequate annual rainfall, experiences groundwater stress, as a significant portion of the rainwater flows back into the oceans without sufficiently replenishing groundwater.

At VBL, we recognize water as a critical and irreplaceable resource – vital for our operations and overall ecosystem. As a sustainability advocate, we are committed to recharge double the water than we consume in manufacturing of beverages and restore the planet's delicate water balance. As our volumes grow, our water recharge commitment will grow in proportion.

In an endeavor to achieve this, a series of rainwater harvesting and water conservation initiatives have been implemented across our facilities. The measures will continue to focus on reducing water-use ratio, improving water efficiency, enhancing water bodies and expanding our pond portfolio through construction, systematic rejuvenation and ongoing maintenance.

Groundwater recharged

16.8 bn liters

Of water recharged in CY 2025 against 7.20 Billion liters consumed

Our target

2:1

Sustain 2 times water recharge vs water consumed

Water Conservation

Water is fundamental to life and quintessential for VBL's operations and long-term sustainability. However, global water levels are depleting rapidly due to factors like growing population, urbanization, climate change and inefficient water management, making the conservation of this precious natural resource more critical than ever.

As water stewards, we are committed to conserving water and replenish more groundwater than we consume in manufacturing our beverages. Our sustainability strategy thus prioritizes a series of innovative conservation measures including rainwater harvesting, effective wastewater treatment, restoration and rejuvenation of freshwater bodies, and augmenting water efficiency across our processes.

Progress overview 2025

1.50 Liters
Of water per 1 liter of final product for beverage production

2.34 Times
Water recharge ratio (Water recharged per liter of water consumed)

16.8 Billion
Liters of water replenished in 2025

300+
Water bodies adopted and maintained

CDP A-
for Water Security (based on the 2025 scores)

Key focus areas

Our water conservation efforts focus on four strategic areas. They are:

- Rainwater harvesting
- Adoption and maintenance of ponds & check dams
- Wastewater management
- Process improvements

Targeted efforts to strengthen water sustainability

VBL's 2025 water sustainability goals were driven by multiple strategic initiatives, policy changes and process improvements. They are:

Strategic drivers for achieving water sustainability in 2025

Positive water recharge

- Adopted 300+ water bodies including ponds, check dams, lakes and recharge wells
- 40% water bodies rejuvenated in water-stressed zones

Reducing water usage

- Implemented 150+ process improvements
- Connected all filters (ACF / PSF) for water recovery
- Optimized drainage timing at ACF / PSF
- Bottle washer recovery in glass lines
- Reuse ETP water in utilities
- Improved RO efficiency wherever RO recovery is less than designed recovery
- Sensors / Foot operated taps for hand wash at plants

Water Recharge Ratio*
2.34 Times
Sustain 2 times water recharge vs water consumed
*Water recharged per liter of water consumed

Water Usage Ratio*
1.50
Target 2030 1.40x
*Liters of water consumed per liter of beverage produced

CDP
A- for Water Security
based on the 2025 scores

Giving back more than we use

Water is a key ingredient of our beverages. Recognizing this, VBL has implemented focused initiatives to remain water positive by replenishing more water than we consume. In CY 2025, we replenished 2.34 times water for every liter of water consumed, reinforcing our commitment to long-term water sustainability.

The 3R Approach

Central to our water stewardship initiatives is the 3R approach – reduce, reuse and recycle, contributing significantly to VBL's ESG goals. In CY 2025, sustained initiatives in this direction helped us to significantly reduce wastage of water throughout our processes, lowering water usage per liter of beverage manufactured. Constant process improvements, deployment of several advanced technologies and strengthening policies and practices around water reuse were instrumental in optimizing water efficiency at every step of our operations. Committed to building water resilience, initiatives were launched to resolve water scarcity challenges in affected regions and lower their dependence on underground water. Furthermore, rainwater harvesting was leveraged as an effective method to replenish underground water reserves and advance our contribution to environmental sustainability.

Wastewater management

At VBL, returning clean, treated water back into the ecosystem is integral to our water stewardship goals. Advanced effluent treatment plants ensure that 100% wastewater generated across all our manufacturing facilities is effectively treated and meet stringent quality standards before being discharged back into the ecosystem. In 2025, we continue to uphold wastewater management as a key priority for reducing our environmental footprints.

Clean water for all

Globally, access to clean water remains a growing concern. To mitigate this and advance our journey towards water positivity, constant endeavors are being made to use water more responsibly and reduce overall water consumption throughout the value chain. Continued emphasis on initiatives such as rejuvenating water sources, maintaining ponds, and replenishing groundwater, along with various others, is also strengthening access to clean water for our communities.

Responsible production

In an effort to minimize groundwater stress, we have adopted responsible production practices. 6 plants, of the total 38 plants in India, fall under "over-exploited"/ "critical" category of Central Ground Water Authority of India. These plants contributed only 9.4% of total production volumes in 2025, while the remaining 90.6% was produced by the other 32 plants.

28
Manufacturing Plants certified safe for use of surface water by Central Ground Water Authority of India

6
Plants categorized as 'Critical' or 'Over exploited'

4
Plants are categorized as 'Semi-Critical'

Water audit

DQS India conducts regular water audits across all our manufacturing plants in India, ensuring that our water sustainability efforts remain aligned with our ambitious ESG goals.

Audit Report Key Findings

CY	Water consumption (In Billion Liters)	Beverage production (In Billion Liters)	Water usage ratio	Water recharge (In Billion Liters)	Water recharge ratio
2019	4.12	2.12	1.94 times	7.22	1.75 times
2020	3.74	1.95	1.92 times	10.19	2.72 times
2021	4.86	2.57	1.89 times	11.10	2.28 times
2022	6.32	3.72	1.70 times	12.79	2.02 times
2023	6.50	4.14	1.57^ times	12.95	2.00 times
2024	7.27	4.65	1.56^ times	15.54	2.14 times
2025	7.20	4.79	1.50 times	16.80	2.34 times

^Steady state WUR was 1.54 times in 2023 and 1.50 times in 2024, the differential is on account of stabilization of 2 new greenfield plants in 2023 and 3 new greenfield plants in 2024

Rejuvenation of Water Bodies (RWB)

In 2025, we reinforced our commitment to rejuvenate local water bodies in an effort to reduce water scarcity and support the lives and livelihoods of local people and farmers across multiple regions. Launched in 2024, the Community-Led Rejuvenation of Water Bodies (RWB) program is run in collaboration with IIT-IIT, a non-profit foundation, and follows a two-pronged approach:

Desilting of water bodies
to restore their capacity

Facilitating nutrient-rich silt to the farmers
for better crops and livelihood opportunities

Powered by advance technology

All water programs at VBL are powered by GIS-based IIT-IIT technology platform, transforming real-time water data into interactive visual maps and analytical dashboards. By providing accurate measurement of water capture across water bodies and monitoring our water programs at multiple levels, it enables us to make data-driven decisions, boost program efficiency, and achieve long-term sustainability.

Progress overview 2025

16.8 Billion Liters

Water capture capacity added
(1.26 Billion Liters since 2024)

More than water stewardship: A multi-dimensional sustainability program

What started as a water sustainability initiative now positively impacts the lives of those involved in more ways than one. Embracing a holistic approach, the RWB program has made farming more sustainable and generated wide-ranging social and environmental benefits, some of which include:

- Capacity restoration efforts in water bodies have resulted in improved availability of water, allowing farmers to cultivate a second crop and enjoy better financial status
- Additional water-based opportunities like fisheries and livestock farming have opened up, boosting rural economies
- Improvement in hygiene and sanitation within communities is observed due to enhanced water availability
- Soil quality has improved due to easy access to nutrient-rich silt, leading to better yields and a significant reduction in reliance on fertilizers and irrigation water
- Women spend lesser time and effort in fetching water and are free to focus on other important activities



30%
Average increase in yield

10%
Reduction in water usage for irrigation due to silt application

20%
Lesser fertilizer dependence due to application of silt

Looking ahead: Accelerating sustainable impact

Water conservation remains a key focus area as we progress in our sustainability journey. We are continuously scaling up our RWB program, enhancing water capacity and transforming lives across new locations.

In 2024, we undertook the responsibility of Basin Leader for the Yamuna Basin under the India River Basins Collective Action Program (UNCEO Water Mandate). We will continue to collaborate and progress in this role, strengthening water resilience across the Yamuna Basin, and serving as a catalyst for water sustainability efforts.



Water Bodies: Impact Assessment

Ponds and other water bodies act as natural water storage systems, capturing rainwater and recharging groundwater, creating a more reliable local supply of water and improving water resilience in the long-term. Recognizing this, VBL has committed to maintaining and rejuvenate 300+ water bodies.

Designed to evaluate these water bodies, the report assesses the socio-economic and environmental impact of VBL's Water Rejuvenation Project. The parameters outlined in this report reflect the extent of the program's impact on the lives and livelihoods of local communities, including those around our manufacturing plant in Sandila.

Framework

The report has adopted the IRECS Framework (Inclusiveness, Relevance, Expectation, Convergence and Service Delivery) for impact assessment.

How was impact assessed

Step 1: Survey

A primary household survey, aimed to assess the impact of the intervention at socio-economic and environmental levels, was conducted in nearby villages.

Step 2: Questionnaire

A detailed survey questionnaire was prepared based on interactions with the VBL team and secondary references.

Step 3: Data collection

Data was collected from the relevant stakeholders through Survey CTO app, a digital data collection tool. Efficiency was ensured through advanced app features such as offline data collection, image capturing and geo-tagging.

Step 4: Extensive sampling

To evaluate the holistic impact of the project on communities, we interacted with a diverse sample set, including 180 households. Unstructured interviews and FGDs were also conducted to gain deeper socio-economic and environmental impact insights.

Multi-dimensional impact

Conservation and rejuvenation of natural water bodies by VBL have a multi-dimensional impact on the society, economy and environment. Improved access and availability of water is not only boosting irrigation and facilitating better livelihood opportunities for the farmers but also improving our underground water levels and enhancing biodiversity.

1 Socio-economic impact

India, a predominantly agrarian country, relies heavily on ponds for consistent water supply for irrigation, stable yields and better livelihood opportunities for the farmers. Improving water capacity in ponds has positively impacted agriculture and agrarian communities by enhancing soil fertility, biodiversity, and crop resilience. Improved underground water levels are also contributing to the long-term goal of climate change mitigation and enhancing the overall ecosystem.

Impact at a Glance

Sustained management of natural resources → Climate change mitigation → Improved quality of life → Boost to sustainable livelihoods

Key Socio-Economic Benefits of Pond Construction and Maintenance

- Greater water storage and conservation
- Better access to irrigation facilities
- Increased area under irrigation
- Improved land productivity and soil fertility
- Better crop productivity
- Enhanced crop diversification
- More household income and savings
- Increase in groundwater and surface water level
- Enhanced green cover and biodiversity
- Increase in livestock productivity and product yield

Better Earnings & Financial Resilience

Improved access to and availability of water has led to better crop yields and additional economic opportunities for rural communities, resulting in higher household incomes and improved savings. Enhanced livelihood is strengthening financial security and enabling farmers to enjoy a better quality of life, including improved access to education, healthcare and other essential amenities.

19%
Savings

56%
Social & family functions

19%
Investment in additional income generation activities

10%
Better food & household consumption

63%
Child education

60%
Family health & well-being

31%
Purchase of household assets

Empowering Small and Marginal Farmers

A significant impact of pond construction and maintenance by VBL was experienced by small and marginal farmers, who are now repeating benefits such as improved productivity, enhanced incomes and financial resilience.

68%
Ability to take up water-intensive crop

93%
Ability to take-up crops in multiple seasons

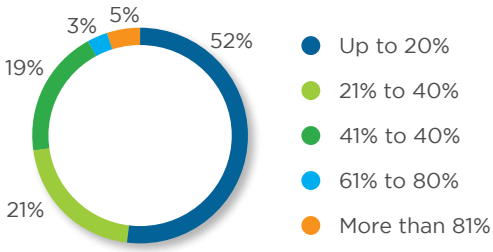
87%
Increase in variety of crops in same season

28%
Increase in household consumption of crops

Change in cropping pattern

	Before	After
Spices	13%	16%
Oilseeds	54%	57%
Flowers	3%	2%
Fruits	4%	9%
Vegetables	37%	49%
Commercial	21%	22%
Pulses	54%	56%
Cereals	100%	100%

Improved crop yield



Key Metric Reflecting Improved Quality of Life

Better financial stability is enabling the communities to invest in their health, nutrition, education and asset-building, thereby improving the overall quality of life. Reduced uncertainty associated with water stress is also boosting mental peace and strengthening social relationships, while contributing to more opportunities for personal development.

3%
Experienced personal development

17%
Improved inter-personal relations

31%
Mental well-being

95%
Physical well-being

52%
Material well-being

2 Environmental impact

Ponds play a crucial role in strengthening the environmental fabric and ecological resilience of rural regions. Diverse aquatic species rely on ponds as their natural habitat. Restored and well-maintained ponds also contribute to improved groundwater levels and a significant increase in green cover. Moreover, they serve as catchment basins, reducing soil erosion and preserving soil fertility. The contribution of ponds in lowering sedimentation and enhancing local microclimate is also notable.

Impact at a Glance

- Improved access to water in ponds
- Decrease in efforts to access water from handpumps
- Increase in water levels in well across the year
- Lesser time required for irrigation from borewells

Survey Insights: Key Environmental Benefits of Pond Construction and Maintenance

Ponds sustain various life forms and contribute immensely in maintaining the ecological balance. VBL's initiatives in constructing and rejuvenating these vital water resources have considerably enhanced biodiversity across both flora and fauna, mitigated climate change and improved economic stability in surrounding communities.

39%
Increase in birds and insects

72%
Growth in livestock

31%
Increase in types of flowers

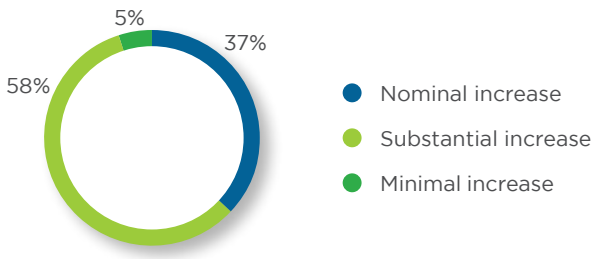
91%
Expansion in tree/ plant species

15%
Increase in riverine/ aquatic animals

50%
Rise in terrestrial animals

90%
Enhanced green cover

Improvement in Groundwater Level



Sources showing increase in water level (in %)

Hand pump	61
Water body	50
Farm pond	31
Dug well	55
Borewell	81

Driving Positive Outcomes for Farmers

Year-round water supply from ponds reaped multiple benefits for the farmers and their families, substantially improving their income and quality of life.

18%
Farmers took up cropping in lean season

44%
Families stopped migration

66%
Households increased area under irrigation

66%
Farmers enjoyed reduced cost of irrigation

43%
Enjoyed higher cost-efficiency on irrigation

65%
Experienced an increase of up to ₹ 50,000 on income



Survey Insights - Assessing Positive Environmental Impact

38%
Improved aesthetic beauty

17%
Improvement in micro-climatic condition

46%
Improvement in fertility and quality of soil

93%
Increase in groundwater level

9%
Water conservation

9%
Resilience to water logging/floods during rain

91%
Increase in level of surface water sources

Impact assessment of water ponds and biodiversity: Methodology and sample approach

Promoting water resilience

At VBL, ensuring that water at all our facilities is conserved, treated and recycled, goes beyond regulatory compliance. We firmly believe in ensuring clean, safe and adequate water for our future generations and are committed to adopt and monitor sustainable water management policies and practices at every step of our operations. Our collaboration with DQS India is aligned with this ambition and strengthens our water conservation efforts.

All our manufacturing plants in India are subject to a comprehensive audit by DQS India, keeping us aligned with international best practices for sustainability. The audit follows stringent validation and assessment process to measure the impact of our water conservation and recharge efforts, culminating in the issuance of a water footprint assurance certification. Prior to this, our water management practices were audited by TÜV India Pvt. Ltd., ensuring robust governance and strengthening transparency.

Managing Plastic Waste Efficiently

Responsible management of plastic waste is integral to our sustainability strategy. By applying the principles of circular economy and consistent with our commitment to reduce, reuse and recycle, we maximize collection of used PET bottles and other plastic wastes – recycling them into products of value. Over the years, multiple programs and stakeholder engagement activities have delivered significant outcomes, enabling us to considerably lower our environmental impact.

Key focus areas for plastic waste management

Three strategic priorities have been identified to minimize plastic waste generation and manage it more effectively, They are:

Weight reduction of preforms | **Manufacturing of r-PET** | **Plastic waste recycling**

1 Key focus area: Weight reduction of preforms

Pre-forms are intermediate plastic components used to manufacture final packaging materials used by Varun Beverages. By aiming to reduce their weight, we strive to directly reduce the raw materials consumed and decrease related energy requirements and GHG emissions, thereby minimizing our environmental footprints.

Key Highlights

10-20%
Weight reduction of pre-forms (Grams) in packs of 600 ml to 2.25 liters (2010-2025)

20-25%
Weight reduction of closures (Grams) in packs of CSD/Juices/Waters (2010-2025)

Weight Reduction of Preforms (In Grams)

Pack size	2010-14	2015-19	2020-25	Net reduction (%)
600 ML	25.5	22.2	22.2	12.9
750 ML	34.7	30.7	27.1	21.9
1.0 L	21.0	21.0	19.0	9.5
1.25 L	36.0	34.7	32.5	9.7
2.25 L	52.5	50.7	47.0	10.5

* in selected products

Weight Reduction of Closures (In Grams)

Pack size	2010-14	2015-19	2020-25	Net reduction (%)
1.25 L	3.15	2.75	2.35	25.4
2.25 L	1.70	1.50	1.35	20.6

* in selected products

2 Key Focus Area: Manufacturing of r-PET

Reducing plastic consumption and waste is a key priority in our sustainability roadmap. Sustainable sourcing and packaging practices adopted by Varun Beverages is helping in considerable reduction of environmental footprint. Through a joint venture with Indorama, we are consistently increasing the share of r-PET in our total PET packaging. Using r-PET - plastic produced by recycling post-consumer PET waste, is reducing our dependence on virgin plastic, thereby diverting plastic waste from landfills. Aligned with the 3R approach and the principles of circular economy, we utilized 13% r-PET in our total PET packaging in 2025.

13% r-PET

22,000 MT utilized in total PET packaging in 2025

50% r-PET

To be utilized in total PET packaging by 2030

3 Key Focus Area: Plastic waste recycling

In our ambition to advance circular economy goals and reduce environmental harm, we are actively recycling plastic waste across our operations. A series of measures and initiatives have been deployed across the value chain to reclaim products after consumption, recycle plastic waste, and reduce waste to landfill.

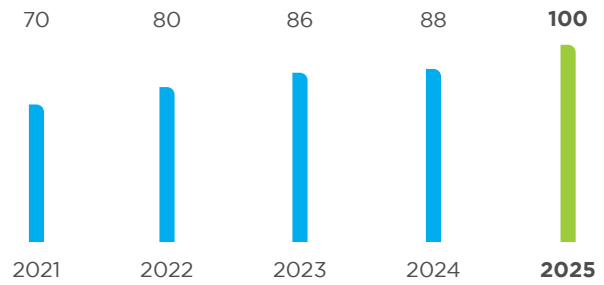
In CY 2025, we recycled 208,080 MT of used PET bottles, with cumulative recycling reaching ~8 lakh MT since 2019.

Recycling Pet Bottles

Plastic recycling at VBL extends beyond regulatory compliance; it is a crucial pillar of our long-term sustainability strategy. In 2025, 208,080 MT PET bottles were consumed. We recycled 100% of our PET consumption. By recycling 100% of the total PET bottles, we complied the regulatory obligations under the Extended Producer Responsibility (EPR) framework.



Plastic waste recycling (%)



***Target : 100%**

*Plastic waste recycled per Kg of PET sold in finished products. Plastic waste includes PET, shrink film, plastic closures, labels and laminates post consumption

Various other recycling initiatives were also taken to reduce plastic waste at various points. They include:

- Placed dustbins on direct vending machines
- Enabled direct collection from institutions
- Spread awareness through government agencies
- Collaborated with IDVB Recycling Operations Pvt. Ltd. for recycling of used PET bottles

Recycling process of plastic waste

A state-of-the-art recycling facility and comprehensive processes optimize recycling of plastic waste at VBL.

Used PET bottles are collected and cleansed

PET bottles are sliced into small flakes

They are then converted into fiber

The fiber is converted into yarn

Fabric is made out of the recycled yarn

The fabric is finally stitched into various products

Products and packaging reclaimed at end-of-life products

Input material	CY 2024			CY 2025		
	Reused	Recycled	Safely disposed*	Reused	Recycled	Safely disposed*
Plastics (in metric tons)	–	181,887 (88%)	–	–	208,080 (100%)	–
Hazardous waste - Sludge	–	–	1,640	–	–	1,672

*Safely disposed through authorized vendors.

Category of plastic recycled

Category	CY 2024	CY 2025
Resin	164,922	165,767
Shrink	13,931	14,427
Label	7,118	7,154
Closure	17,397	18,135
Tetra	3,315	2,598

Collaborating for A Cause: Partnered with Gem Enviro Management

In an effort to further our plastic recycling goals, we have partnered with GEM Enviro, a Delhi-based CPCB-recognized Producer Responsibility Organization (PRO). Leveraging their expertise in collecting and recycling plastic waste – also converting them into T-shirts, bags and other merchandise, we are on a journey to recycle 100% PET bottles in a phased manner.

CY 2025: Generating Solid Impact

Partnership with GEM Enviro strongly supports our sustainability goals and is generating a significant impact by building awareness, sensitizing communities, and incentivizing the ragpickers.

Built awareness for 500+ Ragpickers in CY 2025

2,000+ General public sensitized through awareness programs

Increased waste collection by incentivizing ragpickers

Safe, clean and plastic-free environment

Generated greater income for ragpickers by connecting them with buyers requiring recyclable waste

VBL & GEM: Driving sustainability together

Our initiatives for efficient waste management, in partnership with GEM, includes:

Plastic waste disposal awareness campaign

An awareness campaign was conducted to encourage responsible disposal of waste.

We engaged 3,000+ participants from Nagar Nigam, sanitation staff, ragpickers, and their families across Uttar Pradesh, Rajasthan, and Haryana. The campaign included activities like the Swacchta Abhiyan, informative talks, slogan-writing contests, displays, distribution of recycled PET products, and creative programs to promote responsible plastic disposal.

Bottle crushing machine installation

Bottle crushing machines were set up to streamline the recycling process and reduce plastic waste.

Ragpickers' awareness and support program

Recognizing ragpickers as the lifeline of waste collection drives, we took sustainable measures that ensure healthier work conditions, fair compensation, enhanced opportunities, and better quality of life for them.

Skill development programs

Skill development programs were organized to improve skills and create better and long-term livelihood opportunities for waste management participants.

Distribution of recycled merchandise

To promote the concept of best-out-of-waste and showcase the importance of recycling waste products to create valuable merchandise, recycled products such as T-shirts, masks, safety kits, and food items were distributed.

General awareness initiatives

Awareness campaigns were launched to sensitize the general public on the importance of proper plastic waste disposal, clean cities, and a greener environment.



Direct waste collection

In an effort to collect end-of-life products and prevent them from ending up in landfills, strategic waste collection initiatives were implemented. They included reverse vending machines, strategically placed dustbins, and direct pickups from institutions such as hotels, banquet halls, and exhibitions.



Powering Energy Efficiency

Energy efficiency at VBL is driven through a two-pronged approach – increasing the share of renewable energy and implementing process improvements to reduce overall energy consumption. Through capacity enhancement, innovation, adoption of latest technologies, and embedding responsible energy practices throughout the value chain, we aim to advance our sustainability journey and ensure a better, more resilient planet for generations to come.

Key focus areas for optimizing solar & wind energy

Improving our capability to generate electricity through wind and solar sources through the below-mentioned initiatives is a key focus area to strengthen VBL's commitment to net-zero.

Installing rooftop for solar panels | **Open access RE contracts** | **Latest technology energy-efficient machines** | **Process improvements** | **21% Renewable Energy Mix**

CY 2025: Key Milestones

~108 Million kWh units electricity
generated through renewable sources, equivalent to annual power consumption of **~19,500*** households

*As per company estimates

Optimal Energy Consumption



Energy efficiency: Core initiatives & interventions

Sustained outcomes require continuous efforts. By consistently pushing our boundaries and adopting a series of innovative measures and incremental improvements in our processes, we are achieving our energy-efficiency targets year on year. Specific initiatives taken in CY 2025 include:

Boosting sustainability: Transitioning to electric delivery fleet

In addition to adopting various energy-efficient measures across operations, we aim to embed sustainability into last-mile delivery. A fleet of 2,100 electric vehicles is being built towards this, in collaboration with our distributors. The investments mark a notable milestone in our sustainability journey and will significantly contribute towards climate positivity.



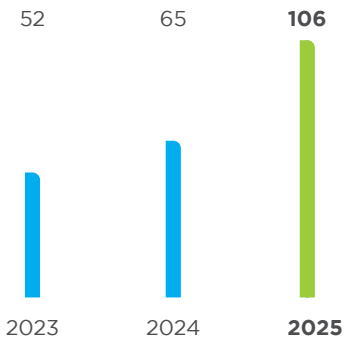
Energy Consumption at a Glance

Renewable and Non-Renewable Sources

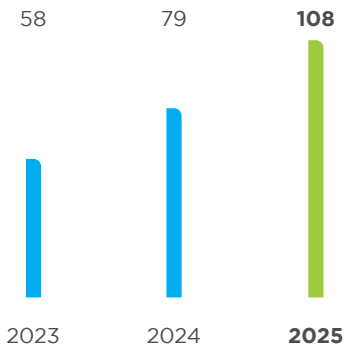
Renewable Sources	CY 2024	CY 2025
Total electricity consumption (A) Grid + Wind/Solar	2,84,269 GJ	3,86,690 GJ
Total fuel consumption (Briquette, Firewood) (B)	8,65,990 GJ	10,56,907 GJ
Energy consumption through other sources (C)	–	–
Total energy consumed from renewable sources (A+B+C)	11,50,259 GJ	14,43,597 GJ

Non-Renewable Sources	CY 2024	CY 2025
Total electricity consumption (D)	14,68,800 GJ	13,84,384 GJ
Total fuel consumption (E)	2,20,684 GJ	1,79,617 GJ
Energy consumption through other sources (F)	–	–
Total energy consumed from non renewable sources (D+E+F)	16,89,484 GJ	15,64,001 GJ
Total energy consumed (A+B+C+D+E+F)	28,39,743 GJ	30,07,598 GJ

Increase in Renewable Power (in MW)

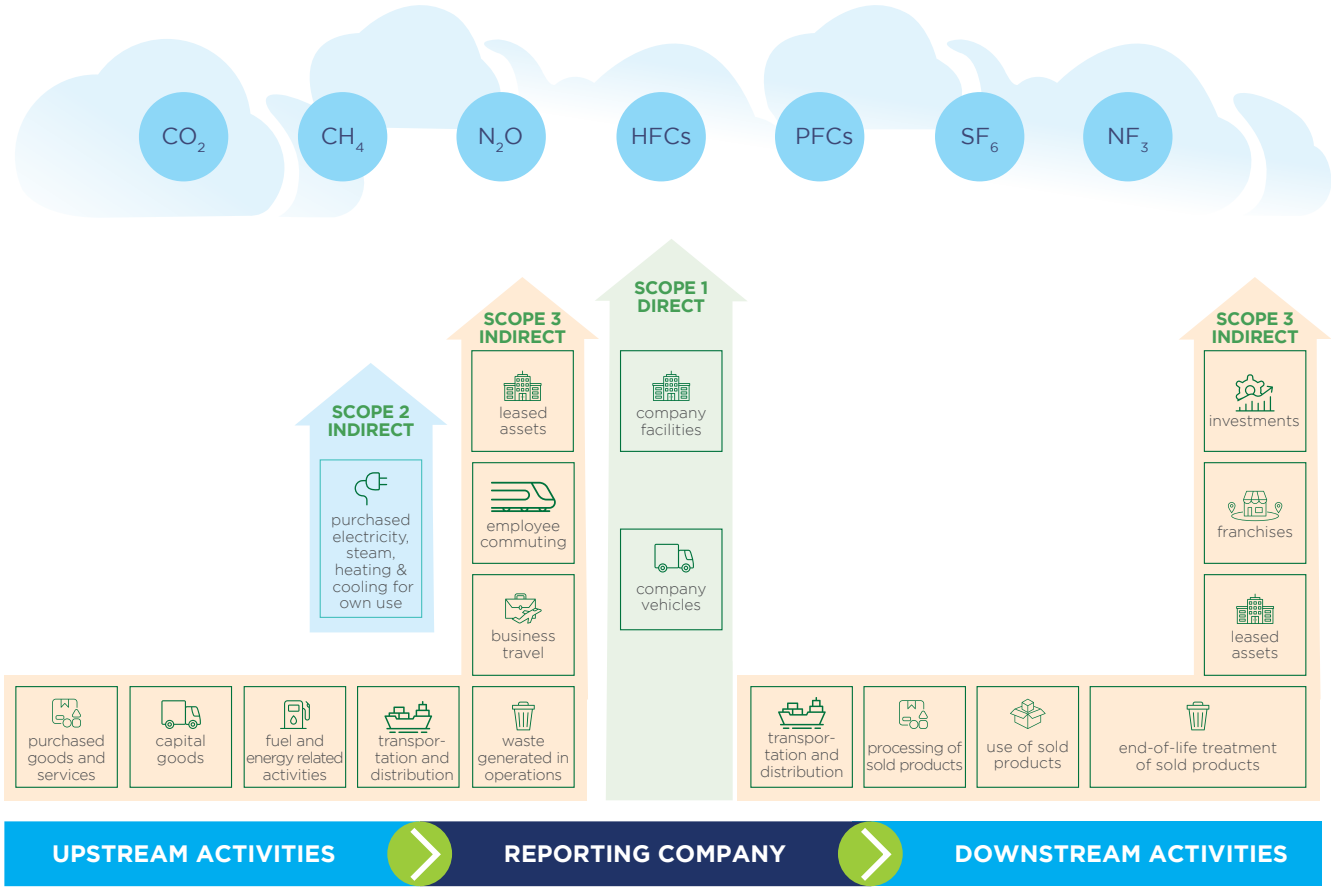


Renewable Energy Generated (in Million kWh)



Driving Ecosystem Resilience: Minimizing Our Carbon Footprint

At the core of our sustainability agenda is our effort to reduce carbon footprints. At Varun Beverages, consistent measures are taken to lower GHG emissions across direct and indirect sources. From implementing best-in-class technologies and ensuring process improvements to optimizing energy-efficiency, effective waste management and tree plantation, we are making steady progress in our journey toward a cleaner and safer ecosystem.



GHG Emissions: An overview

Reducing our carbon footprints involves careful monitoring and evaluation of GHG emissions across our direct and indirect sources. VBL's collaboration with Deutsche Quality Systems (India) Pvt. Ltd. (DQS India) enables an extensive carbon footprint assessment for all manufacturing facilities across India and international geographies. Committed to accuracy, transparency and high-quality, the assessment was conducted in strict adherence to the GHG Protocol and ISO 14064-3:2019 standards.

The emissions have been categorized into three distinct categories - direct GHG emissions, Biogenic CO_2 emissions, and indirect GHG emissions - details of which have been stated below.

1 VBL'S Total GHG Emissions from operations in India and International territories: CY 2025

In CY 2025, VBL generated 3,427,494 $MTCO_2e$ of carbon emissions, a break-up of which is given below:

Total GHG emissions CY 2025

Scope	GHG Emissions (tCO_2e)	Biogenic Emissions (tCO_2e)	% of total Emissions
Scope 1	82,393	85,057	2.4%
Scope 2	345,821	0	10.0%
Scope 3	2,999,279	0	87.6%
Total emissions	3,427,494	85,057	100%

2 Direct GHG Emissions

Direct GHG emissions refer to emissions from sources which are owned or controlled by Varun Beverages. Scope 1 emissions for VBL in CY 2025 is 82,393 $MTCO_2e$.

Calculating direct GHG emissions (Scope 1)

Step 1

Emissions from sources that are owned or controlled by VBL are called direct GHG emissions

Examples:

- Combustion of fuel in stationary equipment like Coal, LPG, DG sets, etc.
- Combustion of fuel in mobile equipment like forklifts, vehicles, aircraft
- Fugitive emission like refrigerants & fire extinguishers

Step 2

Activity data is collected at site level by VBL. It is measurable and indicates the fuel or energy consumed by VBL. Data is derived directly from:

- Purchased order bills
- Electricity bills
- Meter readings of Electricity Board, etc.

Activity data must be:

- Precise
- Transparent
- Complete
- Reliable
- Accurate in information
- Consistent
- Reproducible

Step 3

Collection of activity data is prioritized to ensure high quality and reduce uncertainty of calculations. Once collected, conversion factors are employed to convert into GHG reporting metrics. The uncertainty lies in the conversion factors.

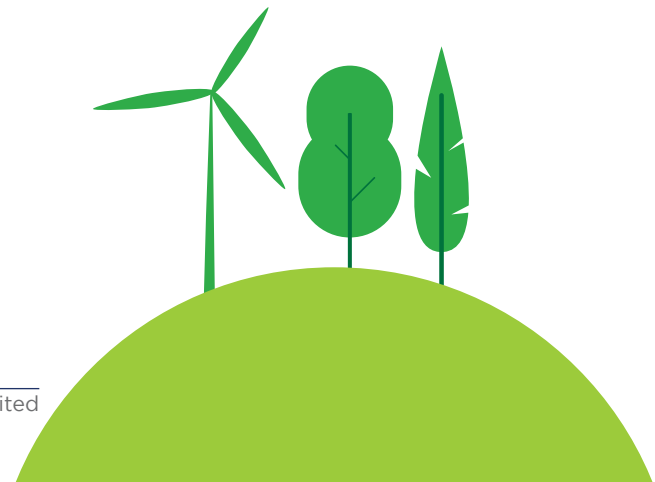
In CY 2025, Varun Beverages Limited's biogenic emissions is 85,057 $MTCO_2e$, generated through use of briquettes, cashew cakes and fire wood in manufacturing plants' boilers

3.1 Scope 2: Electricity Indirect GHG Emissions from purchased electricity

- Scope 2 GHG Emission refers to the emission related to purchased electricity - electricity that is not generated but consumed by the company. Such emissions occur physically at the place where electricity is generated.
- In CY 2025, Varun Beverages Limited's Scope 2 emissions is 345,821 $MTCO_2e$.
- VBL is investing extensively in the renewable energy rooftops installations and captive power open access PPAs to increase the renewable energy contribution in overall electricity consumption.

3.2 Scope 3: Other Indirect GHG Emissions

- Scope 3 emissions arise from the products and services of a company and are induced by its activities, but occur at sources beyond its ownership or control.
- Varun Beverages Limited's Scope 3 emissions (including biogenic emissions) for CY 2025 is 2,999,279 $MTCO_2e$.
- For VBL, the Scope 3 emission sources considered are emissions generated majorly from raw materials purchased, capital goods procured, visi coolers electricity consumption, downstream and upstream transporation and other indirect emission categories.



Operational boundaries across different scopes

GHG Emissions (grams of CO_2e/ liter of production) for India and International territories

SCOPE 1

2025	2024	2023
12.0	13.8	14.3

(Includes direct emissions from fuels and gases consumed by sources owned or controlled by VBL)

SCOPE 2

2025	2024	2023
50.2	55.3	58.9

(Includes indirect emissions associated with purchase of electricity)

SCOPE 3

2025	2024	2023
435.5	489.6	500.6

(Includes energy consumption, refrigerant emission of visi-coolers placed with retailers and fuel consumption from employee commuting, business travel by air, rail and road, and upstream and downstream transportation)

TOTAL

2025	2024	2023
497.7	558.7	573.8

(Total GHG Emissions from Scope 1, 2 & 3)

(Figures in grams of CO_2e/liter)

Intensity of GHG emissions per liter production of beverage - Key observations

2023	2024	2025
0.57 $KgCO_2e$/Liter	0.56 $KgCO_2e$/Liter	0.48 $KgCO_2e$/Liter

Note:

We have adopted the SBTi methodology for calculating GHG emissions starting from CY 2024. Consequently, the GHG emissions for CY 2023 have been restated using this approach.

Looking ahead

Target

- **Net Zero by 2050**
- **Increase in Renewable Energy share: ~30%** Renewable Energy Mix by 2030

Key drivers: How will we achieve this?

- Increasing the use of renewable energy
- Optimizing product transportation
- Vending and cooling
- Tree plantation

Taking the Next Leap: Key Drivers

Four strategic levers have been identified to fulfill our target of Net Zero by 2050 and increasing the renewable energy share in electricity by 30% by 2030. They are:

1 Higher renewable energy share

- We shall continue to expand our renewable energy capacity through new solar rooftop installations and open access Power Purchase Agreements (PPAs).
  - Consistent efforts will be made to enhance energy efficiency and lower carbon emissions. Measures will include implementation of advanced, energy-efficient machinery and undertaking process improvements for reduction in energy consumption.
  - Best-in-class energy-saving practices, such as optimizing chillers, air compressors, high-efficiency motors and drives, and LED lighting, will conserve energy and reduce emissions.

2 Optimized product transportation

- We are consistently working towards optimizing network routes for transporting our products. Reduction in miles driven will significantly lower fuel consumption.
- Continued efforts are made to optimize existing fleet and improve fleet performance by reducing static weight, ensuring better aerodynamics, and regular maintenance.
- Using alternative fuels is being explored as a sustainable approach to lower GHG emissions. We are transitioning to lower-carbon fuels and switching to electric and other renewable energy sources for transportation. Over 2,100 EVs have been deployed till date for last-mile delivery.

3 Vending and Cooling

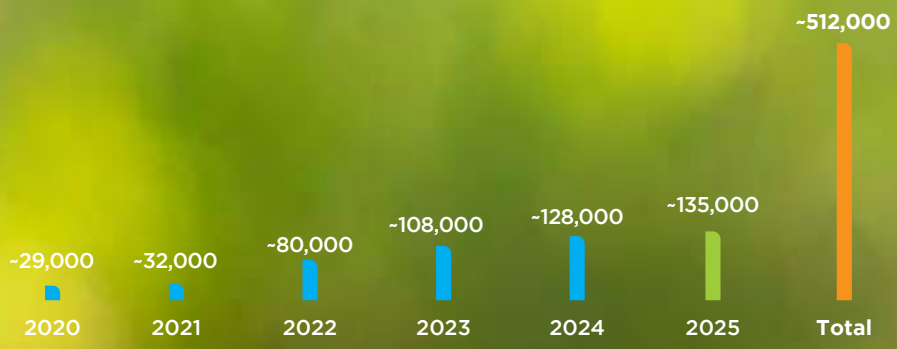
- Our transition to energy-efficient visi-coolers using R290 refrigerant since 2023 has garnered an impressive impact.
- We are expediting the rollout of visi-coolers with inverter-based technology, enhanced insulation, and green refrigerants.
- Implementing tracking systems to monitor and optimize cooler usage.
- Exploring and introducing renewable energy-powered visi-coolers.

4 Tree Plantation

- Tree plantation, other than serving as a foundational pillar for offsetting our carbon footprints, is also contributing to our commitment to biodiversity and safeguarding the ecosystem. Since 2020, we have planted a cumulative ~512,000 saplings, with ~135,000 planted in 2025 alone.



Protecting our planet, one tree at a time



Global recognition

Consistent efforts, supported by thorough monitoring and assessment of our sustainability goals, have strengthened our position in advancing sustainable practices. Aspiring to achieve Net Zero GHG emissions by 2050, our ambitious goal has been officially validated by the Science Based Targets initiative (SBTi).



Responsible Sourcing Practices

Our responsibility is not limited to our manufacturing process; it also includes how our raw materials are sourced. At VBL, we recognize that environmental and social footprints of our products begin much earlier in the value chain – from the way raw materials are produced to how they are transported and beyond. By integrating responsible sourcing practices and through meaningful engagement with our suppliers, we strive to drive energy efficiency, promote effective waste management, minimize emissions, encourage positive climate action, prioritize supportive work environment and foster overall well-being across the value chain.

Value chain partners assessed for environmental and social impact

90%+
Raw material suppliers

90%+
Capex suppliers

Evaluating environmental impact

VBL's Supplier Code of Conduct mandates suppliers to operate in an environmentally responsible manner. Aligned with our expectations, our suppliers:

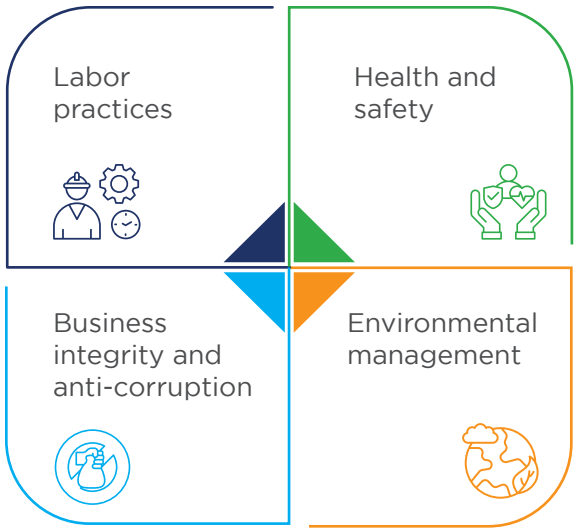
- Abide by sustainability guidelines and comply with waste disposal and pollution control regulations
- Continuously innovate to source high-quality raw materials while limiting their carbon footprints
- Operate in an energy-conscious way, taking initiatives to increase energy-efficiency, transition to renewable energy sources, and replace conventional fuels with eco-friendly briquettes
- Fulfill water requirements through third-party suppliers or, where available, groundwater
- Accelerate tree plantation efforts for a greener future

We closely track the progress of our responsible sourcing goals with key raw material and packaging suppliers, who account for over 90% of our overall purchases. This enables us to align their practices with our sustainability objectives.

Supplier Code of Conduct

Sourcing our raw materials in an ethical and responsible manner is embedded into our operating philosophy. PepsiCo's Global Supplier Code of Conduct supports us in this ambition. Rigorously applied to all suppliers, agents, consultants, vendors, and contractors as a condition for doing business with PepsiCo and its affiliate, the code of conduct aligns them to our work ethics and sustainability goals, reducing our carbon footprints across the value chain.

Supplier Code of Conduct: Key Areas of Compliance



Suppliers Contribution to Sustainability: Responsible Sourcing Initiatives

We thank our suppliers for adhering to the Code of Conduct and implementing sustainable measures to ensure that the raw materials are sourced responsibly and with minimal environmental impact. Key initiatives include:

Conserving water

- Installation of water treatment plant
- Implementing Pressurized Jet Sprays for cleaning purposes instead of direct water usage
- Use of treated water for gardening and sanitation purposes
- Adoption of ponds in nearby villages and recharging groundwater
- Rainwater harvesting to improve groundwater level

Towards energy efficiency

- Electricity generation from renewable energy sources like solar power and wind power
- Installation of energy-efficient types of machinery in production lines
- Using bagasse cane residue as biofuel for generating steam through boilers

Responsible waste management

- Proper recycling of all kinds of waste like plastic waste, e-waste, hazardous waste

Tree plantation

- Tree plantation drives to maintain green belts around manufacturing units



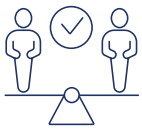
Supplier	Material Supplied	Initiatives Taken
PepsiCo India	Concentrate	Multiple sustainability initiatives have been taken to reduce GHG emissions, drive positive environmental outcomes and foster community welfare. They include: ▪ Reduction in energy consumption & maximizing renewable energy share ▪ Reduction in water usage & wastage ▪ Developing rainwater harvesting pits and ponds ▪ Manure machine for recycling of food waste
Reliance Industries Limited	PET Resin	As a part of the Net Zero and New Energy plans, Reliance has committed to establishing 20 GW of solar energy generation capacity by 2025, which will be entirely consumed for our captive needs of round-the-clock (RTC) power and intermittent energy for Green Hydrogen
DCM Shriram	Sugar	▪ Sets rotary dryer for bagasse drying, utilizing waste flue gas from boilers. Fresh bagasse's moisture content of 48% to 50% is reduced to 12% with more efficient utilization of bagasse biofuel. This is a unique, one-of-its-kind initiative to reduce fuel consumption ▪ Owns Bio-Lab which produces bio-fungicides and bio-pesticides instead of chemical fungicides and pesticides used by farmers for cane crop ▪ Awarded Best Energy Efficient Plant in sugar sector by Bureau of Energy Efficiency (BEE), for being the lowest power consumption per ton cane
Triveni Engineering	Sugar	Diverts B-category heavy molasses to distillery for ethanol blending in petroleum products
Tetra Pak	Packaging material	Procures 100% paper board from Forest Stewardship Council certified supplier and 100% Aluminum foil from Aluminum Stewardship Initiative member supplier
Tasa Foods	Fruit pulp	Uses dried mango seeds as biofuel and decomposing fruit waste into manure provided to farmers
SIDEL Blowing Services S.A.S.	Manufacturing lines	▪ Committed to ISO 14001 environmental certification to reduce impact on the environment and promote sustainability development. It is committed to recycling PET (notably with the development of PET recycling line: rPET) ▪ Uses 100% Green energy for all processes. It has taken measures to make energy-efficient equipment to help in reduction of energy consumption. For example, Blowers with 45% energy saving, AQflex conveyors with 70% saving, Shrinkwrapper with 52% saving
HUSKY Injection Molding Systems SA	Packaging Lines	▪ Supports use of bio-resins in hot runner applications. Optimized hot runner systems to reliably run bio-resins and accommodate challenges arising in production ▪ Launched UltraMelt platform to lower the risk of melt degradation, oxidation and discoloration; a highly effective solution to meet processing needs of bio-resins consistently

Evaluating social impact

In addition to caring for the planet, responsible sourcing practices place equal emphasis on prioritizing people and communities across the value chain and promoting their well-being. Our suppliers comply with human rights and regulations and adhere to stringent policies, ensuring a fair, equitable, safe and healthy work environment for all. Some steps taken by them towards this include:

Empowering the workforce: Key initiatives by suppliers

Human Rights, Equity and Fair Labor Practices



- Strict compliance to policies related to Freedom of Association and Rights to Collective Bargaining, Child and Forced Labor, Gender Equality and Non-discrimination
- Limiting the maximum number of working hours to 48 hours per week as per Government norms (with overtime reimbursement, if required, under special circumstances)

Safe & conducive work environment



- Providing a clean, hygienic and friendly work environment
- Adhering to Occupational Health & Safety Standards
- Supporting and guiding on prevention of work-related injury and ill health
- Conducting regular health check-up of employees
- Providing easy access to dispensary and mobile vans

Occupational Health & Safety Systems and Preparedness



- Provision of Occupational Health and Safety (OHAS) Management System to ISO 45001:2018 certified suppliers (as specified)
- Organizing safety drills to check emergency preparedness in case of mishappening

Employee training & capacity building



- Conducting periodic training on company policies such as POSH, OHAS and Industrial Hygiene
- Well-defined SOPs and policies with easy access to employees

Employee grievance redressal



- Special taskforce for employee grievance resolution
- Structured mechanism for timely redressal of employee concerns



Social Sustainability

84 People at the Core of Our Growth

94 Prioritizing Employee Safety

98 Meeting Global Standards for Product Safety and Quality

100 Shaping a Balanced Portfolio for Healthier Choices





People at the Core of Our Growth

People are integral to our success and a critical contributor to our ESG goals. At Varun Beverages, our growth is intrinsically linked to our commitment to building a workforce that feels safe, valued, and empowered. Since 30 years, a people-centric culture has nurtured a workforce that is skilled and motivated to deliver high-performance, enabling our people to grow alongside the organization. Structured people engagement and comprehensive welfare programs are further designed to promote holistic wellness and foster a resilient workforce equipped for long-term success.

ESG-linked employee performance

In a strategic move, Varun Beverages has linked its employee performance and incentives with the organizational ESG principles and goals. Establishing a Board-approved ESG-linked incentive framework for employees reflects the pivotal role they play in advancing our ESG journey and integrates sustainability into the way we operate. The framework is applicable to all employees, including KMPs and Board members.

ESG-linked incentive framework – Overview



All steps are aligned with global benchmarks and PepsiCo's best practices

Fostering an empowering work culture

A collaborative and employee-centric culture at VBL positions our employees for high-performance and sustainable growth. By nurturing a positive and empowering work environment, we successfully attract and retain top talent, shaping the leaders of tomorrow.

100%

Return to work and retention rate for permanent employees and workers that took maternity leaves

Turnover rate (%)

	CY 2023	CY 2024	CY 2025
Permanent employees			
Male	19%	20%	**25%**
Female	15%	20%	**35%**
Others	Nil	9%	**29%**
Permanent workers			
Male	4%	8%	**19%**
Female	Nil	3%	**13%**
Others	Nil	Nil	**Nil**

Inclusion and diversity

Inclusion and diversity are integral to our values and deeply embedded in our organizational DNA. By adopting a gender-neutral approach and hiring differently-abled individuals, we are not only advancing our social sustainability objectives but also harnessing value that different perspectives, experiences, and backgrounds bring.

Targeting

10%

Diversity mix by 2030

Diversity	CY 2024	CY 2025
Permanent	6.2%	**5.6%**
Other than permanent	7.7%	**7.3%**
Overall	7.2%	**6.7%**



Performance Evaluation: At a glance

Category	CY 2024 (Previous Financial Year)					CY 2025 (Current Financial Year)				
	Total (A)	Equal to minimum wages		More than minimum wages		Total (A)	Equal to minimum wages		More than minimum wages	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees										
Permanent										
Male	6,838	-	0%	6,838	100%	6,646	0	0%	6,646	100%
Female	627	-	0%	627	100%	554	0	0%	554	100%
Other	22	-	0%	22	100%	14	0	0%	14	100%
Other than Permanent										
Male	7,091	-	0%	7,091	100%	6,560	0	0%	6,560	100%
Female	250	-	0%	250	100%	233	0	0%	233	100%
Other	-	-	0%	-	0%	0	0	0%	0	0%
Workers										
Permanent										
Male	3,521	-	0%	3,251	100%	3,410	0	0%	3,410	100%
Female	33	-	0%	33	100%	30	0	0%	30	100%
Other	-	-	0%	-	0%	-	-	0%	-	0%
Other than Permanent										
Male	10,249	5,670	55%	4,579	45%	11,040	11,040	100%	-	0%
Female	883	485	55%	398	45%	927	927	100%	-	0%
Other	26	-	0%	26	100%	20	20	100%	-	0%

(₹ in Million)

	Male		Female		Others	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BOD)	3	72.09	-	-	-	-
Key Managerial Personnel	2	17.89	-	-	-	-
Employees other than BOD and KMP	6,641	0.51	554	0.43	14	0.38
Workers	3,410	0.34	30	0.29	-	-

Note:

- Non-Executive Directors (including Chairman) and Independent Directors have not received any remuneration during the year under review except sitting fee to the Independent Directors permissible under the Companies Act, 2013 and its related Rules, so the required details are not applicable for them.
- Further, for the purpose of calculation of median remuneration of KMP, remuneration paid to Mr. Rajesh Chawla has not been considered due to cessation as KMP with effect from July 29, 2025.

Promoting employee well-being

Holistic well-being of our employees is a key priority at VBL. Robust employee wellness policies and adequate medical check-ups, supporting physical and mental health of our people, have been put in place as a part of our commitment to employee health, safety and positive work experience. By integrating Visit Health App, a tech-enabled platform for booking medical check-ups and consultations, we are making healthcare more accessible and convenient for all our employees.

VBL's employee wellness initiatives

Health check-ups and consultations

- Full-body health-checkup encouraging preventive healthcare
- Doctor consultation on demand to address health-issues & concerns

Promoting mental health

- Coaching programs designed to foster emotional well-being
- Mental-health initiatives to ensure holistic employee wellness

Visit Health App

- User-friendly platform for booking medical check-ups and consultations
- Facilitates easy & unbiased access to healthcare

Compliance with Factories and Food Safety Acts

- Upholding regulatory standards by covering all employees under the Factories and Food Safety Acts
- Compliance ensures employee

Advancing inclusion: VBL's first all-female distribution center

In a significant step towards gender diversity and inclusive growth, VBL established its first all-women distribution centre, strengthening representation across frontline operations and reinforcing its commitment to creating equitable opportunities across the value chain.



Employee rewards and benefits

People are central to our value-creation journey. Our employee benefit framework has been designed to promote holistic well-being of our people and nurture a workplace where employees thrive and are equipped for long-term success.

Provident fund coverage:

- All employees are entitled to Provident Fund benefits under the EPF & Miscellaneous Provisions Act
- Employees receive mandated benefits in compliance with the statutory regulations

Employee State Insurance (ESI):

- Employees are covered under the Employee State Insurance Act, providing additional social security benefits
- Adherence to all statutory requirements ensure the well-being of our workforce

Defined benefit gratuity plan:

- A defined benefit gratuity plan is governed by the Payment of Gratuity Act, 1972
- Gratuity obligations are met through establishment of a Gratuity Trust, with contributions and an insurance policy in place

Accumulated leave:

- Accumulated leave expected to be used within 12 months is treated as a short-term benefit
- Leave policies are aligned with standards to support employee efficiency and well-being

Insurance for gratuity payments:

- An insurance policy is secured to cover gratuity payments for employees
- Annual funding valuations by the insurance provider ensure any deficits are addressed

Trade union for non-permanent employees:

- Non-permanent employees, including contractual workers, have the right to form trade unions
- This fosters a fair and inclusive workplace by providing a collective voice for non-permanent staff

Short-term employee benefits:

- Benefits payable within 12 months of service, including salaries, wages, and bonuses, are classified as short-term benefits
- These are recorded in the Statement of Profit and Loss during the period the service is rendered

Company contributions to retirement plans:

- Contributions to defined benefit and retirement plans may reach up to 12% of an employee's annual basic salary, depending on the plan
- Certain plans also allow employees to contribute a percentage of their annual basic salary

Health and accidental insurance:

- All employees and workers are provided with health and accidental insurance coverage
- This comprehensive coverage highlights our commitment to their well-being and financial security

100%

Of female employees are covered under the maternity scheme

Category	CY 2024 (Previous Financial Year)			CY 2025 (Current Financial Year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Union (B)	% (B/A)
Total Permanent Employees						
Male	6,838	-	0%	6,646	-	0%
Female	627	-	0%	554	-	0%
Others	22	-	0%	14	-	0%
	7,487	**-**		**7,214**	**-**	
Total Permanent Workers						
Male	3,521	1,514	43%	3,410	1,203	35%
Female	33	14	42%	30	13	43%
Others	-	-	0%	-	-	0%
	3,554	**1,528**		**3,440**	**1,216**	
Total Workers and Employees	**11,041**	**1,528**		**10,654**	**1,216**	

Varun Beverages competency framework: Key aspects

Category	CY 2024 (Previous Financial Year)					CY 2025 (Current Financial Year)					Remarks
	Total (A)	On Health & Safety Measures		On Skill Upgradation		Total (A)	On Health & Safety Measures		On Skill Upgradation		
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (B)	% (B/A)	Number (C)	% (C/A)	
Employees											
Male	6,838	6,066	89%	5,498	80%	6,646	6,540	98%	6,010	90%	-
Female	627	627	100%	627	100%	554	554	100%	554	100%	-
Others	22	22	100%	22	100%	14	14	100%	14	100%	-
Total	**7,487**	**6,715**	**90%**	**6,147**	**82%**	**7,214**	**7,108**	**99%**	**6,578**	**91%**	**-**
Workers											
Male	3,521	3,370	96%	3,100	88%	3,410	3,310	97%	3,072	90%	-
Female	33	33	100%	33	100%	30	30	100%	30	100%	-
Others	-	-	0%	-	0%	-	-	0%	-	0%	-
Total	**3,554**	**3,403**	**96%**	**3,133**	**88%**	**3,440**	**3,340**	**97%**	**3,102**	**90%**	**-**
Total employees and workers	**11,041**	**10,118**	**92%**	**9,280**	**84%**	**10,654**	**10,448**	**98%**	**9,680**	**91%**	**-**

Training & development programs

We deeply value upskilling and reskilling our employees and conduct regular training and development programs to ensure this. Strategic investments in upgrading the skills and knowledge of our people is advancing their career progression and strengthening our growth trajectory.

- Focus on technical, behavioral, and functional skill development
- 'Train the trainer' model is adopted, ensuring uniformity across critical policy training sessions
- Customized programs ensure skill building for current & future roles

100% participation rate

in critical policy training sessions covering POSH, Code of Conduct, Insider Trading Regulations, Whistle blower Policies, and the Foreign Corrupt Practices Act (FCPA)

Career development and training metrics

Employees covered for Career development

100% CY 2024

100% CY 2025



Total Training

(in manhours)

Health & Safety

238,813	237,782
CY 2024	CY 2025

Skill Upgradation

89,555	89,168
CY 2024	CY 2025

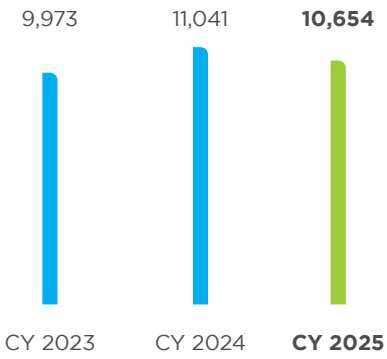
Others (includes training related to Environment and Governance)

268,664	267,504
CY 2024	CY 2025

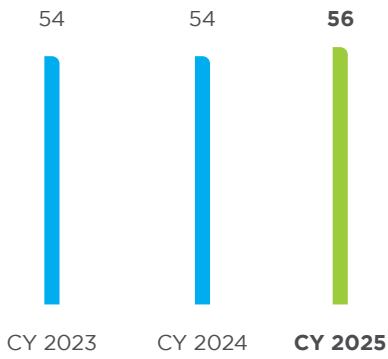
Total

597,032	594,453
CY 2024	CY 2025

Total employee participation in training



Average training hours



Category-wise average training hours per employee CY 2025

56	56
Average female/others training hours	Average male training hours



Employees and workers who have been provided training on human rights issues and policies of the entity

Category	CY 2024 (Previous Financial Year)			CY 2025 (Current Financial Year)		
	Total (A)	No. of Employees/ Workers Covered (B)	% (B/A)	Total (A)	No. of Employees/ Workers Covered (B)	% (B/A)
Employees						
Permanent	7,487	7,487	100%	7,214	7,214	100%
Other than Permanent	7,341	5,139	70%	6,793	5,095	75%
Total Employees	**14,828**	**12,626**	**85%**	**14,007**	**12,309**	**88%**
Workers						
Permanent	3,554	3,554	100%	3,440	3,440	100%
Other than Permanent	11,158	7,253	65%	11,987	8,391	70%
Total Workers	**14,712**	**10,807**	**73%**	**15,427**	**11,831**	**77%**

Performance management

A systematic performance management framework helps us to set clear goals, continuously monitor employee performance, conduct fair and transparent performance evaluations, identify developmental needs, link performance outcomes to learning opportunities and career progression, and build a culture of continuous feedback and guidance. Besides powering employees to identify and harness their true potential, the framework serves as a catalyst to VBL's progress.

Robust talent management framework

A well-defined talent management strategy aligns our talent with roles that best match their skills and potential, crucial for accelerated career progression and sustained organizational growth. The strategy follows a four-step approach, beginning with a comprehensive assessment of employees' strengths and performance. Step two involves identifying the developmental needs of the employee followed by organizing training programs to upskill and harness their potential. The final step maps the right people with the right career opportunities, enabling clear developmental pathways and steering long-term progress.

Talent management program

Analyzing our employees

- The skills, talent and potential of our employees are comprehensively assessed
- These insights help us to device customized talent management strategies

Evaluating areas of improvement

- Developmental needs of our employees are identified through a structured assessment process
- The process aligns employee's individual objectives with organizational goals

Career progression planning

- Targeted training and development programs are designed to address employees' developmental needs
- Skill and capacity building supports career progression and powers VBL's success

Strengthening our internal talent pipeline

We firmly believe in nurturing our internal talent and providing them adequate opportunities for learning and growth. Our talent management framework, supported by a robust performance evaluation system, creates scope for emerging talent to grow into leaders of tomorrow. By identifying the developmental needs and designing custom-made training programs, we aspire to harness the strengths of our existing workforce and create pathways for their future growth.

New hires in CY 2025

Particulars	Male	Female	Others	Total
Age <30 years	995	92	3	1,090
30-50 years	991	36	0	1,027
>50 years	18	1	0	19
Total	**2,004**	**129**	**3**	**2,136**

Driving inclusivity: Hiring transgender (TG) talent

Everyone has the right to equal opportunities. Aligned with this philosophy, in 2023, we hired eight transgender employees at our pilot plant in Mahul, Mumbai, marking a key milestone in our diversity and inclusion journey. The success of our pilot batch inspired us to expand the initiative to Greater Noida and Nelamangala, and other plants growing our team to 34 members. Moving forward, we hope to strengthen this initiative further, making a meaningful difference to the transgender community.

Measures taken to foster trust, respect & inclusivity

- Plant locations are carefully selected with focus on inclusivity
- Gender-neutral facilities are built to ensure convenience
- Sensitization workshops are conducted for all employees
- Onboarding support and handholding is provided

Other than employment, we also sponsor gender-affirming surgeries, supporting individuals to live with greater self-respect, confidence and dignity.

DEI Commitments

Equal opportunities

We are committed to promoting equal opportunities for all employees, ensuring fair treatment and actively working to eliminate discrimination and barriers to career advancement.

Respect for differences

We foster a culture that respects and values the rights and unique contributions of each individual, recognizing and appreciating the diversity they bring to the organization.

Merit-based employment

Our employment decisions are rooted in merit, focusing on an individual's skills, qualifications, and capabilities, rather than irrelevant factors.

Leadership accountability

Senior leadership and managers at all levels are accountable for upholding and implementing these DEI policies, ensuring their seamless integration into daily operations.

Performance-based opportunities

Development and promotion opportunities are based on individual performance, capability, and potential, aligning with business needs and objectives.

Zero tolerance

We adopt a zero-tolerance approach to violations of our POSH and Diversity & Inclusion policies, addressing any misconduct with the utmost seriousness and subjecting it to disciplinary action when necessary.

Workforce Ratio for CY 2025

As part of our DEI commitment, we abide by the principles of gender pay equity. We truly believe in the power of a diverse workforce in advancing our sustainability and organizational goals, and continue to strengthen inclusive practices across all levels.

Our workforce ratio in CY 2025 reflects our commitment to gender pay equity:

- The basic salary and remuneration ratio of women to men stands at 0.84:1 for employees
- For workers, the ratio is 0.85:1

Employees and workers (including differently abled):

S. No.	Particulars	Total	Male		Female		Others	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (C)	% (C/A)
	Employees							
1	Permanent (D)	7,214	6,646	92.13%	554	7.68%	14	0.19%
2	Other than Permanent (E)	6,793	6,560	96.57%	233	3.43%	-	0.00%
3	**Total Employees (D+E)**	**14,007**	**13,206**	**94.28%**	**787**	**5.62%**	**14**	**0.10%**
	Workers							
4	Permanent (F)	3,440	3,410	99.13%	30	0.87%	-	0.00%
5	Other than Permanent (G)	11,987	11,040	92.10%	927	7.73%	20	0.17%
6	**Total Workers (F+G)**	**15,427**	**14,450**	**93.67%**	**957**	**6.20%**	**20**	**0.13%**

Differently abled employees and workers:

S. No.	Particulars	Total	Male		Female		Others	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (C)	% (C/A)
	Differently Abled Employees							
1	Permanent (D)	2	2	100.00%	-	0.00%	-	0.00%
2	Other than Permanent (E)	10	10	100.00%	-	0.00%	-	0.00%
3	**Total Differently Abled Employees (D+E)**	**12**	**12**	**100.00%**	**-**	**0.00%**	**-**	**0.00%**
	Differently Abled Workers							
4	Permanent (F)	-	-	0.00%	-	0.00%	-	0.00%
5	Other than Permanent (G)	194	182	93.81%	12	6.19%	-	0.00%
6	**Total Differently Abled Workers (F+G)**	**194**	**182**	**93.81%**	**12**	**6.19%**	**-**	**0.00%**

* Workers number are on average basis for the reporting period

Prioritizing Employee Safety

At VBL, employee safety and well-being is non-negotiable. Robust workplace safety policies and practices are therefore implemented to safeguard our employees from potential harm and ensure that they return home safely.

Key Highlights : CY 2025

100%
Plants covered in Best Safety Parameters

Robust Incident Management System

Key safety initiatives

Effective implementation of comprehensive safety initiatives is ensured through a strong governance framework and is driven by Steering Committees and Corporate Sub-Committees. Safety initiatives include:

01 Every plant has a Primary Healthcare Center

02 Subjected to all industry-related audits and surveys to ensure 100% compliance

03 Access to non-occupational health and medical healthcare services

04 Processes to identify work-related hazards and assess risks

05 Periodic inspections conducted by audit organization to meet international standards

Three-pronged safety approach

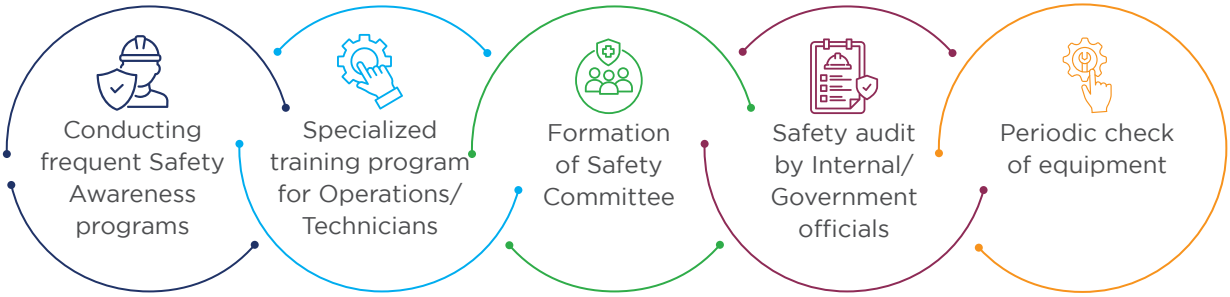
Our safety commitment follows a three-step approach:

- **Implementing comprehensive safety strategies**
- **Conducting continuous training programs**
- **Building a culture of safety leadership**



Our goal: Zero workplace injuries and fatalities

How Do We Do It



Strengthening safety through prudent practices

Thoughtful safety measures implemented at VBL helps us build a secure work environment for our people and consistently meet our goals of minimum work-related injuries and zero fatalities.

Robust incident management system

- Training in the Incident Management System is conducted for nominated members from each plant to ensure an injury-free workplace
- The training covers injury types, defines a communication matrix for information sharing, and outlines incident investigation procedures, roles, and timelines for resolving incidents

Implementation of safety interaction system

- Nominated members from each plant underwent extensive training leading to the implementation of robust Safety Management System standards
- The schedule and frequency for safety discussions on the shop floor, along with tracking and trend analysis of observations, were finalized
- The system paves the way for active engagement between VBL leadership and employees and contractors to discuss safety matters

Work at height guidelines and general safety rules

- We have in place a comprehensive safety guideline that helps us mitigate the risks and potential hazards arising from working at heights (1.8 meters or more)
- The guidelines include reporting safety hazards, injuries, and incidents, handling hazardous materials and chemicals, following special procedures, emergency preparedness, and maintaining good housekeeping
- The system also addresses hazard identification, risk assessment, planning and preparation, use of protective equipment, training and certification, inspections, and compliance with specific requirements

Employee passport and contractor safety management

- Tracking and ensuring the completion of safety training for contractors reduces associated risks and is vital to our safety goals. This is facilitated by The Employee Passport and Contractor Safety Management system
- Following a structured approach, it outlines the processes for contractor selection, contract preparation and award, orientation and training, work coordination, auditing, and contract evaluation



Key Safety Milestones

For Sub-Committees

- Approved charters and deliverables for each sub-committee
- Action plan made for functioning of all sub-committees
- Finalized standards for Incident Management, Safety Interactions, General Safety Rules, Work at Height, Document Control, Contractor Safety Management
- Completed training on Incident Management
- Completed 2-day training on Safety Interaction

For APEX Committees

- Finalized charters for all plant committees
- Conducted plant/cluster leadership workshops for all the manufacturing plants
- Ensured functioning of all committees with action items

Safety Incident/Number	Category	CY 2024 (Previous Financial Year)	CY 2025 (Current Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one Million person hours worked)	Employees	0.12	0.00
	Workers	0.096	0.038
Total Recordable work-related injuries	Employees	2	9
	Workers	3	27
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

Targeted

10% year-on-year reduction in LTIFR





Augmenting contractor safety

Minimizing the risks associated with contractor safety is essential to cultivate a safe work environment and fulfill our social sustainability goals. We achieve this through a multi-dimensional strategy. From careful screening and selection of contractors and reviewing their safety practices to familiarizing them on potential risks and our safety expectations and consistently evaluating their safety performance – at every step we are building a workplace where people feel secure and thrive.

Step 1: Selecting contractors

Contractor selection involves an extensive screening and evaluation process. The technical, financial, quality background, and safety records of potential contractors are thoroughly screened before selection.

Step 2: Preparation of contract

Safety performance expectations and conditions for execution of work is integrated in the tender bid package, once the contractor is screened and selected.

Step 3: Awarding the contract

After collecting and conducting a comprehensive review of the contractor's health and safety documents, the contract administrator confirms whether the contractor's proposal meets the bid package's mandatory requirements.

Step 4: Orientation and training

VBL provides a health and safety orientation to contractors before commencement of work. The objective is to familiarize the employees of the contractors with essential health and safety information and communicate the hazards associated with VBL operations.

Step 5: Monitoring and auditing

A robust process is established by the contract administrator to monitor contractor work and actively align it with the contract's mandatory health and safety requirements.

Step 6: Evaluating the contract

Contractor safety performance is continuously evaluated at plant level through a pre-established process. The process identifies the contracted work activities that must be evaluated and the frequency of evaluation.

Meeting Global Standards for Product Safety and Quality

As a leading beverage manufacturer trusted by billions of consumers, it is our foremost responsibility to produce high-quality products that are both safe and refreshing. From careful selection of suppliers and sourcing of high-quality raw materials to sustainable manufacturing, robust labeling practices and responsible marketing, we are benchmarking our products against global quality and safety standards.

Key enablers in our journey to quality assurance

Responsible sourcing and manufacturing → **A promise for superior quality** → **Stringent labeling standards** → **Sustainable marketing & sales**

1. Responsible sourcing and manufacturing

Product safety and quality are managed at every stage of our value chain. PepsiCo suppliers undergo a comprehensive screening and validation process and adhere to VBL's code of conduct, ensuring procurement of high-quality raw materials. Moreover, constant innovations and process improvements strengthen our quality systems across all levels. Implementation of a robust risk-management and control framework further intensifies our efforts to mitigate potential risks and hazards and deliver top-notch products.

2. Quality assurance framework

A robust quality assurance framework guides us to maintain superior quality across all manufacturing sites and logistic centers. Driven by trained internal and external quality teams, we have adopted a comprehensive range of checks and measures across the value chain.

3. Robust product labeling practices

Stringent product labeling standards adopted by Varun Beverages empower our customers to make informed choices, serving as a vital link between responsible manufacturing and responsible consumption. All products manufactured by us comply with PepsiCo's Global Labelling Policy, FSSAI guidelines, and other applicable laws and regulations for labeling within India.

VBL's Quality Assurance Initiatives

- We maintain a food safety manufacturing system at every site which conforms with PepsiCo's global standards and regulatory requirements in India
- All production facilities strictly adhere to PepsiCo's Global Food Safety Policy, outlining raw material sourcing, manufacturing process, storage, shelf life, etc.
- Food safety principles are incorporated into our manufacturing processes across all manufacturing sites, as part of our daily routine
- Regular Food Safety Audits are conducted by third party
- Our facilities are subject to regular internal Food Safety Audits

A clearly-defined labeling policy drives accurate and transparent labeling practices, providing essential information on ingredients and nutritional value, resulting in consumer awareness and augmenting credibility. We continue to strengthen our labeling practices in line with regulatory guidelines and global best practices.

VBL's Labeling Policy

- Nutrition information is provided on the side or back of our packaging
- Nutrition information contains details about the amount of energy (as calories, kilocalories or kilojoules), protein, carbohydrate, total sugars, total fat, saturated fat and sodium per 100g/ml or per serving
- Additionally, nutrition information is provided for nutrients for which a health or nutrition claim is made
- Disclosure is made on the percentage of the official Guideline Daily Amounts (GDAs), Daily Values or equivalents for energy, total fat, saturated fat, sodium/salt and total sugars on either the front, side or back of the pack in countries where such values are available

4. Sustainable marketing and sales

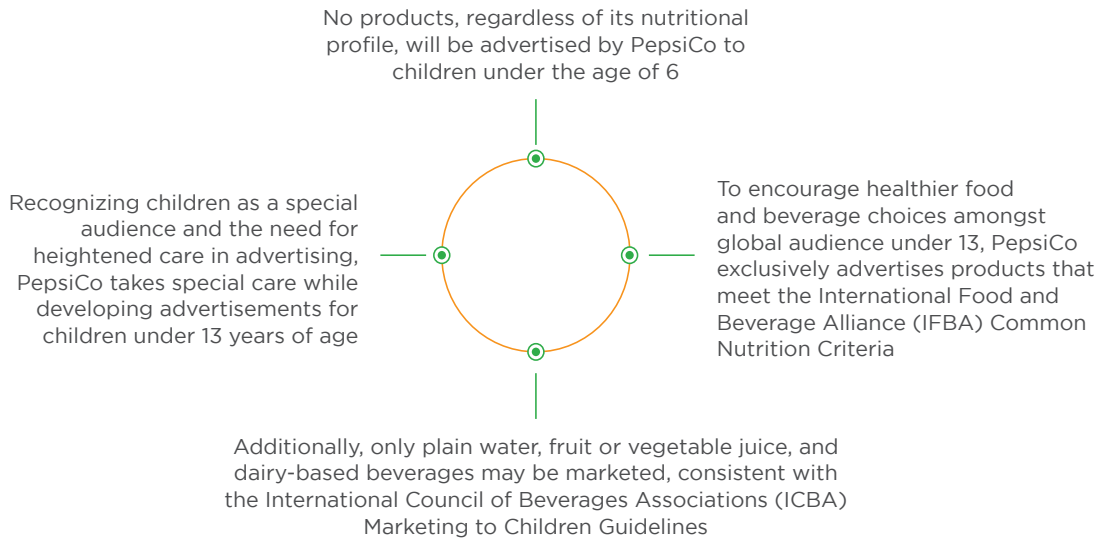
Our deep-rooted commitment to social sustainability inspires us to adopt responsible marketing and sales strategies, enabling our customers to make informed consumption choices. Ethical and transparent communication about our products and their nutritional value is integral to our promise for high product quality and safety. We ensure this by adhering to applicable laws and regulations, complying with PepsiCo's global marketing and sales policies, and conducting regular training for our employees.

- Adherence to PepsiCo's Policy on Responsible Advertising and Marketing to Children
- Adherence to PepsiCo's Global Policy on the Sale of Beverages to Schools
- Adherence to all relevant laws and regulations in India
- Employee trainings to ensure compliance with these laws and policies

All Above the Line (ATL) marketing activities are PepsiCo's responsibility, as per the franchise agreement with PepsiCo.

Pepsico's Advertising and Marketing Strategy

Being a responsible global brand, PepsiCo recognizes children as a special audience and has implemented stringent sales and marketing policies to protect their health and interests.



Shaping a Balanced Portfolio for Healthier Choices

Consumers tastes and preferences are quickly evolving; so are our product offerings. As an agile and responsible organization, we are well-equipped to provide a comprehensive range of beverages that brings together health, taste and nutrition. Global consumers across 14 countries rely on our balanced portfolio for nutrient-rich food and beverages, promising excellent quality and refreshment.

Key enablers advancing consumer health & nutrition

Nutrition-rich choices

An assorted beverage portfolio thoughtfully curated to meet the diverse lifestyle and nutritional needs. Choose from our health-based, fruit-pulp and juice-based drinks, energy and sports drinks, dairy-based beverages as well as packaged and purified drinking water as per mood, taste and nutritional preference.

Transparent labeling

Clear and accurate labeling with nutrient details supports informed consumer choices, relevant to their health requirements.

Responding to consumer preferences

Worldwide, consumer preferences are evolving. With more and more consumers aspiring to reduce their sugar intake and seeking products that offer maximum nutritional value, we are continuously adapting, innovating and widening our product portfolio to stay relevant and meet their changing tastes and expectations.

Reduction in sugar intake

Our balanced portfolio mix offers products with lower sugar content to meet the changing needs of our consumers.

Low Sugar (LS) Products



Sting



Gatorade



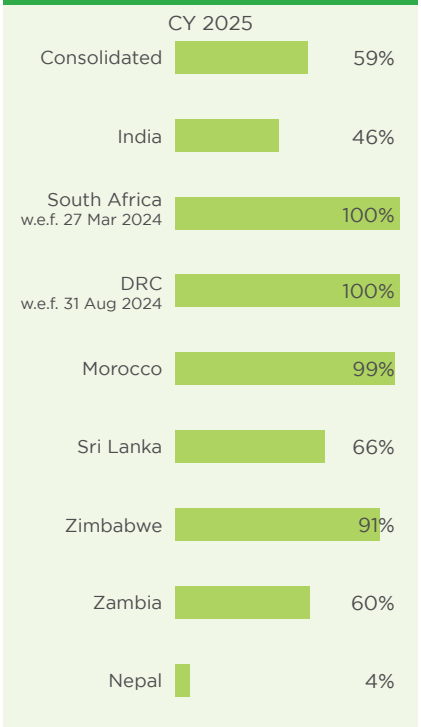
Mirinda



Lipton

LS/NS Volume Mix %

CY 2025



No Sugar (NS) Products



7up zero



Gatorade zero



Pepsi Black



Tropicana 100%



Aquafina



Evervess

Optimizing nutritional value

VBL complies with PepsiCo Nutrition Criteria (PNC) (also followed by PepsiCo) to manufacture products with higher nutritional value, vital to keep up with the evolving consumer trend and expectations. PNC guides Varun Beverages on the following three standards for manufacturing nutrient-rich products.

Compliance with Pepsico Nutrition Criteria (PNC)

Standards for Nutrients to Limit

Nutrients that have been well-established as dietary factors that can contribute to the risk of certain non-communicable diseases, when consumed in excess.

For nutrients to limit, the criteria is based on a model diet of 2,000 kcal per day, with saturated fat and added sugars at or below 10% of total energy, sodium at or below 2,000 mg per day, and no industrially produced partially hydrogenated oils (PHOs).

Standards for Food Groups to Encourage

Food groups that have been well-established as contributing to healthier diets.

Standards for Nutrients to Encourage

Nutrients that have been identified as being commonly under-consumed in a given population.

They can vary by market or region, and are often called “shortfall nutrients” contributing to healthier diets.

Guidelines on Sugar Content:

1. **WHO** - 10% of total energy contribution.
2. **The Healthy Choice Standards** - Less than 4.5g/100g.
3. **Beverages category for PepsiCo** - 1g-7g/100 ml (assuming 1cc liquid weighs 1g)

https://www.pepsico.com/esg-topics/nutrition#approach



Customer satisfaction: A key priority

Customer satisfaction is at the core of our products, processes and decisions. A well-established Consumer Response Program actively addresses and resolves consumer concerns and grievances, while enabling us to identify root causes and drive process improvements to build credibility and enhance long-term customer loyalty.

Consumer Response Program in action

Toll free No.

Consumers can lodge their complaints through the Toll-Free number available on product labels and crowns.

Complaint raised to PepsiCo

The complaints are received by PepsiCo Consumer Response System (CRS) representatives.



Complaint received by VBL

CRS representatives forward the complaints to VBL through an auto-generated mail via the Wilke portal.



Complaint review

VBL's plant team, along with the Consumer Care/Complaint Management System (CCMS) coordinator, reviews the complaint.

Investigation

An investigation is launched. The plant team, Regional Quality Coordinator (RQC), and CCMS coordinator collaborate for this.



Client feedback

VBL's CCMS coordinator sends feedback to PepsiCo CRS team. Subsequently, Pepsi International (PI) Team connects and responds to consumers on SOS basis

Complaint tracking & management

The complaints are tracked and reviewed monthly on the basis of its nature, flavor, category and plant



Corrective action & improvement plan

Corrective and preventive actions are implemented by the plant team, initiating an improvement plan to prevent the reoccurrence of concerns and ensuring consumer satisfaction



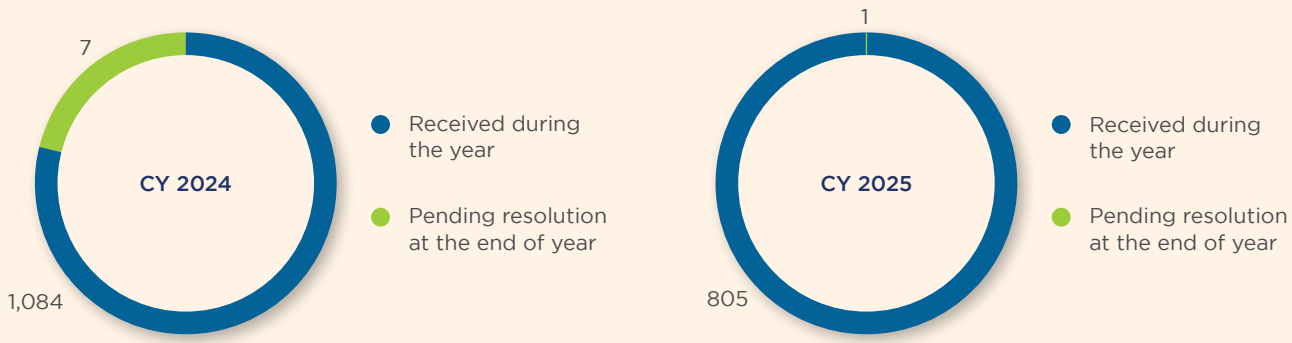
Root cause analysis

Resolution is followed by a detailed root cause analysis of the complaint by VBL's plants

Complaint redressal

Complaint is promptly addressed by a Customer Relationship Executive (CRE)

No. of Complaints Received Through PepsiCo Customer Care



0 incidents

of data loss, leaks or thefts of customer data registered in CY 2025



Governance

106 Integrity that Enables Growth

115 Information System and VBL Code of Conduct

116 CSR Initiatives: Delivering Value Beyond Profit

119 Risk and Opportunities Management

125 Tax Responsibility: Integrating ESG into Fiscal Practices





Integrity that Enables Growth

Strong corporate governance is a key enabler in VBL's sustainability journey. Led by visionary leadership, we have implemented robust guidelines and policies to build an organization that prioritizes quality, accountability, safety, fairness, transparency and inclusion throughout the value chain. By aligning VBL's mission to its ESG goals, the governance framework is supporting accelerated organizational growth while building a roadmap for an empowered workforce, stronger communities and a sustainable planet.

Corporate governance: Awards & recognition



PepsiCo's International Bottler of the Year 2022



PepsiCo's **Best Bottler** in the Africa-Middle East-South Asia region 2022



PepsiCo's '**Better**' category award 2023



India's Top Value Creator 2025-Food and Beverages by Dun & Bradstreet



Best Corporate Governance Practices Award - 2024



Pep+ Leadership on Overall Sustainability Culture in 2024



Amesa Bottler Conference 2024 Pep+ Climate Award



Best Corporate Governance Practices - Varun Beverages Limited Award under Business Brand Awards 2023



Business Excellence (Corporate Governance) of The Year 2022 Award by Prime Time Research Media Pvt. Ltd.



Business Leader of the Year Awards for Best Corporate Governance Practices (FMCG) - 2022



Business Brand Award for Best Corporate Governance Practices - 2022



Golden Peacock National Quality Award - 2022



CFI.CO (UK) for **Best FMCG Corporate Governance** (India) 2022



India Achievers' Award 2022 for Best Corporate Governance



Responsible Business Award for Best Corporate Governance (FMCG) - 2022



PepsiCo's Best Bottler in AMESA Sector for the year 2021



CFI.CO (UK for Best FMCG Corporate Governance (India) - 2021



Golden Peacock Award for Excellence in Corporate Governance - 2021



Award for Achievement in Continuous Improvement - 2021



Global Best Employer - 2020



PepsiCo's Best Bottler in AMESA Sector for the year 2020



PepsiCo's Best Bottler of the year - 2019



PepsiCo's Best Bottler of the year - 2014

Board Skills and Expertise

Member	Ravi Jaipuria Promoter & Non-Executive Chairman	Varun Jaipuria Promoter, Executive Vice Chairman & Whole-time Director	Raj Gandhi Whole-time Director
Icons of Committee they are members of	M M	M M C	M M C C M
Area of Expertise	L S I G F C	L S I G C	L S I G F C

Member	Rajinder Jeet Singh Bagga Whole-time Director	Dr. Naresh Trehan Non-Executive Non-Independent Director	Abhiram Seth Independent Director
Icons of Committee they are members of	M M	–	–
Area of Expertise	L S I G C	L S G F C	L S I G C

Member	Dr. Ravi Gupta Independent Director	Anil Kumar Sondhi Independent Director	Rashmi Dhariwal Independent Director
Icons of Committee they are members of	C M	–	M M C C M M
Area of Expertise	L S F C	L S I C	L S F C

Member	Sita Khosla Independent Director
Icons of Committee they are members of	M C
Area of Expertise	L S F C

- Audit, Risk Management and Ethics Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Investment and Borrowing Committee
- Share Allotment Committee
- Environment, Social and Governance Committee
- C Chairperson
- M Member

L Leadership S Strategic Planning I Industry G Global Business F Finance & Legal C Corporate Governance

Key Managerial Personnel

Sr. No.	Name	Designation
1	Raj Gandhi	Whole-time Director
2	Pankaj Madan	Chief Financial Officer
3	Ravi Batra	Chief Risk Officer and Group Company Secretary

Board of Directors: Corporate governance training in CY 2025

Name	Attendance
Code of Conduct, Insider Trading, FCPA, POSH, Anti-bribery, regulatory changes/updates, sustainability initiatives, review of policies, confirmation of statutory filings on time & other important matters.	100%

Board Committees

Audit, Risk Management and Ethics Committee

- Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible.
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company and approval of payment for any other services rendered by the statutory auditors of the Company.
- Reviewing with the Management the quarterly/ annual results and annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter-alia, include reviewing changes in the accounting policies and reasons for the same, major accounting entries estimates based on exercise of judgement by Management, significant adjustments made in the financial statements.
- Review the Management's Discussion and Analysis of financial condition and results of operations.
- Scrutiny of inter-corporate loans and investments.
- Evaluation of internal financial controls and risk management systems.
- Reviewing the functioning of the whistle blower/ vigil mechanism.
- Formulate a detailed risk management policy which shall include:
  - Framework for identification of internal and external risks.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- Evaluate and review the risk management plan, the risk management system, including risk policy, risk process (risk identification, assessment, mitigation and monitoring), cyber security processes and risk registers laid down by the Management.
- Recommendation for appointment, removal and terms of remuneration of the Chief Risk Officer.



Stakeholders' Relationship Committee

To consider and resolve the grievances of securityholders of the Company including but not limited to complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends and review of services rendered by the Registrar and Share Transfer Agent.

Nomination and Remuneration Committee

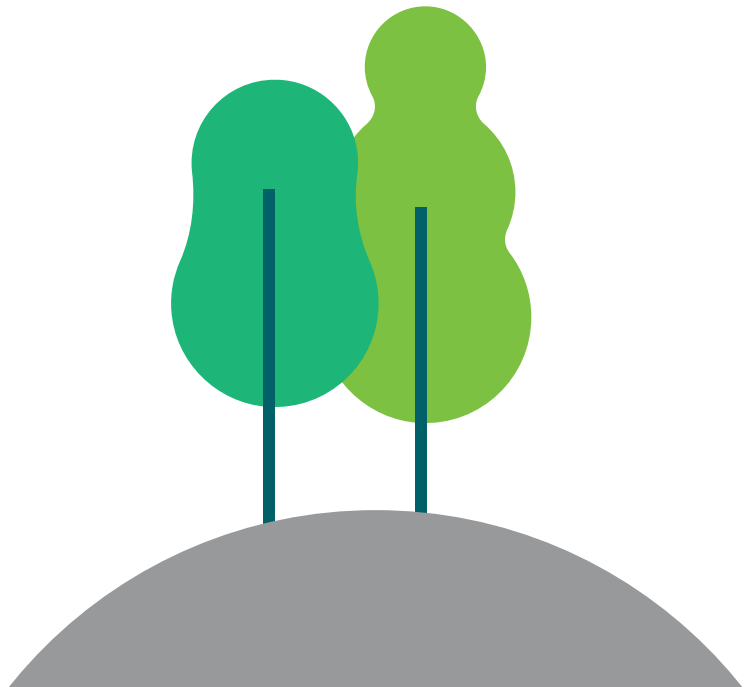
- Formulating the criteria for determining the qualifications, positive attributes, and independence of a director and recommendations to the Board of Directors a policy relating to the remuneration of directors, key managerial personnel, and other employees, as well as the evaluation of the performance of independent directors and the Board of Directors;
- Devising a policy on diversity of the Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board of Directors their appointment and removal, and specify the manner for effective evaluation of performance of Board, its committees and individual Directors and review its implementation and compliance;
- Determine whether to extend or continue the term of appointment of the independent directors on the basis of the report of performance evaluation of independent directors; and
- Framing suitable policies and systems to ensure that there is no violation by an employee as well as by the Company of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

CSR Committee

To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, recommend the amount of expenditure to be incurred on the CSR activities and monitor the CSR Policy of the Company from time to time.

Environment, Social and Governance Committee

- Approve the Company's ESG strategy including related targets and incentives;
- Provide oversight of the execution of the ESG Strategy and the Company's progress on its long-term ESG commitments and targets;
- Provide oversight of the key policies and programs required to implement the ESG Strategy;
- Provide advice and direction to the Company's management on implementation of the Company's ESG Strategy;
- To identify opportunities and risks to the Company's operations, its reputation and its corporate responsibility.



Our Policies

Strong corporate governance across our plants and facilities is maintained through comprehensive, well-governed policies. These policies play an instrumental role in upholding VBLs integrity and reputation as a safe, ethical, fair, transparent, inclusive, compliant and resilient organization.

Dividend Distribution Policy

This Policy provides parameters to be considered by the Board before declaring or recommending dividend to ensure fairness, consistency and sustainability while distributing profits to the shareholders.

Code of Conduct for Prohibition of Insider Trading

This Policy ensures preservation of confidentiality of Unpublished Price Sensitive Information (UPSI) to prevent misuse of such information and prohibit Designated Persons (including Board Members) and their immediate relatives from trading in securities of the Company while in possession of UPSI.

POSH Policy

The policy safeguards VBLs employees from sexual harassment by promptly addressing concerns, occurring both within and outside the Company premises, in connection with employment including during work-related travel or stay arrangements provided by the Company. It applies to all individuals, including direct and indirect employees, and employees on various employment terms working at any VBL location.

Anti-Bribery Policy

The policy prohibits officials from offering or accepting bribes intended to influence the recipient to misuse his or her position and secure an unfair advantage for VBL. This includes giving or receiving bribes to any Government Officials or any other person or entity, including any person or entity in the private or commercial sector.

Risk Management Policy

A comprehensive risk management policy protects the Company from various business and operational risks and safeguards the interests of its stakeholders. By identifying potential risks and devising effective mitigation strategies, the framework significantly contributes to VBL's long-term sustainability and financial growth.

Vigil Mechanism Policy

The Vigil Mechanism/Whistle Blower Policy lays down effective mechanisms for the Directors and Employees of the Company to raise concerns regarding any irregularity, misconduct or unethical matters/dealings within the Company. Additionally, it has in place adequate safeguards to protect the whistleblower, enabling safe reporting of concerns without the risk of victimization. In exceptional cases, the policy also provides direct access to the Vigilance Officer or the Chairperson of the Audit, Risk Management and Ethics Committee.

Policy on Related Party Transactions (RPT)

This Policy aims to establish materiality of RPTs, process for dealing with RPTs including relevant approvals & reporting of such transactions.

Code of Conduct for Board of Directors and Senior Management

The Code provide general principles to be followed by the Board of the Directors and Senior Management as guide for discharging their duties and responsibilities and aims to promote & enhance transparency in corporate governance thereby ensuring that the affairs of the Company are conducted in an ethical manner and in compliance with applicable laws and regulations.

Corporate Social Responsibility (CSR) Policy

This Policy includes inter-alia the guiding principles for selection, implementation and monitoring of CSR activities of the Company.

Ethical Business Conduct and Other Policies

Inclusion and diversity is deeply embedded in our ethos and the way we operate. We respect our employees and maintain an unbiased, non-discriminatory approach towards them across all our plants and other facilities. A fair, inclusive, and positive work culture at VBL facilitates equal opportunities for employees to learn and progress and ensures a workplace free from harassment and abuse.

Zero instances

of forced or child labour amongst our suppliers in CY 2025

Complying with PepsiCo procurement guidelines, all our raw ingredients and packaging materials are procured exclusively from PepsiCo's approved suppliers. PepsiCo conducts a rigorous certification process for all of our suppliers, and we are no exception.

- VBL has adopted "Code of Conduct for Board of Directors and Senior Management", in compliance with the provisions of Regulation 17(5) of SEBI (LODR) Regulations
  The code is available on Company website: https://www.varunbeverages.com/wp-content/uploads/2023/03/19-Code-Of-Conduct-For-Board-Of-Directors-and-Senior-Management-Revised.pdf
- The Executive Vice Chairman & Whole-time Director have declared that the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during CY 2025, on the basis of declarations received from them

A set of other responsible policies and practices have been implemented to fortify VBL's goal of strong corporate governance and ethical business practices. They are:



Anti-corruption and Anti-bribery

We are committed to building a fair ecosystem and preventing corruption in any form. A slew of measures have been taken to ensure this and safeguard our employees and other stakeholders against involvement in corrupt practices.
They include:

- Consistent awareness-building communication with our employees to prevent their involvement in corrupt practices. These communications are regularly disseminated through internal channels and are also published on our official website as part of our policies. The policy commitments apply across all organizational activities and are communicated to stakeholders via email and the official website
- Well-established anti-corruption policies and procedures, which are effectively communicated to our business partners
- Conducting training sessions for senior and middle-level employees. While transition-assistance (post-retirement) is not offered to these employees, the training provides them employment opportunities even after retirement, and contributes significantly in formulation of VBL's anti-corruption processes and practices

100%

of VBL's operations is evaluated for corruption-related risks



Effective & transparent communication

Transparent and effective communication of our ethical business policies is as vital as their formulation and implementation. Continuous engagement with our business partners, including suppliers and third parties, through multiple channels, keeps them well-aware of our anti-corruption policies and procedures and supports stringent adherence. Reinforcing our promise for responsible business practices, the policies are communicated through our internal channels. They are also published on our website for seamless access.

Signing of Non-disclosure Agreements (NDAs)

Non-disclosure Agreements (NDAs) are legally binding documents that require third parties to comply with our policies and procedures. Consistent with our unwavering commitment to ethical business conduct, we mandate third parties to sign NDAs, enforcing compliance with our anti-corruption policies and safeguarding VBL against potential corruption risks.

Due diligence of business partners

Business partners at VBL go through a thorough screening and validation process before approval, especially those operating in high-risk areas or industries. Aligned with our business ethics and core values of transparency and integrity, due diligence helps us assess the credibility of our business partners and mitigate potential corruption and other risks. By continuously strengthening our anti-corruption efforts, this prudent measure safeguards VBL's reputation and stakeholder trust.

Fostering inclusion and diversity

At VBL, diversity and inclusion are not just metrics but a driver for sustainable progress. We totally believe in the power of a diverse workforce in enriching our collective perspective and are continuously striving to build an environment where people of all ages, gender, backgrounds and abilities are equally valued and empowered to contribute. Other than fueling innovation and enabling us to consistently meet consumer expectations, an inclusive workforce fosters a deeper understanding of our diverse communities, advancing our ESG goals.

As a responsible company with focus on ethical, fair and sustainable business practices, we are committed to:

- Encourage a diverse workforce where everyone is respected and empowered
- Provide a workplace free from discrimination, harassment or any other form of abuse
- Treat employees fairly, including with respect to wages, working hours, and benefits
- Provide safe and healthy working conditions
- Respect employees' right to freedom of association and collective bargaining Principles of Business Conduct of PepsiCo
- Prohibit child labor and all forms of forced or compulsory labor
- Maintain awareness and comply with all applicable laws and regulations of the countries of operation
- Maintain confidentiality of all PepsiCo's and its partners information
- Compete fairly for PepsiCo's business and conduct all such business on behalf of PepsiCo in a lawful manner
- Operate sustainably with care for the environment and comply with all applicable environmental laws and regulations
- Maintain accurate financial books and business records
- Deliver products and services meeting applicable quality and food safety standards
- Support compliance with Supplier Code of Conduct
- Observe policies regarding gifts and entertainment and conflicts of interest
- Ensure that all land acquisitions meet IFC Performance Standards
- Report suspected violations of the Code

Ensuring business continuity

In today's increasingly volatile global landscape, where unforeseen challenges and disruptions may impact VBL's operations, devising a robust strategy for business continuity is a necessity.

A comprehensive Business Continuity Plan has been put in place to ensure no disruption to VBL's business and major business operations including sales, production and financial related functions. The plan aims to mitigate any risk relating to business continuity in the event of occurrence of any natural disaster, pandemic, or any other likely event. By identifying potential vulnerabilities and critical functions, the plan prepares VBL to restore impacted operations and minimize operational downtime within a defined timeframe.

- Specialized Crisis Management teams spring into immediate action in case of any disaster.
- The teams are regularly trained, ensuring clarity of roles and responsibilities, and enabling quick response
- Periodic mock drills ensure preparedness to tackle unforeseen challenges

The proactive approach safeguards the Company's reputation while reinforcing stability and customer confidence.

Detailed risk management strategy

A robust risk management strategy helps us identify risks and mitigate them proactively, minimizing harm to the Company and fostering resilience. Components of our risk management policy are:

- Framework for identification of internal and external risks
- Measures for risk mitigation, including systems and processes for internal control of identified risks
- Business continuity plan
- Evaluation and review of risk management plan, risk management system, including risk policy, risk process (risk identification, assessment, mitigation and monitoring), cyber security processes and risk registers laid down by the management
- Recommendation for appointment, removal and terms of remuneration of the Chief Risk Officer

Information System and VBL Code of Conduct

Recognizing information as one of the most valuable and vulnerable assets, we have implemented a strong Information Security Framework that protects the Company's and stakeholder's data through rigorous processes and controls. Serving as a cornerstone of a strong corporate governance at VBL, the framework lays down well-established policies and procedures to manage sensitive company information, while carefully considering business requirements, legal and regulatory implications, and contractual obligations.

Our security posture is built on a holistic framework that synchronizes people, processes, and technology. By balancing these three pillars, and aligning ourselves with the highest industry standards, we are creating a comprehensive shield against evolving threats and building a resilient organization.

We have implemented a robust Information Security Management System (ISMS), aligned with globally recognized frameworks and meticulously documented in our Information Security Manual, as part of our unwavering commitment to protect our information and information systems. Instituted in accordance with ISO/IEC 27001, ISMS upholds the triad of Confidentiality, Integrity and Security, ensuring privacy, reliability, and accessibility of sensitive data. By proactively managing cyber risks and ensuring digital resilience, the system safeguards our business continuity and upholds the trust placed in us by our customers, employees, and investors.

We have established a set of clearly-defined SMART (Specific, Measurable, Achievable, Realistic, and Time-bound) objectives within our ISMS. These are closely aligned with our corporate objectives and periodically adjusted to align with the evolving business and regulatory landscape. By integrating industry best practices and harmonizing goals, we are evolving into an organization that not only prioritizes information security but also considers it crucial for operational resilience and long-term success.

Disciplinary Action

Adherence to the established rules and regulations is crucial to uphold workplace ethics and deliver high-performance. Violation of these rules by individuals warrant a disciplinary action, extent of which is based on the nature and severity of the violation.

Key achievement

Zero

complaints from external entities

Code of conduct encourages employees to

- ✓ Respect employees' right to freedom of association and collective bargaining
- ✓ Maintain accurate financial books and business records
- ✓ Deliver products and services meeting applicable quality and food safety standards

Code of conduct refrain employees from

- × Practicing any sort of bribery
- × Violation of any provision of the Code



CSR Initiatives: Delivering Value Beyond Profit

We embrace a holistic approach to sustainability. Our CSR initiatives underscore our commitment to inclusive growth and focus on providing equitable opportunities and a better quality of life for the underserved communities. Through strategic partnerships, we aim to make meaningful contributions in the areas of education, healthcare, rural development, and environmental sustainability, driving long-term social value.

Empowering through education

Education is the foundation of a better life and a more equitable society. Recognizing this, our CSR initiatives focus on strengthening access to quality education and empowering young children from the underprivileged communities to grow into knowledgeable, confident and more capable individuals. In collaboration with Delhi Public School (Gurgaon), we enable beneficiaries access the school's infrastructure and other resources including books, uniforms and transportation. The intervention aims to enable better life choices and sustainable livelihood opportunities, therefore building self-reliant and resilient communities.

~35,500

Students availed free education

Sponsored evening schools at Delhi Public Society for economically weaker sections

Vision

To predominantly offer free healthcare support to the underprivileged and economically weaker sections of the society by providing easy access to medical care.

Mission

To provide free access to medical assistance i.e., access to medical consultation, essential medicines, pathology and diagnostic tests to people in the community and villages close to the plants, with an aim to improve the overall health index of the communities.



Enabling better healthcare for marginalized communities

Everyone deserves access to prompt and quality healthcare. Our collaboration with the AARU Care initiative by RJ Foundation enables us to fulfil this critical need and address the healthcare challenges of less privileged communities in the areas we operate and serve. So far, we have helped 5.38 lakh patients avail the benefits of free consultations, medicines, and diagnostic tests, supporting them in their journey towards preventive healthcare, disease management and leading a life that is not just free from illness but also more productive, resilient and economically stable.



1+ lakh

Patients benefited in CY 2025 with

4

Operational clinics in India
(2 in Uttar Pradesh, 1 in Bihar and 1 Haryana)

Water Distribution Programme – A clean water access initiative

Water is an existential resource; though its availability is highly dependent on water cycle and other complex factors. Recognizing its immense shortage in drought-affected regions, VBL undertook the responsibility of facilitating access to clean drinking water to millions of families.

Through our Drinking Water Distribution Drive, a one-of-its-kind initiative launched to meet the basic water needs of people living in water-stressed regions, we distributed 2.6 million liters of clean drinking water across 5 states, in collaboration with the RJ Foundation. Aligned with our core values of inclusion and sustainability, the program witnessed proactive participation by our employees, who worked relentlessly towards identifying the most-affected regions and ensuring seamless water distribution.

The initiative more than quenched thirst - it served as a lifeline that alleviated daily struggles, restoring the dignity and socio-economic stability of the beneficiaries.

2.6 Million

Liters Drinking water distributed

91,000
people across

05
states benefitted



Pravah: A skill development initiative

Unemployment in India is a silent crisis that needs urgent attention. With a significant percentage of the youth workforce currently unemployed and even more categorized as NEET (Not in Education, Employment, or Training), building necessary skills is imperative to bring them into mainstream. Pravah Skill Development Centre, an initiative by VBL, is an attempt towards this.

With 17,500 youth beneficiaries till 2025, Pravah aims to train maximum skilled workforce to meet the domestic regional requirements of a growing economy.

The center trains underprivileged youth, helping them build necessary skills for employability and financial stability. Strengthened by a structured and scalable learning framework, the Center is well-positioned to provide an enriching learning environment and create a long-term socio-economic impact, steadily progressing towards its ambition of emerging as a leading skill development center.





Courses offered by Pravah Skill Development Centre

Computer Course
Facilitates students with basic knowledge of computers

Fashion Designing
Imparts stitching skills, enabling students to stitch all types of garments related to men, women and children

Beauty Care
Provides women with an opportunity to pursue their interest in beauty and grooming

English Communication SkillsSkills
Enables participants to understand various aspects of communication and refresh their communication skills

Job Assistance
Provides extensive job assistance, helping youth with placement opportunities

Graphic Designing Course
Imparts knowledge on the use of design software such as Adobe Photoshop

Tally
Tally ERP course is designed to help students understand the basic principles

17,500+
Unemployed Youth skilled and uplifted

Risk and Opportunities Management

In today's dynamic landscape, where businesses are challenged by a wide spectrum of risks- strategic, operational, financial, and regulatory among various others, and presented with emerging opportunities, taking effective steps to manage them is imperative. A robust risk and opportunities management framework implemented by VBL strengthens its ability to anticipate changes, build resilient policies and practices, and capitalize on emerging opportunities, creating sustained value for its stakeholders.

All our facilities and functions, including production and distribution, across all countries we operate in, are covered under this framework, in line with our ambition to ensure business continuity and enduring growth.

Risk Management Framework: Key components

A 4-step process of identifying, assessing, mitigating and monitoring risks form the primary basis of our risk management framework.

Risk Identification

- Comprehensive reporting system is developed to proactively identify potential risks
- Stakeholders insights are gathered while incorporating historical data and industry benchmarks

Risk Assessment

- Key risks are identified in a systematic manner and their root causes are analyzed
- Risk assessment targets are aligned with business objectives to identify potential opportunities and threats

Risk Controls and Mitigation

- Stringent measures are implemented to control and mitigate identified risks
- Clear action plan is implemented with adequate allocation of resources to address risks

Monitoring and Reporting

- Risks are monitored and performance-based refinements are continuously made to risk mitigation strategies
- Risk reports are regularly updated and shared to ensure transparency and informed decision-making



Key risks and mitigation plan

Risk	Description	Mitigation Plan
 **Demand Risk**	The risk of slowdown in the Company's target markets and adverse impact on its sales velocity caused by a cyclical downturn.	▪ Strategic approach to provide the right brand featuring the right products at the right price and through the right channels has supported consistent growth in sales volumes ▪ An extensive portfolio, comprising a wide range of products, caters to the varying tastes and preferences of diverse consumer segments ▪ Strong presence in relatively underpenetrated markets with favorable demographics, growing population, and advantageous climate is also a key contributor to VBL's steady growth
 **Business Agreement Risk**	The Company relies on strategic relationships and agreements with PepsiCo. Termination of agreements or less favorable renewal terms could adversely affect profitability.	▪ Strong partnership with PepsiCo over the past three decades along with VBL's steady efforts to solidify its market ties, expand its territories and sub-territories, and diversify its production and distribution capabilities across a broader array of PepsiCo beverages has contributed to enduring business relationships ▪ VBL's sustained focus on adding multiple SKUs into the portfolio and developing a stronger distribution network has helped it to win a larger market share for PepsiCo, garnering its trust and continued patronage ▪ The bottling appointment and trademark license agreement for India with PepsiCo India has been extended till April 30, 2039, from October 2, 2022, earlier, signifying strong partnership, built on the foundation of mutual trust and support ▪ Collaborating as active development partners, investing in joint projects and business planning on strategic issues ensures a close and mutually beneficial relationship between the Company and PepsiCo
 **Business Viability Risk**	Business viability risk amounts to the financial and/or performance risk stemming from Company's inability to integrate the operations of newly acquired territories and sub-territories or derive potential operating and cost efficiencies from them.	▪ VBL's straightforward strategic approach and financial need ensures that any future acquisitions or partnerships comply with the Board's acquisition guideline and bring value to the Company ▪ Concentrated efforts and initiatives are undertaken to ensure optimal performance of newly acquired territories and long-term business viability. This includes significant financial investment and considerable time spent by the management to develop local market strategies that are capable of mitigating possible cultural and language barriers as well as incorporating existing business practices into new activities

Risk	Description	Mitigation Plan
 **Regulatory Risk**	Regulatory risks to the Company include new and evolving regulations on consumer health. Business is also at the risk of adverse impact on account of Company's products being targeted for discriminatory tax and packaging waste recovery.	▪ An unwavering commitment to sustainability, across VBL's business decisions and operations, inspires the Company to take proactive steps to collaborate with the government and other regulatory authorities to ensure clear understanding of the facts and prevent unfair singling out of its products, along with PepsiCo ▪ VBL maintains a continuous focus on establishing and implementing sustainability solutions in the areas of environment, social and governance, along with the NGO's, communities it operates in, and other stakeholders ▪ Eco-friendly manufacturing practices are consistently adhered to and strong emphasis is placed on addressing issues related to packaging waste recovery / recycling, water management and greenhouse gases emissions ▪ Collaboration with GEM Enviro Management Ltd. reinforces VBL's sustainability commitment and is empowering the Company to carry out a phased implementation of 100% recycling of used PET bottles ▪ Measurement and improvement in the Company's carbon footprint and water footprint assurance is further achieved through alliance with Deutsch Quality Systems (India) Private Limited ▪ The Company also aligns with PepsiCo's strategy of introducing healthier and "zero sugar" variant of products, solidifying its position as a responsible brand that cares for its consumers
 **Consumer Preference Risk**	Inability to adjust with the evolving consumer health trends and failure in clarifying misunderstandings about the health impacts of consuming soft drinks could harm demand.	▪ Evolving consumer habits are constantly evaluated in close collaboration with PepsiCo. This is followed by product innovation in line with changing demand and product portfolio expansion to remain relevant in a competitive business landscape ▪ PepsiCo's new and healthy product plan with greater focus on zero / limited calorie content and sugar content also augurs well for VBL

Risk	Description	Mitigation Plan
Raw Material Risk 	An interruption in the supply or significant increase in the price of raw materials or packaging materials may adversely affect the Company's business prospects, results of operations and financial condition.	VBL implements multiple initiatives and programmes to optimize cost and operational efficiencies: ▪ Concentrated efforts, including backward integration and consolidated procurement of raw materials, are constantly made to reduce the cost of goods sold and increase the Company's cash flows ▪ An expansive scale of operations enables VBL to enjoy a good bargaining power with its suppliers, resulting in better working capital management ▪ VBL makes continuous efforts to optimize its asset management and utilization, leading to higher operating efficiency and amortization of overheads costs on a wider case ▪ Innovative solutions further augment the Company's process efficiency ensuring consolidated operational data from production, scheduled sourcing, and superior monitoring of the supply of goods from manufacturers to the retail point of sale
 **Sustainable packaging costs and market availability**	The cost of recyclable materials, such as recycled PET (rPET) and aluminum, can affect packaging costs. Increased prices may impact our sustainability efforts, especially if these materials are essential for eco-friendly packaging. In areas with high plastic consumption, inadequate collection and recycling infrastructure can be a challenge. This may affect our ability to source recycled materials or manage our packaging waste effectively. Supply constraints or high costs can pose challenges to access to high quality recycled materials (like rPET) at reasonable prices	▪ Aligned with the ambition to effectively manage plastic waste and ensure 100% recycling, sustained efforts are being made by the Company to increase the overall packaging collection rate ▪ VBL aims to achieve 30% usage of r-PET in its total plastic consumption and is working towards increasing the use of recycled PET in PET bottle packs. This underscores the Company's commitment to responsible waste management and a steady shift towards more sustainable packaging materials ▪ VBL's collaboration with GEM Enviro Management Ltd for recycling plastic waste, conducting awareness programmes for communities, uplifting the lives of ragpickers, etc., also reflects its dedication towards sustainable plastic waste management

Risk	Description	Mitigation Plan
Water usage and replenishment	Managing packaging-related emissions and waste is vital for achieving sustainability commitments, such as Net Zero. To maintain a positive brand image and meet customer expectations as consumer preferences are increasingly leaning towards environmentally friendly products and packaging. Identifying regions and areas that are experiencing water scarcity due to factors like population growth, climate change, and over-extraction of water resources. Analyzing the impact of climate change on water availability, including changes in precipitation patterns and the frequency of droughts and floods. Recognizing the importance of maintaining water availability for local communities' water requirements in overexploited and critical zones as per CWGB.	Aligned with its commitment to recharge twice the groundwater used in beverage manufacturing and reduce water usage ratio VBL has taken a series of steps and measures: ▪ Implemented over 150+ process improvements and solutions to enhance water efficiency ▪ Adopted 300+ water bodies near manufacturing plants to replenish groundwater reserves This has helped us to not only meet but surpass the regulatory requirements related to water replenishment, ensuring overall water resource conservation.
Carbon Footprint Management	Increased concentrations of greenhouse gases in the atmosphere trap heat, resulting in global warming. Climate change driven by carbon emissions can disrupt ecosystems and threaten biodiversity. Governments may use carbon footprint assessments to set emission reduction targets, implement regulations, and incentivize greener practice. Changing perceptions of the community about greenwashing.	Guided by VBL's strategic sustainability approach, the Company has set a target to achieve Net Zero by 2050 over base year 2023. Measures and initiatives taken to generate positive climate impact include: ▪ Aligning future business growth targets with its carbon footprint initiatives ▪ Increasing sustainable packaging mix to reduce plastic usage and future requirements ▪ Engaging with stakeholders, including employees, suppliers, and communities, to build awareness and successfully implement carbon footprint commitments

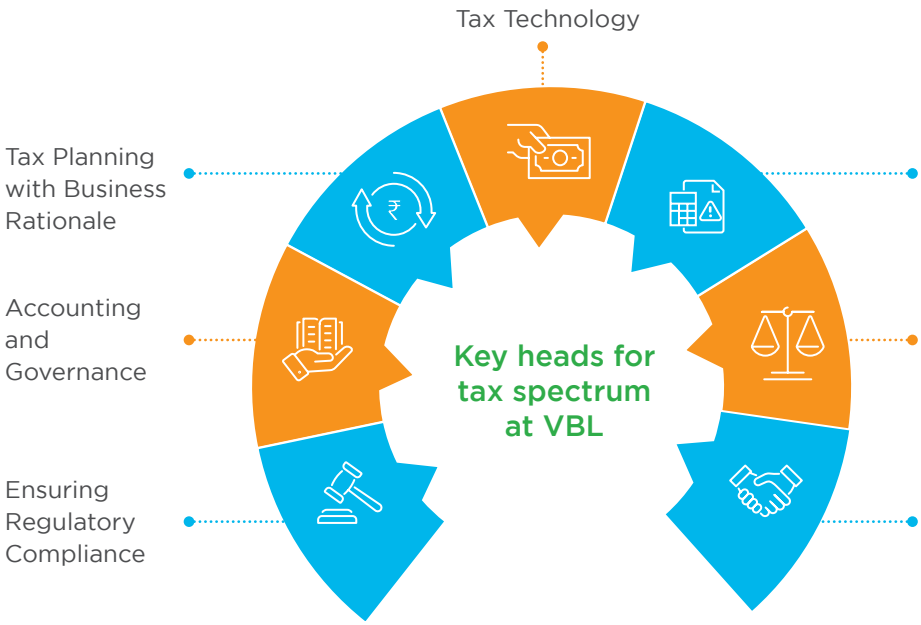
Climate risks and opportunities

Transition risks

Risk	Description	Mitigation plan
Temperature	Higher temperatures can lower manufacturing efficiency, increase cooling costs, and pose heat stress risks, impacting worker health and productivity.	Measures taken by VBL to mitigate risks arising from temperature changes are: ▪ Investing in energy-efficient cooling systems and insulation to combat rising temperatures ▪ Protecting workforce health by creating heat-resistant work environments, offering flexible hours, providing hydration and electrolytes, and conducting heat stress assessments ▪ High-stress jobs are being managed with frequent job rotations to ensure safety and maintain productivity
Water availability	Water availability challenges include droughts, which can lead to water scarcity and disrupt production dependent on significant water usage. Groundwater depletion also poses risks, particularly for sites reliant on it, potentially increasing water costs. Additionally, floods caused by excessive rainfall can damage infrastructure, disrupt operations, and impact supply chains.	Following measures are enabling VBL to address water-related challenges: ▪ Deploying advanced water management systems focused on recycling and conservation for improving water efficiency ▪ Investing in technologies that tap into alternative water sources, such as desalination and rainwater harvesting, to further ensure sustainable water availability
Weather events	The rising frequency and intensity of cyclones and storms can disrupt supply chains, damage infrastructure and cause operational shutdowns.	To mitigate risks arising from unpredictable weather events, VBL is: ▪ Strengthening its infrastructure and incorporating resilient designs and backup power systems to endure extreme weather ▪ Diversifying supply chains to lessen dependence on regions vulnerable to extreme weather events
Water sources	Glacial melt can alter water availability, impacting regions that rely on glacial-fed water sources.	To address glacial melt and related challenges, VBL is : ▪ Improving water efficiency across plants and operations ▪ Reducing reliance on glacial-fed sources ▪ Implementing monitoring systems to anticipate and adapt to changes in water availability
Land degradation	Desertification, leading to the loss of arable land, can disrupt agricultural supply chains and drive up raw material costs.	To mitigate the impact of desertification, VBL is : ▪ Sourcing raw materials from regions less vulnerable to it ▪ Investing in land restoration projects to combat soil degradation, ensuring continued agricultural productivity

Tax Responsibility: Integrating ESG into Fiscal Practices

Sustainable tax practices contribute directly to strong corporate governance, significantly reducing regulatory risks and fostering stakeholder trust. At VBL, implementing responsible tax practices align with our ESG goals and strengthens long-term credibility.





Ensuring regulatory compliance

VBL ensures tax compliance through:

- Strict adherence to all tax regulatory compliances, periodical filings, and reporting for all the applicable tax laws;
- A policy of zero-tolerance to any non-compliance;
- A robust compliance tracking tool with a predefined escalation matrix for instant flag off in case of non-compliance

Accounting and governance

Accurate accounting and strict adherence to applicable laws is ensured through an internal team of tax experts which ensures:

- Comprehensive accounting of taxes on all fronts – input, output, corporate and withholding taxes, in alignment with applicable laws and accounting standards;
- Careful evaluation of changes, if any, to existing tax laws, and a detailed assessment of their implications on VBL's business transactions, helping the Company to quickly adapt to evolving regulatory requirements. An updated SOP is then circulated to implement the changes amongst relevant stakeholders

Tax planning with business rationale

VBL's robust tax planning is supported by a transparent process of tax risk assessment and management which ensures that the Company:

- Refrains from taking any aggressive tax positions, aligned with VBL's zero-tolerance for non-compliance of tax regulations or tax evasions;
- Avail only those tax incentives (in respective jurisdictions) that align with VBL's overall business objective

Strengthening relationships with tax authorities

- Concentrated efforts are made by VBL to uphold its reputation as 'the most trusted and tax compliant company' in its area of operations;
- This is ensured through proactive engagement with the tax authorities to understand the business model and tax positions and providing extensive support

Robust risk management

VBL has formulated and implemented a comprehensive risk management framework to identify, evaluate and risks across key risk areas:

- An internal risk control process continually identifies, measures, analyzes and manages such risks;
- A comprehensive review mechanism ensures that all transactions are tax compliant and fall within no risk or low risk categories. The responsibility for such review is vested with the Audit, Risk Management & Ethics Committee, Internal Auditors and Statutory Auditors

Integrity and ethical conduct

Ethics and integrity are integral to VBL's operations. The Company upholds it through:

- Strong and transparent accounting principles;
- Maintaining a zero-tolerance stance towards unethical behavior by any employees and/ or third-party working in or behalf of the Company, with strict policies and enforcement mechanisms in place to address violations;
- Implementing a zero-tolerance policy on integrity, applicable for all VBL's dealings with vendors, customers, third-party consultants and government authorities

Tax technology

As tax authorities continue to adopt technology-driven oversight, digital recording and reporting of all tax transactions has become a standard practice. Keeping up with this and to strengthen regulatory compliance, continued investments are being made by VBL, enabling more accurate and quicker reporting.



Vendor Management

- Strong vendor management process with robust KYC documentation & verification of historical compliances under GST laws
- Vendor mapping with correct HSN/SAC code and GST rates
- Vendor mapping with correct withholding tax codes for proper deduction of withholding tax while recording transactions

Identification and recording in correct ledger

- Powerful SAP-based identification process enabling issuance of PO using correct HSN/SAC and tax code
- System-based transaction identification by an internal team
- Controlling of the input tax entitlement through the system to ensure that the input tax credit is not availed wrongly (not permitted as per GST laws)

System generated Sale Invoices, E-invoices and E-way bills

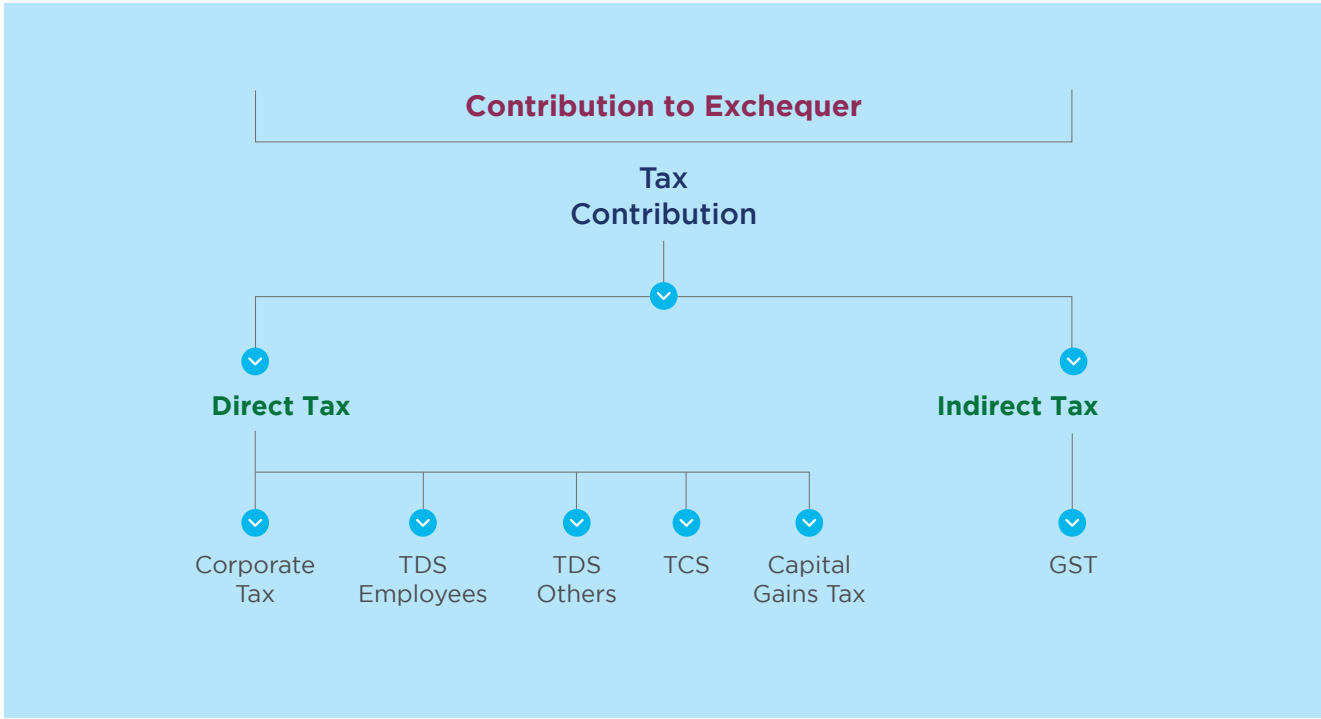
- VBL SAP is integrated with the E-invoicing portal and E-way bill portal of the government
- System configuration restricts invoice generation without an E-invoice and E-way bill (as prescribed under the GST laws)

GST portal reporting

- Filing of GST returns for all outward supplies basis system-generated sales register
- This ensures that all the recorded outward supplies get reported along with the correct tax liability

Corporate Taxes, TDS, TCS, Capital Gains Tax and Dividend Distribution Tax

Over the years, VBL has made a significant contribution to the exchequer by way of Corporate Tax, TDS on Employees, TDS on others, TCS, Capital Gains and the Dividend Distribution Tax. Given an increase in turnover in the last five years, its Corporate Income Tax has increased – from ₹ 347.2 million in FY 2020- 21 to ₹ 7,547.6 Million in FY 2024-25.



Tax trends in the last five years: (₹ in million)

Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Corporate Tax (Excluding Interest u/s 234A/234B/234C)	347.2	1,383.9	4,988.9	5,974.5	7,547.6
TDS on Employees (As per Tax Audit Report)	454.9	561.0	769.0	750.4	809.3
TDS on Others (As per Tax Audit Report)	245.7	484.7	770.1	857.5	1,094.5
TCS (As per Tax Audit Report)	29.6	72.2	118.1	130.0	129.1
Dividend Distribution Tax	-	-	-	-	-
Capital Gains Tax (Including in Corporate Tax mentioned above)	1.2	0.1	2.2	1.0	9.4

Note: For taxation purpose, FY refers to Financial Year defined as per the Income Tax Act, 1961 i.e. April 1 to March 31.



Indirect Tax - GST

The key product of VBL is taxable at a higher GST rate of 40%. In the last five years, the total payment of Gross GST on outward supplies stands at ₹ 228,557 Million. This has increased from ₹ 24,690.8 Million in Financial Year 2020-21 to ₹ 64,910.3 Million in Financial Year 2024-25.

Tax trends in the last five years:

(₹ in million)

Financial Year	Gross Tax Payable	Paid through Cash	Paid through ITC
2020-21	24,690.8	12,309.6	12,384.1
2021-22	31,918.9	15,639.0	16,276.9
2022-23	53,067.0	26,194.6	26,872.4
2023-24	53,970.1	28,708.3	25,261.8
2024-25	64,910.2	32,900.6	32,009.6





International Territories

132 Growing Stronger in the International Business





Growing Stronger in the International Business

Crossing boundaries to create the right ESG impact, our ESG strategy drives meaningful action and global growth. We champion sustainability through inclusive practices that create lasting impact. By integrating environmental stewardship, social responsibility, and strong governance, we foster positive change across our operations and communities, reinforcing our commitment to a better future.

Varun Beverages South Africa

Environment

- Reduction in PET blowing pressure
- Implementation of post-blowing air recovery systems across all plants
- Assessment of steam traps and optimization of condensate return recovery
- Exploration of solar power adoption across all plants
- Installation of flow meters in key areas across all plants
- Installation of water recovery systems on the blender in all plants
- Optimization of CIP water usage
- Implementation of cut-off switches for hand wash stations
- Partnership with regional recycling companies for the collection of used PET bottles

1.43 Liters
Water consumed per liter of beverage production in 2025

4%
Renewable Energy Mix

Social

- Social media campaign for Women's Month
- Launch of Reboost Pink in affiliation with Women's Month gatherings
- Collaborative initiatives with Bethany House to support women affected by domestic violence
- Updated contractor management system
- Enhanced Permit to Work system with a special focus on improving frontline awareness of risk mitigation

29%
Permanent Diversity in 2025

Governance awards and achievement

Compliance

- Ensuring strict adherence to corporate policies and applicable laws.
- Conducting regular audits to uphold the highest standards of ethical conduct.

Training

Conducted various compliance training programs.

Varun Beverages Morocco

Environment

- Installed flow meters for precise water usage monitoring and optimization
- Enhanced RO efficiency in areas where recovery rates were below the designed capacity
- Implementing solar power panels to minimize reliance on conventional energy sources

1.53 Liters
Water consumed per liter of beverage production in 2025

11%
Renewable Energy Mix

Social

- Promoting gender diversity by integrating women into the workforce to foster inclusion within the organization
- Supporting employee well-being and engagement through initiatives like pilgrimage programs, sports activities, summer camps, and team-building events
- Contributed social aid to earthquake victims in the Al Haouz region

6%
Permanent Diversity in 2025

Governance awards and achievement

Training

Conducted various compliance training programs









Varun Beverages Zimbabwe

Environment

- Installed a water treatment plant to minimize water wastage
- Set up solar power plants to reduce reliance on conventional energy sources
- Lowered carbon emissions by reducing coal usage with lighter grammage per 8 oz
- Participated in National Tree Planting Day in collaboration with NMB Bank and the City of Harare
- Replaced diesel/petrol forklifts with electric vehicles (EVs)
- Introduced EVs for last-mile delivery to further reduce environmental impact



1.44 Liters
water utilized per liter of beverage production in 2025

14%
Renewable Energy Mix



Social

- Empowering marginalized women, including those from economically disadvantaged backgrounds, individuals with special needs, and war widows, by providing sustainable livelihood opportunities
- Supporting education for underprivileged students through sponsorship programs
- Contributing to community well-being by extending aid and support during the Cholera outbreak



6,700 push carts
Deployed to create employment for women in rural, semi-urban, and urban areas, with an initiative launched by the President of Zimbabwe



Sponsored first PHD student program
For higher education in India

16%
Permanent Diversity in 2025

Sponsored several school children
From underprivileged backgrounds

Most socially responsible and society friendly company
In Zimbabwe

Governance awards and achievement

Compliance

Varun Beverages Zimbabwe operates in full compliance with applicable laws, policies, and regulations.

Training

Conducted various compliance training programs.

Varun Beverages Nepal

Environment

- Established a 2MW solar power plant at the manufacturing facility
- Installing active harmonic filters at plants to reduce power consumption
- Partnering with NGOs and local organizations to plant trees within the plants and surrounding parks
- Enhancing the water recovery system for bottle washing operations to improve efficiency
- Installing bag filters at manufacturing sites to reduce carbon and other gas emissions
- Phased transition from diesel forklifts and staff buses to electric vehicles
- Exploring plastic waste collection and recycling initiatives with third-party vendors

1.62 Liters
of water consumed per liter of beverage production in 2025

13%
Renewable Energy Mix





Social

- Promoting diversity and inclusion across our workforce and supply chain
- Committed to fair labor practices and prioritizing the well-being of our employees
- Supporting education and community initiatives to create a positive societal impact
- Undertaking CSR efforts in healthcare, community development, and collaborations with local law enforcement
- Established the AARU Clinic in Kathmandu for healthcare access
- Offering free medical checkups for the community
- Contributing to the Birat Eye Clinic to support eye care
- Constructing a temple in Ramgram, near Navalparasi, Nepal
- Ensured employee engagement through various team-building programs

17%
Permanent Diversity in 2025



Governance awards and achievement

Compliance

- Ensuring strict adherence to corporate policies and applicable laws
- Conducting regular audits to uphold the highest standards of ethical conduct

Training

Conducted various compliance training programs.

Varun Beverages Zambia

Environment

- Implemented initiatives like CIP conservation, RO water recovery, and equipment optimization to enhance water savings
- Optimized energy use through automation, solar and LED lighting, and photo sensor installations
- Exploring plastic waste collection and recycling in partnership with third-party vendors

Social

- Collaborated with World Vision to implement various CSR initiatives
- Partnered with Project Concern Zambia (PCZ) for reforestation, safe drinking water access, and the Strong Zambia Project empowering young girls
- Conducted multiple employee training and recognition programs

1.62 Liters
of water consumed per liter of beverage production in 2025

23%
Permanent Diversity in 2025

8%
Renewable Energy Mix





Governance awards and achievement

Compliance

- Varun Beverages Zambia ensures compliance with applicable regulations through dedicated legal teams, regular audits, and employee training programs
- Committed to ethical business practices, strengthening its reputation as a responsible corporate entity while mitigating legal risks for sustainable growth

Training

Conducted various compliance training programs.



Varun Beverages Sri Lanka

Environment

- Installed timers to automatically stop the ammonia compressor pump after use
- Replaced CFL and FTL lamps with energy-efficient LED lighting
- Repaired LP air leakage points and established an SMT for weekly audits and corrective actions
- Installed water flow meters at key consumption points for accurate monitoring and control.
- Repurposed rejected RO water for JAR washing, enhancing resource efficiency and reducing waste
- Launched the “Clean Green Sri Lanka” initiative to tackle PET plastic waste by collecting and recycling used plastic through dedicated collection bins

1.62 Liters
of water consumed per liter of beverage production in 2025

8%
Renewable Energy Mix

Social

- Promoted paddy field cultivation to support farmers’ growth and uplift the community
- Provided on-the-job training to enhance employees’ operational skills and situational awareness

8%
Permanent Diversity in 2025



Governance awards and achievement

Compliance

- Varun Beverages Sri Lanka ensures compliance with applicable regulations through dedicated legal teams, regular audits, and employee training programs
- Committed to ethical business practices, strengthening its reputation as a responsible corporate entity while mitigating legal risks for sustainable growth

Training

Conducted various compliance training programs

Varun Beverages DRC

Environment

- Evaluation of steam traps and optimization of condensate return recovery
- Exploration of solar energy adoption across all facilities
- Installation of flow meters in critical areas at each plant
- Implementation of water recovery systems on blenders across all plants
- Optimization of water usage in CIP processes
- Installation of cut-off switches for hand wash stations
- Collaboration with regional recycling partners for the collection of used PET bottles

1.43 Liters
Water consumed per liter of beverage production in 2025

4%
Renewable Energy Mix

Social

- Social media campaign for Women's Month
- Updated contractor management system
- Enhanced Permit to Work system with a special focus on improving frontline awareness of risk mitigation

29%
Permanent Diversity in 2025

Governance awards and achievement

Compliance

- Ensuring strict adherence to corporate policies and applicable laws
- Conducting regular audits to uphold the highest standards of ethical conduct

Training

Conducted various compliance training programs.

Awards and Recognition

We are honored to be recognized with awards and accolades for our commitment to excellent corporate governance, strong business processes, and sustainable growth. These achievements reflect our dedication to meeting both our business objectives and our social and environmental sustainability goals.

2025

- India's Top Value Creator 2025 - Food and Beverages by Dun & Bradstreet

2024

- Best Corporate Governance Practices Award, Pep+ Sustainability award, ABC 2024 Pep+ Climate Award

2023

- PepsiCo's 'Better' category award for our sustainability endeavors
- PepsiCo's International Bottler of the Year 2022
- PepsiCo's Best Bottler in the Africa-Middle East-South Asia region
- Business Excellence (Corporate Governance) of The Year 2022 Award by Prime Time Research Media Pvt. Ltd.
- Best Corporate Governance Practices - Varun Beverages Limited Award under Business Brand Awards



2021

- Winner of Best FMCG Corporate Governance India 2021 awarded by Capital Finance International (UK) (third successive year)

2020

- Winner of Best FMCG Corporate Governance India 2020 awarded by Capital Finance International (UK)
- Winner of Bottler of the Year, 2019 by PepsiCo in AMESA sector (Africa, Middle East and South Asia) received in 2020

2018

- National Best Employer Award by ET Now, in collaboration with World HRD Congress
- Distinguished Entrepreneurship Award in the PHD Annual Awards for Excellence 2018 to Mr. Ravi Jaipuria

2016

- VBL India – FOBO Unit of the Year
- Varun Beverages Lanka (Private) Limited – FOBO Country of the Year

2017

- Varun Beverages (Nepal) Private Limited – Best Unit of the Year
- Varun Beverages Lanka (Private) Limited – Donald M Kendall Award by PepsiCo for Small Developed Markets
- VBL Sonarpur Plant – Best Plant of the Year
- VBL Sonarpur Plant – CII Award for Food Safety

2022

- PepsiCo's Best Bottler in the Africa-Middle East-South Asia region
- Golden Peacock National Quality Award
- Golden Peacock award for Excellence in Corporate Governance
- CFI.CO (UK) for the 4th Consecutive Year for Best FMCG Corporate Governance (India)
- Business Brand Award for Best Corporate Governance Practices
- CNBC TV18 - Incredible Brands of India Awards for Best Corporate Governance of the Year

2019

- Varun Beverages Limited – Bottler of the Year 2019 by PepsiCo in South Asia Region
- Winner of Best FMCG Corporate Governance India 2019 awarded by Capital Finance International (UK)
- Varun Beverages Limited – Global Best Employer Award

1997

Mr. Ravi Jaipuria, the only Indian Company's promoter to have received PepsiCo's International Bottler of the Year Award in 1997



GRI Index

GRI content index	
Statement of use	VBL has reported the information cited in this GRI content index for the period January 1, 2025 to December 31, 2025 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	02-07	30 Years Strong. Growing All Along.	Varun Beverages Limited (VBL) a public listed company having its headquarters in India. Country of Operations: Strengthening a Global Beverage Network Refer page (18-19)
	2-2 Entities included in the organization's sustainability reporting	18-19	Strengthening a Global Beverage Network	
	2-3 Reporting period, frequency and contact point	36-37	About the ESG Report	
	2-4 Restatements of information	36-37	About the ESG Report	Page 75: The company adopted the SBTi methodology for calculating GHG emissions starting from CY 2024. GHG emissions for CY 2023 and CY 2024 on consolidated volume have been restated.
	2-5 External assurance	36-37	About the ESG Report	
	2-6 Activities, value chain and other business relationships	78-81	Responsible Sourcing Practices	
	2-7 Employees	84-93	People at the Core of Our Growth	
	2-8 Workers who are not employees	84-93	People at the Core of Our Growth	
	2-9 Governance structure and composition	106-114	Integrity that Enables Growth	
	2-10 Nomination and selection of the highest governance body	106-114	Integrity that Enables Growth	
	2-11 Chair of the highest governance body	106-114	Integrity that Enables Growth	
		31-32	Our Board: Enriched by Diversity, Focused on Value	
	2-12 Role of the highest governance body in overseeing the management of impacts	106-114	Integrity that Enables Growth	
		31-32	Our Board: Enriched by Diversity, Focused on Value	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
	2-13 Delegation of responsibility for managing impacts	106-114	Integrity that Enables Growth	
	2-14 Role of the highest governance body in sustainability reporting	38-39	Promoter, Executive Vice-Chairman and WTD's Message: Three Decades of Building with Discipline	
		52-53	Driving ESG Excellence	
	2-15 Conflicts of interest	106-114	Integrity that Enables Growth	There have been no complaints of conflict of interest.
	2-16 Communication of critical concerns	106-114	Integrity that Enables Growth	The Vigil Mechanism encourages directors and employees to report genuine concerns regarding unethical behavior, fraud, leakage of sensitive information, or policy violations. The company upholds the highest ethical and legal standards and assures protection to those reporting misconduct. It also allows access to the Chairperson of the Audit and Risk Management Committee in exceptional cases. However, it doesn't excuse breaches of confidentiality or false allegations.
	2-17 Collective knowledge of the highest governance body	106-114	Integrity that Enables Growth	
	2-18 Evaluation of the performance of the highest governance body	106-114	Integrity that Enables Growth	ESG-linked Incentive Policy under Sustaining an Empowered Workforce
	2-19 Remuneration policies	106-114	Integrity that Enables Growth	ESG-linked Incentive Policy under Sustaining an Empowered Workforce
	2-20 Process to determine remuneration	106-114	Integrity that Enables Growth	
	2-21 Annual total compensation ratio	106-114	Integrity that Enables Growth	
	2-22 Statement on sustainable development strategy	38-39	Promoter, Executive Vice-Chairman and WTD's Message: Three Decades of Building with Discipline	
	2-23 Policy commitments	106-114	Integrity that Enables Growth	
	2-24 Embedding policy commitments	106-114	Integrity that Enables Growth	
	2-25 Processes to remediate negative impacts	106-114	Integrity that Enables Growth	
	2-26 Mechanisms for seeking advice and raising concerns	106-114	Integrity that Enables Growth	
	2-27 Compliance with laws and regulations	106-114	Integrity that Enables Growth	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
	2-28 Membership associations	26-27	Collective Strength. Shared Success	List of the top trade and industry chambers and associations provided
	2-29 Approach to stakeholder engagement	44-45	Collaborating for Sustainable Growth	
		46-49	Growing All Along with What Matters Most	
	2-30 Collective bargaining agreements	106-114	Integrity that Enables Growth	
		84-93	People at the Core of Our Growth	
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	46-49	Growing All Along with What Matters Most	
	3-2 List of material topics	46-49	Growing All Along with What Matters Most	Our materiality matrix includes all our material issues, and they are integrated within the different sections of the Sustainability Report
Economic performance				
GRI 3: Material Topics 2021	3-3 Management of material topics	46-49	Growing All Along with What Matters Most	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	28-29	Strong at 30. Stronger in Performance	
	201-2 Financial implications and other risks and opportunities due to climate change	119-124	Risk and Opportunities Management	
	201-3 Defined benefit plan obligations and other retirement plans	84-93	People at the Core of Our Growth	
	201-4 Financial assistance received from government	28-29	Strong at 30. Stronger in Performance	No share of any government in the shareholding structure
Market presence				
GRI 3: Material Topics 2021	3-3 Management of material topics	114	Fostering Inclusion and Diversity under chapter Integrity that Enables Growth	
		84-93	People at the Core of Our Growth	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	114	Fostering Inclusion and Diversity under chapter Integrity that Enables Growth	
		84-93	People at the Core of Our Growth	
	202-2 Proportion of senior management hired from the local community	106-114	Integrity that Enables Growth	All the senior management of the company are hired from the local community
Indirect economic impacts				
GRI 3: Material Topics 2021	3-3 Management of material topics	44-45	Collaborating for Sustainable Growth	
		46-49	Growing All Along with What Matters Most	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	28-29	Strong at 30. Stronger in Performance	
		116-118	CSR Initiatives: Delivering Value Beyond Profit	
	203-2 Significant indirect economic impacts	28-29	Strong at 30. Stronger in Performance	
		116-118	CSR Initiatives: Delivering Value Beyond Profit	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
Procurement practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	78-81	Responsible Sourcing Practices	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	78-81	Responsible Sourcing Practices	
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	106-114	Integrity that Enables Growth	
		84-93	People at the Core of Our Growth	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	106-114	Integrity that Enables Growth	
	205-2 Communication and training about anti-corruption policies and procedures	106-114	Integrity that Enables Growth	
	205-3 Confirmed incidents of corruption and actions taken	106-114	Integrity that Enables Growth	
Anti-competitive behavior				
GRI 3: Material Topics 2021	3-3 Management of material topics	106-114	Whistleblower/Vigil Policy, Anti-bribery and corruption policy under Integrity that Enables Growth	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	106-114	Integrity that Enables Growth	
Tax				
GRI 3: Material Topics 2021	3-3 Management of material topics	125-129	Tax Responsibility: Integrating ESG into Fiscal Practices	
GRI 207: Tax 2019	207-1 Approach to tax	125-129	Tax Responsibility: Integrating ESG into Fiscal Practices	
	207-2 Tax governance, control, and risk management	119-124	Risk and Opportunities Management	
		125-129	Tax Responsibility: Integrating ESG into Fiscal Practices	
		106-114	Vigil Mechanism Policy	
	207-3 Stakeholder engagement and management of concerns related to tax	119-124	Risk and Opportunities Management	
		125-129	Tax Responsibility: Integrating ESG into Fiscal Practices	
		106-114	Vigil Mechanism Policy	
	207-4 Country-by-country reporting	125-129	Tax Responsibility: Integrating ESG into Fiscal Practices	We will report country by country taxation in next sustainability report
Materials				
GRI 3: Material Topics 2021	3-3 Management of material topics	56-57	Green Vision. Growth Mission	
		66-69	Managing Plastic Waste Efficiently	
		44-45	Collaborating for Sustainable Growth	
		119-124	Risk and Opportunities Management	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
GRI 301: Materials 2016	301-1 Materials used by weight or volume	66-69	Managing Plastic Waste Efficiently	
	301-2 Recycled input materials used	66-69	Managing Plastic Waste Efficiently	
	301-3 Reclaimed products and their packaging materials	66-69	Managing Plastic Waste Efficiently	
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	56-57	Green Vision. Growth Mission.	
		70-71	Powering Energy Efficiency	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	70-71	Powering Energy Efficiency	
	302-2 Energy consumption outside of the organization	70-71	Powering Energy Efficiency	
	302-3 Energy intensity	70-71	Powering Energy Efficiency	
	302-4 Reduction of energy consumption	70-71	Powering Energy Efficiency	
	302-5 Reductions in energy requirements of products and services	70-71	Powering Energy Efficiency	
Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	56-57	Green Vision. Growth Mission.	
		58-65	Water Conservation, Rejuvenation of Water Bodies (RWB), Water Bodies: Impact Assessment	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	58-65	Water Conservation, Rejuvenation of Water Bodies (RWB), Water Bodies: Impact Assessment	
	303-2 Management of water discharge-related impacts	58-65	Water Conservation, Rejuvenation of Water Bodies (RWB), Water Bodies: Impact Assessment	
	303-3 Water withdrawal	58-65	Water Conservation, Rejuvenation of Water Bodies (RWB), Water Bodies: Impact Assessment	
	303-4 Water discharge	58-65	Water Conservation, Rejuvenation of Water Bodies (RWB), Water Bodies: Impact Assessment	
	303-5 Water consumption	58-65	Water Conservation, Rejuvenation of Water Bodies (RWB), Water Bodies: Impact Assessment	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
Biodiversity				
GRI 3: Material Topics 2021	3-3 Management of material topics	56-57	Green Vision. Growth Mission.	
		62-65	Water Bodies: Impact Assessment	
	304-3 Habitats protected or restored	62-65	Water Bodies: Impact Assessment	
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	56-57	Green Vision. Growth Mission.	
		72-77	Driving Ecosystem Resilience: Minimizing Our Carbon Footprint	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	72-77	Driving Ecosystem Resilience: Minimizing Our Carbon Footprint	
	305-2 Energy indirect (Scope 2) GHG emissions	72-77	Driving Ecosystem Resilience: Minimizing Our Carbon Footprint	
	305-3 Other indirect (Scope 3) GHG emissions	72-77	Driving Ecosystem Resilience: Minimizing Our Carbon Footprint	
	305-4 GHG emissions intensity	72-77	Driving Ecosystem Resilience: Minimizing Our Carbon Footprint	
	305-5 Reduction of GHG emissions	72-77	Driving Ecosystem Resilience: Minimizing Our Carbon Footprint	
	305-6 Emissions of ozone-depleting substances (ODS)	72-77	Driving Ecosystem Resilience: Minimizing Our Carbon Footprint	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	72-77	Driving Ecosystem Resilience: Minimizing Our Carbon Footprint	
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	56-57	Green Vision. Growth Mission	
		66-69	Managing Plastic Waste Efficiently	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	66-69	Managing Plastic Waste Efficiently	
	306-2 Management of significant waste-related impacts	66-69	Managing Plastic Waste Efficiently	
	306-3 Waste generated	66-69	Managing Plastic Waste Efficiently	
	306-4 Waste diverted from disposal	66-69	Managing Plastic Waste Efficiently	
	306-5 Waste directed to disposal	66-69	Managing Plastic Waste Efficiently	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
Supplier environmental assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	56-57	Green Vision. Growth Mission.	
		78-81	Responsible Sourcing Practices	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	78-81	Responsible Sourcing Practices	All our suppliers are screened through a comprehensive certification process suggested by PepsiCo and we are committed to sourcing raw materials as well as packaging materials only from the suppliers which are following sustainable practices.
	308-2 Negative environmental impacts in the supply chain and actions taken	78-81	Responsible Sourcing Practices	
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	44-45	Collaborating for Sustainable Growth	
		46-49	Growing All Along with What Matters Most	
		84-93	People at the Core of Our Growth	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	84-93	People at the Core of Our Growth	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	84-93	People at the Core of Our Growth	
	401-3 Parental leave	84-93	People at the Core of Our Growth	
Labor/management relations				
GRI 3: Material Topics 2021	3-3 Management of material topics	44-45	Collaborating for Sustainable Growth	
		46-49	Growing All Along with What Matters Most	
		84-93	People at the Core of Our Growth	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	84-93	People at the Core of Our Growth	Notice period are provided into three categories i.e. 30 days, 60 days and 90 days as per the employee grade defined also notice period related to corrective bargaining are included in the agreements
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	44-45	Collaborating for Sustainable Growth	
		46-49	Growing All Along with What Matters Most	
		94-97	Prioritizing Employee Safety	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	94-97	Prioritizing Employee Safety	
	403-2 Hazard identification, risk assessment, and incident investigation	94-97	Prioritizing Employee Safety	
	403-3 Occupational health services	94-97	Prioritizing Employee Safety	
	403-4 Worker participation, consultation, and communication on occupational health and safety	94-97	Prioritizing Employee Safety	
	403-5 Worker training on occupational health and safety	94-97	Prioritizing Employee Safety	
	403-6 Promotion of worker health	94-97	Prioritizing Employee Safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	94-97	Prioritizing Employee Safety	
	403-8 Workers covered by an occupational health and safety management system	94-97	Prioritizing Employee Safety	
	403-9 Work-related injuries	94-97	Prioritizing Employee Safety	
	403-10 Work-related ill health	94-97	Prioritizing Employee Safety	
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics	44-45	Collaborating for Sustainable Growth	
		46-49	Growing All Along with What Matters Most	
		84-93	People at the Core of Our Growth	
		106-114	Integrity that Enables Growth	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	84-93	People at the Core of Our Growth	
	404-2 Programs for upgrading employee skills and transition assistance programs	84-93	People at the Core of Our Growth	
	404-3 Percentage of employees receiving regular performance and career development reviews	84-93	People at the Core of Our Growth	
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	44-45	Collaborating for Sustainable Growth	
		46-49	Growing All Along with What Matters Most	
		84-93	People at the Core of Our Growth	
		106-114	Integrity that Enables Growth	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	84-93	People at the Core of Our Growth	
	405-2 Ratio of basic salary and remuneration of women to men	84-93	People at the Core of Our Growth	
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of material topics	44-45	Collaborating for Sustainable Growth	There is no incident of discrimination reported during the year
		46-49	Growing All Along with What Matters Most	
		84-93	People at the Core of Our Growth	
		106-114	Integrity that Enables Growth	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	84-93	People at the Core of Our Growth	
		106-114	Integrity that Enables Growth	
Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics	84-93	People at the Core of Our Growth	
		106-114	Integrity that Enables Growth	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	84-93	People at the Core of Our Growth	
		106-114	Integrity that Enables Growth	
		78-81	Responsible Sourcing Practices	
Child labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	84-93	People at the Core of Our Growth	
		106-114	Integrity that Enables Growth	
		78-81	Responsible Sourcing Practices	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	84-93	People at the Core of Our Growth	There is no incident of child labor reported during the year
		106-114	Integrity that Enables Growth	
		78-81	Responsible Sourcing Practices	
Forced or compulsory labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	84-93	People at the Core of Our Growth	
		106-114	Integrity that Enables Growth	
		78-81	Responsible Sourcing Practices	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	84-93	People at the Core of Our Growth	There is no incident of forced or compulsory labor reported during the year
		106-114	Integrity that Enables Growth	
		78-81	Responsible Sourcing Practices	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
Security practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	106-114	Integrity that Enables Growth	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	106-114	Integrity that Enables Growth	
Rights of indigenous peoples				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	84-93	People at the Core of Our Growth	No such incidents reported relating to violations involving the rights of indigenous peoples during the reporting period.
Local communities				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	84-93	People at the Core of Our Growth	We give priority to hire the candidate at all levels from the locations of operations to capture local community talent who are well aware of the situations of these areas and can easily get onboarded and serve the organization.
		116-118	CSR Initiatives: Delivering Value Beyond Profit	
	413-2 Operations with significant actual and potential negative impacts on local communities	84-93	People at the Core of Our Growth	
		116-118	CSR Initiatives: Delivering Value Beyond Profit	
Supplier social assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	78-81	Responsible Sourcing Practices	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	78-81	Responsible Sourcing Practices	
	414-2 Negative social impacts in the supply chain and actions taken	78-81	Responsible Sourcing Practices	
Public policy				
GRI 415: Public Policy 2016	415-1 Political contributions	106-114	Integrity that Enables Growth	
Customer health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	44-45	Collaborating for Sustainable Growth	
		46-49	Growing All Along with What Matters Most	
		98-99	Meeting Global Standards for Product Safety and Quality	
		100-103	Shaping a Balanced Portfolio for Healthier Choices	

GRI Standard/ Other Source	Disclosure	Page Number	Location	Explanation
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	98-99	Meeting Global Standards for Product Safety and Quality	
		100-103	Shaping a Balanced Portfolio for Healthier Choices	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	98-99	Meeting Global Standards for Product Safety and Quality	There is no such incident reported during the year
		100-103	Shaping a Balanced Portfolio for Healthier Choices	
Marketing and labeling				
GRI 3: Material Topics 2021	3-3 Management of material topics	44-45	Collaborating for Sustainable Growth	
		46-49	Growing All Along with What Matters Most	
		98-99	Meeting Global Standards for Product Safety and Quality	
		100-103	Shaping a Balanced Portfolio for Healthier Choices	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	98-99	Meeting Global Standards for Product Safety and Quality	
		100-103	Shaping a Balanced Portfolio for Healthier Choices	
	417-2 Incidents of non-compliance concerning product and service information and labeling	98-99	Meeting Global Standards for Product Safety and Quality	
		100-103	Shaping a Balanced Portfolio for Healthier Choices	
	417-3 Incidents of non-compliance concerning marketing communications	98-99	Meeting Global Standards for Product Safety and Quality	
		100-103	Shaping a Balanced Portfolio for Healthier Choices	
Customer privacy				
GRI 3: Material Topics 2021	3-3 Management of material topics	100-103	Shaping a Balanced Portfolio for Healthier Choices	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	100-103	Shaping a Balanced Portfolio for Healthier Choices	

Management Discussion & Analysis Report

Economic Overview & Outlook

Indian Economy

India continued to be one of the world's fastest-growing large economies in 2025, supported by resilient domestic demand, sustained government-led infrastructure investment, and ongoing structural reforms. According to the International Monetary Fund (IMF), India's real GDP growth is expected to remain strong in 2026, outpacing most global peers and underscoring its role as a key driver of global growth.

Several constructive developments through the year have strengthened the foundation for India's medium-to long-term economic growth. Policy initiatives such as direct tax relief and GST rationalisation are expected to support consumption, improve formalisation, and enhance the efficiency of the economy over time, while accommodative monetary conditions have ensured effective liquidity transmission across the financial system. Rural demand showed gradual improvement, supported by better agricultural output and continued government programmes, while urban consumption remained steady on the back of rising disposable incomes and stable employment across services and manufacturing. With inflation moderating and sustained policy focus on infrastructure, manufacturing competitiveness, and digitalisation, the macro environment continues to provide a supportive platform for durable, broad-based growth in the years ahead.

Source: IMF – World Economic Outlook

Soft Drinks Market Overview & Outlook

The Indian soft drinks industry demonstrated resilience in 2025, despite a challenging consumption environment, due to unprecedented rainfall throughout the year, impacting beverage consumption. While the sector continues to be supported by favourable long-term fundamentals such as a young population, rising disposable incomes, and increasing urbanisation, domestic demand during the year remained subdued due to weather-related disruptions.

Despite these transient challenges, the underlying structure of the market remains intact. Expansion of retail reach, improved electrification, and investments in cold-chain infrastructure strengthening product availability and on-ground execution. The continued deployment of visi-coolers across under-penetrated markets has improved access to chilled beverages, supporting deeper market penetration over time.

The industry continues to see a gradual diversification of consumption, with carbonated soft drinks remaining the largest category, while non-carbonated beverages, juice-based drinks, sports and energy drinks continue to gain traction. Brands focused on delivering diverse product offerings, with a wide range of flavors and superior product variants helping sustain consumer engagement. These segments are being supported by evolving consumer preferences, broader product portfolios, and improved availability across retail channels, as brands expand their offerings to cater to a wider range of consumption occasions.

Looking ahead, the Indian soft drinks industry remains well positioned for a healthy recovery, with a stronger season on the horizon, supported by low per-capita consumption, favourable demographics, and sustained investments in manufacturing capacity, distribution reach, and cold-chain infrastructure. As weather patterns normalise, the sector is expected to benefit from stronger on-ground execution, deeper market penetration across urban and rural markets, and continued innovation across products and formats.

Soft Drinks – Key Growth Drivers and Opportunities

The soft drinks market in India is poised for substantial growth, driven by several key factors:

Urban Growth and Rising Spending Power: Rapid urbanisation, a growing middle class, and rising disposable incomes continue to support higher consumption of packaged beverages. Increasing on-the-go consumption, driven by changing lifestyles in urban and semi-urban markets, has strengthened demand for convenient beverage formats across categories. The growing participation of women in the workforce is also contributing to higher household incomes, enabling broader consumption across food and beverage segments.

Youthful Demographics and Evolving Preferences: India's large and young population remains a key driver of category expansion. Younger consumers are more inclined to experiment with new flavours, formats, and brands, encouraging innovation and the introduction of differentiated offerings. This demographic continues to influence consumption trends, supporting growth across carbonated, non-carbonated, and emerging beverage segments.

Energy, Hydration and Sports Drinks - Driven by Active Lifestyles and On-the-Go Consumption: Energy, hydration and sports drinks are gaining momentum, driven by active lifestyles and on-the-go consumption. Energy drinks appeal to younger consumers seeking quick energy and alertness, while sports drinks support hydration and recovery among fitness-oriented consumers. Innovation in low-and zero-sugar formulations, natural ingredients, flavours, and convenient formats is supporting sustained growth across both segments.

GST Rationalisation Supporting Consumption Growth: Rationalisation of GST rates in the juice and packaged water categories is expected to improve affordability and accessibility, particularly for price-sensitive consumers. Lower tax incidence has led to lower retail prices, encouraging higher trial and repeat consumption, and supporting deeper penetration across urban, semi-urban, and rural markets.

Rural and Semi-Urban Market Expansion: Rural and semi-urban markets represent a significant untapped opportunity for the soft drinks industry. Strengthening last-mile distribution, improving affordability through smaller SKUs, and expanding localised marketing initiatives are enabling deeper penetration. Improvements in electrification and ongoing investments in chilling infrastructure, including the deployment of visi-coolers, are improving access to chilled beverages in underserved markets, supporting more consistent consumption over time.

Climatic Conditions: India's diverse climatic conditions, with a significant portion of the population living in regions characterized by hot, dry, or moderate weather, create a natural demand for refreshing beverages. However, short-term consumption can be impacted by weather variability, including unseasonal or extended rainfall, as witnessed last year. Despite these near-term disruptions, rising temperatures and longer summer periods across several regions continue to provide a supportive backdrop for soft drink consumption over the medium to long term.

Product Innovation and Health Led Portfolio Expansion: Ongoing innovation across flavours, packaging, and formats continues to broaden the appeal of soft drinks across consumption occasions. Brands are expanding their portfolios with low- and no-sugar options, juice based functional beverages, and differentiated offerings, enabling them to cater to evolving consumer preferences. The growing focus on health is further driving innovation in organic and natural ingredient-based drinks, supporting sustained category relevance and growth.

Business Overview – A Key Player in the Beverage Industry

VBL's Presence

Varun Beverages Limited ("VBL" or the "Company") is a key player in beverage industry and one of the largest franchisee of PepsiCo in the world (outside USA) with operations spanning across 10 countries with franchise rights and additional 4 countries with distribution rights. India is the largest market and contributed ~67% of revenues from operations (net) in Fiscal 2025.

Symbiotic Relationship with PepsiCo

VBL continues to enjoy a longstanding, collaborative, and highly synergistic partnership with PepsiCo, a relationship that spans over three decades since PepsiCo's entry into the Indian market. The Company accounts for more than 90% of PepsiCo's sales volumes in India, highlighting the significance of this collaboration.

Leveraging its extensive manufacturing footprint and well-established sales and distribution network, VBL produces, markets, and distributes a wide range of PepsiCo products across carbonated soft drinks (CSD), juice-based drinks (JBD), sports and energy drinks, and packaged drinking water. The Company works closely with PepsiCo on brand development, product formulation, and packaging innovation, while executing local advertising, merchandising, and in-market activation through its experienced on-ground sales and distribution teams.

The portfolio of PepsiCo's CSD brands manufactured and sold by VBL includes Pepsi, Pepsi Zero, Mountain Dew, Sting, Seven-Up, Mirinda, Seven-Up Nimbooz Masala Soda, and Evervess. Its NCB portfolio includes Slice, Tropicana Juices (100% and Delight), Seven-Up Nimbooz, Gatorade, and packaged drinking water under the Aquafina brand.

VBL has been granted franchises for various PepsiCo products across 26 States and 6 Union Territories in India. The Company has also been granted the franchise for various PepsiCo products for the territories of Nepal, Sri Lanka, Morocco, Zambia, Zimbabwe, South Africa, Lesotho, Eswatini & DRC and distribution rights for Namibia, Botswana, Mozambique and Madagascar.

The relationship has further expanded with VBL's entry into the snacks segment. The exclusive rights to manufacture and distribute PepsiCo snack brands, such as Cheetos in Morocco, Zimbabwe, and Zambia, mark a significant step in enriching VBL's portfolio and leveraging synergies with its existing infrastructure.

Demand Delivery

- Production Facilities
- Sales & Distribution — GTM & Logistics
- In-outlet Management — Visi-Coolers
- Consumer Push Management (BTL) - Market Share Gains



Demand Creation

- Trademarks
- Formulation through Concentrate
- Product & Packaging innovation through investment in R&D
- Consumer Pull Management (ATL) - Brand Development

Business Model

The Company manufactures and distributes a wide range of carbonated soft drinks ("CSD"), along with a diversified portfolio of non-carbonated beverages ("NCB"), including packaged drinking water. With its end-to-end execution capabilities, VBL oversees the entire value chain from manufacturing and distribution to warehousing, customer management, in-market execution, cash flow management, and supporting future growth. PepsiCo provides brands, concentrates, product & packaging innovation, and marketing support, while VBL manages manufacturing operations, supply chain processes, and capital allocation strategies, enabling market share gains and operational efficiencies.

VBL's business model is supported by its extensive experience in managing large-scale beverage operations involving complex logistics and packaging requirements across diverse markets. While the operating framework remains consistent, each geography presents unique challenges related to electricity availability, refrigeration infrastructure, logistics capabilities, demographic diversity, and socioeconomic conditions. VBL addresses these challenges through localized operating strategies, ensuring consistent service levels and operational resilience across markets.

The Company's well-established distribution network spans urban, semi-urban, and rural markets, enabling it to cater to a broad consumer base. Strategically located distribution centers and depots support deep market penetration across licensed territories in India and international markets. VBL's manufacturing capabilities and distribution reach allow it to respond effectively to competitive dynamics, shifts in consumer demand, and evolving consumption patterns across territories.

As of December 31, 2025, the Company operates 50 state-of-the-art manufacturing facilities, comprising 38 facilities in India and 12 in international territories. Continued investments in cold-chain infrastructure and logistics ensure seamless product availability and enhanced market reach, particularly in under-penetrated regions.

Over the years, VBL has expanded its operations through a combination of organic capacity additions and inorganic growth, including the acquisition of additional territories from PepsiCo and previously franchised regions. Supported by an experienced and dedicated sales force, the Company focuses on driving category growth and expanding market share through localized promotions, in-store activations, customer relationship management, merchandising, and strategic placement of vending machines and visi-coolers in high-demand locations.

To enhance operational efficiency and cost competitiveness, VBL has implemented backward integration initiatives and centralized raw material sourcing. The Company has established in-house manufacturing capabilities for preforms, crowns, plastic closures, corrugated boxes, corrugated pads, plastic crates, and shrink-wrap films at select locations. These initiatives support consistent quality standards, improve supply chain reliability, and strengthen VBL's operational backbone.

Key Business Developments – 2025

Acquisition of 100% stake in Twizza (Pty) Limited, South Africa:

- On 21 December 2025, VBL, through its subsidiary, The Beverages Company Proprietary Limited, entered into a share purchase agreement with Twizza (Pty) Limited for the purchase of 100% of the share capital, subject to regulatory and other approvals (if any), including but not limited to the Competition Commissions of South Africa, Botswana and Eswatini, at an enterprise value of ~ZAR 2,095 million. The acquisition is expected to be completed on or before 30 June 2026

Incorporation of wholly-owned subsidiary in Kenya:

- The Company incorporated a wholly-owned subsidiary in Kenya viz. VBL Industries (Kenya) Limited to carry on the business of manufacturing, distribution and selling of beverages

Exclusive Distribution Agreement with Carlsberg Breweries A/S for African markets:

- The Company entered into an exclusive Distribution Agreement with Carlsberg Breweries A/S for its brand, Carlsberg, to test market beer in the territories of certain African subsidiaries of VBL

Agreement to distribute & sell PepsiCo's snack products in Zimbabwe and Zambia:

- Varun Zimbabwe and Varun Zambia (subsidiaries of the Company) commenced distribution & selling of PepsiCo's snack products in the territory of Zimbabwe and Zambia w.e.f. 1 February 2025

Commencement of Commercial Production at 4 Greenfield facilities:

- For CY2025 season, the Company commissioned 4 new greenfield production facilities in India at Prayagraj; Uttar Pradesh, Damtal; Himachal Pradesh, Buxar; Bihar, and Mendipathar; Meghalaya

- Further, the Company set up backward integration facilities at our Prayagraj plant in India, as well as at our DRC plant in the international region

Commencement of Commercial Production of PepsiCo Snacks at Morocco and Zimbabwe:

- Varun Beverages Morocco SA and Varun Beverages Zimbabwe (subsidiaries of the Company) commenced commercial production of PepsiCo's snacks products, "Cheetos" in Morocco and Zimbabwe

Acquisition of 50% stake in Everest Industrial Lanka (Private) Limited:

- VBL acquired 50% equity share capital of Everest Industrial Lanka (Private) Limited ("EIL"). EIL, a company in Sri Lanka is engaged in the business of production, manufacturing, distribution and selling of commercial visi-coolers and related accessories

- Further, VBL formed a joint venture, "White Peak Refrigeration Private Limited" in partnership with EIL, to carry on the business of manufacturing of visi-coolers and other refrigeration equipment in India

Credit Rating Upgrade:

- CRISIL (an S&P Global Company) upgraded the company's long-term rating for bank loan facilities to Crisil AAA/Stable from Crisil AA+/Stable

Dividend:

- The Company's board of directors formalized a dividend strategy in line with good corporate governance practices with the Company's listing in November 2016

Salient Features:

- Endeavor to maintain a dividend payout in the range of 10-30% of annual profit after tax on standalone financials

- Consider financial parameters like earnings outlook, future capex requirements, organic growth plans, capital restructuring, debt reduction, cash flows, etc

- Consider external parameters like macro-economic environment, regulatory changes, technological changes, statutory and contractual restrictions, etc

- For a detailed perspective, please refer to the Company's website at www.varunbeverages.com/

- For CY2025, in line with the guidelines of dividend policy, the Board of Directors have recommended a payment of final dividend of ₹ 0.50 (Fifty paise only) per equity share of the face value of ₹ 2 each

Financial Summary

P&L

Particulars (₹ million)	31-Dec-25	31-Dec-24	YoY (%)
1. Income			
(a) Revenue from operations	222,255.84	204,813.28	8.5%
(b) Excise Duty	5,402.05	4,736.78	14.0%
Net Revenues	**216,853.79**	**200,076.50**	**8.4%**
(c) Other income	3523.48	1212.68	190.6%
2. Expenses			
(a) Cost of materials consumed	93,370.62	82,937.43	12.6%
(b) Purchase of stock-in-trade	3,694.53	6,859.21	-46.1%
(c) Changes in inventories of FG, WIP and stock-in-trade	89.14	(749.40)	-111.9%
(d) Employee benefits expense	22,007.43	18,850.26	16.7%
(e) Finance costs	1,695.79	4,503.86	-62.3%
(f) Depreciation, amortization and impairment expense	12,164.63	9,473.86	28.4%
(g) Other expenses	47,198.38	45,068.29	4.7%
Total expenses	**180,220.52**	**166,943.51**	**8.0%**
EBITDA	**50,493.69**	**47,110.71**	**7.2%**
3. Profit before share of loss of associate and joint venture (1-2)	40,156.75	34,345.67	16.9%
4. Share of loss of associate and joint venture	(60.27)	(14.78)	-307.8%
5. **Profit before tax (3+4)**	**40,096.48**	**34,330.89**	**16.8%**
6. Tax expense	9,476.06	7,988.04	18.6%
7. **Net profit after tax (5-6)**	**30,620.42**	**26,342.85**	**16.2%**

Balance Sheet

Particulars (₹ million)	31-Dec-25	31-Dec-24
Equity and liabilities		
Equity		
(a) Equity share capital	6,763.98	6,763.02
(b) Other equity	189,023.06	159,335.27
(c) Non-controlling interest	1,622.51	1,298.07
Total equity	**197,409.55**	**167,396.36**
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
i. Borrowings	5404.49	8,406.89
(ia) Leased Liabilities	3,997.96	3,570.86
(b) Provisions	1,904.61	1,894.34
(c) Deferred tax liabilities (Net)	6,191.92	4,879.09
(d) Other non-current liabilities	3.58	47.31
Total non- current liabilities	**17,502.56**	**18,798.49**

Particulars (₹ million)	31-Dec-25	31-Dec-24
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	14,836.70	15,235.76
(ia) Lease liabilities	842.68	1,049.03
(ii) Trade Payables	14,013.04	15,604.27
(iii) Other financial liabilities	5,953.85	7,043.41
(b) Other current liabilities	4,465.13	4,916.55
(c) Provisions	505.26	739.00
(d) Current tax liability (Net)	122.79	656.23
Total current liabilities	**40,739.45**	**45,244.25**
Total liabilities	**58,242.01**	**64,042.74**
Total Equity and liabilities	**255,651.56**	**231,439.10**

Particulars (₹ million)	31-Dec-25	31-Dec-24
Assets		
Non-current assets		
(a) Property, plant and equipment	138,373.67	106,225.51
(b) Capital work in progress	2,663.04	11,623.43
(c) Right of Use of Assets	13,690.47	13,631.22
(d) Goodwill	3,542.13	3,009.37
(e) Other intangible assets	11,983.00	11,151.26
(f) Intangibles assets under development	44.83	43.69
(g) Investment in associates and Joint Venture	1,632.62	534.47
(h) Financial assets	1,499.42	1,266.68
(i) Deferred Tax Assets (Net)	244.40	196.31
(j) Other non-current assets	3,017.55	5,117.42
Total non-current assets	**176,691.13**	**152,799.36**
Current assets		
(a) Inventories	29,517.89	27,912.34
(b) Financial assets		
i. Trade receivables	12,490.31	8,458.42
ii. Cash and cash equivalents	17,841.77	22,662.83
iii. Other bank balances	2,143.14	1,837.71
iv. Others	11,721.11	8,356.16
(c) Current tax assets (Net)	59.66	48.72
(d) Other current assets	5,120.15	9,363.56
Total current assets	**78,894.03**	**78,639.74**
Assets classified as held for sale	66.40	-
Total assets	**255,651.56**	**231,439.10**

S. No.	Key Financial Ratios	CY2025	CY2024	Change	Reason for variance if more than 25%
1	Debtors Turnover (Days)	18	11	60%	Refer note (i) below
2	Inventory Turnover (Days)	108	101	7%	
3	Interest Coverage Ratio	29.8	10.5	185%	Refer note (ii) below
4	Current Ratio	1.9	1.7	11%	
5	Debt Equity Ratio	0.0	0.0	NA	
6	EBITDA Margin (%)	23.3%	23.5%	-26 bps	
7	Net Profit Margin (%)	14.1%	13.2%	95 bps	
8	Return on Net Worth (RoNW) %	15.5%	15.7%	-23 bps	

Notes:-

(i) Increase is on account of higher mix from the South Africa territory, where the mix of sales through the modern trade channel is higher than rest of the territories, resulting in longer debtor days.

(ii) During the year CY2024 the Company had repaid majority of its borrowings from the proceeds of Qualified institutions placement (QIP), due to which ratios are impacted significantly

(iii) Computaion of Key Financial Ratios

1 Debtors Turnover (Days) = Average Trade Receivables / Net Revenue from operations * 365

2 Inventory Turnover (Days) = Average Inventory / Cost of goods sold * 365

3 Interest Coverage Ratio = Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) / Finance costs

4 Current Ratio = Current Assets / Current Liabilities (including. current maturities of long-term debts)

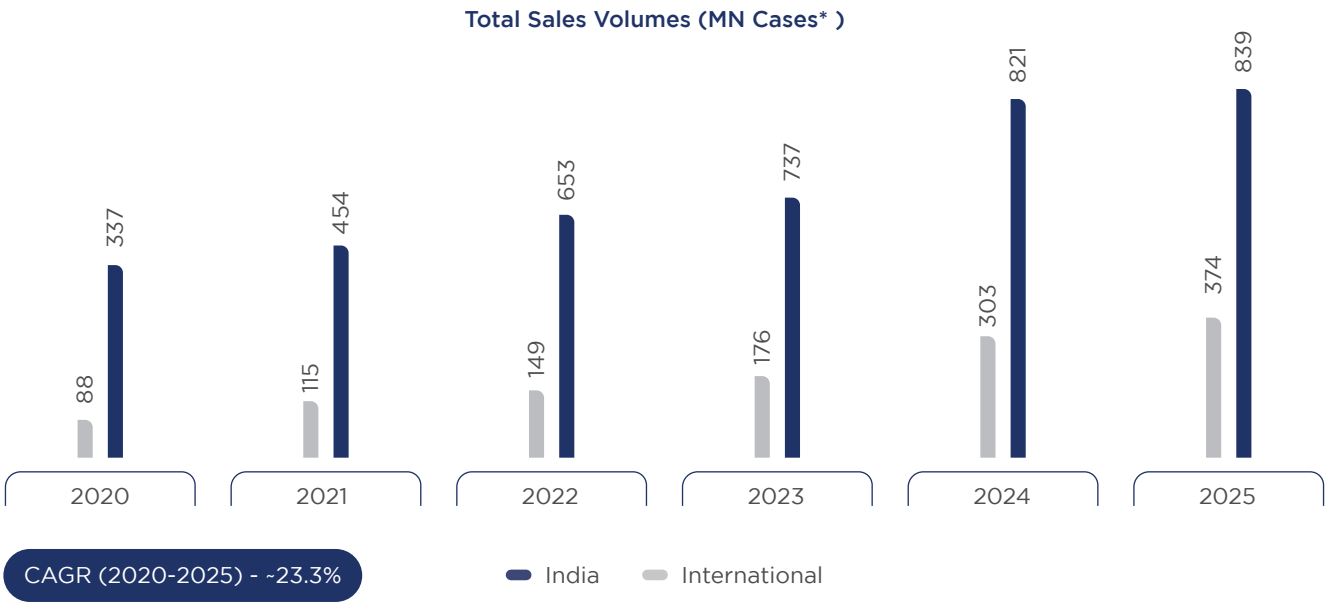
5 Debt Equity Ratio = [(Non-current borrowings + Current borrowings + Lease liabilities) less Cash and cash equivalents] / Shareholders Equity

6 EBITDA Margin (%) = Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) / Net Revenue from operations

7 Net Profit Margin (%) = Net Profit after tax / Net Revenue from operations

8 Return on Net Worth (RoNW) % = Net Profit after tax / Shareholders Equity

Sales Volume



*A unit case is equal to 5.678 liters of beverage divided in 24 bottles of ~ 237 ml each

Varun Beverages reports its financials on a calendar yearly basis. Given that the soft drinks business is seasonal, with the bulk of sales occurring during the summer season, it is best to track the Company's performance on an annual basis. Revenues and profits follow a bell-curve with a significant portion accruing in the April-June quarter.

In CY2025, Varun Beverages Limited delivered a steady financial performance, the Company recorded growth across key financial parameters. Consolidated sales volumes increased by 7.9%, while net realisation per case improved marginally by 0.5%, resulting in revenue growth of 8.4% and PAT growth of 16.2%.

Net revenue from operations increased to ₹ 216,853.8 million in CY2025, compared to ₹ 200,076.5 million in CY2024. Total sales volumes for the year stood at 1,213.1 million cases, as against 1,124.4 million cases in the previous year. While volume growth in India was impacted due to adverse weather conditions during parts of the year, with India volumes delivering double-digit growth in both first and fourth quarter of the year. International operations continued to scale steadily, led by African markets. At the consolidated level, carbonated soft drinks constituted 73.9%, non-carbonated beverages 5.9%, and packaged drinking water 20.2% of total sales volumes in CY2025. Net realisation per case increased by 0.5% to ₹ 178.8, supported by improved realisations in international markets.

Gross margins remained largely stable at 55.2% during the year, compared to 55.5% in CY2024. EBITDA increased by 7.2% to ₹ 50,493.7 million, while EBITDA margins stood at 23.3%, reflecting a marginal contraction of 26 basis points. The moderation in margins was primarily attributable to a one-time incremental cost arising from the notification of the four Labour Codes by the Government of India, which consolidated the existing labour laws, as well as operating deleverage from fixed costs associated with newly commissioned capacities. These impacts were absorbed within the Company's overall operating performance. During the year, the contribution of low-sugar and no-sugar products increased to approximately 59% of consolidated sales volumes, compared to around 53% in CY2024, reflecting continued progress in portfolio evolution.

Depreciation increased by 28.4% in CY2025, primarily reflecting the commissioning of new greenfield production facilities in India and brownfield expansions across international markets. Finance costs declined sharply during the year, driven by the repayment of debt using QIP proceeds, resulting in negligible finance costs in India. At the consolidated level, finance costs largely related to international operations, particularly South Africa, and included fair value adjustments of leases in accordance with Ind AS 116. Profit after tax increased by 16.2%, rising to ₹ 30,620.4 million in CY2025 from ₹ 26,342.8 million in CY2024, supported by volume growth, lower finance costs, and higher other income including interest on deposits in India and favorable currency movement in international operations.

Net capitalised capex stood at approximately ₹ 45,000 million as of December 31, 2025, of which around ₹ 16,500 million was spent in CY2024. Of the total capex, approximately ₹ 17,000 million was deployed towards the establishment of four greenfield production facilities at Prayagraj (Uttar Pradesh), Buxar (Bihar), Damtal (Himachal Pradesh) and Mendipathar (Meghalaya). An additional ₹ 3,000 million was utilised for brownfield expansions at Sricity and Gorakhpur, while around ₹ 13,000 million was invested in international markets, including backward integration and a CSD PET line in the DRC, snacks manufacturing facilities in Morocco and Zimbabwe, and a CAN line in South Africa. The balance capex comprises of visi-coolers, glass bottles, pallets, vehicles, assets written off, and foreign exchange fluctuations.

As of December 31, 2025, capital work-in-progress and capital advances stood at approximately ₹ 5,400 million. VBL India continued to remain net debt-free, with free cash of ~ ₹ 12,250 million, while consolidated net debt stood at ~ ₹ 256 million. The balance sheet remained strong, supported by healthy cash flows and disciplined capital allocation. During the year, the Company's long-term credit rating for bank loan facilities was upgraded by CRISIL to AAA/Stable.

Growth Outlook

Volume Gains

- Well-positioned to leverage PepsiCo brand to increase market penetration in licensed territories
- Consolidating existing distributors and increasing distribution in underpenetrated regions

Acquisitions

- Penetrate newer geographies.
- Identify strategic consolidation opportunities in South Asia / Africa

Strengthen Balance Sheet

- Repayment of debt through strong cash generation
- To enable significant interest cost savings

Operating Leverage

- Contiguous territories/ markets offer better operating leverage and asset utilization - economies of scale
- Production and logistics optimization
- Packaging synchronization and innovations
- Technology use to improve sales and operations processes.

Diversified Portfolio

- To periodically launch innovative products in select markets in line with changing consumer preferences
- Focus on non-cola carbonated beverages and NCB's
- Bottled water provides significant growth opportunity

Looking ahead, VBL is well positioned to sustain its long-term growth trajectory, supported by strong execution capabilities, an expanding manufacturing footprint, and a diversified presence across domestic and international markets. The Company's performance during CY2025, delivered despite weather-related disruptions, underscores the resilience of its business model and the strength of its distribution network built over decades. With recently commissioned greenfield plants and backward integration facilities progressively stabilising, VBL is expected to benefit from improved operating leverage over the coming years.

International operations continue to offer meaningful long-term growth opportunities, particularly across African markets. The proposed acquisition of Twizza through our subsidiary Bevco in South Africa represents an important strategic step in strengthening VBL's manufacturing footprint and route-to-market capabilities in Africa's largest soft drinks market, while offering synergies with existing operations. In parallel, the Company continues to broaden its presence across adjacent beverage categories and snacks in select international markets, leveraging its established manufacturing, distribution, and execution capabilities to build scale and efficiency over time. Ongoing investments in backward integration, capacity enhancement, cold-chain infrastructure, and portfolio expansion are expected to support sustainable growth and profitability over the medium term.

In India, VBL remains well placed to benefit from favourable demographic trends and evolving consumption patterns of the country's large and expanding middle-class population. Continued investments in manufacturing capacity, distribution infrastructure, and visi-coolers, particularly in under-penetrated regions, strengthen the Company's ability to reach a wider consumer base and ensure consistent product availability and quality. Supported by a strong balance sheet, disciplined capital allocation, and a continued focus on portfolio expansion and sustainability initiatives, VBL is well positioned to capitalise on growth opportunities and deliver long-term value to stakeholders.

Threats, Risks, and Concerns

The risks and opportunities inherent to all corporations are inseparable elements. The Directors and management of the Company take considered decisions to safeguard the interests of stakeholders. The Company has implemented a Risk Management Policy, which is continuously monitored and reviewed under the oversight of the Audit, Risk Management and Ethics Committee. The Committee convenes periodically to identify processes exposed to risks, determine risk mitigation strategies, and oversee their implementation.

Risk	Description	Mitigation
1. Demand Risk	A cyclical downturn can result in a slowdown in the Company's target markets, affecting its sales velocity.	Over the years, the Company has demonstrated its ability to drive meaningful growth in sales volumes by focusing on delivering the right brand, the right price, the right product and the right channel. Additionally, the business operates in relatively under-penetrated markets with favourable demographics, climatic conditions and a growing population, indicating sustained demand growth. Further, its wide product portfolio enables it to cater to a broad range of consumer segments.
2. Business Agreement Risk	The Company relies on strategic relationships and agreements with PepsiCo. Termination of agreements or less favorable renewal terms could adversely affect profitability.	Over the past three decades, the Company has nurtured a strong partnership with PepsiCo, expanding market ties by venturing into new territories and sub-territories. This partnership involves expanded production and distribution of a wider array of PepsiCo beverages, integrating multiple SKUs into the portfolio, and broadening the distribution network. The business has demonstrated its effectiveness in significantly boosting PepsiCo's market share, establishing itself as a reliable partner. The collaborative relationship is symbiotic, with both entities actively engaged as development partners. Together, they invest in joint projects and business planning, with a primary focus on strategic issues. Notably, the bottling appointment and trademark license agreement for India with PepsiCo India, is valid until April 30, 2039, further strengthening this enduring partnership.
3. Regulatory Risk	Regulations regarding consumer health and the risk of the Company's products being signed out for discriminatory tax and packaging waste recovery may adversely impact business.	The Company proactively works with PepsiCo, the Government and the regulatory authorities to ensure that the facts are clearly understood and that its products are not unfairly targeted. VBL adheres to sustainable manufacturing practices and places strong emphasis on environmental issues related to packaging waste recovery / recycling, water management and greenhouse gas emissions. It consistently engages with stakeholders to develop sustainability solutions that prioritize environmental protection, including partnerships with NGOs and the communities in which it operates. PepsiCo's strategy of introducing healthier and zero sugar variant products also bodes well for the Company's future. The Company has initiated various sustainability initiatives such as the engagement of GEM Enviro Management Pvt. Ltd. for phased implementation of 100% recycling of used PET bottles and partnering with Deutsch Quality Systems (India) Private Limited for water footprint assurance and, for measurement and improvement of the Company's carbon footprint.

Risk	Description	Mitigation
4. Business Integration Risk	The inability to integrate the operations or leverage potential operating and cost efficiencies from the newly acquired territories and sub-territories may adversely affect the Company's business and future financial performance.	VBL's transparent strategy and financial planning framework ensure that any future acquisitions or collaborations are not only valuable but also align with the Board's acquisition guidelines. The Company devotes significant management time and financial resources to secure the success of newly acquired endeavors. This includes developing local market strategies, addressing potential cultural and language barriers, and integrating business practices to ensure the overall viability of the business.
5. Consumer Preference Risk	Failure to adapt to changing consumer health trends and address misconceptions about the health effects of soft drink consumption may adversely affect demand.	To stay relevant, VBL's sales team works closely with PepsiCo to evaluate evolving consumer habits and consistently focuses on product innovation and portfolio expansion. Furthermore, PepsiCo's new product plan places greater emphasis on healthier products with zero / limited calorie and sugar content.
6. Raw Material Risk	An interruption in the supply or significant increase in the price of raw materials or packaging materials may adversely affect the Company's business prospects, results of operations and financial condition.	An integral part of VBL's strategy is to maximize cost efficiencies, the active reduction of cost of goods sold, optimisation of operating expenses and increasing cash flows. To achieve these objectives, the business has undertaken significant programs, including backward integration and consolidated sourcing of key materials. Leveraging its scale of operations, VBL negotiates with suppliers to enhance bargaining power, resulting in improved working capital management. The Company is dedicated to optimizing its assets to achieve higher operating efficiency and to amortize overhead costs across a wider volume base. Additionally, VBL continues to invest in innovative solutions to enhance operational efficiencies and streamline work processes. These efforts include ensuring consolidated operational data from production, scheduled sourcing, and enhanced monitoring of the supply of goods from manufacturers to the retail point of sale.

Human Resources

As of December 31, 2025, VBL employed over 16,300 full-time team members worldwide, with approximately 10,700 based in India and approximately 5,600 across its international subsidiaries. Aligned with its overarching business strategy, the Company places a strong emphasis on nurturing talent as a key driver of future growth and success. VBL prioritizes employee development through structured training programs, skill enhancement initiatives, and opportunities for career progression across all levels and functions. The Company also collaborates with PepsiCo on management and staff development programs, ensuring key employees benefit from global best practices while engaging in skill-building initiatives aligned with India's leading training frameworks.

Risk Management, Audit and Internal Control System

The Company has established robust and effective internal control systems tailored to the scale of its operations and the complexity of the market it serves. These stringent and comprehensive controls ensure optimal utilization of resources, safeguarding the Company's assets and interests. They also ensure that transactions are properly authorized, recorded and reported, with appropriate checks and balances to maintain the consistency and accuracy of accounting data. The Audit, Risk Management and Ethics Committee oversees a thorough system of internal audits and periodic assessments to ensure adherence to best practices. The Company has appointed M/s J.C. Bhalla & Co., Chartered Accountants, and M/s O.P. Bagla & Co. LLP, Chartered Accountants, as Joint Statutory Auditors to oversee and report on the financial controls of the Company.

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 31st (Thirty First) Annual Report on the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended December 31, 2025.

Financial Performance

The financial performance of your Company for the Financial Year ended December 31, 2025 is summarized below:

(₹ in Million)

Particulars	Standalone		Consolidated	
	Financial Year ended December 31, 2025	Financial Year ended December 31, 2024	Financial Year ended December 31, 2025	Financial Year ended December 31, 2024
Total Revenue	150,707.56	147,025.35	225,779.32	206,025.96
Total Expenses	115,275.10	116,325.96	185,622.57	171,680.29
Profit before tax after exceptional items	35,432.46	30,699.39	40,096.48	34,330.89
Less: Tax Expenses	8,666.04	7,495.75	9,476.06	7,988.04
Profit after tax	26,766.42	23,203.64	30,364.89*	25,946.33*
Balance brought forward from last year	158,824.03	64,261.97	159,335.27	62,868.91
Balance carried over to Balance Sheet	82,656.99	60,721.86	94,072.70	68,582.05
General Reserve	444.26	444.26	444.26	444.26
Other Reserves	97,782.75	97,657.91	94,506.10	90,308.95
Reserves & Surplus carried to Balance Sheet	180,884.00	158,824.03	189,023.06	159,335.27

**After adjustment on account of non-controlling interest.*

Consolidated Financial Statements

The Consolidated Financial Statements of your Company for the Financial Year 2025 are prepared in compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), Indian Accounting Standards ('Ind AS') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) Regulations'] which shall also be provided to the Members in their forthcoming Annual General Meeting ('AGM').

State of the Company's Affairs

Your Company has presence in 26 States and 6 Union Territories in India as well as in 9 other countries through franchise rights (viz. Nepal, Sri Lanka, Morocco, Zambia, Zimbabwe, Democratic Republic of Congo, South Africa, Lesotho & Eswatini). Additionally, the Company holds distribution rights in 4 countries (viz. Namibia, Botswana, Mozambique and Madagascar). As of December 31, 2025, the Company has 50 state-of-the-art manufacturing facilities (38 in India and 12 in International Geographies).

The Company continues to create long term value through different facets of its business and improve its presence, product mix and utilisation levels. With an increasing penetration on the back of a robust distribution network and diversifying product portfolio, the Company has created a sustainable operating efficiency at its manufacturing facilities.

Key Developments

During the year under review, the following are the key developments:

- Acquisition of 50% equity share capital of Everest Industrial Lanka (Private) Limited, Sri Lanka, engaged in the business of production, manufacturing, distribution and selling of commercial visi-coolers and related accessories.
- Incorporation of a joint venture company in India i.e. White Peak Refrigeration Private Limited engaged in the business of manufacturing of visi-coolers and other refrigeration equipments etc.

- Acquisition of 14% of paid-up equity share capital of Aspirative Creative Ventures Private Limited (a special purpose vehicle to supply solar power to consumers in the State of Uttar Pradesh) for obtaining solar power for captive consumption for our facility located in Gorakhpur, Uttar Pradesh.

- Acquisition of 26% of equity share capital of Jager Renewables Two Private Limited (a special purpose vehicle to generate & supply solar power to consumers in the State of Rajasthan) to obtain solar power for captive consumption.

- Incorporation of wholly-owned subsidiary company in Kenya i.e. VBL Industries (Kenya) Limited engaged in the business of manufacturing, distribution and selling of Beverages.

- Varun Beverages Morocco SA and Varun Beverages (Zimbabwe) (Private) Limited (subsidiaries of the Company) started commercial production of PepsiCo's snacks products, 'Cheetos'.

- Varun Beverages (Zimbabwe) (Private) Limited and Varun Beverages (Zambia) Limited (subsidiaries of the Company) started distribution & selling of PepsiCo's snack products in the territory of Zimbabwe and Zambia w.e.f. February 1, 2025.

- Commissioned 4 new greenfield production facilities in India at Prayagraj (Uttar Pradesh), Damtal (Himachal Pradesh), Buxar (Bihar) and Mendipathar (Meghalaya). Further, the Company has set-up backward integration facilities at Prayagraj plant in India, as well as at DRC plant in the International territory.

- Entered into an exclusive Distribution Agreement with Carlsberg Breweries A/S for their brand – Carlsberg to test market beer in the territories of certain African subsidiaries of the Company.

- Our Company, through its subsidiary, The Beverages Company Proprietary Limited entered into a share purchase agreement with Twizza Proprietary Limited ('Twizza') for the purchase of 100% share capital, subject to regulatory and other approvals (if any) including but not limited to the approval of Competition Commissions of South Africa, Botswana and Eswatini. The acquisition is expected to be completed on or before June 30, 2026.

- The Company has altered its Object Clause (Main Objects) of the Memorandum of Association of the Company pursuant to a special resolution passed by the Members of the Company through Postal Ballot on November 29, 2025:

  (i) To align the Objects of the Company with certain activities; and

  (ii) In response to the growing popularity of Ready To Drink (RTD) and variety of Alcoholic Beverages, our Company sees an opportunity for expansion into the business of RTD & Alcoholic Beverages of any type or description, including beer, wine, liquor, spirit, brandy, whisky, gin, rum, vodka in India & abroad.

Deposits

Your Company has not accepted any deposits during the year under review falling within the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

Transfer to General Reserve

Your Company has not transferred any amount to General Reserve for the Financial Year 2025.

Change in the Nature of Business, if any

During the year under review, there was no change in the nature of business of the Company.

Dividend Distribution Policy

The Board of Directors of the Company in their meeting held on August 9, 2017 approved and adopted a Dividend Distribution Policy to comply with Regulation 43A of SEBI (LODR) Regulations and the same is uploaded on website of the Company at https://www.varunbeverages.com/wp-content/uploads/2023/03/10-Dividend-Distribution-Policy.pdf

Dividend

During the year under review, the Members of the Company at their AGM held on April 3, 2025 declared a final dividend of ₹ 0.50 each per Equity Share (face value of ₹ 2/- per Equity Share) for the Financial Year 2024 and the Board of Directors in their meetings held on April 30, 2025 and July 29, 2025 declared two interim dividends of ₹ 0.50 each per Equity Share (face value of ₹ 2/- per Equity Share) for the Financial Year 2025 to the eligible equity shareholders of the Company. Total cash outflow for dividend payout was ~ ₹ 5,072.82 million during the Financial Year 2025.

Further, the Board of Directors have also recommended a final dividend of ₹ 0.50 per Equity Share (face value of ₹ 2/- per Equity Share) for the Financial Year 2025 in accordance with the Dividend Distribution Policy of the Company, subject to the approval of Members in the ensuing AGM of the Company. Total cash outflow for dividend payout would be ~ ₹ 1,690.99 million.

Your Company has transferred the unpaid/unclaimed dividend (interim and final) to the Unclaimed Dividend Accounts of the respective Financial Years and the details of the same are uploaded on website of the Company at https://varunbeverages.com/corporate-governance/

Investor Education and Protection Fund

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') read with relevant circulars and amendments thereto, amount of dividend which remains unpaid/unclaimed for a period of seven years from the date of transfer to the Company's unpaid dividend account and corresponding shares on which the dividend remains unclaimed for seven consecutive years or more are required to be transferred to the Investor Education and Protection Fund ('IEPF') constituted by the Central Government. Accordingly, during the year under review, your Company had transferred ₹ 1,92,960/- to IEPF (being unpaid/unclaimed interim dividend amount for FY 2018) and also transferred 4,075 equity shares (on which interim dividend for FY 2018 remained unpaid/unclaimed for seven consecutive years) to the designated demat account of IEPF Authority and the same can be claimed from IEPF Authority only after complying with prescribed procedure under IEPF Rules.

Acquisition Guidelines

Your Company applies stringent strategic and financial criteria to any potential acquisition or partnership and to enhance transparency, the Board of Directors of the Company have approved and adopted Acquisition Guidelines for Company's M&A activities for viable acquisitions and the same is uploaded on website of the Company at https://www.varunbeverages.com/wp-content/uploads/2023/03/9-VBL-Guidelines-for-Acquisition-in-India.pdf

Utilization of funds raised through Qualified Institutions Placement (QIP)

In compliance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (LODR) Regulations and Sections 42 & 62 of the Act and Rules made thereunder, your Company issued and allotted 132,743,362 Equity Shares of face value of ₹ 2/- each to the eligible Qualified Institutional Buyers at an issue price of ₹ 565/- per Equity Share i.e. at a premium of ₹ 563/- per Equity Share aggregating to ₹ 7,500 crore on November 19, 2024. Brief summary of utilization of funds are as follows:

S. No.	Particulars	Amount as per Placement Document (₹ in crore)	Actual Utilization as on 31.03.2025* (₹ in crore)
1.	Repayment/Prepayment, in part or in full of certain outstanding borrowings availed by the company and/or one of its subsidiaries	5,600.00	5,602.54**
2.	For general corporate purposes and inorganic acquisitions	1,839.00	1,835.92
3.	QIP Issue Expense	61.00	61.54**
	Total	**7,500.00**	**7,500.00**

**The balance funds were fully utilized during the quarter ended 31.03.2025 as per the objects disclosed in the Offer documents.*
***Incremental amount utilized through general corporate purposes allocated funds.*

Share Capital

The Authorized Share Capital of the Company is ₹ 10,000,000,000/- (Rupees Ten Billion only) divided into 5,000,000,000 (Five Billion) Equity Shares of face value of ₹ 2/- (Rupees Two only) each. During the year under review, there was no change in the Authorized Share Capital of the Company.

During the year under review, the Issued, Subscribed and Paid-up Equity Share Capital of your Company was increased/changed from ₹ 6,763,020,034/- (Rupees Six Billion Seven Hundred Sixty Three Million Twenty Thousand and Thirty Four only) divided into 3,381,510,017 (Three Billion Three Hundred Eighty One Million Five Hundred Ten Thousand and Seventeen) Equity Shares of face value of ₹ 2/- (Rupees Two only) each to ₹ 6,763,977,538/- (Rupees Six Billion Seven Hundred Sixty Three Million Nine Hundred Seventy Seven Thousand and Five Hundred Thirty Eight only) divided into 3,381,988,769 (Three Billion Three Hundred Eighty One Million Nine Hundred Eighty Eight Thousand and Seven Hundred Sixty Nine) Equity Shares of face value of ₹ 2/- (Rupees Two only) each due to allotment of 478,752 (Four Hundred Seventy Eight Thousand and Seven Hundred Fifty Two) Equity Shares of face value of ₹ 2/- (Rupees Two only) each of the Company in aggregate upon exercise of stock options vested under Employees Stock Option Scheme 2016.

Employees Stock Option Scheme

Your Company has Employees Stock Option Scheme 2016 ('ESOP Scheme 2016') i.e. in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time ('SEBI ESOP Regulations') and there has been no material change to the ESOP Scheme 2016 during the year under review.

Certificate from Secretarial Auditors of the Company that ESOP Scheme 2016 has been implemented in accordance with the SEBI ESOP Regulations and the resolution(s) passed by the Members of the Company will be uploaded on website viz. https://varunbeverages.com/agm/ for inspection by Members of the Company.

The statutory disclosures as mandated under the Act and SEBI ESOP Regulations are available on website of the Company at https://varunbeverages.com/agm/

Credit Rating

During the year under review, your Company's credit ratings by CRISIL are as below:

Long Term Rating	CRISIL AAA/Stable (Upgraded from 'CRISIL AA+/Stable')
Short Term Rating	CRISIL A1+ (Re-affirmed)

Related Party Transactions

To comply with the provisions of Sections 177 and 188 of the Act and Rules made thereunder read with Regulation 23 of SEBI (LODR) Regulations, your Company took necessary prior (including omnibus) approval of the Audit, Risk Management and Ethics Committee before entering into related party transactions. All contracts/ arrangements/transactions entered into by the Company during the Financial Year 2025 with related parties, as defined under the Act and SEBI (LODR) Regulations, were in the ordinary course of business and on arm's length basis.

During the year under review, your Company and/ or its subsidiaries have not entered into any contract/ arrangement/transaction with related parties which could be considered as material in accordance with the Policy on Related Party Transactions of the Company.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, these were synchronized and synergized with the Company's operations. Attention of Members is drawn to the disclosure of transactions with the related parties set out in Note No. 43 of the Standalone Financial Statements forming part of the Annual Report.

Your Company has framed a Policy on Related Party Transactions in accordance with the Act and SEBI (LODR) Regulations and the Board of Directors at their meeting held on February 3, 2026 modified the above-mentioned Policy on Related Party Transactions to align with the amendments in SEBI LODR Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company/Subsidiaries and its related parties. The policy is uploaded on website of the Company at https://www.varunbeverages.com/policies/policy-on-related-party-transactions.pdf

Since all transactions which were entered into during the Financial Year 2025 were on arm's length basis and in the ordinary course of business and there was no material related party transaction entered by the Company during the Financial Year 2025 as per Policy on Related Party Transactions, hence no detail is required to be provided in Form AOC-2 prescribed under Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Act are given in the Notes to the Standalone Financial Statements.

Subsidiaries, Associates and Joint Ventures

Your Company has following subsidiaries, associates and joint ventures during the year under review:

Subsidiaries

- Varun Beverages (Nepal) Private Limited;
- Varun Beverages Lanka (Private) Limited;
  - Ole Springs Bottlers (Private) Limited (step-down subsidiary);
- Varun Beverages Morocco SA;
- Varun Beverages (Zambia) Limited;
- Varun Beverages (Zimbabwe) (Private) Limited;
- Varun Beverages RDC SAS;
- Varun Beverages International DMCC;
- Varun Beverages South Africa (Pty) Ltd;
- VBL Mozambique, SA;
- The Beverage Company Proprietary Limited, South Africa;
  - The Beverage Company Bidco Proprietary Limited (step-down subsidiary);

- Little Green Beverages Proprietary Limited (step-down subsidiary);
- Softbev Proprietary Limited (de-registered w.e.f. 05.09.2025)(step-down subsidiary);

- Varun Foods (Zimbabwe) (Private) Limited (strike off w.e.f. 25.11.2025);
- Lunarmech Technologies Private Limited; and
- VBL Industries (Kenya) Limited (w.e.f. 19.11.2025)

Associates

- Clean Max Tav Private Limited; and
- Huoban Energy 7 Private Limited

Joint Ventures

- IDVB Recycling Operations Private Limited;
- Everest Industrial Lanka (Private) Limited (w.e.f. 27.05.2025); and
- White Peak Refrigeration Private Limited (w.e.f. 04.09.2025)

To comply with the provisions of Section 129 of the Act, a separate statement containing salient features of Financial Statements of Subsidiaries, Associates and Joint Ventures of your Company as on December 31, 2025 (which also includes their performance and financial position) in prescribed Form AOC-1 forms part of Consolidated Financial Statements and therefore not repeated here to avoid duplication. Further, contribution of Subsidiaries, Associates and Joint Ventures to the overall performance of your Company is outlined in Note No. 58 of the Consolidated Financial Statements.

Financial Statements of the aforesaid Subsidiaries, Associates and Joint Ventures companies are kept open for inspection by the Members at the Registered Office of your Company on all days except Saturday, Sunday and Public Holiday up to the date of AGM i.e. April 1, 2026 between 11:00 a.m. to 5:00 p.m. as required under Section 136 of the Act. Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company at its Registered Office or Corporate Office. The Financial Statements including the Consolidated Financial Statements and all other documents required to be attached with this Report have been uploaded on website of the Company at https://varunbeverages.com/annual-reports/

To comply with the provisions of Regulation 16(c) of SEBI (LODR) Regulations, the Board of Directors of the Company have approved and adopted a Policy for determination of Material Subsidiary and Governance of Subsidiaries and during the year under review, none of the subsidiary was a material subsidiary of the Company in terms of the said Policy. Policy for determination of Material Subsidiary and Governance of Subsidiaries is uploaded on website of the Company at https://www.varunbeverages.com/policies/policy-on-material-subsidiary-VBL.pdf

Directors and Key Managerial Personnel

Directors

To comply with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Ravi Jaipuria (DIN: 00003668), Non-Executive Chairman and Mr. Raj Gandhi (DIN: 00003649), Whole-time Director are liable to retire by rotation at the ensuing AGM and being eligible, seeks re-appointment. The Board of Directors, on the recommendation of Nomination and Remuneration Committee ('NRC'), recommended their re-appointment for consideration by the Members at the ensuing AGM.

In terms of Regulation 17(1A) of SEBI (LODR) Regulations, the Board of Directors, on the recommendation of NRC and subject to the approval of Members of the Company, accorded its approval to continue and hold office of Non-Executive Independent Director of the Company held by Mr. Abhiram Seth (DIN: 00176144) (who will attain 75 years of age on December 8, 2026) till his current tenure of appointment i.e. upto May 1, 2028. Further, Mr. Abhiram Seth has affirmed that he is not debarred from holding the office of Independent Director by virtue of any SEBI order or any other such Authority.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations and are in compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and are not disqualified from continuing as Independent Directors. Further, the Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties as Independent Directors of the Company.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity (including the proficiency) and fulfils the conditions specified in the Act read with Rules made thereunder and SEBI (LODR) Regulations and are eligible & independent of the management.

None of the Directors of the Company are disqualified as per the provisions of Section 164 of the Act. The Directors of the Company have made necessary disclosures under Section 184 and other relevant provisions of the Act.

Brief resume and other details of the Directors being appointed/re-appointed at the ensuing AGM as stipulated under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and Regulation 36 of the SEBI (LODR) Regulations, are separately disclosed in the Notice of ensuing AGM.

Key Managerial Personnel

Mr. Pankaj Madan was appointed as a Chief Financial Officer ('CFO') and Key Managerial Personnel of the Company w.e.f. July 30, 2025 in accordance with the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in place of Mr. Rajesh Chawla, who continues to discharge his responsibilities as CFO (India) of your Company.

Further, Mr. Raj Gandhi, Whole-time Director and Mr. Ravi Batra, Chief Risk Officer & Group Company Secretary, continued to be the Key Managerial Personnel of your Company in accordance with the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Board Evaluation

To comply with the provisions of Section 134(3)(p) of the Act and Rules made thereunder and Regulation 17(10) of SEBI (LODR) Regulations, the Board has carried out the annual performance evaluation of the Directors individually including the Independent Directors (wherein the concerned Director being evaluated did not participate), Board as a whole and following Committees of the Board of Directors:

i) Audit, Risk Management and Ethics Committee;

ii) Nomination and Remuneration Committee;

iii) Stakeholders' Relationship Committee; and

iv) Corporate Social Responsibility Committee.

The manner in which the annual performance evaluation has been carried out is explained in the Corporate Governance Report which forms part of this report. Board is responsible to monitor and review the evaluation framework.

Further, to comply with Regulation 25(4) of SEBI (LODR) Regulations, Independent Directors also evaluated the performance of Non-Independent Directors, Chairman and Board as a whole at a separate meeting of Independent Directors.

Board and Committees of the Board

The number of meetings of the Board and various Committees of the Board including composition are set out in the Corporate Governance Report which forms part of this report. The intervening gap between the meetings was within the period prescribed under the provisions of Section 173 of the Act and SEBI (LODR) Regulations. During the year under review, all recommendations of Audit, Risk Management and Ethics Committee were accepted by the Board.

Remuneration Policy

To comply with the provisions of Section 178 of the Act and Rules made thereunder and Regulation 19 of SEBI (LODR) Regulations, the Company's Remuneration Policy for Directors, Key Managerial Personnel (KMP), Senior Management and other Employees of the Company is uploaded on website of the Company at https://www.varunbeverages.com/wp-content/uploads/2023/03/12-Remuneration-Policy.pdf. The Policy includes, inter-alia, the criteria for determining qualifications, positive attributes, independence of a Director, appointment and remuneration of Directors, KMPs, Senior Management Personnel and other employees of the Company.

Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

The statement of remuneration under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached to this report as **Annexure – A**.

Further, as per second proviso to Section 136(1) of the Act read with Rule 5 of the aforesaid Rules, the Board's Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees as required under Rule 5(2) and Rule 5(3) of the aforesaid Rules. Any member interested in obtaining a copy of the said statement may write to the Compliance Officer at complianceofficer@rjcorp.in upto the date of AGM. The said statement is also available for inspection by the Members at the Registered Office of your Company on all days except Saturday, Sunday and Public Holiday upto the date of AGM i.e. April 1, 2026 between 11:00 a.m. to 5:00 p.m.

Statutory Auditors

The Shareholders of the Company in their 27th & 28th AGM held on April 7, 2022 and March 27, 2023 respectively appointed M/s. O P Bagla & Co. LLP, Chartered Accountants (Firm Registration Number 000018N/N500091) and M/s. J C Bhalla & Co., Chartered Accountants (Firm Registration Number 001111N) as Joint Statutory Auditors of the Company for a period of upto 5(Five) consecutive years to hold office till the conclusion of AGM to be held

in the year 2027 and 2028 respectively. They have also confirmed that they are not disqualified from continuing as Joint Statutory Auditors of the Company.

The Statutory Auditors' Report for the Financial Year 2025 does not contain any qualification, reservation or adverse remark and forms part of the Annual Report.

The Statutory Auditors and Internal Auditors have not reported any fraud under Section 143(12) of the Act.

Cost Audit

In terms of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable on the Company for the Financial Year 2025.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

To comply with the provisions of Section 134 of the Act and Rules made thereunder, your Company has formulated a Policy for Prevention, Prohibition and Redressal of Sexual Harrassment at Workplace alongwith constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same are available on website of the Company at https://www.varunbeverages.com/wp-content/uploads/2025/02/POSH-Policy.pdf.

During the year under review, no complaint was received, disposed off and pending for more than 90(ninety) days under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Vigil Mechanism / Whistle Blower Policy

Pursuant to the provisions of Section 177 of the Act and Regulation 22 of SEBI (LODR) Regulations, the Company has adopted a Vigil Mechanism/Whistle Blower Policy to provide a platform to the Directors and Employees of the Company to raise concerns regarding any irregularity, misconduct or unethical matters/dealings within the Company. The same is detailed in the Corporate Governance Report which forms part of this report.

During the year under review, no complaint was received and/or pending under the Vigil Mechanism/ Whistle Blower Policy of the Company.

Secretarial Auditors

The Shareholders of the Company in their 30th AGM held on April 3, 2025 appointed M/s. Sanjay Grover & Associates, Peer Reviewed Firm of Company Secretaries in Practice (Firm Registration Number: P2001DE052900) as Secretarial Auditors of the Company for a term of upto 5(Five) consecutive years to hold office till the conclusion of AGM to be held in the Year 2030. They have also confirmed that they are not disqualified from continuing as Secretarial Auditors of the Company in terms of provisions of the Act & Rules made thereunder and SEBI (LODR) Regulations.

The Secretarial Audit Report for the Financial Year 2025 does not contain any qualification, reservation or adverse remark and is attached to this report as **Annexure – B**. Further, the Secretarial Auditors have not reported any fraud under Section 143(12) of the Act.

Further to the Order dated January 9, 2026 of Securities Appellate Tribunal ('SAT'), Company submitted the updated/revised disclosures (including intimation of termination of binding agreements for Tanzania & Ghana territories, warning letter dated August 4, 2025 of SEBI & aforesaid Order of SAT) with Stock Exchanges and SEBI on January 23, 2026.

Risk Management

The Audit, Risk Management and Ethics Committee of the Board of Directors inter-alia monitor and review the risk management plan and such other functions as assigned from time to time.

Your Company has a robust Risk Management Policy which identifies and evaluates business risks and opportunities and to comply with the provisions of Regulation 21 read with Part D of Schedule II of SEBI LODR Regulations, the same was reviewed by the Audit, Risk Management and Ethics Committee in their meeting held on February 3, 2026 without any further modification. The Company recognizes that these risks needs to be managed and mitigated to protect the interest of the stakeholders and to achieve business objectives. Also, in the opinion of the Board, there were no elements of risk identified which may threaten the existence of the Company. The risk management framework is aimed at effectively mitigating the Company's various business and operational risks through strategic actions. In line with the SEBI (LODR) Regulations, cyber security risks are also covered under Risk Management Policy of the Company which is uploaded on website of the Company at https://www.varunbeverages.com/wp-content/uploads/2023/03/22-RISK_MANAGEMENT_POLICY.pdf

Internal Financial Controls

Your Company has in place adequate Internal Financial Controls with reference to the Financial Statements. The report on Internal Financial Controls issued by M/s. J C Bhalla & Co., Chartered Accountants and M/s. O P Bagla & Co. LLP, Chartered Accountants, Joint Statutory Auditors of the Company is annexed to the Auditor's Report on the Financial Statements of the Company and does not contain any reportable weakness in the Company.

Corporate Social Responsibility (CSR)

Your Company has a Corporate Social Responsibility Policy which is uploaded on website of the Company at https://www.varunbeverages.com/wp-content/uploads/2023/05/24-CSR-Policy-Clear-Version.pdf. This Policy includes inter-alia the guiding principles for selection, implementation and monitoring of CSR activities of the Company.

Annual Report on CSR activities for the Financial Year 2025 as required under Sections 134 and 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is attached to this report as **Annexure - C**.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, the Directors state that:

(a) in the preparation of the annual accounts for the Financial Year ended December 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at December 31, 2025 and of the profits of the Company for the period ended on that date;

(c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls were adequate and operating effectively; and

(f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Other Information

Management Discussion & Analysis Report

Management Discussion & Analysis Report for the Financial Year 2025, as stipulated under Regulation 34(2)(e) of SEBI (LODR) Regulations, forms part of the Annual Report.

Business Responsibility and Sustainability Report

Business Responsibility and Sustainability Report ('BRSR') for the Financial Year 2025 describing the initiatives taken by the Company from an Environment, Social and Governance perspective as stipulated under Regulation 34(2)(f) of SEBI (LODR) Regulations forms part of the Annual Report.

Further, your Company had taken reasonable assurance of the BRSR Core from third-party Independent Assurance provider and the same forms part of the Annual Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached to this report as **Annexure – D**.

Corporate Governance Report

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India. The report on Corporate Governance as stipulated under the SEBI (LODR) Regulations is attached to this report as **Annexure – E**. The certificate from M/s. Sanjay Grover & Associates, Practicing Company Secretaries confirming compliance with the conditions of corporate governance is also attached to the Corporate Governance Report.

Listing

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited. Both these stock exchanges have nation-wide trading terminals. Annual listing fee for the Financial Year 2025-26 has been paid to the National Stock Exchange of India Limited and BSE Limited.

Equity Shares of your Company were admitted in Future & Options (F&O) segment with National Stock Exchange of India Limited with effect from November 29, 2024 and BSE Limited with effect from December 13, 2024.

Annual Return

Pursuant to the provisions of Sections 92(3) and 134(3)(a) of the Act, the Annual Return of the Company is uploaded on website of the Company at https://www.varunbeverages.com/annual-reports/

Research and Development

During the year under review, no Research & Development was carried out.

Cautionary Statement

Statements in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed in the statement.

General

Your Directors confirm that no disclosure or reporting is required in respect of the following items as there was no transaction on these items during the year under review:

1. Issue of equity shares with differential voting rights as to dividend, voting or otherwise.
2. The Whole-time Directors of the Company does not receive any remuneration or commission from any of its subsidiaries.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Issue of Sweat Equity Shares.
5. No application made or any proceeding pending under Insolvency and Bankruptcy Code, 2016 as at the end of the Financial Year 2025.
6. No instance of one-time settlement with any bank or financial institution.

The Company is in regular compliance of the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India and the Maternity Benefit Act, 1961.

No material changes and commitments have occurred after the closure of the Financial Year 2025 till the date of this Report, which would affect the financial position of your Company.

Acknowledgement

Your Company's organizational culture upholds professionalism, integrity and continuous improvement across all functions as well as efficient utilization of the Company's resources for sustainable and profitable growth.

Your Directors wish to place on record their appreciation for the sincere services rendered by employees of the Company at all levels. Your Directors also wish to place on record their appreciation for the valuable co-operation and support received from various Government Authorities, Banks/Financial Institutions and other stakeholders such as members, customers and suppliers, among others. Your Directors also commend the continuing commitment and dedication of employees at all levels which has been vital for the Company's success. Your Directors look forward to their continued support in future.

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

Ravi Jaipuria
Chairman
DIN: 00003668

Date: February 3, 2026
Place: Gurugram

Annexure – A

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended December 31, 2025

(i) Ratio of the remuneration of each director to the median remuneration of employees of the Company for the Financial Year 2025 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2025:

(₹ in Million)

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2025	% increase in Remuneration in Financial Year 2025	Ratio of Remuneration of Director to Median Remuneration of employees in Financial Year 2025
1.	Mr. Varun Jaipuria, Executive Vice-Chairman & Whole-time Director	72.02	Nil	167.49
2.	Mr. Raj Gandhi, Whole-time Director	84.71#	26.09	197.00
3.	Mr. Rajinder Jeet Singh Bagga, Whole-time Director	65.44	6.30	152.19
4.	Mr. Pankaj Madan, Chief Financial Officer (CFO)	18.25	Not Comparable@	Not Applicable
5.	Mr. Rajesh Chawla, Chief Financial Officer	7.47	Not Comparable@	Not Applicable
6.	Mr. Ravi Batra, Chief Risk Officer & Group Company Secretary	17.53	8.34	Not Applicable

Remuneration includes annual variable incentive of ₹ 25.50 Million for the period under review.

@ Mr. Pankaj Madan was appointed as CFO with effect from July 30, 2025 in place of Mr. Rajesh Chawla, who continues to discharge his responsibilities as CFO (India) of the Company and the above-mentioned remuneration is w.e.f. the date of change as CFO of the Company.

Note: Non-Executive Directors (including Chairman) and Independent Directors have not received any remuneration during the year under review except sitting fee to the Independent Directors permissible under the Companies Act, 2013 and its related Rules, so the required details are not applicable for them.

(ii) Number of permanent employees on the rolls of the Company as on December 31, 2025 were 10,654 and median remuneration was ₹ 0.43 Million annually. Median remuneration of employees (excluding above Directors and KMPs) in Financial Year 2025 has increased by 4.88%.

It is hereby affirmed that the above-mentioned remuneration is in accordance with the Remuneration Policy of the Company which is uploaded on website of the Company at https://varunbeverages.com/wp-content/uploads/2023/03/12-Remuneration-Policy.pdf

(iii) Average percentile increase already made in the salaries of employees other than Managerial Personnel was 8.97% and average percentile increase in the remuneration of Managerial Personnel was 10.66% vis-a-vis the last Financial Year.

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

Ravi Jaipuria
Chairman
DIN: 00003668

Date: February 3, 2026
Place: Gurugram

Annexure – B

Secretarial Audit Report

For the Financial Year ended December 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Varun Beverages Limited
(CIN: L74899DL1995PLC069839)
F-2/7, Okhla Industrial Area, Phase-I,
New Delhi-110020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Varun Beverages Limited** (the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that-

a) Maintenance of secretarial records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year started from January 1, 2025 and ended on December 31, 2025 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on December 31, 2025 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

  (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; {Not applicable during the Audit Period}

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; {Not applicable during the Audit Period}

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; {Not applicable during the Audit Period} and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, with which the Company has generally complied with. The Company is generally regular in filing e-forms with Registrar of Companies under the provisions of the Act.

During the audit period, we are of the opinion that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable.

The Company is PepsiCo's second largest global franchise (outside United States) and have a strategic association with PepsiCo since 1991. The Company is a trusted business partner to PepsiCo and possesses the rights to manufacture, distribute and sell carbonated soft drinks, fruit juice-based drinks, packaged drinking water and sports and energy drinks. As informed by the management, following Laws are being specifically applicable to the Company:

i. Food Safety & Standards Act, 2006, Rules and Regulations made thereunder

ii. Legal Metrology Act, 2009

In our opinion and to the best of our information and according to explanations given to us, we believe that the Company is having systems in place to check the compliance of laws specifically applicable to the Company.

We further report that the Board Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further, there was no change in the composition of the Board of Directors during the review period.

Advance notice was given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of board meetings and committee meetings, the decisions at the Board and committee meetings were taken unanimously.

We further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

(i) the Board of Directors of the Company in their meeting held on April 30, 2025, approved the proposal for declaration of Interim Dividend of ₹ 0.50/- per equity share on face value of ₹ 2/- each for the Financial Year 2025;

(ii) the Board of Directors of the Company in their meeting held on July 29, 2025, approved the proposal for declaration of 2nd Interim Dividend of ₹ 0.50/- per equity share on face value of ₹ 2/- each for the Financial Year 2025;

(iii) the Board of Directors of the Company in their meeting held on October 29, 2025 and Members of the Company through postal ballot on November 29, 2025 approved the alteration in Object Clause of the Memorandum of Association of the Company; and

(iv) pursuant to the Administrative Warning Letter dated August 4, 2025, Order dated January 9, 2026 of Hon'ble Securities Appellate Tribunal ('SAT') and e-mail dated January 23, 2026 of SEBI related to disclosure of material event [termination of Share Purchase Agreements with SBC Tanzania Limited ('Tanzania') and SBC Beverages Ghana Limited ('Ghana')], Company submitted: (a) disclosure of termination of Share Purchase Agreements with Tanzania and Ghana, (b) revised disclosure of Administrative Warning letter dated August 4, 2025 issued by SEBI and (c) disclosure of SAT Order dated January 9, 2026, with National Stock Exchange of India Limited, BSE Limited and SEBI on January 23, 2026.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900
Peer Review Certificate No.: 6311/2024

Vijay K. Singhal
Partner
CP No.: 10385 / Mem. No. F13221
UDIN: F013221G003857864

New Delhi
February 3, 2026

Annexure – C

Annual report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2025

1. Brief outline on CSR Policy of the Company

Your Company has a CSR Policy which is uploaded on website of the Company at https://varunbeverages.com/wp-content/uploads/2023/05/24-CSR-Policy-Clear-Version.pdf

During the year under review, Company has spent ₹ 291.26 Million on promoting healthcare, education, vocational skills, water conservation, environmental sustainability, animal welfare, rural development, disaster management, etc. through RJ Foundation having Regn. No. CSR00006099. For more details, please refer page no. 116 of the Annual Report.

2. Composition of CSR Committee

Composition of the CSR Committee and details of attendance during Financial Year 2025 are as under:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the Financial Year 2025	Number of meetings of CSR Committee attended during the Financial Year 2025
1	Ms. Rashmi Dhariwal	Chairperson (Independent Director)	2	2
2	Mr. Ravi Jaipuria	Member (Non-executive Chairman)	2	2
3	Mr. Varun Jaipuria	Member (Executive Vice Chairman & Whole-time Director)	2	0
4	Mr. Raj Gandhi	Member (Whole-time Director)	2	2

Note: Video/Tele-conferencing facility is offered to facilitate Directors to participate in the meetings.

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

Composition of CSR Committee: https://varunbeverages.com/composition-of-the-committees-of-the-board/

CSR Policy: https://varunbeverages.com/wp-content/uploads/2023/05/24-CSR-Policy-Clear-Version.pdf

CSR Projects: https://www.varunbeverages.com/policies/CSR-Projects-FY-25.pdf

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable

The impact assessment of contribution made towards CSR projects on Aaru Clinics, Rejuvenation of Water Bodies program, Pravah Skill Development Programme and Shiksha Kendra Programme during FY 2024 were undertaken through an independent agency. Their report is available on website of the Company at https://varunbeverages.com/agm/

5.

(a) Average net profit of the Company as per sub-section (5) of Section 135: ₹ 23,139.97 Million

(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 462.80 Million

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 462.80 Million

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 276.07 Million

(b) Amount spent in Administrative Overheads: ₹ 14.66 Million

(c) Amount spent on Impact Assessment, if applicable: ₹ 0.53 Million

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 291.26 Million

(e) CSR amount spent or unspent for the financial year 2025:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135*		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
291.26 Million	171.54 Million	28.01.2026	Nil	Nil	Not Applicable

* The unspent amount towards CSR of ₹ 171.54 million related to ongoing projects has been kept in separate account with RJ Foundation (i.e. trust established for carrying the CSR activities).

(f) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	Not Applicable
(ii)	Total amount spent for the financial year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
Nil								

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:**

Yes **√ No**

If Yes, enter the number of Capital assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135:

During FY 2025, our Company spent ₹ 291.26 Million on various projects and the unspent balance of ₹ 171.54 Million is transferred as above-mentioned for various ongoing projects to be spent in accordance with the CSR Rules.

Date: February 3, 2026
Place: Gurugram

Ravi Jaipuria
Member - CSR Committee
(Chairman)
DIN: 00003668

Rashmi Dhariwal
Chairperson - CSR Committee
(Independent Director)
DIN: 00337814

Annexure – D

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(a) Conservation of energy

(i)	Steps taken or impact on conservation of energy	A multi-pronged and sustainable approach is deployed in most of our plants as well as products to infuse the concept of energy conservation. Some of the energy conservation measures adopted across the manufacturing units were: 1. Use of frequency drive in ammonia and air compressor which saves electric energy. 2. Use of frequency drive in boiler for ID and FD fan which saves electric energy. 3. Heat recovery from hot compressed gases and used for heating water. 4. Recovery of treated hot water from three stage syrup transfer PHE. 5. Beverage filling at ambient temperature leading to huge power savings in refrigeration. 6. Replacement of CFL/FTL lamps with LED lamps. 7. Replacement of low efficiency pump with high energy efficient pump. 8. Improving efficiency on critical resources like water and energy by doing water recoveries and optimizing energy consumption. 9. Optimizing the resource consumptions and minimizing wastages by automations and controls. 10. Installation of steam operated pump trap - SOPT for better steam condensate recovery across all units. 11. Direct Coupled HP Compressors (No gear Box). 12. IE 5 permanent magnet motor. 13. Adiabatic cooling tower. 14. Improving condensate recovery by installation of SOPT and better technology equipment which helped in improving boiler efficiency. 15. Heat recovery from High Pressure Air Compressors and Ammonia Refrigeration compressors. 16. Installation of de-superheaters. 17. Installation of intelligent flow controllers for optimizing High Pressure air requirements at preform blow moulding machines. 18. Initiated Cold CIP which requires no heat during operation. 19. Blowing power reduction by compressors efficiency audit and standardization of HP pressure SKU wise. 20. Beverage filling temperatures increased from tradition 4°C to 18°C in our new projects, thereby saving refrigeration power. 21. Retrofit of old lines to higher temperature beverage filling by installing sub carb technology, thereby saving refrigeration power.

(ii)	Steps taken by the Company for utilizing alternate sources of energy	1. The Company has successfully utilized the environment friendly fuels like biomass and PNG operated boiler for steam generation and installed solar panels in many plants to generate clean energy. 2. In our pursuit of creating a green future, we are proactively shifting to renewable energy sources to fulfil our energy needs, pledging to broaden our renewable energy portfolio. By utilizing solar and wind on-site, as well as adopting open access (group captive power) sourcing methods, we are augmenting our renewable energy capacity. We are steadfast in our commitment to increasing the adoption of renewable energy at all our manufacturing and office locations. In our sustainability journey, the usage of renewable energy sources has resulted in the generation of ~108 million kWh units in FY 2025 from ~78 million kWh units in FY 2024. This accomplishment not only underscores our dedication to reducing our environmental footprint but has also directly contributed to a reduction in energy consumption sourced from the electricity grid.
(iii)	Capital investment on energy conservation equipments	1. Most of our manufacturing locations are equipped with rooftop solar installations, including newly commissioned facilities such as Prayagraj, Buxar and Meghalaya. 2. Air recovery system in Blow Moulding Machine. 3. Filling machines which are capable of filling beverage at ambient temperature with high speed running. 4. Green Oven for Bottle Blowing machine which consumes less energy as compared to the traditional ones. 5. High energy efficient pumps. 6. Steam condensate recovery system across all units. 7. Investment is done in Godrej Control Air IFC. 8. Installation of de-superheaters. 9. Investment in modification of existing CIP system to enable cold CIP. 10. Retrofit of old filling lines with sub carb technology for warm filling. 11. Installation of water recycling technology (RO) for utilities in Goa and newly commissioned facilities such as Prayagraj, Buxar and Meghalaya.

(b) Technology absorption

(i)	Efforts made towards technology absorption	The Company has been continuously improving on resource use efficiencies, especially that of common resources such as water, fuel & energy and reducing carbon footprint. The Company follows series of environment performance indicators for monitoring natural resources consumption on per case basis and continual improvement is being achieved and sustained. New technology and Capex requirements are in progress at leadership level in ESG.
(ii)	Benefits derived like product improvement, cost reduction, product development or import substitution	Over the past years, Company has reduced water usage on per case basis and significant reduction of energy consumption on per case basis. Some of the factories have also received the Green Factory certification (Gold rating) from Indian Green Building Council (IGBC). Your Company also achieved significant reduction in weight of closure (from 1880 long height closure to 1881 short height closure) and preforms over years. This is implemented across all units resulting in to saving of resin consumption. Usage of nitrogen in packaged drinking water enables unit to reduce 10% of package weight. We also started metal cage for preform storage and handling to minimize recycling waste. Recently in 2025 our Sandila, Begusarai units received Assocham National water award for Excellence in Water Management within Plant Premises and also our VBL HO rewarded with Assocham National water award in 'outside the fence' for implementing Khambati Kuwa in Rajasthan Dudu district. Our Tirunelveli plant also won CII National Water Award for noteworthy water efficient unit.

(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	There is no imported technology involved in the operation of the Company.
	(a) Details of technology imported	N.A.
	(b) Year of import	N.A.
	(c) Whether the technology been fully absorbed	N.A.
	(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
(iv)	Expenditure incurred on Research and Development	Due to the nature of its business, the Company need not to initiate specific research and development activities, however Company supports all the pilot projects feasibility and commercialization along with PepsiCo.

(c) Foreign Exchange Earnings & Outgo

(₹ in Million)

Sl. No	Particulars	As at December 31, 2025	As at December 31, 2024
(i)	Foreign Exchange Earnings	4,206.23	3,439.48
(ii)	Foreign Exchange Outgo	19,441.92	27,306.91

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

Ravi Jaipuria
Chairman
DIN: 00003668

Date: February 3, 2026
Place: Gurugram

Annexure – E

Corporate Governance Report

To comply with Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) Regulations'], the report containing details of Corporate Governance of Varun Beverages Limited ('the Company'/ 'VBL') is as follows:

Company's Philosophy on Corporate Governance

Corporate Governance is creation and enhancing long term sustainable value for the stakeholders through ethically driven business process. At VBL, it is imperative that your Company affairs are being managed in a fair and transparent manner.

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success and we remain committed towards maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed hereinafter.

The Corporate Governance framework of the Company is based on the following broad practices:

(a) Engaging a diverse and highly professional, experienced and competent Board of Directors, with versatile expertise in industry, finance, management and law.

(b) Deploying well defined governance structures that establishes checks and balances and delegates decision making to appropriate levels in the organization.

(c) Adoption and implementation of fair, transparent and robust systems, processes, policies and procedures.

(d) Making high level of disclosures for dissemination of corporate, financial and operational information to all its stakeholder.

(e) Having strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements and zero tolerance for non-compliance.

Best Corporate Governance practices

VBL maintains the highest standards of Corporate Governance. It is the Company's constant endeavour to adopt the best Corporate Governance practices keeping in view the international codes of Corporate Governance and practices of well-known global companies. Some of the best implemented global governance norms include the following:

- All securities related material filings with Stock Exchanges and SEBI are reviewed by the Company's Board of Directors.
- The Company has following Board Committees: Audit, Risk Management and Ethics Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Share Allotment Committee, Investment and Borrowing Committee and Environment, Social and Governance Committee.
- The Company also undergoes Secretarial Audit conducted by an independent firm of Practicing Company Secretaries. The Secretarial Audit Report is placed before the Board and forms part of the Annual Report.
- Observance and adherence of all applicable Laws including Secretarial Standards issued by The Institute of Company Secretaries of India.

Governance Policies

At VBL, we strive to conduct our business and strengthen our relationship in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of the codes and policies are as follows:

- Code of Conduct for Board of Directors and Senior Management;
- Code of Conduct for Prohibition of Insider Trading;
- Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information;
- Policy on Related Party Transactions;
- Corporate Social Responsibility Policy;
- Policy for Determination of Material Subsidiary and Governance of Subsidiaries;
- Policy for Determination of Materiality of Events / Information;

- Remuneration Policy for Directors, Key Managerial Personnel, Members of Senior Management and other Employees of the Company;
- Familiarization Programme for Independent Directors;
- Vigil Mechanism/Whistle Blower Policy;
- Policy for Preservation of Documents;
- Policy on Diversity of the Board of Directors;
- Risk Management Policy;
- Dividend Distribution Policy;
- Archival Policy;
- Guidelines for Acquisition in India;
- Go Green Guidelines
- Anti-Bribery Policy;
- Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace;
- Policy on Incentives Linked to ESG Initiatives;
- Framework of Environment, Social and Governance (ESG);
- Grievance Redressal Policy; and
- Employees Stock Option Scheme 2016

Board of Directors

As at December 31, 2025, 5(Five) out of 10(Ten) Directors on the Board were Independent Directors. At VBL, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance.

The Board's actions and decisions are aligned with the Company's best interests. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

Size and composition of the Board of Directors as at December 31, 2025 is given below:

Category	Name of Directors
Non-executive Chairman	Mr. Ravi Jaipuria*
Executive Vice Chairman & Whole-time Director	Mr. Varun Jaipuria*
Executive / Whole-time Directors	Mr. Raj Gandhi
	Mr. Rajinder Jeet Singh Bagga
Non-executive, Non-Independent Director	Dr. Naresh Trehan
Non-executive, Independent Directors	Dr. Ravi Gupta
	Mr. Abhiram Seth
	Mr. Anil Kumar Sondhi
	Ms. Rashmi Dhariwal
	Ms. Sita Khosla

**Mr. Ravi Jaipuria and Mr. Varun Jaipuria are Promoters of the Company.*

Inter-se Relationship among Directors

Except Mr. Ravi Jaipuria and Mr. Varun Jaipuria, none of the Director is a relative of other Director(s). Mr. Varun Jaipuria, Executive Vice Chairman & Whole-time Director is son of Mr. Ravi Jaipuria, Non-executive Chairman of the Company.

Core Skills / Expertise / Competencies available with the Board

The Board comprises qualified Members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The Matrix setting out the Skills, Expertise and Competencies available with the Board in context of business of the Company is as under:

Sl. No.	Name of Director	Leadership / Operations	Strategic Planning	Industry Experience, Technical, Research & Development and Innovation	Global Business	Finance & Legal	Corporate Governance, Compliance & Risk Management
1.	Mr. Ravi Jaipuria	√	√	√	√	√	√
2.	Mr. Varun Jaipuria	√	√	√	√	–	√
3.	Mr. Raj Gandhi	√	√	√	√	√	√
4.	Mr. Rajinder Jeet Singh Bagga	√	√	√	√	–	√
5.	Dr. Naresh Trehan	√	√	–	√	√	√
6.	Dr. Ravi Gupta	√	√	–	–	√	√
7.	Mr. Abhiram Seth	√	√	√	√	–	√
8.	Mr. Anil Kumar Sondhi	√	√	√	–	–	√
9.	Ms. Rashmi Dhariwal	√	√	–	–	√	√
10.	Ms. Sita Khosla	√	√	–	–	√	√

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment as an Independent Director on the Board. The Committee, inter-alia, considers criteria as prescribed under the Companies Act, 2013 ('the Act') and SEBI (LODR) Regulations viz. positive attributes, area of expertise, number of directorships and memberships held in various committees of other companies by such persons in accordance with the Company's Policy. The Board considers the Committee's recommendation and takes appropriate decision.

A statement in connection with fulfilling the criteria of Independence and directorships as required under the provisions of the Act and SEBI (LODR) Regulations received from each of Independent Director is disclosed in the Board's Report. Your Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Act. Terms and Conditions for appointment of Independent Directors are available on website of the Company at https://www.varunbeverages.com/wp-content/uploads/2023/03/1-2.-Terms-of-IDs.pdf

In the opinion of the Board, the Independent Directors fulfill the conditions as specified in the Act and SEBI (LODR) Regulations and are Independent of the management.

Independent Directors' Induction and Familiarization

An appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor in maintaining the high Corporate Governance standards of the Company. The Whole-time Directors and the Company Secretary are jointly responsible for ensuring that such induction and training programmes are given to the Directors. The management provides such information and training either at the meeting of Board of Directors or otherwise. The details of such familiarization programme for Independent Directors are posted on website of the Company at https://www.varunbeverages.com/policies/Details-of-Familiariation-Programme-of-IDs.pdf

Board Evaluation

The Board of Directors of the Company ensures formation and monitoring of robust evaluation framework of the Individual Directors including Chairman of the Board, Board as a whole and various Committees thereof and carries out the evaluation of the Board, the Committees of the Board and Individual Directors, including the Chairman of the Board on an annual basis. A structured questionnaire is prepared and circulated to the Directors for each of the evaluation.

Board Evaluation for the Financial Year ended December 31, 2025 has been completed by the Company internally which included the evaluation of the performance of the Board as a whole, Board Committees and Directors individually including Chairman of the Board and results of the same were shared with the Board.

Internal Audit

As recommended by the Audit, Risk Management and Ethics Committee, the Board of Directors in their meeting held on February 10, 2025 re-appointed M/s. VGG & Co., Chartered Accountants as Internal Auditors of the Company for the Financial Year 2025 to conduct internal audit of the Company and their report on findings is submitted to the Audit, Risk Management and Ethics Committee on periodic basis.

Separate Meeting of Independent Directors

To comply with the provisions of Schedule IV of the Act read with Regulation 25 of SEBI (LODR) Regulations, the Independent Directors met once on October 29, 2025 during the Financial Year 2025, without the presence of Non-Independent Directors and members of the management team and *inter-alia* reviewed:

- The performance of Non-Independent Directors and the Board as a whole;
- The performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-executive Directors; and
- The quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to formal meetings, interactions also took place between the Chairman and Independent Directors.

Board Meetings, Board Committee Meetings and Procedure

Board is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies, their effectiveness and ensures that shareholders' long term interests are being served.

As on date of this report, the Board has 7(Seven) Committees, namely Audit, Risk Management and Ethics Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate

Social Responsibility Committee, Share Allotment Committee, Investment and Borrowing Committee, and Environment, Social and Governance Committee.

The Company's internal guidelines for Board/Board Committee meetings facilitate the decision making process at its meetings in an informed and efficient manner.

Board/Committee Meetings

The Board meets at regular intervals to discuss and decide on Company / business policies and strategies apart from other regular business matters. The Board/ Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to all Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees.

During the year under review, all recommendations of the Board Committees, including the Audit, Risk Management and Ethics Committee, were accepted by the Board.

Agenda of the Board/Committee Meetings is set by the Chief Risk Officer & Group Company Secretary in consultation with the Whole-time Director(s) and the Chairman of the Company. The agenda is generally circulated a week prior to the date of the meeting and includes detailed notes on items to be discussed at the meeting to enable the Directors to take an informed decision. However, in case of urgency, the agenda is circulated along with shorter notice as per the provisions of the Secretarial Standard on Meetings of the Board of Directors issued by the Institute of Company Secretaries of India. Usually meetings of the Board are held at Corporate Office of the Company at Gurugram. Draft minutes of proceedings of the Board/Committee meetings are circulated for comments/suggestions and thereafter, final minutes are noted by the Board/ Committees at their next meeting.

Board meets at least once in a quarter to review inter-alia the quarterly results, compliances and performance of the Company. Additional meetings are held on need basis.

The Company also provides facility to the Directors to attend meetings of the Board and its Committees through Video/Tele Conferencing mode.

5 (Five) Board meetings were held during the Financial Year 2025 on February 10, 2025, April 30, 2025, July 29, 2025, October 29, 2025 and December 21, 2025. The gap between two Board meetings was within the limit prescribed under Section 173(1) of the Act and Regulation 17(2) of the SEBI (LODR) Regulations.

Board Business

The business of the Board *inter-alia* includes:

- Framing and overseeing progress of the Company's annual plan and operating framework.
- Framing strategies for direction of the Company and for corporate resource allocation.
- Reviewing financial plans of the Company.
- Reviewing the quarterly and annual financial results of the Company.
- Reviewing the Annual Report including Audited Annual Financial Statements for adoption by the Members.
- Reviewing progress of various functions and business of the Company.
- Reviewing the functioning of the Board and its Committees.
- Reviewing the functioning of subsidiary companies.
- Considering approving the declaration / recommendation of dividend.
- Reviewing and resolving fatal or serious accidents or dangerous occurrences, any material significant effluent or pollution problems or significant labour issues, if any.
- Reviewing the details of significant development in human resources and industrial relations front.
- Reviewing details of foreign exchange exposure and steps taken by the management to limit the risks of adverse exchange rate movement.
- Reviewing compliance with all relevant legislations, regulations and litigation status, including materially important show cause, demand, prosecution and penalty notices, if any.
- Advising on corporate restructuring such as merger, acquisition, joint venture or disposals, if any.
- Appointing Directors on the Board and Key Managerial Personnel, if any.
- Reviewing various policies of the Company and monitoring implementation thereof.
- Reviewing details of risk evaluation and internal controls.
- Reviewing reports on progress made on the ongoing projects.
- Monitoring and reviewing board evaluation framework.
- Review report(s) on Environment, Social and Governance.

Board Support

The Chief Risk Officer & Group Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. He is also responsible for preparation of Agenda in consultation with the Whole-time Director(s) and the Chairman of the Company and convening of Board and Committee Meetings. The Chief Risk Officer & Group Company Secretary attends all the meetings of the Board and its Committees, advises and assures the Board on Compliance and Governance principles.

Recording Minutes of proceedings of Board and Committee meetings

The Chief Risk Officer & Group Company Secretary ensures appropriate recording of minutes of proceedings of each Board and Committee Meeting. The minutes are entered in the Minutes Book within 30 (Thirty) days from the date of conclusion of the meetings as per the Secretarial Standards issued by The Institute of Company Secretaries of India.

Post meeting follow-up mechanism

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/ Committee meetings are communicated promptly to the concerned departments/divisions. Action-taken report (if any) on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/ Committees for review.

Attendance of Directors at Board Meetings & last Annual General Meeting (AGM), number of other Directorships and Chairmanships / Memberships of Committees and Shareholding of each Director in the Company:

Name and DIN	Designation & Category	Attendance in Financial Year 2025		Number of Directorships in other Companies[$] as on December 31, 2025		Committee Membership and Chairmanship in other Companies[#] as on December 31, 2025		Shareholding in the Company as on December 31, 2025
		Board Meetings	AGM	Private	Public	Chairman ship	Member ship	
Mr. Ravi Jaipuria (00003668)	Promoter (Non-executive Chairman)	5/5	Yes	1	4	Nil	1	565,086,222
Mr. Varun Jaipuria (02465412)	Promoter (Executive Vice Chairman & Whole-time Director)	5/5	Yes	3	2	Nil	Nil	521,859,870
Mr. Raj Gandhi (00003649)	Whole-time Director (Executive Director)	5/5	Yes	2	7	Nil	4	5,611,122
Mr. Rajinder Jeet Singh Bagga (08440479)	Whole-time Director (Executive Director)	5/5	Yes	2	1	Nil	Nil	1,429,685
Dr. Naresh Trehan (00012148)	Non-executive Non-Independent Director	5/5	Yes	1	6	Nil	Nil	Nil
Dr. Ravi Gupta (00023487)	Non-executive Independent Director	5/5	Yes	6	5	4	7	Nil
Ms. Rashmi Dhariwal (00337814)	Non-executive Independent Director	5/5	Yes	3	6	2	8	Nil
Ms. Sita Khosla (01001803)	Non-executive Independent Director	5/5	Yes	Nil	Nil	Nil	Nil	Nil
Mr. Abhiram Seth (00176144)	Non-executive Independent Director	3/5	Yes	2	4	2	3	7,380
Mr. Anil Kumar Sondhi (00696535)	Non-executive Independent Director	5/5	Yes	Nil	Nil	Nil	Nil	Nil

$ Does not include directorship in foreign companies.

Includes only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (whether listed or not) and excludes private limited companies, foreign companies and Section 8 companies.

Note: Video/Tele-conferencing facility is offered to facilitate Directors to participate in the meetings.

Pursuant to Part C of Schedule V of the SEBI (LODR) Regulations, details of Directorship in other equity listed entity and category of Directorship as on December 31, 2025, are mentioned below:

Sl. No	Name of Director	Company	Category of Directorship
1	Mr. Ravi Jaipuria	Devyani International Limited	Non-executive Non-Independent Director
		Global Health Limited	Non-executive Non-Independent Director
2	Mr. Varun Jaipuria	Devyani International Limited	Non-executive Non-Independent Director
3	Mr. Raj Gandhi	Devyani International Limited	Non-executive Non-Independent Director
4	Dr. Naresh Trehan	Global Health Limited	Executive Director
5	Dr. Ravi Gupta	Devyani International Limited	Non-executive Independent Director
		Epack Durable Limited	Non-executive Independent Director
		Global Health Limited	Non-executive Independent Director
6	Ms. Rashmi Dhariwal	Devyani International Limited	Non-executive Independent Director
		Vindhya Telelinks Limited	Non-executive Independent Director
7	Mr. Abhiram Seth	LT Foods Limited	Non-executive Independent Director

Committees of the Board

The Board Committees play a vital role in strengthening the Corporate Governance practices. The Board Committees are set up under formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board as a part of good governance practice. The Board supervise the execution of responsibilities by the Committee. Minutes of the proceedings of all the Committee meetings are circulated to the Board to take note of the same. The Board Committees may request special invitees to join the meeting, as appropriate.

As required under Schedule V (Annual Report) of the SEBI (LODR) Regulations, mandatory disclosure(s) related to the Audit, Risk Management and Ethics Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee are as follows:

(i) Audit, Risk Management and Ethics Committee

The terms of reference and composition of the Audit, Risk Management and Ethics Committee satisfy the requirements of Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulations 18 and 21 of the SEBI (LODR) Regulations.

The brief terms of reference of Audit, Risk Management and Ethics Committee are as under:

- Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible.
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company and approval of payment for any other services rendered by the auditors of the Company.
- Reviewing with the Management the quarterly / annual results and annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter-alia, include reviewing changes in the accounting policies and reasons for the same, major accounting entries involving estimates based on exercise of judgement by Management, significant adjustments made in the financial statements.
- Review the Management's Discussion and Analysis of financial condition and results of operations.
- Scrutiny of inter-corporate loans and investments.
- Evaluation of internal financial controls and risk management systems.
- Reviewing the functioning of the whistle blower/ vigil mechanism.
- Formulate a detailed risk management policy which shall include:
  - Framework for identification of internal and external risks.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- Evaluate and review the risk management plan, the risk management system, including risk policy, risk process (risk identification, assessment, mitigation and monitoring), cyber security processes and risk registers laid down by the Management.
- Recommendation for appointment, removal and terms of remuneration of the Chief Risk Officer.

The Audit, Risk Management and Ethics Committee met 4(Four) times during the Financial Year 2025 on February 10, 2025, April 30, 2025, July 29, 2025 and October 29, 2025.

Composition of the Committee and attendance of the Members at the meetings held during the Financial Year 2025:

Sl. No.	Name	Category	Designation	No. of Meetings Attended
1	Dr. Ravi Gupta	Independent Director	Chairman	4/4
2	Ms. Rashmi Dhariwal	Independent Director	Member	4/4
3	Ms. Sita Khosla	Independent Director	Member	4/4

Note: Video/Tele-conferencing facility is offered to facilitate Directors to participate in the meetings.

The Chief Risk Officer & Group Company Secretary acts as Secretary to the Committee.

The Chairman of the Audit, Risk Management and Ethics Committee was present at the last AGM held on April 3, 2025.

(ii) Stakeholders' Relationship Committee

The terms of reference and composition of the Stakeholders' Relationship Committee satisfy the requirements of Section 178 of the Act and Regulation 20 of SEBI (LODR) Regulations.

The brief terms of reference of Stakeholders' Relationship Committee are to consider and resolve the grievances of security holders of the Company including but not limited to complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends and review of services rendered by the Registrar and Share Transfer Agent.

Composition of the Committee during the Financial Year 2025:

Sl. No.	Name	Category	Designation
1	Ms. Sita Khosla	Independent Director	Chairperson
2	Ms. Rashmi Dhariwal	Independent Director	Member
3	Mr. Raj Gandhi	Executive Director	Member

Note: Video/Tele-conferencing facility is offered to facilitate Directors to participate in the meetings.

The Chief Risk Officer & Group Company Secretary acts as Secretary to the Committee and also designated as a Compliance Officer of the Company.

The Chairperson of the Stakeholders' Relationship Committee was present at the last AGM held on April 3, 2025.

Investor Grievances / Complaints

The details of the Investor Complaints received and resolved during the Financial Year ended December 31, 2025 are as follows:

Opening Balance	No. of complaints received	No. of complaints resolved	No. of complaints not solved to the satisfaction of shareholders	No. of complaints pending
0	9	9	0	0

To enable investors to share their grievance or concern, the Company has set up a dedicated e-mail ID complianceofficer@rjcorp.in.

(iii) Nomination and Remuneration Committee

The terms of reference and composition of the Nomination and Remuneration Committee satisfy the requirements of Section 178 of the Act and Regulation 19 of SEBI (LODR) Regulations and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The brief terms of reference of Nomination and Remuneration Committee are as under:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees and for evaluation of the performance of independent directors and the Board of Directors;
- Devising a policy on diversity of the Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board of Directors their appointment and removal, and specify the manner for effective evaluation of performance of Board, its committees and individual Directors and review its implementation and compliance;

- Determine whether to extend or continue the term of appointment of the independent directors on the basis of the report of performance evaluation of independent directors; and
- Framing suitable policies and systems to ensure that there is no violation by an employee as well as by the Company of any applicable laws in India or overseas, including:
  (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

The Nomination and Remuneration Committee met 5 (Five) times during the Financial Year 2025 on February 10, 2025, April 30, 2025, July 7, 2025, July 29, 2025 and October 29, 2025.

Composition of the Committee and attendance of the Members at the meetings held during the Financial Year 2025:

Sl. No.	Name	Category	Designation	No. of Meetings Attended
1.	Ms. Rashmi Dhariwal	Independent Director	Chairperson	5/5
2.	Dr. Ravi Gupta	Independent Director	Member	5/5
3.	Mr. Ravi Jaipuria	Non-executive Chairman	Member	5/5

Note: Video/Tele-conferencing facility is offered to facilitate Directors to participate in the meetings.

The Chief Risk Officer & Group Company Secretary acts as Secretary to the Committee.

The Chairperson of the Nomination and Remuneration Committee was present at the last AGM held on April 3, 2025.

Performance evaluation criteria for Directors

The Remuneration Policy of the Company lays down the criteria of appointment and remuneration of Directors/Key Managerial Personnel including criteria for determining qualification, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-executive Directors (including Independent Directors) and other matters as prescribed under the provisions of the Act and the SEBI (LODR) Regulations. An indicative list of factors that may be evaluated including but not limited to participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

Remuneration of Directors

Details of remuneration paid to Directors of the Company for the Financial Year ended December 31, 2025, are as follows:

(₹ in million)

Sl. No.	Name	Sitting Fee	Salary	Perquisite	Bonus/Incentive	Total
1.	Mr. Varun Jaipuria	-	72.02	0.04	-	72.06
2.	Mr. Raj Gandhi	-	59.21	3.52	25.50	88.23
3.	Mr. Rajinder Jeet Singh Bagga	-	65.44	3.66	-	69.10
4.	Dr. Ravi Gupta	1.40	-	-	-	1.40
5.	Ms. Rashmi Dhariwal	1.90	-	-	-	1.90
6.	Ms. Sita Khosla	1.00	-	-	-	1.00
7.	Mr. Abhiram Seth	0.30	-	-	-	0.30
8.	Mr. Anil Kumar Sondhi	0.50	-	-	-	0.50

The details of specific service contracts, notice period and severance fees etc. are governed by the appointment letter issued to respective Director at the time of his/her appointment/re-appointment.

During the Financial Year 2025, no loans and advances in the nature of loans to firms/companies in which directors are interested was given by the Company and its subsidiaries.

Criteria of making payments to Non-executive Directors including all pecuniary relationship or transactions of Non-executive Directors

The Independent Directors are not paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees thereof as approved by the Board.

There has been no pecuniary relationship or transactions of the Non-executive Directors vis-à-vis the Company during the year except the sitting fee paid to them as detailed above.

Prohibition of Insider Trading

To comply with the provisions of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prohibition of Insider Trading and the same is uploaded on website of the Company at https://www.varunbeverages.com/policies/Insider_Trading_Code_VBL.pdf

Vigil Mechanism / Whistle Blower Policy

To comply with the provisions of Section 177 of the Act and Regulation 22 of SEBI (LODR) Regulations, the Company has adopted a Vigil Mechanism / Whistle Blower Policy for Directors and Employees of the Company. Under the Vigil Mechanism Policy, the protected disclosures can be made by a victim through an e-mail or a letter to the Chief Risk Officer & Group Company Secretary ('Vigilance Officer') or to the Chairperson of the Audit, Risk Management and Ethics Committee.

The Policy provides for adequate safeguards against victimization of Directors and Employees who avail of the vigil mechanism and also provides a direct access to the Vigilance Officer or the Chairperson of the Audit, Risk Management and Ethics Committee, in exceptional cases. No personnel of the Company has been denied access to the Audit, Risk Management and Ethics Committee.

The main objective of this policy is to provide a platform to Directors and Employees to raise concerns regarding any irregularity, misconduct or unethical matters/dealings within the Company, which may have a negative bearing on the organization either financially or otherwise.

This policy provides an additional channel to the normal management hierarchy for employees to raise concerns about any breach of the Company's values or instances of violations of the Company's Code of Conduct. Therefore, it is in line with the Company's commitment to open communication and to highlight any such matters which may not be getting addressed in a proper manner. During the year under review, no complaint was received under the Vigil Mechanism/ Whistle Blower Policy of the Company. The Policy is uploaded on website of the Company at https://www.varunbeverages.com/wp-content/uploads/2023/03/21-VIGIL-MECHANISM-POLICY.pdf

Utilization of funds raised through Qualified Institutions Placement (QIP)

In compliance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (LODR) Regulations and Sections 42 & 62 of the Act and Rules made thereunder, the Company has issued and allotted 132,743,362 Equity Shares of face value of ₹ 2/- each to the eligible Qualified Institutional Buyers at an issue price of ₹ 565/- per Equity Share i.e. at a premium of ₹ 563/- per Equity Share aggregating to ₹ 7,500/- crore on November 19, 2024. Brief summary of utilization of funds are as follows:

Sl. No.	Particulars	Amount as per Placement Document (₹ in crore)	Actual Utilization as on 31.03.2025* (₹ in crore)
1.	Repayment/Prepayment, in part or in full of certain outstanding borrowings availed by the company and/or one of its subsidiaries	5,600.00	5,602.54**
2.	For general corporate purposes and inorganic acquisitions	1,839.00	1,835.92
3.	QIP Issue Expense	61.00	61.54**
	Total	**7,500.00**	**7,500.00**

**The balance funds were fully utilized during the quarter ended 31.03.2025 as per the objects disclosed in the Offer documents.*

***Incremental amount utilized through general corporate purposes allocated funds.*

Compliance with the Code of Conduct

To comply with the provisions of Regulation 17(5) of SEBI (LODR) Regulations, the Company has adopted 'Code of Conduct for Board of Directors and Senior Management' ('Code'). Code is available on website of the Company at https://www.varunbeverages.com/wp-content/uploads/2023/03/19-Code-Of-Conduct-For-Board-Of-Directors-and-Senior-Management-Revised.pdf

On the basis of declarations received from Board Members and Senior Management Personnel, the Executive Vice Chairman & Whole-time Director has given a declaration that the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the Financial Year 2025. A copy of such declaration is also attached with this report.

General Body Meetings

Annual General Meeting

The Annual General Meetings ('AGM') of the Company during the preceding three years were held at the following venue, date and time, wherein the following special resolutions were passed:

AGM	Financial Year	Day, Date & Time	Venue/Mode	Brief description of Special Resolutions
30th	2024	Thursday, April 3, 2025 at 11:00 a.m.	Meeting held through Video Conferencing / Other Audio Visual Means Facility Deemed Venue: Registered Office	• Nil
29th	2023	Wednesday, April 3, 2024 at 11:00 a.m.	Meeting held through Video Conferencing / Other Audio Visual Means Facility Deemed Venue: Registered Office	• Re-appointment of Mr. Raj Gandhi (DIN: 00003649) as a Whole-time Director of the Company • Appointment of Dr. Naresh Trehan (DIN: 00012148) as a Non-executive Non-Independent Director of the Company
28th	2022	Monday, March 27, 2023 at 11:00 a.m.	Meeting held through Video Conferencing / Other Audio Visual Means Facility Deemed Venue: Registered Office	• Re-appointment of Ms. Sita Khosla (DIN: 01001803) as an Independent Director of the Company for a second term • Re-appointment of Dr. Ravi Gupta (DIN: 00023487) as an Independent Director of the Company for a second term • Re-appointment of Ms. Rashmi Dhariwal (DIN: 00337814) as an Independent Director of the Company for a second term

Extra-ordinary General Meeting

Apart from the Annual General Meeting, no other General Meeting was held during the Financial Year 2025.

Postal Ballot

No special resolution is proposed to be conducted through postal ballot.

During the year under review, pursuant to Regulation 44 of SEBI (LODR) Regulations and Sections 108, 110 and other applicable provisions of the Act read with Rules made thereunder, Members of the Company approved following matters by way of special resolution through postal ballot dated October 29, 2025:

Sl. No.	Type of Resolution	Brief description of Resolutions
1.	Special Resolution	Alteration of Object Clause of the Memorandum of Association of the Company

Procedure followed for postal ballot

1. In compliance with Regulation 44 of the SEBI (LODR) Regulations and Sections 108, 110 and other applicable provisions of the Act read with the Rules made thereunder and General Circulars issued by Ministry of Corporate Affairs, the postal ballot notice dated October 29, 2025 was dispatched on Thursday, October 30, 2025 containing draft resolution together with the explanatory statement and remote e-voting instructions through electronic mode to all those Members whose e-mail address were registered with the Company/Registrar to an Issue and Share Transfer Agent ('RTA') or Depository/ Depository Participants and whose names appeared in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on Friday, October 24, 2025. The Company also published notice in the newspapers declaring details of completion of dispatch on Friday, October 31, 2025 as mandated under the Act and applicable rules.

2. Members were requested to cast their vote only through remote e-voting facility provided by National Securities Depository Limited ('NSDL') between Friday, October 31, 2025 (9:00 A.M. IST) and Saturday, November 29, 2025 (5.00 P.M. IST) (both days inclusive) on the draft resolutions mentioned in the postal ballot notice.

3. The Scrutinizer, Mr. Kapil Dev Taneja, Partner of M/s. Sanjay Grover & Associates, Company Secretaries, New Delhi submitted his report on December 1, 2025, after completion of the scrutiny.

4. The result of the postal ballot was announced by Mr. Ravi Batra, Chief Risk Officer & Group Company Secretary on December 1, 2025. The last date of remote e-voting i.e. November 29, 2025, was taken as the date of passing the resolution.

5. The result of the postal ballot along with the scrutinizer's report was displayed at the registered office of the Company, hosted at the Company's website at www.varunbeverages.com and on the website of NSDL at https://www.evoting.nsdl.com and was also communicated to the Stock Exchanges.

6. The consolidated summary of the result is as under:

Item	Net Valid Votes Cast (No. of Equity Shares)	Votes in favour of the Resolution (No. of Equity Shares and % of Net Valid Votes)	Votes against the Resolution (No. of Equity Shares and % of Net Valid Votes)
Special Resolution for alteration of Object Clause of the Memorandum of Association of the Company	3,01,82,99,418	3,01,68,92,536 (99.95%)	14,06,882 (0.05%)

Means of Communication

Information like Quarterly / Half Yearly / Annual Financial Results and press releases / presentations on significant developments in the Company that have been made available from time to time have been submitted with the Stock Exchanges to enable them to put on their websites and communicate the Members. The same is also made available to Institutional Investors or to the Analysts (if any) and are also hosted on the Company's website at https://varunbeverages.com.

The Quarterly / Half Yearly / Annual Financial Results are published in English and Hindi language newspapers normally in Economic Times and Jansatta, respectively. Moreover, Management Discussion & Analysis Report as well as Business Responsibility and Sustainability Report also forms part of the Annual Report. The Company is disseminating all reports / information including Quarterly Financial Results, Shareholding Pattern and Corporate Governance Report etc., electronically on NSE website viz. www.nseindia.com and on BSE website viz. www.bseindia.com.

General Shareholders Information

A) Annual General Meeting

Date: April 1, 2026 (Wednesday)

Time: 11:00 a.m. (IST)

Venue/Mode: Through Video Conferencing / Other Audio Visual Means facility

B) Financial Year

The Financial Year of the Company starts from January 1 and ends on December 31 every year.

C) Financial Calendar 2026 (tentative)

First Quarter Results : On or before May 15, 2026
Second Quarter Results : On or before August 14, 2026
Third Quarter Results : On or before November 14, 2026
Audited Annual Results for the year ending on December 31, 2026 : On or before March 1, 2027

D) Dividend and its Payment

During the year under review, the Members of the Company at their AGM held on April 3, 2025 declared a final dividend of ₹ 0.50 each per Equity Share (face value of ₹ 2/- per Equity Share) for the Financial Year 2024 and the Board of Directors in their meetings held on April 30, 2025 and July 29, 2025 declared two interim dividends of ₹ 0.50 each per Equity Share (face value of ₹ 2/- per Equity Share) for the Financial Year 2025 to the eligible equity shareholders of the Company. Total cash outflow for dividend payout was ~ ₹ 5,072.82 million during the Financial Year 2025.

Further, the Board of Directors have also recommended a final dividend of ₹ 0.50 per Equity Share (face value of ₹ 2/- per Equity Share) for the Financial Year 2025, subject to the approval of Members in the ensuing AGM of the Company. Total cash outflow for dividend payout would be ~ ₹ 1,690.99 million.

The Company has transferred the unpaid/unclaimed Dividend (Interim & Final) to the Unclaimed Dividend Account – Varun Beverages Limited and the details of previous unpaid and unclaimed dividend amount lying in the said Accounts are uploaded on website of the Company at https://varunbeverages.com/corporate-governance/

Investor Education and Protection Fund

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules,

2016 ('IEPF Rules') read with relevant circulars and amendments thereto, amount of dividend which remains unpaid/unclaimed for a period of seven years from the date of transfer to the Company's unpaid dividend account and corresponding shares on which the dividend remains unclaimed for seven consecutive years or more are required to be transferred to the Investor Education and Protection Fund ('IEPF') constituted by the Central Government. Accordingly, your Company had transferred ₹ 192,960/- to IEPF (being unpaid/unclaimed interim dividend amount for FY 2018) and also transferred 4,075 equity shares (on which interim dividend for FY 2018 remained unpaid/unclaimed for seven consecutive years) to the designated demat account of IEPF Authority and the same can be claimed from IEPF Authority only after complying with prescribed procedure under IEPF Rules.

E) Listing of Shares on Stock Exchanges and Stock Code

Sl. No.	Name and Address of the Stock Exchange	Stock code
1.	National Stock Exchange of India Limited, Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	VBL
2.	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	540180

ISIN of Equity Shares of the Company is INE200M01039.

Annual listing fee for the Financial Year 2025-26 has been paid to the National Stock Exchange of India Limited and BSE Limited.

F) Listing of Debt Instruments on Stock Exchanges and Codes: N.A.

G) Registrar to an Issue and Share Transfer Agent

All the work relating to the shares held in physical form as well as the shares held in the electronic (demat) form is being done by KFin Technologies Limited, whose details are given below:

KFin Technologies Limited
Selenium Building, Tower-B, Plot No 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad - 500 032, Telangana, India
Toll Free No.: 1800 309 4001
Email: einward.ris@kfintech.com
Website: www.kfintech.com
SEBI Registration No.: INR000000221
CIN: L72400MH2017PLC444072

H) Share Transfer System

3,381,981,129 (Three Billion Three Hundred Eighty One Million Nine Hundred Eighty One Thousand One Hundred Twenty Nine) equity shares of the Company were in dematerialized form and 7,640 (Seven Thousand Six Hundred Forty) equity shares were in physical form as on December 31, 2025.

Transfer of Equity Shares in dematerialized form are done through depositories with no involvement of the Company. In terms of SEBI (LODR) Regulations, securities of listed companies can only be transferred in dematerialized form including where the claim is lodged for transmission or transposition of shares.

Accordingly, to avail benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form.

I) Distribution of Shareholding (as on December 31, 2025)

(Nominal Value of ₹ 2 per share)

Shareholding	No. of Shareholders	Percentage	Amount (₹)	Percentage
1 – 5000	895,265	99.49	247,394,224	3.66
5001 – 10000	2,046	0.23	28,945,146	0.43
10001 - 20000	902	0.10	25,402,772	0.38
20001 - 30000	286	0.03	14,024,310	0.21
30001 – 40000	169	0.02	11,815,440	0.17
40001 - 50000	122	0.01	10,992,484	0.16
50001 - 100000	245	0.03	35,221,956	0.52
100001 & Above	820	0.09	6,390,181,206	94.47
Total	**899,855**	**100.00**	**6,763,977,538**	**100.00**

J) Categories of Shareholders (as on December 31, 2025)

Sl. No.	Description	No. of Equity Shares	Percentage
1	Alternative Investment Fund	3,370,642	0.10
2	Body Corporates	28,743,832	0.85
3	Banks	2,280,736	0.07
4	Central Government	87	0.00
5	Clearing Members	9,514	0.00
6	Directors and their Relatives (Other than Promoter Director)	7,048,037	0.21
7	Employees	3,061,902	0.09
8	Foreign Institutional Investors	686,811,826	20.31
9	Foreign Portfolio Investors – Corporates	58,112	0.00
10	HUF	3,630,061	0.11
11	IEPF	4,374	0.00
12	Mutual Funds	282,711,277	8.36
13	NBFC	143,904	0.00
14	Non Resident Indians	6,020,862	0.18
15	Non Resident Indian Non Repatriable	5,197,004	0.15
16	Promoter Group	68,232,473	2.02
17	Promoter (Company)	855,041,916	25.28
18	Promoter (Individuals)	1,086,946,092	32.14
19	Qualified Institutional Buyer	169,944,813	5.02
20	Resident Individuals	172,716,053	5.11
21	Trusts	15,252	0.00
	Total	**3,381,988,769**	**100.00**

K) Dematerialization of Shares and Liquidity

As on December 31, 2025, 99.99% of the total paid-up equity shares were held in dematerialized form. The Company's shares are actively traded on the stock exchanges. There was no instance of suspension of trading in the equity shares of the Company during the Financial Year 2025.

The Company does not have any GDR's/ADR's/ Warrants or any Convertible instruments having any impact on equity.

L) Commodity price risk or foreign exchange risk and hedging activities

The details for the same have been provided in the Notes to Financial Statements of the Company for the Financial Year 2025.

M) Credit Rating

During the year under review, your Company's credit rating by CRISIL is as below:

Long Term Rating	CRISIL AAA/Stable (Upgraded from 'CRISIL AA+/Stable')
Short Term Rating	CRISIL A1+ (Re-affirmed)

N) Plant locations

The Plant locations have been provided at page no. 19 of the Annual Report.

O) Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit is conducted by a Company Secretary in practice to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ('Depositories') and the total issued and listed capital. The audit confirms that the total

issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories) and that the requests for dematerialization of shares are processed by the Registrar to an Issue and Share Transfer Agent within statutory period and uploaded with the concerned depositories.

P) Compliances under SEBI (LODR) Regulations

The Company is regularly complying with the SEBI (LODR) Regulations as stipulated therein. Information, reports, certificates and returns as required under the provisions of SEBI (LODR) Regulations are sent to the stock exchanges within the prescribed time.

The Company has adopted following discretionary requirements of SEBI (LODR) Regulations:

- Company has unmodified audit opinion on all financial statements.
- Internal Auditor of the Company reports directly to the Audit, Risk Management and Ethics Committee.

Q) Certification under Regulation 17(8) of SEBI (LODR) Regulations

To comply with Regulation 17(8) of SEBI (LODR) Regulations, the Whole-time Director and the Chief Financial Officer (CFO) of the Company have given Compliance Certificate stating therein matters prescribed under Part B of Schedule II of the said Regulations which forms part of this Corporate Governance Report.

To comply with Regulation 33(2)(a) of SEBI (LODR) Regulations, while placing the Quarterly Financial Results before the Board of Directors, the Whole-time Director and CFO certifies that the Financial Results do not contain any false or misleading statement or figures or do not omit any material fact which may make the statements or figures contained therein misleading.

R) Certificate from Company Secretary in Practice regarding Non-disqualification of Directors

None of the Directors on the Board of the Company have been debarred or disqualified from appointment or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority, as stipulated under Regulation 34 of the SEBI (LODR) Regulations and certificate in this respect received from an Independent Firm of Practising Company Secretaries is annexed.

S) Fees paid to the Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Statutory Auditors of the Company and their other associated firms during the Financial Year ended December 31, 2025, is as follows:

(₹ in Million)

Particulars	M/s. J C Bhalla & Co.	M/s. O P Bagla & Co. LLP
Audit Fee	7.70	7.67*
Other Services (including taxation matters)	-	6.09*
Reimbursement of Expenses	0.67	0.04
Total	**8.37**	**13.80**

**includes ₹ 0.75 million paid by Lunarmech Technologies Private Limited, wholly-owned subsidiary company.*

T) Information on Deviation from Accounting Standards, if any

No deviations from Indian Accounting Standard (Ind AS) in preparation of annual accounts for the Financial Year 2025.

U) Investor Correspondence

Mr. Ravi Batra

Chief Risk Officer & Group Company Secretary

Plot No. 31, Institutional Area, Sector - 44,

Gurugram-122 002 (Haryana)

Tel: +91 124 4643100

Email: complianceofficer@rjcorp.in

V) Disclosure of Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46 of SEBI (LODR) Regulations

The Company has complied with the applicable provisions of SEBI (LODR) Regulations including Regulations 17 to 27 and Regulation 46 of SEBI (LODR) Regulations.

The Company submits a quarterly compliance report on Corporate Governance signed by Compliance Officer to the Stock Exchanges within prescribed timelines from the close of every quarter. Such quarterly compliance reports on Corporate Governance are also posted on website of the Company.

Compliance of the conditions of Corporate Governance have also been audited by an Independent Firm of Practising Company Secretaries and after being satisfied of the above compliances, they have issued a compliance certificate in this respect. The said certificate is annexed with this report and the same will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

W) Information of Senior Management

Details of Senior Management Personnel as on December 31, 2025 as defined under Regulation 16(1)(d) of SEBI (LODR) Regulations are as follows:

S. No.	Name	Designation
1	Mr. Varun Jaipuria	Executive Vice Chairman & Whole-time Director
2	Mr. Raj Gandhi	Whole-time Director
3	Mr. Rajinder Jeet Singh Bagga	Whole-time Director
4	Mr. Vivek Gupta	Executive Director (Non-Board Member)
5	Mr. Pankaj Madan*	Chief Financial Officer
6	Mr. Rajeshwar Tripathi	Group Chief Human Resources Officer
7	Mr. Kamlesh Kumar Jain	Executive Director & Chief Operating Officer (International) (Non-Board Member)
8	Mr. Saurabh Agrawal	Chief Strategy Officer
9	Ms. Devyani Kiran Khankhoje	President - Corporate Affairs
10	Mr. Ravi Batra	Chief Risk Officer & Group Company Secretary
11	Mr. Manmohan Rupal Paul	Chief Operating Officer
12	Mr. Sumit Luthra	Chief Operating Officer
13	Mr. Deepak Sharma	Chief Operating Officer
14	Mr. Pradeep Kumar Goyal	Regional Chief Financial Officer
15	Mr. Rishi Kumar Agarwal	Regional Chief Financial Officer
16	Mr. Deepak Dabas	Senior Vice President – Investor Relations
17	Mr. Rajesh Chawla	Chief Financial Officer (India)
18	Mr. Kamal Karnatak	Senior Vice President
19	Mr. Sanjay Mukherjee	Chief Supply Chain Officer
20	Mr. Sharad Kumar Garg	Regional Chief Financial Officer
21	Mr. Ganesh Kumar Velu	Senior Vice President
22	Mr. Suresh Ramakrishnan Panicker	Senior Vice President & Head - Organized Trade
23	Mr. M J Faridi	Market Unit General Manager

**appointed w.e.f. July 30, 2025.*

During the year under review, Mr. Vikas Bhatia, Mr. Rajesh Kumar, Mr. Rohit Vishal Gupta, Mr. Vishwas Agarwal and Mr. Sudin Kumar Gaunker were disassociated from the Company w.e.f. August 31, 2025, September 15, 2025, October 10, 2025, December 23, 2025 and December 31, 2025 respectively.

DISCLOSURES

(i) The Company has not entered into any material significant related party transaction which has potential conflict with the interests of the Company at large. The Board of Directors had approved a Policy on Related Party Transactions and the same is uploaded at https://www.varunbeverages.com/policies/policy-on-related-party-transactions.pdf

(ii) The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets and there was no instance of non-compliance during the last three years and is compliant of all the applicable provisions of SEBI (LODR) Regulations except as disclosed under last paragraph of Secretarial Auditors i.e. part of Board's Report.

(iii) Policy for Determination of Material Subsidiary and Governance of Subsidiaries can be accessed at https://www.varunbeverages.com/policies/policy-on-material-subsidiary-VBL.pdf

Further, as on December 31, 2025, none of the subsidiary was a material subsidiary of the Company.

(iv) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board's Report.

(v) Company does not have any share in the demat suspense account or unclaimed suspense account as on December 31, 2025.

(vi) There are no agreement(s) with any party which would impact the management or control of the Company or impose any restriction or create any liability upon the Company.

Green Initiative

Pursuant to Sections 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014 and Regulation 36 of SEBI (LODR) Regulations, the Company can send Notice of AGM, Financial Statements and other communication to the shareholders in electronic form.

Your Company is sending the Annual Report including the Notice of AGM, Audited Financial Statements, Board's Report along with their annexure etc. for the Financial Year 2025 in electronic mode to the shareholders who have registered their e-mail addresses with the Company or RTA or their respective Depository Participants (DPs).

Your Company will also be sending communication providing web-link for accessing the Notice of AGM and Annual Report including the exact path to those shareholders who have not registered their e-mail address with the Company or RTA or DP, however these shareholders are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail addresses with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the Company / RTA, by sending a letter, duly signed by the first/sole holder quoting details of Folio Number.

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

Ravi Jaipuria
Chairman
DIN: 00003668

Date: February 3, 2026
Place: Gurugram

CODE OF CONDUCT

This is to certify that the Company has laid down a Code of Conduct (the Code) for all Board Members and Senior Management Personnel of the Company and a copy of the Code is available on website of the Company viz. www.varunbeverages.com.

It is further confirmed that all the Directors and Senior Management Personnel have affirmed their compliance with the Code for the Financial Year ended December 31, 2025.

Varun Jaipuria
Executive Vice Chairman &
Whole-time Director
DIN: 02465412

Date: February 3, 2026
Place: Gurugram

CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Board of Directors,
Varun Beverages Limited

We, Raj Gandhi, Whole-time Director and Pankaj Madan, Chief Financial Officer of Varun Beverages Limited, pursuant to the requirement of Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the best of our knowledge and belief, hereby certify that:-

A) We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended December 31, 2025 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended December 31, 2025 which are fraudulent, illegal or violative of the Company's Code of Conduct.

C) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that we have disclosed to the Auditors and the Audit, Risk Management and Ethics Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D) We have indicated to the Auditors and the Audit, Risk Management and Ethics Committee:

   (i) significant changes in internal control over financial reporting during the Financial Year ended December 31, 2025;

   (ii) significant changes in accounting policies during the said Financial Year and that the same have been disclosed in the notes to the Financial Statements; and

   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Raj Gandhi
Whole-time Director
DIN: 00003649

Pankaj Madan
Chief Financial Officer

Date: February 3, 2026
Place: Gurugram

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Clause (10)(i) of Para C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Varun Beverages Limited
(CIN: L74899DL1995PLC069839)
F-2/7 Okhla Industrial Area Phase I,
New Delhi- 110020

1. The equity shares of Varun Beverages Limited ('the Company') are listed on National Stock Exchange of India Limited and BSE Limited.

2. We have examined the relevant disclosures received from the Directors of the Company and registers, records, forms and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Clause 10(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. We have also done examination and verification of the disclosures under Sections 184, 189, 164 and 149 of the Companies Act, 2013 (the Act) received from the Directors and Register of Directors and Key Managerial Personnel and their Shareholding under Section 170 of the Act and Director Identification Number (DIN) status of the Directors at MCA portal i.e. www.mca.gov.in. In our opinion and to the best of our knowledge and on the basis of information furnished to us by the Company and its officers, we certify that none of the below named Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority as on December 31, 2025:

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Mr. Ravi Jaipuria	00003668	16/06/1995
2.	Mr. Varun Jaipuria	02465412	01/01/2009
3.	Mr. Raj Gandhi	00003649	21/10/2004
4.	Mr. Rajinder Jeet Singh Bagga	08440479	02/05/2019
5.	Dr. Naresh Trehan	00012148	21/04/2024
6.	Dr. Ravi Gupta	00023487	19/03/2018
7.	Mr. Abhiram Seth	00176144	02/05/2023
8.	Mr. Anil Kumar Sondhi	00696535	02/05/2023
9.	Ms. Rashmi Dhariwal	00337814	19/03/2018
10	Ms. Sita Khosla	01001803	16/02/2018

4. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

5. This certificate is based on the information and records available as on December 31, 2025 and we have no responsibility to update this certificate for the events and circumstances occurring thereafter.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900
Peer Review Certificate No.: 6311/2024

Kapil Dev Taneja
Partner
CP No.:22944 /Mem. No. F4019
UDIN.: F004019G003850081

New Delhi
February 3, 2026

CORPORATE GOVERNANCE CERTIFICATE

To
The Members
Varun Beverages Limited
(CIN: L74899DL1995PLC069839)
F-2/7, Okhla Industrial Area, Phase-I,
New Delhi-110020

We have examined the compliance of conditions of Corporate Governance by **Varun Beverages Limited** ('the Company') for the financial year ended on December 31, 2025 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900
Peer Review Certificate No.: 6311/2024

Kapil Dev Taneja
Partner
CP No.:22944 / Mem. No. F4019
UDIN.: F004019G003850015

New Delhi
February 3, 2026

Business Responsibility and Sustainability Report

Section A: General Disclosures

S. No.	Particulars	Details
I.	**Details of the listed entity**	
1.	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1995PLC069839
2.	Name of the Listed Entity	Varun Beverages Limited
3.	Year of incorporation	1995
4.	Registered office address	F- 2/7, Okhla Industrial Area, Phase- I New Delhi - 110 020
5.	Corporate address	Plot No. 31, Sector 44, Institutional Area, Gurugram - 122 002, Haryana
6.	E-mail	complianceofficer@rjcorp.in
7.	Telephone	+91-124-4643100
8.	Website	www.varunbeverages.com
9.	Financial year for which reporting is being done Current Financial Year - 2025 Previous Financial Year - 2024 Prior to Previous Financial year - 2023	FY 2025* Start date End date 01-01-2025 31-12-2025 01-01-2024 31-12-2024 01-01-2023 31-12-2023
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11.	Paid-up Capital	₹ 6,763.98 Million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ravi Batra, Chief Risk Officer and Group Company Secretary +91-124-4643100 ravi.batra@rjcorp.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14.	Whether the company has undertaken reasonable assurance of the BRSR Core?	Yes
15.	Name of assurance provider	DEKRA Testing, Inspection & Certification India Private Limited
16.	Type of assurance obtained	Reasonable assurance for core KPIs and limited assurance on other indicators.

**Company is following 1 January to 31 December as its Financial Year.*

Note: *Previous year figures have been re-stated wherever applicable.*

II. Products/services

17. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of Beverages (NIC Code - 1104)	Manufacturing of Carbonated, Non-carbonated beverages and packaged drinking water	97.6%

18. Products/Services sold by the entity (accounting for 90% of the entity's Turnover): Year 2025

S. No.	Product/Service	NIC Code	% of Total Turnover Contributed
1	Carbonated, Non-carbonated beverages and packaged drinking water	1104	97.6%

III. Operations

19. Number of locations where plants and/or operations/offices of the entity are situated: As on 31 December 2025

Location	Number of plants	Number of offices	Total
National	38 plants for manufacturing of beverages and 3 plants for backward integration	1 Registered office, 1 Corporate office and 67 sales offices	110
International	serving through its subsidiaries	-	-

Note: *Pallakad, Roha, Nagpur, Phillaur not considered*

20. Markets served by the entity:

a. Number of locations: Year 2025

Locations	Number
National (No. of States)	26 states and 6 union territories
International (No. of Countries) (serving through its subsidiaries)	13

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.80% of total turnover (₹ 1,168.33 Million)

c. A brief on types of customers.

End consumers are individuals serviced through Distributors, Retailers, Modern Trade, Hotels, Restaurants, etc.

IV. Employees

21. Details as at the end of Financial Year: As on 31 December 2025

a. Employees and workers (including differently abled):

S. No.	Particulars	Total	Male		Female		Others	
		No. (A)	No. (B)	% (B / A)	No. (C)	% (C / A)	No. (C)	% (C / A)
EMPLOYEES								
1	Permanent (D)	7,214	6,646	92.13%	554	7.68%	14	0.19%
2	Other than Permanent (E)	6,793	6,560	96.57%	233	3.43%	-	0.00%
3	**Total Employees (D+E)**	**14,007**	**13,206**	**94.28%**	**787**	**5.62%**	**14**	**0.10%**
WORKERS								
4	Permanent (F)	3,440	3,410	99.13%	30	0.87%	-	0.00%
5	Other than Permanent (G)	11,987	11,040	92.10%	927	7.73%	20	0.17%
6	**Total workers (F +G)**	**15,427**	**14,450**	**93.67%**	**957**	**6.20%**	**20**	**0.13%**

b. Differently abled Employees and workers:

S. No.	Particulars	Total	Male		Female		Others	
		No. (A)	No. (B)	% (B / A)	No. (C)	% (C / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES								
1	Permanent (D)	2	2	100.00%	-	0.00%	-	0.00%
2	Other than Permanent (E)	10	10	100.00%	-	0.00%	-	0.00%
3	**Total Differently Abled Employees (D+E)**	**12**	**12**	**100.00%**	**-**	**0.00%**	**-**	**0.00%**
DIFFERENTLY ABLED WORKERS								
4	Permanent (F)	-	-	0.00%	-	0.00%	-	0.00%
5	Other than Permanent (G)	194	182	93.81%	12	6.19%	-	0.00%
6	**Total Differently abled workers (F +G)**	**194**	**182**	**93.81%**	**12**	**6.19%**	**-**	**0.00%**

** Workers number are on average basis for the reporting period.*

22. Participation/Inclusion/Representation of women - 31 December 2025

	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
Board of Directors	10	2	20%
Key Management Personnel	3*	0	0%

** includes one Board Member*

23. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2025 (Turnover rate in current FY)				FY 2024 (Turnover rate in current FY)				FY 2023 (Turnover rate in Previous FY)			
	Total	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other
Permanent Employees	24%	25%	35%	29%	16%	20%	20%	9%	14%	19%	15%	0%
Permanent Workers		19%	13%	0%		8%	3%	0%		4%	0%	0%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

24. (a) Names of holding / subsidiary / associate companies / joint ventures - as on 31 December 2025

So. No.	Name of the holding / subsidiary / associate / Companies / Joint Ventures (A)	Indicate whether holding / Subsidiary / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity ? (Yes/No)
1	Varun Beverages (Nepal) Private Limited	Subsidiary	100.00%	No
2	Varun Beverages Lanka (Private) Limited	Subsidiary	100.00%	
3	Varun Beverages Morocco SA	Subsidiary	100.00%	
4	Ole Spring Bottlers (Private) Limited (Step down Subsidiary)	Subsidiary	100.00%	
5	Varun Beverages (Zambia) Limited	Subsidiary	95.00%	
6	Varun Beverages (Zimbabwe) (Private) Limited	Subsidiary	85.00%	
7	Varun Beverages RDC SAS	Subsidiary	100.00%	
8	Lunarmech Technologies Private Limited	Subsidiary	100.00%	
9	Varun Beverages International DMCC	Subsidiary	100.00%	
10	Varun Beverages South Africa (PTY) Ltd.	Subsidiary	100.00%	
11	VBL Mozambique, SA	Subsidiary	100.00%	
12	The Beverage Company Proprietary Limited	Subsidiary	97.92%	
13	The Beverage Company Bidco Proprietary Limited (Step down subsidiary)	Subsidiary	97.92%	
14	Little Green Beverages Proprietary Limited (Step down subsidiary)	Subsidiary	97.92%	
15	VBL Industries (Kenya) Limited	Subsidiary	100.00%	
16	Clean Max Tav Private Limited	Associate	26.00%	
17	Huoban Energy 7 Private Limited	Associate	26.34%	
18	IDVB Recycling Operations Private Limited	Joint Venture	50.00%	
19	Everest Industrial Lanka (Private) Limited	Joint Venture	50.00%	
20	White Peak Refrigeration Private Limited	Joint Venture	50.00%	

VI. CSR Details

25.	(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	**Yes**
	(ii)	Turnover (in ₹ million) (*Revenue from Operations)	1,45,568.22
	(iii)	Net worth (in ₹ million) (*Net worth = Equity Share Capital + Other Equity)	1,87,647.98

VII. Transparency and Disclosures Compliances

26. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
		Number of Complaints Filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of Complaints Filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	NO	-	-		-	-	
Investors (other than shareholders)	NO	-	-		-	-	
Shareholders	Yes, Company is following strong Grievance Redressal Mechanism and has separate committee of Directors i.e. Stakeholders' Relationship Committee	9	-		11	-	
Employees and workers	Yes- https://varunbeverages.com/wp-content/uploads/2023/03/4-POSH-Policy.pdf https://varunbeverages.com/wp-content/uploads/2023/03/21-VIGIL-MECHANISM-POLICY.pdf	-	-		-	-	
Customers	No. However, no. of Complaints received through PepsiCo Customer Care is provided	805	1	The pending complaints were resolved in subsequent months	1,084	7	The pending complaints were resolved in subsequent months
Value Chain Partners	Yes https://varunbeverages.com/wp-content/uploads/2023/04/23.1-Anti-Bribery-Policy1.pdf	-	-		-	-	
Others (please specify)	Yes https://varunbeverages.com/wp-content/uploads/2023/03/21-VIGIL-MECHANISM-POLICY.pdf	-	-		-	-	

27. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	Yes, https://varunbeverages.com/policy/								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, Anti Bribery Policy covers value chain partners								
4	Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	GRI Standards	ISO 14001 ISO 22000 (FSSC)	OHSAS 18001	GRI Standards	GRI Standards	ISO 14001 OHSAS 18001	Company is a member of Federation of Indian Chambers of Commerce and Industry, PHD Chamber of Commerce and Industry, Confederation of Indian Industry, The Associated Chambers of Commerce and Industry of India and Action Alliance for Recycling Beverage Cartons. GRI Standards	GRI Standards	GRI Standards
5	Specific commitments, goals and targets set by the entity with defined timelines, if any	Yes- Refer Sustainability Report (Page 51)								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Yes- Refer Sustainability Report (Page 51)								

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Governance, leadership and oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Refer Executive Vice Chairman's Message section (Page 38-39) in Sustainability Report								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	ESG Committee comprising of Executive Vice-Chairman and Two Whole-time Directors								
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Environmental, Social and Governance Committee								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half Yearly/ Quarterly/ Any other - please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	All the policies of the Company are approved by the Board and reviewed periodically or on a need basis. The Company complies with the regulations, extant and principles as are applicable																	
Compliance statutory requirements of relevance to the principles, rectification of any non-compliances																		

11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
It is planned to be done in the next financial year (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Any other reason (please specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Section C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year 2025:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awaremess programmes	Remarks
Board of Directors	4	Code of Conduct, Anti-bribery, Anti-Corruption, FCPA and other policies including POSH, Key Developments, Sustainability Initiatives, Regulatory updates and Review of Policyes and procesures	100%	–
Key Managerial Personnel	4	Code of Conduct, Human Rights, Anti-bribery, Anti-Corruption, FCPA and other key policies including POSH, Key Developments, Sustainability Initiatives, Regulatory updates and Review of Policyes and procesures	100%	–
Employees other than BoD and KMPs	33	Code of Conduct, Human Rights, Anti-bribery, Anti-Corruption, FCPA and other key policies including POSH and health & safety and skill upgradation	100%	–
Workers	66	Contractual employees and workers Trainings on Health & Safety in manufacturing operations / Units	100%	–

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and as disclosed on the entity's website):**

FY 2025					
Monetary	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutionw**	**Amount (In ₹)**	**Brief of the Case**	**Has an appeal been preferred ? (Yes/No)**
Settlement	-	N.A.	N.A.	N.A.	N.A.
Penalty / Fine	Principle 1	CGST Audit Circle (Amritsar)	2,73,115	Non-reversal of input tax credit	No
Penalty / Fine	Principle 1	Revenue Department, Tehsil Chhata, District Mathura	86,625	Keeping water pipeline without permission on Gram Sabha land	No
Penalty / Fine	Principle 1	Office of The Superintendent of GST & Central Excise, Maduranthagam I Range / Villupuram Division, Chennai Outer Commisionerate	23,914	Availing input tax credit due to mistake of suppliers	No
Penalty / Fine	Principle 1	Government of Andhra Pradesh State Tax Department Proceedings of the Deputy Commissioner (ST), Special Circle	37,880	Availing input tax credit due to mistake of suppliers	No
Penalty / Fine	Principle 1	Central Ground Water Authority (Jodhpur)	2,50,000	Violation of conditions related to ground water abstraction	No
Penalty / Fine	Principle 1	Deputy State Tax Officer (Intelligence), Roving Squad, Dindigul, Tamil Nadu.	1,96,534	Moving goods under an expired E-way Bill	Yes
Penalty / Fine	Principle 1	Assistant Commissioner, Sector 4 (Mobile Squad) Farrukhabad (Fatehgarh), Uttar Pradesh	7,53,943	Mismatch of material batch number	Yes
Penalty / Fine	Principle 1	Assistant Commissioner, Sector 2 (Mobile Squad-2), Aligarh	3,20,651	Moving goods under an expired E-way Bill	Yes
Penalty / Fine	Principle 1	Sector 5 (Mobile Squad-12), Kanpur	2,89,304	Moving goods under an expired E-way Bill	Yes
Penalty / Fine	Principle 1	Karkardooma Court, Delhi	2,000	Violation of certain conditions related to Legal Metrology Act, 2009 in two diffferent cases	No
Penalty / Fine	Principle 1	Appellate Authority, Goods & Service Tax, Raipur	4,40,137	Short payment of tax after scrutiny for FY 2017-18	Yes
Penalty / Fine	Principle 1	Central Board of Indirect Taxes & Customs	10,000	Delayed filing of Bill of Entry	No
Penalty / Fine	Principle 1	Excise and Taxation Officer, Ward 7, Gurgaon (East), Haryana	3,600	Non-payment of GST under reverse charge mechanism on specified services	No

FY 2025					
Monetary	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutionw**	**Amount (In ₹)**	**Brief of the Case**	**Has an appeal been preferred ? (Yes/No)**
Penalty / Fine	Principle 1	Chief Judicial Magistrate Court, Tirunelveli District	70,000	Violation of provisions related to lifting machines under the Factories Act, 1948 against the Occupier & Plant Manager of the Company	No
Penalty / Fine	Principle 1	Honourable Judge (Senior Division), Labour Court, Ahmedabad	1,000	Violation of certain provisions related to the Payment of Bonus Act, 1965	No
Penalty / Fine	Principle 1	Goods and Service Tax Department	1,000	Wrong vehicle number in E-way Bill	No
Penalty / Fine	Principle 1	Central Board of Indirect Taxes & Customs	5,000	Delayed intimation of import of goods in India	No
Penalty / Fine	Principle 1	Joint Commissioner Corporate Circle, Lucknow	90,840	Order passed for demand comprising tax liability of ₹ 8,13,810 and penalty of ₹ 90,840 for short payment of tax in sale of assets, input tax credit disallowed on repair & maintenance of building and travelling expenses	Yes
Penalty / Fine	Principle 1	Deputy / Asst. Enforcement Officer -Enforcement Squad SGST Department, Kerala (Kayamkulam)	88,794	Moving goods under an expired E-way Bill	Yes
Penalty / Fine	Principle 1	Central Board of Indirect Taxes and Customs	10,000	Delayed filing of Bill of Entry	No
Penalty / Fine	Principle 1	Central Board of Indirect Taxes and Customs	95,000	Delayed filing of Bill of Entry	No
Penalty / Fine	Principle 1	Central Board of Indirect Taxes and Customs	5,000	Delayed filing of Bill of Entry	No
Penalty / Fine	Principle 1	Central Board of Indirect Taxes and Customs	10,071	Delayed filing of Bill of Entry	No
Penalty / Fine	Principle 1	Central Board of Indirect Taxes and Customs	5,000	Delayed filing of Bill of Entry	No
Penalty / Fine	Principle 1	Central Board of Indirect Taxes and Customs	5,000	Delayed filing of Bill of Entry	No
Penalty / Fine	Principle 1	Central Board of Indirect Taxes and Customs	5,000	Delayed filing of Bill of Entry	No
Penalty / Fine	Principle 1	Joint Commissioner, Secunderabad, Hyderabad	20,000	Appeal Order passed comprising tax liability of ₹ 1,196 and penalty of ₹ 20,000 for excess availment of input tax credit	No
Compounding fee	-	N.A.	N.A.	N.A.	N.A.

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)
Imprisonment	-	N.A.	N.A.		N.A.
Punishment	-	N.A.	N.A.		N.A.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of regulatory/ enforcement agencies/ judicial institutions
N.A.	N.A.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes

Varun Beverages Limited and its subsidiaries, affiliates, associates and group companies (collectively referred to as "VBL"), their directors, officers, employees (including part-time and contractors) and suppliers ("Officials"), while acting on behalf of VBL strictly comply with this Anti-Bribery Policy. Officials are prohibited from giving or receiving Bribes to any Government Officials or any other person or entity, including any person or entity in the private or commercial sector, if the payment is intended to induce the recipient to misuse his or her position and thereby give an unfair advantage to VBL. Detailed Policy is available at:

https://varunbeverages.com/wp-content/uploads/2023/04/23.1-Anti-Bribery-Policy1.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2025 (Current Financial Year)		FY 2024 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of compliants received in relation to issues of Conflict of interest of Directors	Nil	N.A.	Nil	N.A.
Number of compliants received in releation to issues of Conflict of interest of KMPs	Nil	N.A.	Nil	N.A.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Number of days of accounts payables	24	31

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0%	0%
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of Sales	a. Sales to primary dealers / distributors as % of total sales	100.0%	100.0%
	b. Number of primary dealers / distributors to whom sales are made	2,353	2,275
	c. Sales to top 10 primary dealers / distributors as % of total sales to primary dealers /distributors	17.3%	14.3%
Share of RPTs in	a. Purchases (Purchases with related parties as % of Total Purchases)	3.2%	3.0%
	b. Sales (Sales to related parties as % of Total Sales)	1.1%	1.4%
	c. Loans & advances given to related parties as % Total loans & advances	100.0%	100.0%
	d. Investments in related parties as % of Total Investments made	99.7%	99.7%

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	-	-	
Capex	₹ 543.17 Million (2.30% of the total capex)	₹ 488.45 Million (1.65% of the total capex)	We strive to make use of renewable energy for our energy requirements and aim to expand our renewable energy portfolio further.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. the Company is procuring raw materials and packaging materials from the suppliers who are doing their respective businesses sustainably. Refer page 78-81 of Sustainability Report for some of the initiatives taken by our suppliers.

b. If yes, what percentage of inputs were sourced sustainably?

Given our business operations, it is difficult to estimate the percentage of inputs sourced sustainably.

However, all the suppliers follow our Supplier Code of Conduct wherein they abide by all provisions relating to the impact on quality and food safety, sustainability, waste, and work environment which includes labor practices and human rights aspects.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

(a) VBL has engaged GEM Enviro Management Private Limited for phased implementation of 100% recycling of used PET bottles.

(b) E-waste - safety recycled through E-waste vendors (c) Hazardous waste - safely disposed off through registered vendors.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Refer response to point 3 above.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Life Cycle Assessment Process VBL is working continuously on screening our end-to-end production processes to deliver positive impact on environment. In alignment to this, we adopted Life Cycle Assessment (LCA) and undertook an internal study to assess the environmental impacts and embed the principles of sustainability into various stages of product i.e, procurement of raw material, manufacturing of products, transportation of raw materials and supply of finished goods. In order to continuously reduce the Company environmental footprint, the Company is improving efficiencies, especially on critical resources such as water, fuel and energy, optimizing the resource consumption and minimizing wastages including plastic waste management, increasing green cover in manufacturing plants and also developing outside establishments.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
No risks have been identified		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Recycled plastic used	3.6%	1.5%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (incuding Packaging) in MT	-	2,08,080	-	-	1,81,887	-
E-waste	-	-	5	-	-	1
Hazardous waste	-	-	1,672	-	-	1,640
Other waste	Quantity not recorded but safely disposed through authorised vendors					

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees: FY 2025

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B /A)	Number (C)	% (C / A)	Number (D)	% (D /A)	Number (E)	% (E /A)	Number (F)	% (F /A)
Permanent employees											
Male	6,646	6,646	100%	6,646	100%	-	0%	-	0%	Applicable as per Factory Act	
Female	554	554	100%	554	100%	554	100%	-	0%		
Others	14	14	100%	14	100%	-	0%	-	0%		
Total	**7,214**	**7,214**	**100%**	**7,214**	**100%**	**554**	**8%**	**-**	**0%**		
Other than Permanent employees											
Male	6,560	6,560	100%	6,560	100%	-	0%	-	0%	Applicable as per Factory Act	
Female	233	233	100%	233	100%	233	100%	-	0%		
Others	-	-	0%	-	0%	-	0%	-	0%		
Total	**6,793**	**6,793**	**100%**	**6,793**	**100%**	**233**	**3%**	**-**	**0%**		

b. Details of measures for the well-being of workers: FY 2025

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B /A)	Number (C)	% (C / A)	Number (D)	% (D /A)	Number (E)	% (E /A)	Number (F)	% (F /A)
Permanent workers											
Male	3,410	3,410	100%	3,410	100%	-	0%	-	0%	Applicable as per Factory Act	
Female	30	30	100%	30	100%	30	100%	-	0%		
Others	-	-	0%	-	0%	-	0%	-	0%		
Total	**3,440**	**3,440**	**100%**	**3,440**	**100%**	**30**	**1%**	**-**	**0%**		
Other than Permanent workers											
Male	11,040	11,040	100%	11,040	100%	-	0%	-	0%	Applicable as per Factory Act	
Female	**927**	**927**	**100%**	**927**	**100%**	**927**	**100%**	**-**	**0%**		
Others	20	20	100%	20	100%	-	0%	-	0%		
Total	**11,987**	**11,987**	**100%**	**11,987**	**100%**	**927**	**8%**	**-**	**0%**		

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format: –**

	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Cost incurred on well being measures as a % of total revenue of the company	0.13%	0.12%

2. **Details of retirement benefits, for Current Calender Year and Previous Calender Year.**

Benefits	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)			Remarks
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	
PF	100%	100%	Y	100%	100%	Y	PF AS PER EPF & MISC PROVISION ACT
Gratuity	100%	100%	Y	100%	100%	Y	GRATUITY AS PER PAYMENT OF GRATUITY ACT
ESI	100%	100%	Y	100%	100%	Y	ESI AS PER EMPLOYEE STATE INSURANCE ACT
Others - please sepcify	-	-	N.A	-	-	N.A	-

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

No

5. **Return to work and Retention rates of permanent employees and workers that took parental leave - FY 2025**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N/A	N/A	N/A	N/A
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has multiple mechanisms to redress grievances as per below links as available on the website of the Company.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

https://varunbeverages.com/wp-content/uploads/2023/08/25-Grievance-Redressal-Policy.pdf

https://varunbeverages.com/wp-content/uploads/2023/03/21-VIGIL-MECHANISM-POLICY.pdf

https://varunbeverages.com/wp-content/uploads/2023/03/4-POSH-Policy.pdf

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)
Total Permanent Employees						
- Male	6,646	-	0%	6,838	-	0%
- Female	554	-	0%	627	-	0%
Others	14	-	0%	22	-	0%
	7,214	**-**		**7,487**	**-**	
Total Permanent Workers						
- Male	3,410	1,203	35%	3,521	1,514	43%
- Female	30	13	43%	33	14	42%
Others	-	-	0%	-	-	0%
	3,440	**1,216**		**3,554**	**1,528**	
Total Workers and Employees	**10,654**	**1,216**		**11,041**	**1,528**	

8. Details of training given to employees and workers:

Category	FY 2025 (Current Financial Year)					FY 2024 (Previous Financial Year)					Remarks
	Total (A)	On Health & Safety Measures		On Skill Upgradation		Total (A)	On Health & Safety Measures		On Skill Upgradation		
		Number (B)	% (B /A)	Number (C)	% (C / A)		Number (B)	% (B /A)	Number (C)	% (C / A)	
Employees											
Male	6,646	6,540	98%	6,010	90%	6,838	6,066	89%	5,498	80%	-
Female	554	554	100%	554	100%	627	627	100%	627	100%	-
Others	14	14	100%	14	100%	22	22	100%	22	100%	-
Total	**7,214**	**7,108**	**99%**	**6,578**	**91%**	**7,487**	**6,715**	**90%**	**6,147**	**82%**	**-**
Workers											
Male	3,410	3,310	97%	3,072	90%	3,521	3,370	96%	3,100	88%	-
Female	30	30	100%	30	100%	33	33	100%	33	100%	-
Others	-	-	0%	-	0%	-	-	0%	-	0%	-
Total	**3,440**	**3,340**	**97%**	**3,102**	**90%**	**3,554**	**3,403**	**96%**	**3,133**	**88%**	**-**
Total employees and workers	**10,654**	**10,448**	**98%**	**9,680**	**91%**	**11,041**	**10,118**	**92%**	**9,280**	**84%**	

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/ A)	Total (A)	No. (B)	% (B/ A)
Employees						
Male	6,646	6,646	100%	6,838	6,838	100%
Female	554	554	100%	627	627	100%
Others	14	14	100%	22	22	100%
Total	**7,214**	**7,214**	**100%**	**7,487**	**7,487**	**100%**
Workers						
Male	3,410	3,410	100%	3,521	3,521	100%
Female	30	30	100%	33	33	100%
Others	-	-	0%	-	-	0%
Total	**3,440**	**3,440**	**100%**	**3,554**	**3,554**	**100%**

** Remarks - We have an annual appraisal process, where performance is assessed through ratings system. At the Sales unit level - performance is monitored month on month through target achievement At Plant level performance is monitored through KPI's.*

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, Each plant has primary health centres and restrooms have been established. Periodic inspections are conducted by certified surgeons and auditing organization to confirm that our occupational health and safety systems meet international standards. Since we fall under Food & Beverage category, we are subjected to all industry related audits and surveys to ensure that we are 100% compliant.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Yes (Identified by concern government offices)

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, all workers can reach out to management to address their concerns regarding working conditions, human rights, etc.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, medical advise is available for workers and employees at the plant level.

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.12
	Workers	0.038	0.096
Total Recordable work - related injuries	Employees	9	2
	Workers	27	3
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

** Including in the contract workforce*

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

1. Conducting Safety awareness program frequently
2. Specialized training program for operations/Technicians.
3. Safety audit by Internal/Government officials.
4. Formation of safety committee
5. Periodic Check of equipment's

13. **Number of Complaints on the following made by employees and workers:**

	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%*
Working Conditions	100%*

** Remarks - As as when visited by respective Govt. officers*
We have engaged DuPont Safety Solutions, an independent agency, for implementing best practices of health and safety across all of our plants in a phased manner.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There were no significant risk or concern arising from assessments of health & safety practices and working conditions, however we have undertaken following preventive measures:

i. Formation of Safety Committee to formulate best health & safety practices and working conditions.
ii. Safety audit by Internal/ Government officials
iii. Specialized training program for Operations/ Technicians
iv. Conducting frequent Safety Awareness programs
v. Periodic check of equipment

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Yes; (B) Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Yes- for PF & ESI

All the contractors working with us are registered with PF & ESI authorities and they have been allotted separate code number by respective authorities. They are depositing the contributions as and when due and they share back the challans of the deposits made to the authorities.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025	PY 2024	FY 2025	PY 2024
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No/ NA)

Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	**90%**
Working Conditions	**90%**

The above table is related with material supplier. All the manpower deployed to the factory/Office by various manpower supply companies are governed by the respective labour laws of that company/Plant.

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

All the manpower deployed to the factory/Office by various manpower supply companies are governed by the respective labour laws of the state concerned.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

Describe the processes for identifying key stakeholder groups of the entity.

Refer "Collaborating for Sustainable Growth" section (Page 44-45) in Sustainability Report

List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Refer "Collaborating for Sustainable Growth" section (Page 44-45) in Sustainability Report

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Refer "Collaborating for Sustainable Growth" section (Page 44-45) in Sustainability Report

2. **"Whether stakeholder consultation is used to support the identification and management of environmental, and social topics.**

   If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity."

   No such instances

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   No such instances

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Total (A)	No. of Employees / Workers Covered (B)	% (B/ A)	Total (A)	No. of Employees / Workers Covered (B)	% (B/ A)
Employees						
Permanent	7,214	7,214	100%	7,487	7,487	100%
Other than Permanent	6,793	5,095	75%	7,341	5,139	70%
Total Employees	**14,007**	**12,309**	**88%**	**14,828**	**12,626**	**85%**
Workers						
Permanent	3,440	3,440	100%	3,554	3,554	100%
Other than Permanent	11,987	8,391	70%	11,158	7,253	65%
Total Workers	**15,427**	**11,831**	**77%**	**14,712**	**10,807**	**73%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025 (Current Financial Year)					FY 2024 (Previous Financial Year)				
	Total (A)	Equal to minimum wages		More than minimum wages		Total (A)	Equal to minimum wages		More than minimum wages	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees										
Permanent										
Male	6,646	0	0%	6,646	100%	6,838	-	0%	6,838	100%
Female	554	0	0%	554	100%	627	-	0%	627	100%
Other	14	0	0%	14	100%	22	-	0%	22	100%
Other than Permanent										
Male	6,560	0	0%	6,560	100%	7,091	-	0%	7,091	100%
Female	233	0	0%	233	100%	250	-	0%	250	100%
Other	0	0	0%	0	0%	-	-	0%	-	0%
Workers										
Permanent										
Male	3,410	0	0%	3,410	100%	3,521	-	0%	3,521	100%
Female	30	0	0%	30	100%	33	-	0%	33	100%
Other	-	-	0%	-	0%	-	-	0%	-	0%
Other than Permanent										
Male	11,040	11,040	100%	-	0%	10,249	5,670	55%	4,579	45%
Female	927	927	100%	-	0%	883	485	55%	398	45%
Other	20	20	100%	-	0%	26	-	0%	26	100%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

(₹ in Million)

	Male		Female		Others	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BOD)	3	72.09	-	-	-	-
Key Managerial Personnel	2	17.89	-	-	-	-
Employees other than BOD and KMP	6,641	0.51	554	0.43	14	0.38
Workers	3,410	0.34	30	0.29	-	-

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Gross wages paid to females as % of total wages	6.00%	5.94%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

All employees can reach out to management to address their concerns & we also have grievance redressal mechanism.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have an internal grievance redressal mechanism through which grievance get redressed. However, if the grievance is not settled by the internal committee then concern person is free to approach the government forum.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   All employees can reach out to management to address their concerns & we also governed by POSH &Grievance redressal mechanism.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes / No)**

   Yes, As per Labour laws and/or other applicable laws

10. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others - please specify	N.A.

11. **Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 9 above.**

    We are strictly following the labour laws in which all above 6 points are covered, so far we have not been prosecuted for any deviations. All employees can reach out to the management to address any significant risks /concerns regarding their work environment.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

   We have had no such concerns in the past. However, all employees can reach out to the management to address any significant risks /concerns regarding their work environment.

2. **Details of the scope and coverage of any Human rights due-diligence conducted**

No such due-diligence conducted during the year.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

4. **Details on assessment of value chain partners:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual harassment	Nil
Discrimination at workplace	Nil
Child labour	Nil
Forced/involuntary labour	Nil
Wages	Nil
Others - please specify	N.A

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

There has been no such cases

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption and energy intensity, in the following format:**

Parameter	Units	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Revenue from Operations	(₹ in million)	1,45,568	1,43,486
From renewable sources			
Total electricity consumption (A) Grid + Wind/Solar	GJ	3,86,690	2,84,269
Total fuel consumption (Briquette, Firewood) (B)	GJ	10,56,907	8,65,990
Energy consumption through other sources (C)	GJ	-	-
Total energy consumed from renewable sources (A+B+C)	GJ	14,43,597	11,50,259
From non-renewable sources			
Total electricity consumption (D)	GJ	13,84,384	14,68,800
Total fuel consumption (E)	GJ	1,79,617	2,20,684
Energy consumption through other sources (F)	GJ	-	-
Total energy consumed from non renewable sources (D+E+F)	GJ	15,64,001	16,89,484
Total energy consumed (A+B+C+D+E+F)	GJ	30,07,598	28,39,743
Energy intensity per rupee of turnover (Total energy consumption/Revenue from operations)	GJ / per rupee of turnover	0.00002	0.00002
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)		-	-
Energy intensity in terms of physical output	GJ / liter of beverage production	0.001	0.001
Energy intensity (optional) - the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

(in million litres)

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Water withdrawal by source		
(i) Surface water	2,119	1,587
(ii) Groundwater	5,082	5,688
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (i + ii + iii + iv + v)	**7,201**	**7,275**
Total volume of water consumption	**4,787**	**4,651**
Water intensity per rupee of turnover (Water consumed / Revenue from Operations)	0.033	0.032
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical output	1.50	1.56
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

^ Note Steady state WUR 1.50 times in 2024, this is on account of stabilization of 3 new greenfield plants in 2024.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, DQS India Pvt Ltd.

4. **Provide the following details related to water discharged:**

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Water discharge by destination and level of treatment (in million liters)		
(i) To Surface water	-	-
- No treatment		
- With treatment - please specify the level of treatment		
(ii) To Groundwater	-	-
- No treatment		
- With treatment - please specify the level of treatment		
(iii) To Seawater	-	-
- No treatment		
- With treatment - please specify the level of treatment		
(iv) Sent to third-parties	-	-
- No treatment		
- With treatment - please specify the level of treatment		
(v) Others	-	-
- No treatment		
- With treatment - please specify the level of treatment	127	120
Total water discharged (in million literes)	**127**	**120**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No, the entity has not implemented a mechanism for Zero Liquid Discharge, however the company has adopted various improvement process for better water management:

- Low glass mix and more efficient new lines
- Air Scoring to complete in all the plants
- Connect all filters (ACF / PSF) for water recovery
- Optimize drainage timing at ACF / PSF (Optimization to standard 5 minutes drain time)
- Bottle washer recovery to complete. High volume glass line
- RO at ETPs at selective locations. Sample plant high volume to choose
- RO Efficiency to improve whereever RO recovery < Designed recovery
- Sensors / Foot operated taps for hand wash at plants"

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify units	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)		NA	
Volatile organic Compounds (VOC)			
Hazardous air Pollutants (HAP)			
Others - please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & intensity, in the following format:

Parameter	units	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	38,866	43,831
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	2,74,262	2,98,688
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent per Rupee	0.002	0.002
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Grams CO_2e / per liter of beverage production	65.46	73.57
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, DQS India Pvt Ltd

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, The Company has taken several environmental initiatives which showcases commitment to sustainable practices:

i. Procurement of Energy efficient machines
ii. Increase in Rooftop Solar Power Generation
iii. Energy efficient Visi coolers
iv. Conduction of Plantation Drive
v. Use of Electric Vehicles for last mile delivery

Also, Refer "Driving Ecosystem Resilience: Minimizing Our Carbon Footprint" section (Page 72-77) in Sustainability Report

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2,08,082	2,06,682
E-waste (B)	5	1
Bio-medical waste (C)	0	0
Construction and demolition Waste (D)	Quantity not recorded but safely disposed through authorised vendors	
Battery waste (E)	280	206
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	1,672	1,640
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	15,913	16,639
Total (A+B + C + D + E + F + G+ H)	**2,25,952**	**2,25,168**
Waste intensity kg. per rupee of turnover (Total waste generated/ Revenue from operations)	0.002	0.002
Waste intensity per rupee of turnover adjusted Purchasing for Power Parity (PPP) (Total Revenue waste from generated / operations adjusted for PPP)	-	-
Waste intensity in terms of physical output (kg / per liter of beverage production)	0.047	0.048
Waste intensity *(optional)* – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	2,20,111	1,63,470
(ii) Re-used	3,884	4,151
(iii) Other recovery operations	-	-
Total	**2,23,995**	**1,67,621**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations	1,957	1,847
Total	**1,957**	**1,847**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. However, Plastic waste recycling data is reported on CPCB portal as per EPR guidelines.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We do segregation of all type of waste at source and store wastes in designated areas only. Wastages are closely monitored on daily, weekly and monthly basis and are directly linked with plant KPIs. Approximately more than 90-98% waste (broken glass, plastic bottles, cartons, metal waste etc) goes for recycling. Unit has effective ETP operation combined with aeration and anaerobic system wherein effective operational controls ensures very limited quantity of ETP sludge generation as a hazardous waste. ETP sludge is safely collected in Hazardous waste storage area and finally disposal is done to pollution control board approved TSDF facility for landfill. Unit is not using any toxic chemicals.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in million liters):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: All Plants in India

(ii) Nature of operations: Manufacturing of Beverages

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Water withdrawal by source		
(i) Surface water	433	593
(ii) Groundwater	1,256	1,532
(iii) Third party water	-	-
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal	1,689	2,125
Total volume of water consumption (in million liters)	1,130	1,418
Water intensity per rupee of turnover (Water consumed / turnover)	0.0078	0.0099
Water intensity (Optional) - the relevant metric may be selected by the entity		

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Water discharge by destination and level of treatment		
(i) Into Surface water	-	-
No treatment		
With treatment - please specify level of treatment		
(ii) Into Groundwater	-	-
No treatment		
With treatment - please specify level of treatment		
(iii) Into Seawater	-	-
No treatment		
With treatment - please specify level of treatment		
(iv) Sent to third-parties	-	-
No treatment		
With treatment - please specify level of treatment		
(v) Others	-	-
No treatment		
With treatment - please specify level of treatment- To ETP (treated) and reused in plants	12	11
Total water discharged	12	11

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs,SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	22,41,007	22,95,746
Total Scope 3 emissions per rupee of turnover	Grams of CO_2e/liter	15.39	16.00
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity - on physical output	Grams of CO_2e/liter	468.19	493.08

Note: We have adopted the SBTi methodology for calculating GHG emissions starting from FY 2024.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Plastic Waste Management	Engaged Gem Enviro Management Pvt. Ltd for phased implementation (upto 100%) recycling of used Plastic Wastes from end users.	Reduction in plastic waste
2	Water Conservation	Engaged DQS India Pvt. Ltd which verifies water mass balance and we also undertook several other initiatives towards water conservation and water recharge.	Reduction in wastage of water
3	Reduced grammage of Plastic Closures and Preforms (used for PET-Bottles) over the years	Packaging innovations introduced by PIH in India through Global R&D and best practices.	Reduction in plastic usage
4	Use of fuels like biomass for steam generation, usage of Solar Energy	The company is proactive in adopting new technologies that use cleaner fuels of energy. Commissioned rooftop solar plants in most of our manufacturing plants and entered into open access solar and wind power for few manufacturing locations to increase the renewable energy contribution of our overall electricity consumption and redesigned the power generation units at many locations.	Reduction in Green House Gases
5	Installation of Effluent Treatment Plant	Plants have installed online monitoring Systems in Effluent Treatment Plant as well as Boiler emissions for all time compliance which is being monitored by CPCB on real time basis.	Effluents are treated and discharged under prescribed limits thereby remain well within the prescribed norms and consent conditions.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes; Unit does have Disaster/Emergency preparedness and response plan for business continuity. This includes all possible emergencies like Fire, Ammonia or CO2 leakage, any major safety accidents, Chemical leakage, Natural Calamity (flood, cyclone, earthquake) or pandemic situation like Covid 19. To ensure unit readiness plant is also exercising mock drill on six monthly frequency. In past unit has also successfully demonstrated to respond any emergency situation in past. Such one example is to ensure business continuity during Covid times by implementing effective control mechanism to avoid Covid 19 spread. Unit has successfully operated production during pandemic time by adapting all the established measures.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

In order to continously reduce the Company environment footprint, the company is improving efficiencies, especially on critical resources such as Water, fuel and energy, optimizing the resource consumption and minimising wastages, increasing green cover in manufacturing plants and also developing outside establishments. Company also reduced weight of Closures and Preforms over the years to contribute towards environment sustainability. Company also implemented water consumption optimization measures and water recovery and reuse of the water across all plants.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

90%+ of Raw material suppliers, 90%+ of Capex suppliers and 90%+ of Distributors are covered for assessment.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

6

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry	National
2	PHD Chamber of Commerce and Industry	National
3	Confederation of Indian Industry (CII)	National
4	The Associated Chambers of Commerce and Industry of India	National
5	Action Alliance for Recycling Beverage Cartons	National
6	Indian Beverage Association	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/ No)	Relevant Web Link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs n the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

There is regular engagement with representatives from key neighbourhood across India. Stakeholders suggestions can also be emailed to the Compliance Officer at complianceofficer@rjcorp.in

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	23.98%	7.38%
Directly from within India	93.22%	91.84%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Rural	14%	13%
Semi-urban	17%	17%
Urban	65%	65%
Metropolitan	4%	5%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

VBL Consumer response programme is developed to promptly resolve consumer concerns & grievances, which ensures that consumer/ customer is responded with courtesy and in timely manner. The Mechanism helps the organization to remain consumer centric, establish top down approach to build trust and strengthen transparency while addressing their queries and concerns:

The Complaints are lodged by consumer (via Toll Free no. available on label & crown), arranged and sorted by the PepsiCo Consumer Response System (CRS) representative who then, forwards the same to VBL after logging in on Wilke portal. VBL Plant team & Consumer Care / Complaint Management System (CCMS) coordinator review auto generated email containing relevant details of the Complaint which are then investigated by VBL Plant team, Regional Quality Coordinator (RQC) & CCMS coordinator and the complaint is attended by Customer Relationship Executive (CRE) to address the concern simultaneously. After detailed analysis of each reported complaints by all the plants root cause analysis is carried out and Corrective and Preventive Actions are taken by plant team.

Plants then, initiate an improvement plan to mitigate reoccurrence of concern and to pacify & satisfy the consumer.

Feedback:

Feedback is sent to PepsiCo CRS team by CCMS coordinator and Pepsi International (PI) Team connects & respond to consumer, subsequently on SOS basis.

The Complaints in VBL are tracked and reviewed monthly on the basis of it's nature, flavour, category and plant.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

We understand that we provide these information on the labels of our products like 'crush bottle after use', recycable package mark, throw in dustbin mark, safe and responsible use instructions on energy drink (Sting), etc.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. **Number of consumer complaints in respect of the following:**

	FY 2025 (Current Financial Year)		Remarks	FY 2024 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	NIL	N.A		NIL	N.A	
Advertising	NIL	N.A		NIL	N.A	
Cyber-security	NIL	N.A		NIL	N.A	
Delivery of Essential Services	NIL	N.A		NIL	N.A	
Restrictive Trade Practices	NIL	N.A		NIL	N.A	
Unfair Trade Practices	NIL	N.A		NIL	N.A	
Other - No. of complaints received through PepsiCo Customer Care	805	1	The pending complaints were resolved in subsequent months	1084	7	The pending complaints were resolved in subsequent months

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for Recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, https://varunbeverages.com/privacy

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   NIL

7. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   a. **Number of instances of data breaches**
   0

   b. **Percentage of data breaches involving personally identifiable information of customers**
   0%

   c. **Impact, if any, of the data breaches**
   NA

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   https://www.pepsicoindia.co.in/our-brands

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   https://www.pepsico.com/esg-topics/responsible-marketing#progress

3. **Does the entity display product information on the product over and above what is mandated as per local laws?**
   If yes, provide details in brief.

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?

   We display all the mandatory product information on the product over as per the requirements of the regulatory authorities.

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 ventures, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 December 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information 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 ventures 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 ventures, as at 31 December 2025, 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 ventures 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 ventures, 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(k) and 3(e) for accounting policies on goodwill and Intangibles assets 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 ₹ 3,542.13 million and ₹ 9,634.56 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 Goodwill 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 43 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 ventures 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 companies 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 ventures are responsible for assessing the ability of the Group and of its associates and joint ventures 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 ventures.

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 ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date

of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, and its associates and joint ventures, 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 consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by one of the joint auditor and 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of fourteen subsidiaries, whose financial information reflects total assets of ₹ 90,237.56 million as at 31 December 2025, total revenues of ₹ 86,309.23 million and net cash outflows amounting to ₹ 336.15 million for the year ended on that date, as considered in the consolidated financial statements. Out of the above, annual financial statement of one subsidiary included in the Statement whose financial statement reflects total assets of ₹ 3,086.91 million as at 31 December 2025, total revenues of ₹ 2,091.34 million and cash outflows of ₹ 133.58 million for the year ended on that date, as considered in the Statement have been audited by one of the joint auditors,O P Bagla & Co LLP.

The Statement also includes the Group's share of net loss after tax ₹ 24.24 million and total comprehensive loss of ₹ 24.24 million for the year ended 31 December 2025, in respect of two associates and two joint ventures, whose annual financial information have not been audited by us. Out of the above, annual financial information of two joint ventures included in the Statement with the Group's share of net loss after tax ₹ 15.97 million and total comprehensive loss of ₹ 15.97 million for the year ended 31 December 2025, as considered in the Statement have been audited by one of the joint auditors, O P Bagla & Co LLP.

These annual financial statements and annual financial information have been audited by one of the joint auditors, O P Bagla & Co LLP and other auditors whose audit report have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, are based solely on the reports of one of the joint auditors, 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 ₹ 36.04 million for the year ended 31 December 2025 in respect of one joint venture, whose financial information has not been audited by us. This financial information is unaudited

and 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 the aforesaid joint venture, 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.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of one of the joint auditor, referred to in paragraph 15, on separate financial statements of the subsidiary,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 two associates and two joint ventures incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

17. 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 Holding Company included in the consolidated financial statements for the year ended 31 December 2025 and covered under the Act we report that:

A) Following are the qualifications/adverse remarks reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 December 2025 for which such Order reports have been issued till date:

S No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Varun Beverages Limited	L74899DL1995PLC069839	Holding Company	Clause (i)(c) Clause (iii)(e)

B) Following are the companies included in the consolidated financial statements for the year ended 31 December 2025 audited by one of the joint auditor and other auditors, for which the reports under section 143(11) of such companies have not yet been issued by the respective other auditors, 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
2	Clean Max Tav Private Limited	U40300MH2022PTC389259	Associate	Company follows different financial year
3	Houban Energy 7 Private Limited	U40105TG2021PTC157634	Associate	Company follows different financial year
4	IDVB Recycling Operations Private Limited	U35105DL2022PTC398736	Joint Venture	Company follows different financial year
5	White Peak Refrigeration Private Limited	U28191DL2025PTC454649	Joint Venture	Company follows different financial year

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of one of the joint auditor and the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures incorporated in India whose financial statements have been audited under the Act, 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) Except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 the other auditors;

    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 the statutory auditors of its subsidiaries, associates and joint ventures, covered under the Act none of the directors of the Holding Company, are disqualified as on 31 December 2025 from being appointed as a director in terms of section 164(2) of the Act.

    f) The modification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under section 143(3) (b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries, associates and joint ventures covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and

    h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of one of the joint auditor and the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures 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, its associates and joint ventures as detailed in Note 43 to the consolidated financial statements;

        ii. The Holding Company, its subsidiaries, associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 December 2025;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 December 2025. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary company, associates and joint ventures covered under the Act, during the year ended 31 December 2025.

iv. a. The respective managements of the Holding Company and its subsidiary company, associates and joint ventures incorporated in India whose financial statements have been audited under the Act have represented to us and one of the joint auditor and the other auditors of such subsidiary, associates and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in note 61(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, associates and joint ventures 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, associates and joint ventures ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary company, associates and joint ventures incorporated in India whose financial statements have been audited under the Act have represented to us and one of the joint auditor and the other auditors of such subsidiary company, associates and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in the note 61(f) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company, associates and joint ventures 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 company, associates and joint ventures 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 company, associates and joint ventures, 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 interim dividend declared and paid by the Holding Company during the year ended 31 December 2025 and until the date of this audit report is in compliance with section 123 of the Act. The final dividend paid by the Holding Company during the year ended 31 December 2025 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.

As stated in note 62 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 December 2025 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. Based on our examination which included test checks performed by us on the Holding Company and reports of the respective auditors of its subsidiary company, associates and joint venture companies, which are companies incorporated in India and audited under the Act, except for the instances mentioned below the aforesaid Companies, in respect of financial year commencing on 01 January 2025, have used accounting softwares for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit and based on the reports of the respective auditors of the subsidiary company, associate companies and joint venture companies, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Holding Company, subsidiary company, associates and joint venture companies as per the statutory requirements for record retention, other than the consequential impact of the matter mentioned below:

a. One accounting software used for maintenance of books of accounts of the Holding Company and accounting software used for maintenance of books of accounts by subsidiary company, one associate company and two joint venture companies did not have a feature of recording audit trail (edit log) facility enabled at the database level to log any direct data changes;

b. In the absence of reporting on compliance with audit trail requirements in the independent auditor's report for accounting software used by one associate for the period 01 April 2025 to 31 December 2025, on account of different financial years adopted by this Company, we are unable to comment on whether the audit trail feature of the accounting softwares in the Company was enabled and operated through the period from 01 April 2025 to 31 December 2025.

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

Akhil Bhalla
Partner
Membership No: 505002
UDIN: 26505002FQWRWD8068

Place: Gurugram
Date: 03 February 2026

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: 26094155SFUECO4040

Place: Gurugram
Date: 03 February 2026

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

Annexure I

List of entities included in the consolidated financial statements

Holding Company

1. Varun Beverages Limited

Subsidiaries

1. Varun Beverages (Nepal) Private Limited
2. Varun Beverages Lanka (Private) Limited
3. Ole Spring Bottlers (Private) Limited
4. Varun Beverages Morocco SA
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
11. VBL Mozambique, SA
12. The Beverage Company Proprietary Limited, South Africa
13. Little Green Beverages Proprietary Limited
14. The Beverage Company Bidco Proprietary Limited
15. Softbev Proprietary Limited (upto 05 September 2025)
16. VBL Industries (Kenya) Limited (with effect from 23 December 2025)
17. Varun Foods (Zimbabwe) (Private) Limited (upto 25 November 2025)

Associates

1. Clean Max Tav Private Limited
2. Huoban Energy 7 Private Limited

Joint Ventures

1. IDVB Recycling Operations Private Limited
2. Everest Industrial Lanka (Private) Limited (with effect from 27 May 2025)
3. White Peak Refrigeration Private Limited (with effect from 04 September 2025)

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 ventures as at and for the year ended 31 December 2025, 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 companies, 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 companies, 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, its associate companies and joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') 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 on Audit of Internal Financial Controls Over Financial Reporting ('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 Matter 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, its subsidiary company, one associate company and joint venture companies 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 the 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 and based on the consideration of the reports of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, one associate company and joint venture companies, the Holding Company, its subsidiary company, one associate company and joint venture companies which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 December 2025, 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 issued by the Institute of Chartered Accountants of India.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of ₹ 3,086.91 million and net assets of ₹ 2,360.42 million as at 31 December 2025 , total revenues of ₹ 2,091.34 million and net cash outflows amounting to ₹ 133.58 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive loss) of ₹ 21.89 million for the year ended 31 December 2025, in respect of one associate company and joint venture companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company, one associate company and joint venture companies have been audited by one of the joint auditors, O P Bagla & Co LLP and other auditor whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary company, one associate company and joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company, one associate company and joint venture companies is based solely on the reports of O P Bagla & Co LLP and such other auditor. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of O P Bagla & Co LLP and other auditor.

10. We did not audit the internal financial controls with reference to financial statements in so far as it relates to one associate company, which is company covered under the Act, in respect of which, the Group's share of net loss (including other comprehensive loss) of ₹ 2.35 million for the year ended 31 December 2025 has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of this associate company, which is company covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the aforesaid associate company, which is company covered under the Act, is solely based on the corresponding internal financial controls with reference to financial statements reports certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, this financial information are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements reports certified by the management.

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

Akhil Bhalla
Partner
Membership No: 505002
UDIN: 26505002FQWRWD8068

Place: Gurugram
Date: 03 February 2026

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: 26094155SFUECO4040

Place: Gurugram
Date: 03 February 2026

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

Consolidated Balance Sheet

as at 31 December 2025

(₹ in million)

	Notes	As at 31 December 2025	As at 31 December 2024
Assets			
Non-current assets			
(a) Property, plant and equipment	4A	138,373.67	106,225.51
(b) Capital work-in-progress	4B	2,663.04	11,623.43
(c) Right of use assets	4C	13,690.47	13,631.22
(d) Goodwill	5A	3,542.13	3,009.37
(e) Other intangible assets	5B	11,983.00	11,151.26
(f) Intangible assets under development	5C	44.83	43.69
(g) Investment in associates and joint venture	6	1,632.62	534.47
(h) Financial assets			
(i) Investments	7	110.16	60.55
(ii) Loans	8	261.01	218.87
(iii) Other financial assets	9	1,128.25	987.26
(i) Deferred tax assets (Net)	10	244.40	196.31
(j) Other non-current assets	11	3,017.55	5,117.42
Total non-current assets		**176,691.13**	**152,799.36**
Current assets			
(a) Inventories	12	29,517.89	27,912.34
(b) Financial assets			
(i) Trade receivables	13	12,490.31	8,458.42
(ii) Cash and cash equivalents	14	17,841.77	22,662.83
(iii) Bank balances other than (ii) above	15	2,143.14	1,837.71
(iv) Other financial assets	16	11,721.11	8,356.16
(c) Current tax assets (Net)	17	59.66	48.72
(d) Other current assets	18	5,120.15	9,363.56
Total current assets		**78,894.03**	**78,639.74**
Assets classified as held for sale	4D	66.40	-
Total assets		**255,651.56**	**231,439.10**
Equity and liabilities			
Equity			
(a) Equity share capital	19	6,763.98	6,763.02
(b) Other equity	20	189,023.06	159,335.27
Equity attributable to owners of the Parent Company		**195,787.04**	**166,098.29**
(c) Non-controlling interest		1,622.51	1,298.07
Total equity		**197,409.55**	**167,396.36**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21A	5,404.49	8,406.89
(ia) Lease liabilities	21B	3,997.96	3,570.86
(b) Provisions	22	1,904.61	1,894.34
(c) Deferred tax liabilities (Net)	10	6,191.92	4,879.09
(d) Other non-current liabilities	23	3.58	47.31
Total non-current liabilities		**17,502.56**	**18,798.49**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21C	14,836.70	15,235.76
(ia) Lease liabilities	21D	842.68	1,049.03
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	24	1,271.92	645.75
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	12,741.12	14,958.52
(iii) Other financial liabilities	25	5,953.85	7,043.41
(b) Other current liabilities	26	4,465.13	4,916.55
(c) Provisions	22	505.26	739.00
(d) Current tax liabilities (Net)	27	122.79	656.23
Total current liabilities		**40,739.45**	**45,244.25**
Total liabilities		**58,242.01**	**64,042.74**
Total equity and liabilities		**255,651.56**	**231,439.10**

Material 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

Pankaj Madan
Chief Financial Officer

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

Place : Gurugram
Dated : 03 February 2026

Consolidated Statement of Profit and Loss

for the year ended 31 December 2025

(₹ in million, unless otherwise stated)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Income			
Revenue from operations	28	222,255.84	204,813.28
Other income	29	3,523.48	1,212.68
Total income		**225,779.32**	**206,025.96**
Expenses			
Cost of materials consumed	30	93,370.62	82,937.43
Excise duty		5,402.05	4,736.78
Purchases of stock-in-trade	31	3,694.53	6,859.21
Changes in inventories of finished goods, intermediate goods, stock-in-trade and work-in-progress	32	89.14	(749.40)
Employee benefits expense	33	22,007.43	18,850.26
Finance costs	34	1,695.79	4,503.86
Depreciation and amortisation expense	35	12,164.63	9,473.86
Other expenses	36	47,198.38	45,068.29
Total expenses		**185,622.57**	**171,680.29**
Profit before share of loss of associates & joint venture and tax		**40,156.75**	**34,345.67**
Share of loss of associates and joint ventures	6	(60.27)	(14.78)
Profit before tax		**40,096.48**	**34,330.89**
Tax expense			
(a) Current tax	27	8,389.07	7,502.05
(b) Adjustment of tax relating to earlier years	27	16.90	5.28
(c) Deferred tax charge	10	1,070.09	480.71
Total tax expense		**9,476.06**	**7,988.04**
Net profit for the year		**30,620.42**	**26,342.85**
Other comprehensive income	37		
(A) Items that will not to be reclassified to profit or loss		265.91	288.77
(B) Income tax relating to items that will not be reclassified to profit or loss		(67.34)	(67.99)
(C) Items that will be reclassified to profit or loss		4,141.21	356.41
(D) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income		**4,339.78**	**577.19**
Total comprehensive income for the year (including non-controlling interest)		**34,960.20**	**26,920.04**
Net profit attributable to:			
(a) Owners of the Company		30,364.89	25,946.33
(b) Non-controlling interest		255.53	396.52
Other comprehensive income attributable to:			
(a) Owners of the Company		4,275.86	558.22
(b) Non-controlling interest		63.92	18.97
Total comprehensive income attributable to:			
(a) Owners of the Company		34,640.75	26,504.55
(b) Non-controlling interest		319.45	415.49
Earnings per equity share of face value of ₹ 2 each			
Basic (₹)	41	8.98	7.95
Diluted (₹)	41	8.98	7.94
Material 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

Pankaj Madan
Chief Financial Officer

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

Place : Gurugram
Dated : 03 February 2026

Consolidated Statement of Cash Flow

for the year ended 31 December 2025

(Indirect Method) (₹ in million)

Particulars		Year ended 31 December 2025	Year ended 31 December 2024
A.	**Operating activities**		
	Profit before tax and share of loss in associates and joint ventures	40,156.75	34,345.67
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation on property, plant and equipment	10,634.17	8,386.95
	Amortisation of intangible assets and right of use assets	1,530.46	1,086.91
	Interest expense at amortised cost	1,695.79	4,503.86
	Interest income at amortised cost	(317.65)	(419.00)
	Gain on derecognition of financial instruments	-	(0.08)
	Gain on sale of current investments	(806.64)	(22.47)
	Excess provisions and liabilities written back	(5.35)	(646.15)
	Share based payments	37.64	162.43
	(Gain)/Loss on disposal/written off of property, plant and equipment (Net)	(32.20)	761.96
	Bad debts and advances written off	4.12	28.73
	Allowance for expected credit loss	70.85	84.85
	Unrealised foreign exchange fluctuation	(3,282.75)	(493.15)
	Operating profit before working capital changes	**49,685.19**	**47,780.51**
	Working capital adjustments		
	Decrease/(Increase) in inventories	147.84	(4,787.70)
	Increase in trade receivables	(2,851.03)	(1,332.15)
	Decrease/(Increase) in current and non-current financial assets and other current and non-current assets	2,230.71	(5,224.30)
	(Decrease)/Increase in current financial liabilities and other current and non-current liabilities and provisions	(5,238.06)	4,650.27
	Total cash from operations	**43,974.65**	**41,086.63**
	Income tax paid	(8,881.51)	(7,275.66)
	Net cash flows from operating activities (A)	**35,093.14**	**33,810.97**
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)	(27,391.04)	(37,790.10)
	Proceeds from disposal of property, plant and equipment	267.15	386.37
	Consideration paid for acquisition under business combination (Net)	-	(4,018.84)
	Investment made in joint ventures and others	(1,208.02)	(398.98)
	Purchase of additional stake from minority of a subsidiary	-	(2,000.00)
	Interest received	459.92	281.13
	Proceeds from sale of current investments (Net)	806.64	22.47
	Change in other bank balances	(284.04)	350.15
	Net cash used in investing activities (B)	**(27,349.39)**	**(43,167.80)**
C.	**Financing activities**		
	Proceeds from long-term borrowings	3,839.41	17,711.27
	Repayment of long-term borrowings	(7,103.22)	(55,084.16)
	Repayment of lease liabilities	(1,081.98)	(1,558.65)
	(Repayments)/ proceeds from short-term borrowings (Net)	(1,743.36)	1,856.96
	Proceeds from issue of equity shares including share premium thereon (QIP & ESOPs)	85.44	75,118.80
	Interest paid (inclusive of interest paid on lease liabilities ₹509.22 (31 December 2024: ₹ 404.03))	(1,586.84)	(4,649.55)

Consolidated Statement of Cash Flow

for the year ended 31 December 2024

(Indirect Method) (₹ in million)

Particulars	Year ended 31 December 2025	Year ended 31 December 2024
Share issue expenses paid	(4.28)	(611.10)
Proceeds from share application money pending allotment	2.72	-
Dividend paid	(5,072.54)	(3,248.20)
Net cash (used in)/generated from financing activities (C)	**(12,664.65)**	**29,535.37**
Net change in cash and cash equivalents (D=A+B+C)	**(4,920.90)**	**20,178.54**
Cash and cash equivalents at the beginning of year (E)	22,662.83	2,422.12
Unrealised exchange difference on translation of cash and cash equivalent in subsidiaries (F)	99.84	62.17
Cash and cash equivalents at the end of year (G= D+E+F) (Refer note 14)	**17,841.77**	**22,662.83**

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 2025	10,776.54	12,866.11	4,619.89
Acquired under business combination	-	-	
Cash flows (Net)	(3,263.81)	(1,743.36)	(1,081.98)
Non-cash changes:			
Recognition of lease liabilities (net)	-	-	576.64
Impact of fair value changes	5.53	-	-
Impact of exchange fluctuations	-	1,600.18	726.09
Balance as at 31 December 2025	**7,518.26**	**12,722.93**	**4,840.64**

(₹ in million)

	Non-current borrowings*	Current borrowings	Lease Liabilities (Non-current and current)
Balance as at 01 January 2024	41,911.82	10,032.05	2,369.23
Acquired under business combination	6,209.64	965.66	1,683.27
Cash flows (Net)	(37,372.89)	1,856.96	(1,558.65)
Non-cash changes:			
Recognition of lease liabilities (net)	-	-	2,081.98
Impact of fair value changes	27.97	-	-
Impact of exchange fluctuations	-	11.44	44.06
Balance as at 31 December 2024	**10,776.54**	**12,866.11**	**4,619.89**

*includes current maturities of long-term debts amounting to ₹ 2,113.77 million (31 December 2024: ₹ 2,369.65 million). (Refer note 21A and 21C)

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

Pankaj Madan
Chief Financial Officer

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

Place : Gurugram
Dated : 03 February 2026

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

A. Equity share capital

(₹ in million)

Particulars	Notes	Number of shares	Amount
Balance as at 01 January 2024		1,299,214,976	6,496.07
Changes in equity share capital during the year 2024		2,082,295,041	266.95
Balance as at 31 December 2024	19	**3,381,510,017**	**6,763.02**
Changes in equity share capital during the year 2025		478,752	0.96
Balance as at 31 December 2025	19	**3,381,988,769**	**6,763.98**

B. Other Equity

(₹ in million)

Particulars	Notes	Attributable to Owners of the Company									Attributable to Non-controlling interest (NCI)	Total
		Reserve and surplus						Share application money pending allotment	Foreign currency translation reserve	Total attributable to owners of the Company		
		Capital reserve on consolidation	Capital reserve	Securities premium	Share option outstanding account	General reserve	Retained earnings					
Balance as at 01 January 2024		**(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**
Profit for the year		-	-	-	-	-	25,946.33	-	-	25,946.33	396.52	26,342.85
Other comprehensive income for the year (Net of deferred taxes)		-	-	-	-	-	-	-	-	-	-	-
Re-measurement gains on defined benefit plans (Net of taxes)#		-	-	-	-	-	220.78	-	-	220.78	-	220.78
Exchange differences arising on translation of foreign operations		-	-	-	-	-	-	-	337.44	337.44	18.97	356.41
Dividend paid** (Refer note 42)		-	-	-	-	-	(3,248.55)	-	-	(3,248.55)	-	(3,248.55)
Equity share capital issued during the year pending previous year allotment		-	-	-	-	-	-	(3.51)	-	(3.51)	-	(3.51)
Recognition of share based payment expenses (Refer note 33)		-	-	-	162.43	-	-	-	-	162.43	-	162.43
Pursuant to exercise of employee stock options		-	-	183.56	(62.71)	-	-	-	-	120.85	-	120.85
Additions made on issue of equity share capital pursuant to Qualified Institutions Placement (Refer note 39)		-	-	74,734.51	-	-	-	-	-	74,734.51	-	74,734.51
Amount utilised for share issue expenses (Refer note 39)		-	-	(615.38)	-	-	-	-	-	(615.38)	-	(615.38)
Purchase of additional stake in subsidiary from minority		(1,188.54)	-	-	-	-	-	-	-	(1,188.54)	(811.46)	(2,000.00)
Non controlling interest recognised on acquisition date (Refer note 50(viii))		-	-	-	-	-	-	-	-	-	212.49	212.49
Balance as at 31 December 2024	**20**	**(3,483.45)**	**533.93**	**96,939.28**	**184.70**	**444.26**	**68,582.06**	**-**	**(3,865.50)**	**159,335.27**	**1,298.07**	**160,633.34**

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

(₹ in million)

Particulars	Notes	Attributable to Owners of the Company										
		Reserve and surplus						Share application money pending allotment	Foreign currency translation reserve	Total attributable to owners of the Company	Attributable to Non-controlling interest (NCI)	Total
		Capital reserve on consolidation	Capital reserve	Securities premium	Share option outstanding account	General reserve	Retained earnings					
Profit for the year		-	-	-	-	-	30,364.89	-	-	30,364.89	255.53	30,620.42
Other comprehensive income for the year (Net of deferred taxes)		-	-	-	-	-	-	-	-	-	-	-
Re-measurement gains on defined benefit plans (Net of taxes)#		-	-	-	-	-	198.57	-	-	198.57	-	198.57
Exchange differences arising on translation of foreign operations		-	-	-	-	-	-	-	4,077.29	4,077.29	63.92	4,141.21
Dividend paid** (Refer note 42)		-	-	-	-	-	(5,072.82)	-	-	(5,072.82)	-	(5,072.82)
Recognition of share based payment expenses (Refer note 33)			-	-	37.64	-	-	-	-	37.64	-	37.64
Pursuant to exercise of employee stock options		-	-	124.34	(39.86)	-		-	-	84.48	-	84.48
Purchase of additional stake in subsidiary from minority		(4.99)	-	-	-	-	-	-	-	(4.99)	4.99	(0.00)
Share application money pending allotment		-	-	-	-	-	-	2.72	-	**2.72**	-	**2.72**
Balance as at 31 December 2025	**20**	**(3,488.44)**	**533.93**	**97,063.62**	**182.48**	**444.26**	**94,072.70**	**2.72**	**211.79**	**189,023.06**	**1,622.51**	**190,645.57**

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in Note 37.

**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
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

Pankaj Madan
Chief Financial Officer

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

Place : Gurugram
Dated : 03 February 2026

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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 and its subsidiaries (collectively referred to as "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, Zimbabwe, RDC, Mozambique, Kenya, South Africa, Lesotho, Eswatini, Namibia and Botswana as per franchisee agreement with PepsiCo India Holdings Private Limited ("PepsiCo India") and its affiliates. The sale of Group's products is seasonal.

The Consolidated financial statements as at 31 December 2025 present the financial position of the Group as well as its interest in the associate companies and joint ventures. The list of entities consolidated is provided in note 58.

2. Basis of 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 03 February 2026 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 material accounting policies and measurement basis summarised below. These accounting policies have been used consistently throughout all periods presented in these consolidated financial statements.

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.

The presentation currency of the Group is Indian Rupees (₹). All amounts disclosed in the CFS and

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

notes have been rounded off to the nearest million as per the requirement of Schedule III to the Act, unless otherwise stated.

2.1. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries, associates and joint ventures. 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.

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 ventures:

Interests in associates/joint ventures 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 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 associates/joint ventures and its carrying value and then recognises the loss as 'Share of loss of associates and joint ventures' in the Consolidated Statement of Profit and Loss.

Upon loss of significant influence over the associate/joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate/joint venture 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 acquiree and the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

3. Summary of material 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. 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

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

- 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 re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting 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.

c) Inventories

Inventories are valued as follows:

i. **Raw materials, components and stores and spares:** At lower of cost and net realisable

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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.

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:

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Description	Useful life (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-Coolers)	5-10 years
Power generating assets*	22 years

*included in plant and equipment in financial statements.

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.

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 and intangible assets under development 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 life (years)
Software	3-5 Years
Market infrastructure	5-15 Years
Distribution network	6-10 Years
Brands	10 Years

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

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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 amortisation, 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 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.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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.

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, employee state insurance and labour welfare 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 (if applicable), 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 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.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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 on 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 on the date of the transaction.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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 or Other Comprehensive Income.

Group companies

On consolidation, the assets and liabilities of foreign operations 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.

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.

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

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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 Statement of Profit and Loss over the periods necessary to match them with the related costs, which they

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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 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 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 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;

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

- 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.

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 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.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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'.

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

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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.

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and investment in liquid fund, 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, short-term deposits and investment in liquid fund, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

s) 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 in case of final dividend and board of directors in case of interim dividend. A corresponding amount is recognised directly in equity.

t) 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.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

u) 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.

v) Assets classified as held for sale

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying value 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. Non-current assets classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continued use.

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.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

b) *Recognition of deferred tax assets*

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

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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 life 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 material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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 2025	8,490.03	30,061.27	85,268.73	687.23	6,754.34	660.77	650.35	6,764.37	14,626.17	153,963.26
Additions for the year	715.07	8,093.61	22,280.58	154.96	1,086.48	148.78	128.09	1,185.70	2,912.24	36,705.51
Disposals for the year	-	(1.00)	(122.66)	(66.43)	(156.23)	(10.18)	(11.50)	(234.93)	(123.80)	(726.73)
Transfer to asset classified as held for sale	-	(4.29)	-	-	-	-	-	-	-	(4.29)
Reclass of assets during the year	-	(82.11)	(44.34)	(104.22)	22.97	(9.08)	0.05	107.93	26.32	(82.48)
Foreign currency translation difference	229.40	2,159.27	4,018.70	53.33	634.72	20.34	49.02	241.46	742.45	8,148.69
Balance as at 31 December 2025	**9,434.50**	**40,226.75**	**111,401.01**	**724.87**	**8,342.28**	**810.63**	**816.01**	**8,064.53**	**18,183.38**	**198,003.96**
Accumulated depreciation										
Balance as at 01 January 2025	-	5,024.28	24,831.69	301.65	2,267.72	383.77	394.84	3,243.87	11,289.93	47,737.75
Depreciation charge for the year	-	1,241.27	6,270.36	72.26	782.28	108.35	117.69	990.47	1,051.49	10,634.17
Reversal on disposals for the year	-	(0.83)	(76.36)	(27.01)	(124.95)	(7.71)	(10.55)	(175.67)	(111.78)	(534.86)
Transfer to asset classified as held for sale	-	(0.44)	-	-	-	-	-	-	-	(0.44)
Depreciation impact on reclass of assets during the year	-	(64.92)	(1.42)	(11.31)	1.49	(1.22)	0.02	11.84	0.52	(65.00)
Foreign currency translation difference	-	163.11	990.65	20.63	218.74	8.34	30.85	107.38	318.97	1,858.67
Balance as at 31 December 2025	**-**	**6,362.47**	**32,014.92**	**356.22**	**3,145.28**	**491.53**	**532.85**	**4,177.89**	**12,549.13**	**59,630.29**
Carrying amount as at 31 December 2025	**9,434.50**	**33,864.28**	**79,386.09**	**368.65**	**5,197.00**	**319.10**	**283.16**	**3,886.64**	**5,634.25**	**138,373.67**

(₹ 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 2024	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
Addition pursuant to business combination (refer note 50(viii))	-	78.76	3,762.43	33.23	171.62	-	84.35	-	711.68	4,842.07
Additions for the year	16.75	11,053.19	27,757.37	243.87	2,563.50	153.27	157.12	1,199.36	1,772.55	44,916.98
Disposals/adjustments for the year	-	(367.12)	(1,232.14)	(1.62)	(151.92)	(3.33)	(5.37)	(361.82)	(378.11)	(2,501.43)
Foreign currency translation difference	40.85	86.47	320.85	5.30	120.51	2.47	4.70	7.81	96.16	685.12
Balance as at 31 December 2024	**8,490.03**	**30,061.27**	**85,268.73**	**687.23**	**6,754.34**	**660.77**	**650.35**	**6,764.37**	**14,626.17**	**153,963.26**
Accumulated depreciation										
Balance as at 01 January 2024	-	4,108.46	18,609.68	212.31	1,678.98	303.51	259.29	2,563.91	10,253.06	37,989.20
Addition pursuant to business combination (refer note 50(viii))	-	50.33	1,734.87	27.82	168.42	-	56.87	-	427.56	2,465.87
Depreciation charge for the year	-	936.25	5,059.82	60.52	530.29	81.51	80.62	966.40	671.54	8,386.95
Reversal on disposals/adjustments for the year	-	(92.48)	(700.14)	(1.47)	(136.54)	(2.60)	(4.70)	(294.06)	(121.70)	(1,353.69)
Foreign currency translation difference	-	21.72	127.46	2.47	26.57	1.35	2.76	7.62	59.47	249.42
Balance as at 31 December 2024	**-**	**5,024.28**	**24,831.69**	**301.65**	**2,267.72**	**383.77**	**394.84**	**3,243.87**	**11,289.93**	**47,737.75**
Carrying amount as at 31 December 2024	**8,490.03**	**25,036.99**	**60,437.04**	**385.58**	**4,486.62**	**277.00**	**255.51**	**3,520.50**	**3,336.24**	**106,225.51**

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

Footnotes to Note 4A:

i. Refer note 56 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 2025	31 December 2024
Balance at the beginning of the year	299.98	1,182.42
Add: Incurred during the year		
Foreign currency translation difference	25.94	(16.93)
Finance costs	168.92	515.84
Employee benefits expense and other expenses	948.98	1,958.82
Less: Capitalised during the year	(1,153.69)	(3,340.17)
Amount carried over included in CWIP	**290.13**	**299.98**

iii. The amount of contractual commitments for the acquisitions of property, plant and equipment are disclosed in Note 44.

iv. 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 2025 and 31 December 2024 are as follows :

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2025	11,623.43
Additions for the year*	10,627.78
Transfer to property, plant and equipment	(19,753.74)
Foreign currency translation difference	165.57
Balance as at 31 December 2025	**2,663.04**

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2024	19,222.22
Addition pursuant to business combination (refer note 50(viii))	466.37
Additions for the year*	21,207.13
Transfer to property, plant and equipment	(29,265.53)
Foreign currency translation difference	(6.76)
Balance as at 31 December 2024	**11,623.43**

* includes Finance cost amounting to ₹168.92 million (31 December 2024: ₹ 515.84 million) and Employee benefits expenses & other expenses amounting to ₹ 948.98 million (31 December 2024: ₹ 1,958.82 million) respectively.

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 2025	2,550.92	81.51	9.70	20.91	**2,663.04**
As at 31 Decemebr 2024	11,410.64	191.88	17.45	3.46	**11,623.43**

There are no projects as on each reporting period where activity has been suspended. Also,there are no projects as on each reporting period which has exceeded cost as compared to its original plan or where completion is overdue, except for certain projects which are delayed due to approvals pending.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

4C. Right of use assets (ROU)

(₹ in million)

	Land Leasehold	Land Improvements	Leased Buildings	Leased plant and equipments	Vehicles	Visi Coolers	Totals
Gross carrying amount							
Balance as at 01 January 2025	10,532.53	-	4,015.10	710.13	1,476.99	408.66	17,143.41
Additions for the year	161.77	73.79	289.31	16.45	396.00	-	937.32
Rebate/ grant received (Refer note i)	(227.44)	-	-	-	-	-	(227.44)
Reclass of assets during the year	-	82.48	-	-	-	-	82.48
Transfer to asset classified as held for sale	(67.93)	-	-	-	-	-	(67.93)
Disposals for the year	-	-	(159.58)	-	(0.75)	-	(160.33)
Foreign currency translation difference	101.52	17.32	702.54	125.80	281.10	68.61	1,296.89
Balance as at 31 December 2025	**10,500.45**	**173.59**	**4,847.37**	**852.38**	**2,153.34**	**477.27**	**19,004.40**
Accumulated Amortisation							
Balance as at 01 January 2025	746.64	-	1,698.98	336.05	629.30	101.22	3,512.19
Amortisation charge for the year	144.42	10.47	476.50	114.23	336.00	90.93	1,172.55
Reversal of amount on rebate/grant received (Refer note i)	(11.15)	-	-	-	-	-	(11.15)
Depreciation impact on reclass of assets during the year	-	65.00	-	-	-	-	65.00
Transfer to asset classified as held for sale	(5.38)	-	-	-	-	-	(5.38)
Reversal on disposals for the year	-	0.25	24.69	-	-	-	24.94
Foreign currency translation difference	6.78	8.39	321.19	67.91	130.02	21.49	555.78
Balance as at 31 December 2025	881.31	84.11	2,521.36	518.19	1,095.32	213.64	5,313.93
Carrying amount as at 31 December 2025	**9,619.14**	**89.48**	**2,326.01**	**334.19**	**1,058.02**	**263.63**	**13,690.47**
Gross carrying amount							
Balance as at 01 January 2024	9,885.86	-	373.96	328.25	886.81	156.83	11,631.71
Addition pursuant to business combination (refer note 50(viii))	-	-	2,527.67	223.66	181.92	-	2,933.25
Additions for the year	651.01	-	1,048.38	149.71	397.76	250.89	2,497.75
Foreign currency translation difference	(4.34)	-	65.09	8.51	10.50	0.94	80.70
Balance as at 31 December 2024	**10,532.53**	**-**	**4,015.10**	**710.13**	**1,476.99**	**408.66**	**17,143.41**
Accumulated Amortisation							
Balance as at 01 January 2024	606.71	-	263.31	97.60	293.50	23.52	1,284.64
Addition pursuant to business combination (refer note 50(viii))	-	-	1,115.35	139.36	111.30	-	1,366.01
Amortisation charge for the year	138.31	-	288.54	94.56	219.51	77.61	818.53
Foreign currency translation difference	1.62	-	31.78	4.53	4.99	0.09	43.01
Balance as at 31 December 2024	746.64	-	1,698.98	336.05	629.30	101.22	3,512.19
Carrying amount as at 31 December 2024	**9,785.89**	**-**	**2,316.12**	**374.08**	**847.69**	**307.44**	**13,631.22**

Footnotes to Note 4C:

(i) During the current year ended on 31 December 2025, the Holding Company has received rebate on leasehold land acquired in Damtal, Himachal Pradesh amounting to ₹ 227.44 million. The rebate received is adjusted against the carrying value of the respective asset.

(ii) 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 Kolkata, West Bengal	1.50	1.39	No	01 October 2018	The Holding Company has executed the lease agreement for Kolkata, West Bengal land, which is yet to be registered.

As at 31 December 2024

(₹ 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	371.34	367.52	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 registered in its name.
Land situated at Kolkata, West Bengal	1.50	1.41	No	01 October 2018	The Holding Company has executed the lease agreement for Kolkata, West Bengal land, which is yet to be registered.

4D. Assets classified as held for sale

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Property, plant and equipment		
Buildings	3.85	-
Right of use assets		
Leasehold Land	62.55	-
	66.40	**-**

a) During the year the Holding Company has entered into agreement to sale with external party to sale the land and building situated at Roha, Maharashtra which was acquired as part of acquisition of Maharashtra territory. The sale is expected to be completed before financial year ending 31 December 2026. Further the Holding Company has received ₹ 10.00 million as earnest money from the external party which is presented under the head "Other current liabilities" as advance received against property. Refer note 26.

b) Property, plant and equipment and Right to use assets classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, which did not impact the Statement of Profit and Loss.

5A. Goodwill (Refer note i)

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2025	3,009.37
Foreign currency translation difference	532.76
Balance as at 31 December 2025	**3,542.13**
Impairment	
Balance as at 01 January 2025	-
Impairment charge for the year	-
Balance as at 31 December 2025	-
Carrying amount as at 31 December 2025	**3,542.13**

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2024	242.30
Addition pursuant to business combination (refer note 50(viii))	2,689.38
Foreign currency translation difference	77.69
Balance as at 31 December 2024	**3,009.37**
Impairment	
Balance as at 01 January 2024	-
Impairment charge for the year	-
Balance as at 31 December 2024	-
Carrying amount as at 31 December 2024	**3,009.37**

5B. Other intangible assets

(₹ in million)

	Market infrastructure	Distribution network	Franchise rights/ trademarks (Refer note i)	Brands	Computer software	Total
Gross carrying amount						
Balance as at 01 January 2025	1,162.82	2,173.62	9,637.12	504.51	424.33	13,902.40
Additions for the year	-	70.00	2.74	-	55.20	127.94
Foreign currency translation difference	222.03	388.14	692.30	97.13	21.05	1,420.65
Balance as at 31 December 2025	**1,384.85**	**2,631.76**	**10,332.16**	**601.64**	**500.58**	**15,450.99**
Amortisation						
Balance as at 01 January 2025	512.62	1,093.41	691.04	77.19	376.88	2,751.14
Amortisation charge for the year	81.70	141.52	-	108.32	26.37	357.91
Reversal on disposals for the year	-	(0.22)	-	-	(0.23)	(0.45)
Foreign currency translation difference	105.79	200.95	6.56	26.87	19.22	359.39
Balance as at 31 December 2025	**700.11**	**1,435.66**	**697.60**	**212.38**	**422.24**	**3,467.99**
Carrying amount as at 31 December 2025	**684.74**	**1,196.10**	**9,634.56**	**389.26**	**78.34**	**11,983.00**

(₹ in million)

	Market infrastructure	Distribution network	Franchise rights/ trademarks (Refer note i)	Brands	Computer software	Total
Gross carrying amount						
Balance as at 01 January 2024	74.68	157.64	6,042.96	-	281.11	6,556.39
Addition pursuant to business combination (refer note 50(viii))	1,053.58	1,952.92	3,481.74	488.73	99.66	7,076.63
Additions for the year	-	-	-	-	40.79	40.79
Disposals for the year	-	-	-	-	(0.43)	(0.43)
Foreign currency translation difference	34.56	63.06	112.42	15.78	3.20	229.02
Balance as at 31 December 2024	**1,162.82**	**2,173.62**	**9,637.12**	**504.51**	**424.33**	**13,902.40**
Amortisation						
Balance as at 01 January 2024	54.97	99.58	656.97	-	273.87	1,085.39
Addition pursuant to business combination (refer note 50(viii))	385.17	860.05	33.00	-	78.73	1,356.95
Amortisation charge for the year	60.54	107.47	-	78.50	21.87	268.38
Reversal on disposals for the year	-	-	-	-	0.08	0.08
Foreign currency translation difference	11.94	26.31	1.07	(1.31)	2.33	40.34
Balance as at 31 December 2024	**512.62**	**1,093.41**	**691.04**	**77.19**	**376.88**	**2,751.14**
Carrying amount as at 31 December 2024	**650.20**	**1,080.21**	**8,946.08**	**427.32**	**47.45**	**11,151.26**

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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 relevant provisions of Ind AS 38 on 'Intangibles Assets' which provide factors to determine the life of intangible assets 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.

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

a) Weighted average cost of capital ''WACC'' of 14.71% to 15.82% (Previous year: 12.07% to 16.45%) has been used for the explicit period and for the terminal year.

b) For arriving at the terminal value, approximate growth rate of 3%-6% (Previous year: 2%-6%) 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%-13% (Previous year: 8%-13%) in the discrete period. 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 44.

iii. Refer Note 56 for information on other intangible assets pledged as security by the Group.

5C. Intangible assets under development:

Intangible assets under development: The changes in the carrying value of Intangible assets under development for the year ended 31 December 2025 and 31 December 2024 are as follows : :

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2025	43.69
Additions for the year	118.11
Transfer to Intangible assets	(116.97)
Balance as at 31 December 2025	**44.83**

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2024	-
Additions for the year	43.69
Transfer to Intangible assets	-
Balance as at 31 December 2024	**43.69**

Footnotes to Note 5C:

(i) Intangible assets under development ageing schedule

(₹ in million)

Particulars	Amount in Intangible assets under development 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 2025	26.83	18.00	-	-	44.83
As at 31 December 2024	43.69	-	-	-	43.69

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

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

6. Investment in associates and joint ventures

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Investment in joint ventures accounted as per equity method (unquoted)		
110,000,000 (31 December 2024: 50,000,000) fully paid equity shares of ₹ 10 each in IDVB Recycling Operations Private Limited ~	1,100.00	500.00
Add: Share in loss of joint venture (refer note 59)	(29.47)	(15.57)
	1,070.53	**484.43**
281,098,247 (31 December 2024: Nil) fully paid equity shares of LKR 10 each in Everest Industrial Lanka (Private) Limited @	363.64	-
Add: Share in loss of joint venture (refer note 59)	(36.04)	
	327.60	**-**
4,478,000 (31 December 2024: Nil) fully paid equity shares of ₹ 10 each in White Peak Refrigeration Private Limited @@	44.78	-
Add: Share in loss of joint venture (refer note 59)	(2.06)	
	42.72	**-**
Share application money paid in IDVB Recycling Operations Private Limited (31 December 2024: Nil) ~	150.00	-
	150.00	**-**
Investment in associates accounted as per equity method (unquoted)		
21,030 (31 December 2024: 21,030) fully paid equity shares of ₹ 10 each in Clean Max Tav Private Limited	32.85	32.85
Add: Share in loss of associate (refer note 59)	(3.89)	(1.55)
	28.96	**31.30**
1,247,943 (31 December 2024: 1,247,943) fully paid equity shares of ₹ 10 each in Huoban Energy 7 Private Limited	21.24	21.24
Add: Share in loss of associate (refer note 59)	(8.43)	(2.50)
	12.81	**18.74**
Aggregate amount of unquoted investments*	**1,632.62**	**534.47**

~The Holding Company had subscribed the equity investment of IDVB Recycling Operations Private Limited amounting to ₹ 600.00 million (31 December 2024: ₹ 369.93 million). Further during the year ended 31 December 2025, the Company has paid application money of ₹ 150.00 million for which share allotment is pending as on reporting date.

@ During the year ended 31 December 2025, the Holding Company has subcribed 50% paid up capital on 27 May 2025.

@@ During the year ended 31 December 2025, the Company has incorporated White Peak Refrigeration Private Limited on 04 September 2025.and consideration has been transferred on 31 December 2025.

The above investment is for business purposes.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

7. Investments

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Fair value through Profit and Loss ("FVTPL")		
Investment in fully paid equity shares (unquoted)		
200 (31 December 2024: 200) shares of ₹ 50 each in The Margao Urban Co-operative Bank Limited	0.01	0.01
250 (31 December 2024: 250) shares of ₹ 10 each in The Goa Urban Co-operative Bank Limited**	0.00	0.00
3,150,000 (31 December 2024: 3,150,000) fully paid equity shares of ₹ 10 each in Lone Cypress Ventures Private Limited@@	39.65	31.50
958,415 (31 December 2024: 958,415) fully paid equity shares of ₹ 10 each in Huoban Energy 11 Private Limited $@@	21.15	29.04
1,120,000 (31 December 2024: Nil) fully paid equity shares of ₹ 10 each in Aspirative Creative Ventures Private Limited $	22.40	-
241,037 (31 December 2024: Nil) fully paid equity shares of ₹ 10 each in FPEL Mercury Private Limited $	10.92	-
294,117 (31 December 2024: Nil) fully paid equity shares of ₹ 10 each in Fourth Partner Solar Power Private Limited $	16.00	-
2,600 (31 December 2024: Nil) fully paid equity shares of ₹ 10 each in Jagar Renewable Two Private Limited $	0.03	-
	110.16	**60.55**
**Rounded off to Nil.		
Aggregate amount of unquoted investments	**110.16**	**60.55**

$(i) During the year ended 31 December 2024, the Holding Company has made equity investment in Huoban Energy 11 Private Limited amounting to ₹ 29.04 million.
(ii) During the year ended 31 December 2025, the Holding Company has made equity investment in Aspirative Creative Ventures Private Limited amounting to ₹ 22.40 million.
(iii) During the year ended 31 December 2025, the Holding Company has made equity investment in FPEL Mercury Private Limited amounting to ₹ 10.92 million.
(iv) During the year ended 31 December 2025, the Holding Company has made equity investment in Fourth Partner Solar Power Private Limited amounting to ₹ 16.00 million.
(v) During the year ended 31 December 2025, the Holding Company has made equity investment in Jager Renewables Two Private Limited amounting to ₹ 0.03 million.
@@ Fair valuation done on the basis of latest available audited financial statements of respective Companies.

8. Loan

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Loans carried at amortised cost		
Loan to others	261.01	218.87
	261.01	**218.87**

9. Other non-current financial asset

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Financial assets at amortised cost		
Security deposits	1,067.34	914.16
Balance in deposit accounts with remaining maturity of more than 12 months#	10.42	9.61
Interest accured on loans	50.49	15.85
Others	-	47.64
	1,128.25	**987.26**

#Includes deposits pledged as security with banks for utility services.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

10. Deferred tax assets and liabilities

Movement in deferred tax assets/liabilities during the year ended 31 December 2025 and 31 December 2024:

(₹ in million)

Deferred tax liabilities/(assets)	As at 01 January 2025	Acquired in business combination (refer note 50(viii))	Recognised in other comprehensive income**	Recognised in the Consolidated Statement of Profit and Loss	As at 31 December 2025
Accelerated depreciation for tax purposes	6,071.36	-	-	1,401.62	7,472.98
Benefit accrued on government grants	67.49	-	-	(9.38)	58.11
Carry forward of unused tax losses	(134.49)	-	-	76.78	(57.71)
Allowance for doubtful debts	(169.35)	-	-	15.97	(153.38)
Accrued bonus	(54.82)	-	-	5.83	(48.99)
Provision for retirement benefits	(481.79)	-	67.34	(66.72)	(482.09)
Fair valuation of financial instruments	(725.60)	-	-	(88.56)	(814.16)
Borrowings	(0.16)	-	-	0.16	0.00
Gain on acquisition of control over existing associate	36.83	-	-	-	36.83
Property, plant and equipment fair valuation	342.23	-	-	13.22	355.45
Others	(268.92)	-	-	(150.60)	(419.52)
	4,682.78	**-**	**67.34**	**1198.32**	**5,947.52**
Exchange difference on re-statement of deferred tax balances	-	-	-	(128.23)	-
	4,682.78	**-**	**67.34**	**1,070.09**	**5,947.52**
Classified as:					
Deferred tax assets (Net)	196.31	-	-	-	244.40
Deferred tax liabilities (Net)	4,879.09	-	-	-	6,191.92

(₹ in million)

Deferred tax liabilities/(assets)	As at 01 January 2024	Acquired in business combination (refer note 50(viii))	Recognised in other comprehensive income**	Recognised in the Consolidated Statement of Profit and Loss	As at 31 December 2024
Accelerated depreciation for tax purposes	4,127.78	1,144.81	-	798.77	6,071.36
Benefit accrued on government grants	74.45	-	-	(6.96)	67.49
Carry forward of unused tax losses	-	(218.05)	-	83.56	(134.49)
Allowance for doubtful debts	(86.24)	(72.43)	-	(10.68)	(169.35)
Accrued bonus	(44.51)	-	-	(10.31)	(54.82)
Provision for retirement benefits	(510.89)	-	67.99	(38.89)	(481.79)
Fair valuation of financial instruments	(25.87)	(450.54)	-	(249.19)	(725.60)
Borrowings	(0.65)	-	-	0.49	(0.16)
Gain on acquisition of control over existing associate	36.83	-	-	-	36.83
Property, plant and equipment fair valuation and newly identified assets through business combination	-	359.23	-	(17.00)	342.23
Others	(140.79)	(89.46)	-	(38.67)	(268.92)
	3,430.11	**673.56**	**67.99**	**511.12**	**4,682.78**
Exchange difference on re-statement of deferred tax balances	**-**	**-**	-	(30.41)	**-**
	3,430.11	**673.56**	**67.99**	**480.71**	**4,682.78**
Classified as:					
Deferred tax assets (Net)	-				196.31
Deferred tax liabilities (Net)	3,430.11				4,879.09

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

(i) In one of the subsidiary of the Group, unused unabsorbed depreciation on tangible assets amounting to ₹ 393.58 million (31 December 2024: ₹ 887.26 million) can be carried forward indefinitely.

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 37 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) Two subsidiaries (31 December 2024: Two 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.

11. Other non-current assets

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
(Unsecured, considered good)		
Capital advances	2,761.37	4,862.11
Advances other than capital advances		
- Security deposits	96.10	104.13
- Income tax deposited (includes amount deposited under protest)	6.24	16.42
- Balance with statutory authorities (deposited under protest)	132.27	107.93
- Prepaid expenses	21.57	26.83
	3,017.55	**5,117.42**

12. Inventories

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
(Valued at lower of cost or net realisable value)		
Raw and packing material (including raw material in transit of ₹ 745.27 (31 December 2024: ₹ 599.68))	14,340.72	13,786.10
Work in progress	116.03	78.51
Intermediate goods (including goods in transit of Nil (31 December 2024: ₹ 220.55))	4,209.40	4,582.73
Finished goods (including goods in transit of ₹ 753.17 (31 December 2024: ₹ 223.54))*	5,474.00	5,233.22
Stores and spares	5,377.74	4,231.78
	29,517.89	**27,912.34**

*The Group manufactures as well as purchases the same product from market for sale and is also involved in trading of other products of capital nature. 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 30, Note 31, Note 32 and Note 36.

13. Trade receivables

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Trade receivables considered good - Unsecured	12,337.48	8,243.01
Trade receivables considered good - Secured	152.83	215.41
Trade receivables - Credit impaired	1,116.99	1,077.51
	13,607.30	**9,535.93**
Less : Allowance for expected credit loss (Refer note 53.2)	(1,116.99)	(1,077.51)
	12,490.31	**8,458.42**
Includes amounts due, in the ordinary course of business, from companies in which directors of the Holding Company are also directors:		
Alisha Torrent Closures Private Limited	3.53	4.29

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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 2025

(₹ 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	12,022.46	301.31	88.67	68.42	9.45	12,490.31
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	218.41	91.42	150.43	177.74	120.17	758.17
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	0.25	22.63	13.69	43.92	80.49
Disputed Trade receivables – credit impaired	-	0.03	13.33	127.93	137.04	278.33
Total	**12,240.87**	**393.01**	**275.06**	**387.78**	**310.58**	**13,607.30**

31 December 2024

(₹ 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	8,199.98	87.12	72.45	41.33	57.54	8,458.42
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	463.50	69.04	30.53	17.50	75.59	656.16
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	0.45	14.04	80.51	142.19	184.16	421.35
Total	**8,663.93**	**170.20**	**183.49**	**201.02**	**317.29**	**9,535.93**

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

14. Cash and cash equivalents

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

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Balance with banks in current accounts*	1,684.30	2,094.38
Balance in deposits with original maturity of less than three months#	954.92	19,008.68
Balances with banks in QIP monitoring accounts#	-	125.02
Cash on hand	101.33	115.54
Investment in Liquid Mutual Fund#	15,101.22	1,319.21
	17,841.77	**22,662.83**

* Includes inward remittance not yet cleared amounting to ₹ 43.62 million (31 December 2024: ₹ 50.18 millions)

#Previous year figures includes balance of qualified institutional placement (QIP) proceeds of ₹ 20,055.02 Million, which was utilised for the purpose as stated in the preliminary placement document for QIP. Net unutilised proceeds from QIP as on 31 December 2024 have been temporarily invested and kept in fixed deposits of ₹ 18,630.00 Million, mutual fund of ₹ 1,300.00 Million and QIP monitoring account for ₹ 125.02 Million. (Refer Note 39)

15. Bank balances other than cash and cash equivalents

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Deposits with original maturity more than 3 months but less than 12 months*	2,141.54	1,836.39
Unpaid dividend account**	1.60	1.32
	2,143.14	**1,837.71**

*Includes deposits pledged as security with banks for statutory authority.

**These balances are not available for use by the Group and corresponding balance is disclosed as unclaimed dividend in Note 25.

16. Other current financial assets

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
(Unsecured, considered good)		
Interest accrued on:		
- Term deposits	12.79	148.63
- Others	40.17	46.60
Security deposits	203.33	141.80
Advances to Employees~	126.57	128.19
Government grants receivable*	10,246.80	7,110.08
Claims receivable	398.67	331.93
Other receivables	692.78	448.93
	11,721.11	**8,356.16**
~Advance given to key management personnel (Refer Note 46A)	0.81	0.76

* Net of provision amounting to ₹ 473.46 (31 December 2024: 236.45)

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

17. Current tax assets (Net)

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Advance tax (net of provision)	59.66	48.72
	59.66	**48.72**

18. Other current assets

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
(Unsecured, considered good)		
Security deposits	16.64	17.17
Advance to related party*	64.94	50.92
Other advances:		
- Contractors and suppliers	2,288.42	5,908.02
- Prepaid expenses	463.49	501.77
- Balance with statutory/government authorities	1,967.62	2,736.94
- Other advances	319.04	148.74
	5,120.15	**9,363.56**
*Amounts due, in the ordinary course of business, from related party:		
SMV Beverages Private Limited	64.94	50.92

19. Equity share capital

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Authorised share capital:		
5,000,000,000 equity shares of ₹2 each (31 December 2024: 5,000,000,000)	10,000.00	10,000.00
	10,000.00	**10,000.00**
Issued, subscribed and fully paid up:		
3,381,988,769 equity shares of ₹2 each (31 December 2024: 3,381,510,017)	6,763.98	6,763.02
	6,763.98	**6,763.02**

a) Reconciliation of share capital

(₹ in million)

Particulars	No. of shares	Amount
Balance as at 01 January 2025	3,381,510,017	6,763.02
Add: Shares issued of ₹ 2 each pursuant to exercise of employee stock options	478,752	0.96
Balance as at 31 December 2025	**3,381,988,769**	**6,763.98**

(₹ in million)

Particulars	No. of shares	Amount
Balance as at 01 January 2024	1,299,214,976	6,496.07
Add: Shares issued of ₹5 each pursuant to exercise of employee stock options	233,436	1.17
Add: Sub-division/split of 1 share of face value ₹ 5 each into such number share of face value ₹ 2 each effective 12 September 2024 (Increase in shares on account of sub-division/split) (Refer note (g) below)	1,949,172,618	-

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

(₹ in million)

Particulars	No. of shares	Amount
Add: Shares issued of ₹ 2 each pursuant to Qualified institutions placement (QIP) (Refer note 39)	132,743,362	265.49
Add: Shares issued of ₹ 2 each pursuant to exercise of employee stock options	145,625	0.29
Balance as at 31 December 2024	**3,381,510,017**	**6,763.02**

b) Terms/rights attached to shares

The Holding Company has only one class of equity shares having a par value of ₹ 2 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 aggregate equity share capital of the Holding Company at the beginning and at the end of the year :

Shareholders as at 31 December 2025	No. of shares	% of shareholding
R J Corp Limited	855,041,916	25.28%
Mr. Ravi Kant Jaipuria	565,086,222	16.71%
Mr. Varun Jaipuria	521,859,870	15.43%

Shareholders as at 31 December 2024	No. of shares	% of shareholding
R J Corp Limited	868,877,060	25.69%
Mr. Ravi Kant Jaipuria	564,736,222	16.70%
Mr. Varun Jaipuria	520,859,870	15.40%

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.

d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(i) 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.

(ii) 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 except as disclosed above. Further, there has been no buy back of shares during the period of five years immediately preceding 31 December 2025 and 31 December 2024.

e) Shares held by holding and ultimate Holding Company

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
RJ Corp Limited, Parent company*	1,710.08	1,737.75
855,041,916 fully paid-up equity shares of ₹ 2 each (31 December 2024: 868,877,060)		
	1,710.08	**1,737.75**

*As defined under Ind AS 110 - Consolidated Financial Statements

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

f) Details of shares held by promoters:

Shareholders as at 31 December 2025	No. of shares	% of shareholding	% change during the year
R J Corp Limited	855,041,916	25.28%	(0.41%)
Mr. Ravi Kant Jaipuria	565,086,222	16.71%	0.01%
Mr. Varun Jaipuria	521,859,870	15.43%	0.03%

Shareholders as at 31 December 2024	No. of shares	% of shareholding	% change during the year
R J Corp Limited	868,877,060	25.69%	(1.23%)
Mr. Ravi Kant Jaipuria	564,736,222	16.70%	(0.93%)
Mr. Varun Jaipuria	520,859,870	15.40%	(0.64%)

g) Sub-division/split of equity shares

i) During the year ended 31 December 2024, the Board of Directors of the Holding Company in their meeting held on 30 July 2024 recommended the sub-division/split of existing Equity Shares of the Holding Company from 1 (One) Equity Share having face value of ₹ 5/- (Rupees Five only) each fully paid-up, into such number Equity Shares having face value of ₹ 2/- (Rupees Two only) each fully paid-up. The above sub-division/split has been approved by the equity shareholders of the Holding Company dated 30 August 2024 through postal ballot. Pursuant to sub-division/split of shares effective 12 September 2024 ("Record Date"), the paid up equity share capital of the Holding Company is ₹ 6,497.24 consisting of 3,248,621,030 equity shares having face value of ₹ 2/- (Rupees two only) each fully paid-up.

ii) During the year ended 31 December 2023,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.

h) Pursuant to QIP the Holding Company has issued 132,743,362 equity shares of ₹ 2 each at a premium of ₹ 563 per share: (Refer note 39)

(₹ in million)

Date of allotment	Share capital	Securities premium	Total
19 November 2024	265.49	74,734.51	75,000.00

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

20. Other equity

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

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Capital reserve on consolidation	(3,488.44)	(3,483.45)
Capital reserve	533.93	533.93
Securities premium	97,063.62	96,939.28
Share option outstanding account	182.48	184.70
General reserve	444.26	444.26
Retained earnings	94,072.70	68,582.06
Share application money pending allotment	2.72	-
Foreign currency translation reserve	211.79	(3,865.50)
	189,023.06	**159,335.27**

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 Holding 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.

Foreign currency translation reserve - 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.

21. Borrowings

A. Non-current borrowings:

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Term loans (secured) (Refer note 21E)		
- Loans from banks	5,057.19	8,146.22
- Loan from others	347.30	260.67
	5,404.49	**8,406.89**

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 56.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

B. Non-current financial liabilities:

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Lease liabilities (Refer note 47)	3,997.96	3,570.86
	3,997.96	**3,570.86**

C. Current borrowings:

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Loans repayable on demand		
- Working capital facilities from banks (secured) (Refer footnote (a))	12,722.93	9,616.11
- Working capital facilities from banks (unsecured) (Refer footnote (b))	-	1,800.00
Working capital facility from banks (unsecured) (Refer footnote (c))	-	1,450.00
Current maturities of long-term debts (Refer note 21E)	2,113.77	2,369.65
	14,836.70	**15,235.76**

(a) The working capital facilities from banks are secured by first charge on entire current assets of the Holding Company ranking pari-passu amongst the banks. In the previous year, these facilities were additionally secured by a second charge on the movable and immovable assets of the Holding Company pertaining to specific manufacturing units, wherever applicable. These facilities carried an interest rates ranging from 7.10% to 7.53% per annum. Working capital facilities in case of subsidiaries amounting to ₹ 12,722.93 million (31 December 2024: ₹ 7,182.69 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 4.4% to 17.5% (31 December 2024: 5.20% to 17%).

(b) The working capital facilities availed by the Holding Company from banks were fully repaid during the year. In the previous year, these facilities carried an interest rate of 7.16% per annum.

(c) The working capital facilities availed by the Holding Company from banks were fully repaid during the year. In the previous year, these facilities carried an interest rate of 7.15% per annum.

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

D. Current financial liabilities:

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Lease liabilities (Refer note 47)	842.68	1,049.03
	842.68	**1,049.03**

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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

(₹ in million)

Particulars	Loan outstanding			
	31 December 2025		31 December 2024	
	Non-current	Current	Non-current	Current
Term loans				
i) Indian rupee loan from banks (secured)				
Loans carrying weighted average rate of interest 6.69% (31 December 2024: 7.56%) depending upon tenure of the loans. For repayment terms refer note 21F.	2,316.62	1,096.82	1,181.43	547.17
These loans are secured on first pari-passu charge on the entire movable and immovable property, plant and equipment of the Holding Company except vehicles and lands for which no mortgages have been created till date. In the previous year, these were additionally secured by the territory /franchisee rights acquired under the business acquisition.				
ii) Indian rupee loan from banks (secured)				
Loans carrying rate of interest Nil (31 December 2024: 7.95%) depending upon tenure of the loans. For repayment terms refer note 21F.	-	-	-	375.00
These loans 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.				
iii) Term loan at Varun Beverages Morocco				
(a) Loan carrying rate of interest of 4.00% (31 December 2024: 4.00%)	-	13.16	11.27	43.81
(b) Loan carrying rate of interest of 4.25% (31 December 2024: 4.75%) and is secured against pledge of intangible elements of business funds which includes goodwill, clintele, trade name, commercial sign, leasehold rights, licenses, trade marks and patents to the extent of ₹ 582.57 million.	159.57	121.15	240.92	98.35
(c) Loan carrying rate of interest of 5.75% (31 December 2024: 5.75%) and is secured against Hypothecation of Land to the extent of ₹1,941 million and secured against charge on plant & machinery to the extent of ₹2,134 million	1,596.19	340.27	1,561.47	257.75
(d) Loan carrying rate of interest of 5.30% (31 December 2024: Nil)	298.52	42.64	-	-

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

(₹ in million)

Particulars	Loan outstanding			
	31 December 2025		31 December 2024	
	Non-current	Current	Non-current	Current
iv) Term loan at Lunarmech Technologies Private Limited				
(a) Loan carrying rate of interest of Nil (31 December 2024: Euribor+88 bps) and is secured against current asset and movable fixed assets.	-	-	-	96.13
(b) Loan carrying rate of interest Nil (31 December 2024: 8.10%). The loan is secured against current asset and movable fixed assets.	-	-	0.75	0.25
(c) Loan carrying rate of interest is 6.42% (31 December 2024: 7.79%). The loan is secured against current asset and movable fixed assets.	237.46	118.72	285.80	95.27
v) Term loan at Varun Beverages RDC SAS				
(a) Loan carrying rate of interest of 7.25%. The loan is secured against assets of the company and also by corporate guarantee of the Holding Company.	448.83	381.01	776.14	356.35
(b) Loan secured against vehicles of the company carrying rate of interest of 7.25% in the previous year. It has been repaid in current year.	-	-	-	231.85
vi) Term loan at The Beverage Company Proprietary Limited				
(a) Loan carrying rate of interest of JIBAR+1.45% in the previous year was secured against assets of the company and also by corporate guarantee of the Holding Company. It has been repaid in the current year.	-	-	4,088.44	-
Total loans from banks (secured)	**5,057.19**	**2,113.77**	**8,146.22**	**2,101.93**
For repayment terms of above loans, refer note 21F.				

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

(₹ in million)

Particulars	Loan outstanding			
	31 December 2025		31 December 2024	
	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., 7.63%-8.77% (31 December 2024: 7.63%-8.77%) **Date of repayment — Amount** 31 March 2030 — 65.90 07 July 2030 — 139.92 22 February 2031 — 22.87 01 October 2031 — 46.59 31 March 2032 — 69.44 10 September 2032 — 28.18	255.50	-	176.18	201.53
Interest free loan 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 2024: 8.33%) The repayment schedule is as under: **Date of repayment — Amount** 21 February 2027 — 70.83 18 July 2028 — 33.30	91.80	-	84.49	66.19
Total loans from others (secured)	**347.30**	**-**	**260.67**	**267.72**
Total	**5,404.49**	**2,113.77**	**8,406.89**	**2,369.65**

F. Repayment terms:

(₹ in million, unless stated otherwise)

S.No	Description	31 December 2025		31 December 2024		Repayment terms
		Non-current	Current	Non-current	Current	
i)	**Indian rupee loan from banks**					
1	Term loan - 1	250.88	309.41	560.28	317.77	Two instalments of ₹ 154.70 each due in May 2026 and June 2026 and two instalments of ₹ 125.44 each due in May 2027 and June 2027.
2	Term loan - 2	141.32	141.33	282.65	141.32	Two instalments of ₹ 70.66 each due in May 2026 and June 2026 and two instalments of ₹ 70.66 each due in May 2027 and June 2027.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

(₹ in million, unless stated otherwise)

S.No	Description	31 December 2025		31 December 2024		Repayment terms
		Non-current	Current	Non-current	Current	
3	Term loan - 3	-	-	-	375.00	Loan was repaid during the year
4	Term loan - 4	124.42	46.08	170.50	46.08	Two instalments of ₹ 23.04 each due in May 2026 and June 2026, two instalments of ₹ 32.26 each due in May 2027 and June 2027, one instalment of ₹ 32.26 due in May 2028 and one instalment of ₹ 27.64 due in June 2028.
5	Term loan - 5	1,800.00	600.00	168.00	42.00	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, two instalments of ₹ 300.00 each due in May 2028 and June 2028 and two instalments of ₹ 300.00 each due in May 2029 and June 2029
	Total (A)	**2,316.62**	**1,096.82**	**1,181.43**	**922.17**	
ii) Term Loan at Varun Beverages Morocco						
6	Term loan - 6	-	13.16	11.27	43.81	Last instalment will be in January 2026
7	Term loan - 7	159.57	121.15	240.92	98.35	Payable in 9 quarterly instalments of 3.2MDHS each quarter
8	Term loan - 8	1,596.19	340.27	1,561.47	257.75	Payable in 20 quarterly instalments of 9.97 MDHS each quarter
9	Term loan - 9	298.52	42.64	-	-	Payable in 24 quarterly instalments of 1.46 MDHS each quarter
	Total (B)	**2,054.28**	**517.22**	**1,813.66**	**399.92**	
iii) Term loan at Lunarmech Technologies Private Limited						
10	Term loan - 10	-	-	-	96.13	Loan is repayable on 14 April 2025.
11	Term loan - 11	-	-	0.75	0.25	Loan is repayable in 16 quarterly EMI starting from March 2025.
12	Term loan - 12	237.46	118.72	285.79	95.26	Loan is repayable in 12 quarterly EMI starting from March 2026.
	Total (C)	**237.46**	**118.72**	**286.55**	**191.64**	
iv) Term Loan at Varun Beverages RDC SAS						
13	Term loan - 13	448.83	381.01	776.14	356.35	Loan is repayable in 28 equal monthly instalments till February 2028.
14	Term loan - 14	-	-	-	231.85	Loan is repayable in 11 equal monthly instalments till November 2025.
	Total (D)	**448.83**	**381.01**	**776.14**	**588.20**	
v) Term Loan at The Beverage Company Proprietary Limited						
15	Term loan - 15	-	-	4,088.44	-	Loan is repaid in current year.
	Total (E)	**-**	**-**	**4,088.44**	**-**	
	Total (A+B+C+D+E)	**5,057.19**	**2,113.77**	**8,146.22**	**2,101.93**	

22. Provisions

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Non-current		
Provision for employee benefits (Refer note 40)		
Defined benefit liability (net)	1,141.54	1,166.30
Other long term employee obligations	763.07	728.04
	1,904.61	**1,894.34**
Current		
Provision for employee benefits (Refer note 40)		
Defined benefit liability (net)	6.05	6.82
Other short term employee obligations	499.21	438.06
Others (Refer note 60)	-	294.12
	505.26	**739.00**

23. Other non-current liabilities

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Deferred revenue on government grant	3.58	4.37
Deferred income	-	42.94
	3.58	**47.31**

24. Trade payables

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Total outstanding dues of-		
Micro enterprises and small enterprises (Refer note 49)	1,271.92	645.75
Creditors other than micro enterprises and small enterprises	12,741.12	14,958.52
	14,013.04	**15,604.27**

Trade payables ageing schedule

31 December 2025

(₹ 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	-	1,226.72	15.67	1.68	1.19	1,245.26
Others	4,646.25	7,697.86	228.75	83.69	40.44	12,696.99
Disputed trade payable						
Micro enterprises and small enterprises	-	11.64	7.09	3.25	4.68	26.66
Others	-	18.69	8.24	5.10	12.10	44.13
Total	**4,646.25**	**8,954.91**	**259.75**	**93.72**	**58.41**	**14,013.04**

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

31 December 2024

(₹ 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	113.98	528.21	2.88	0.25	0.43	645.75
Others	3,088.40	11,425.05	168.55	131.92	61.49	14,875.41
Disputed trade payable						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	52.40	12.01	8.85	9.85	83.11
Total	**3,202.38**	**12,005.66**	**183.44**	**141.02**	**71.77**	**15,604.27**

25. Other current financial liabilities

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Interest accrued but not due on borrowings	38.40	36.44
Interest payable	149.05	48.59
Payable for capital expenditures (Refer note 49)	2,184.50	3,639.04
Employee related payables	1,113.42	995.51
Unclaimed dividends#	1.60	1.32
Security deposits	2,466.88	2,322.51
	5,953.85	**7,043.41**

#Amounts not yet due for deposit to the Investor Education and Protection Fund. An amount of ₹ 0.19 million has been deposited to the Investor Education and Protection Fund by the Holding Company in year 31 December 2025 (31 December 2024 ₹ 0.05 million)

26. Other current liabilities

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Advances from customers	1,581.23	2,194.82
Advance against property classified as held for sale	10.00	-
Statutory dues payable	2,753.89	2,604.36
Deferred income	120.01	117.37
	4,465.13	**4,916.55**

27. Current tax liabilities (Net)

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Provision for tax (net of taxes paid)	122.79	656.23
	122.79	**656.23**

The key components of income tax expense for the year ended 31 December 2025 and 31 December 2024 are:

A. Consolidated Statement of Profit and Loss:

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
(i) Profit and Loss		
(a) Current tax	8,389.07	7,502.05
(b) Adjustment of tax relating to earlier years	16.90	5.28
(c) Deferred tax charge	1,070.09	480.71
Tax expense reported in the Consolidated Statement of Profit and Loss	**9,476.06**	**7,988.04**
(ii) Other Comprehensive Income (OCI)		
Deferred tax related to items recognised in OCI during the year:		
(a) Net loss on remeasurements of defined benefit plans	(67.34)	(67.99)
Tax charged to OCI	**(67.34)**	**(67.99)**

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

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Accounting profit before tax	**40,096.48**	**34,330.89**
Tax expense at statutory income tax rate of 25.168% (31 December 2024: 25.168%)	10,091.48	8,640.40
Adjustment of tax relating to earlier years	16.90	5.28
Non deductible expenses/income not taxable	91.05	64.98
Deduction claimed u/s Chapter-VI A of Income-tax Act, 1961 by Holding Company	(18.40)	(20.15)
Non-Taxable Subsidiaries and effect of Differential Tax Rate under various jurisdiction	(838.45)	(793.69)
Income chargeable at special rates	(4.26)	(1.64)
Others	137.74	92.86
Tax expense at effective tax rate reported in the Consolidated Statement of Profit and Loss	**9,476.06**	**7,988.04**

28. Revenue from operations

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Sale of products (inclusive of excise duty) *	213,073.79	198,394.21
Rendering of services	674.30	793.03
Other operating revenue	8,507.75	5,626.04
	222,255.84	**204,813.28**

*Sale of products includes excise duty collected from customers of ₹ 5,402.05 million (31 December 2024: ₹ 4,736.78 million) in subsidiaries.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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 2025	Year ended 31 December 2024
Gross revenue/Contracted price	222,676.91	206,715.39
Less: Discounts and rebates	(8,928.82)	(7,528.15)
Revenue from contracts with customers	**213,748.09**	**199,187.24**

B. Disaggregation of revenue

a) Information about geographical area

(₹ in million)

Particulars	Year ended 31 December 2025	Year ended 31 December 2024
i. Sale of products and rendering of services		
(i) Within India	136,045.62	136,173.93
(ii) Outside India	77,702.47	63,013.31
Total sale of products and rendering of services	**213,748.09**	**199,187.24**

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 Group's revenue from operations.

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 2025	As at 31 December 2024
Trade receivables	13,607.30	9,535.93
Less: Allowances for expected credit loss	(1,116.99)	(1,077.51)
Net receivables	**12,490.31**	**8,458.42**

Contract liabilities

(₹ in million)

Particulars	As at 31 December 2025	As at 31 December 2024
Advance from customers (Refer note 26)	1,581.23	2,194.82
	1,581.23	**2,194.82**

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 recognised under the head 'Other operating revenue' amounts to ₹ 7,760.82 million (31 December 2024: ₹ 4,829.26 million) under different industrial promotion tax exemption schemes.

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

(₹ in million)

Particulars	As at 31 December 2025	As at 31 December 2024
Balance at the beginning of the year	2,194.82	1,804.71
Addition during the year	1,581.23	2,194.82
Revenue recognised during the year	(2,194.82)	(1,804.71)
Balance at the closing of the year	**1,581.23**	**2,194.82**

29. Other income

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Interest income on items at amortised cost:		
- term deposits	271.33	362.97
- others	46.32	56.03
Net gain on foreign currency transactions and translations	2,278.31	-
Gain on sale of current investments	806.64	22.47
Excess provisions and liabilities written back	5.35	646.15
Gain on derecognition of financial instruments	-	0.08
Gain on sale of property, plant and equipment (Net)	32.20	-
Miscellaneous income	83.33	124.98
	3,523.48	**1,212.68**

30. Cost of materials consumed

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Raw material and packing material consumed		
Inventories at beginning of the year	13,786.10	9,756.31
Acquired in business combination	-	640.72
Purchases during the year (net)	94,125.39	87,635.34
	107,911.49	**98,032.37**
Less: Sold during the year	200.15	1,308.84
Less: Inventories at end of the year	14,340.72	13,786.10
	93,370.62	**82,937.43**

31. Purchases of stock-in-trade

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Beverages	892.04	982.89
Others	2,802.49	5,876.32
	3,694.53	**6,859.21**

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
As at the beginning of the year		
- Finished goods	5,233.22	4,160.22
- Intermediate goods	4,582.73	4,372.42
- Work in progress	78.51	25.81
	9,894.46	**8,558.45**
Acquired in a business combination		
- Finished goods	-	593.63
	-	**593.63**
As at the closing of the year		
- Finished goods	5,474.00	5,233.22
- Intermediate goods	4,209.40	4,582.73
- Work in progress	116.03	78.51
	9,799.43	**9,894.46**
Finished goods used as property, plant and equipment*	(5.89)	(7.02)
	89.14	**(749.40)**

*The Holding Company 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.

33. Employee benefits expense

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Salaries, wages and bonus*	20,102.06	17,067.81
Contribution to provident fund and other funds*	962.88	816.67
Staff welfare expenses*	904.85	803.35
Share based payments** (Refer note 52)	37.64	162.43
	22,007.43	**18,850.26**

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

**excluding expenses of Nil (31 December 2024: ₹ 0.50) related to one subsidiary, which has been capitalised in new projects.

34. Finance costs

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Interest on items at amortised cost:		
- Term loans*	163.78	3,039.34
- Working capital facilities*	772.09	919.71
- Financial liabilities (inclusive of interest on lease liabilities ₹ 509.22 (31 December 2024: ₹ 404.03))	553.26	440.42
- Bank guarantee fees	17.45	16.39
- Others (inclusive of interest on income tax ₹ 60.79 (31 December 2024: ₹ 6.50))	177.37	69.56
Other ancillary borrowing costs	11.84	18.44
	1,695.79	**4,503.86**

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

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

35. Depreciation, amortisation expense

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Depreciation on property, plant and equipment (refer note 4A)	10,634.17	8,386.95
Amortisation of intangible assets (refer note 5B)	357.91	268.38
Amortisation of ROU (refer note 4C)	1,172.55	818.53
	12,164.63	**9,473.86**

36. Other expenses*

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Power and fuel	6,365.58	6,295.08
Repairs to plant and equipment	3,773.20	3,837.09
Repairs to buildings	242.58	292.18
Other repairs	1,120.84	1,163.65
Consumption of stores and spares	1,552.90	1,512.34
Rent (Refer note 47)	937.82	970.54
Rates and taxes	232.22	518.68
Insurance	396.21	341.38
Printing and stationery	113.12	105.80
Communication	268.14	241.28
Travelling and conveyance	1,699.29	1,550.41
Sitting fees paid to directors (Refer note 46A)	5.23	8.45
Payment to auditors**	73.74	43.13
Vehicle running and maintenance	1,510.10	1,235.53
Lease and hire (Refer note 47)	872.72	645.67
Security and service charges	1,048.50	847.36
Legal, professional and consultancy	929.38	872.70
Bank charges	264.05	324.72
Advertisement and sales promotion	3,551.66	2,521.15
Meeting and conferences	209.99	90.03
Royalty	247.87	177.84
Freight, octroi and insurance paid (net)	15,306.57	14,031.34
Delivery vehicle running and maintenance	955.09	836.18
Distribution expenses	3,100.11	3,064.82
Loading and unloading charges	1,053.75	1,109.55
Donations	2.24	4.16
Loss on disposal/written off of property, plant and equipment (net)	-	761.96
Bad debts and advances written off	4.12	28.73
Allowance for expected credit loss and advances	70.85	84.85
Corporate social responsibility expenditure	465.34	317.92
Net loss on foreign currency transactions and translations	-	634.02
General office and other miscellaneous	825.17	599.75
	47,198.38	**45,068.29**

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

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Services rendered for:		
- Audit and reviews	14.90	13.50
- taxation matters	2.80	3.23
- other matters#	3.02	1.40
- reimbursement of expenses	0.70	0.94
	21.42	**19.07**

#Excludes expense of Nil (31 December 2024: ₹ 6.07 million) towards fee related to share issue expenes, netted off with share premium account.

37. 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 2025	Year ended 31 December 2024
Retained earnings		
Re-measurement gain on defined benefit plans	265.91	288.77
Tax impact on re-measurement gains on defined benefit plans (Refer note 10)	(67.34)	(67.99)
Exchange differences arising on translation of foreign operations	4,141.21	356.41
	4,339.78	**577.19**

38. 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 associates & joint ventures as listed below. The principal activity of the Parent Company and its subsidiaries predominantly comprise manufacturing and sale of beverages including its packing material.

Name of entity	Nature	Principal place of business	Proportion of ownership	
			As at 31 December 2025	As at 31 December 2024
Varun Beverages (Nepal) Private Limited ("VBL Nepal")	Foreign wholly owned subsidiary	Nepal	100.00%	100.00%
Varun Beverages Lanka (Private) Limited ("VBL Lanka")	Foreign wholly owned subsidiary	Sri Lanka	100.00%	100.00%
Varun Beverages Morocco SA ("VBL Morocco")	Foreign wholly owned subsidiary	Morocco	100.00%	100.00%
"Ole Spring Bottlers Private Limited ("Ole")*	Foreign wholly owned subsidiary	Sri Lanka	100.00%	100.00%
"Varun Beverages (Zambia) Limited ("VBL Zambia")	Foreign subsidiary	Zambia	95.00%	90.00%
"Varun Beverages (Zimbabwe) (Private) Limited ("VBL Zimbabwe")	Foreign subsidiary	Zimbabwe	85.00%	85.00%

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

Name of entity	Nature	Principal place of business	Proportion of ownership	
			As at 31 December 2025	As at 31 December 2024
Varun Beverages RDC SAS ("VBL RDC")	Foreign wholly owned subsidiary	Democratic Republic of the Congo	100.00%	100.00%
Varun Beverages South Africa (PTY) Limited	Foreign wholly owned subsidiary	South Africa	100.00%	100.00%
Lunarmech Technologies Private Limited~~	Domestic subsidiary	India	100.00%	100.00%
Varun Beverages International DMCC	Foreign wholly owned subsidiary	Dubai	100.00%	100.00%
VBL Mozambique, SA	Foreign wholly owned subsidiary	Mozambique	100.00%	100.00%
The Beverage Company Proprietary Limited ("Bevco")##	Foreign subsidiary	South Africa	97.92%	95.00%
The Beverage Company Bidco Proprietary Limited$##	Foreign subsidiary	South Africa	97.92%	95.00%
Little Green Beverages Proprietary Limited$##	Foreign subsidiary	South Africa	97.92%	95.00%
Softbev Proprietary Limited$##$$$	Foreign subsidiary	South Africa	-	95.00%
Varun Foods Zimbabwe (Private) Limited^^^	Foreign wholly owned subsidiary	Zimbabwe	-	100.00%
VBL Industries (Kenya) Limited@	Foreign wholly owned subsidiary	Kenya	100.00%	NA
Clean Max Tav Private Limited	Associate	India	26.00%	26.00%
Huoban Energy 7 Private Limited	Associate	India	26.34%	26.34%
Everest Industrial Lanka (Private) Limited **	Joint Venture	Sri Lanka	50.00%	NA
White Peak Refrigeration Private Limited #	Joint Venture	India	50.00%	NA
IDVB Recycling Operations Private Limited	Joint Venture	India	50.00%	50.00%

*subsidiary of VBL Lanka

##Acquired on 26 March 2024 (refer note 50(viii))

^^^Wholly owned subsidiary incorporated on 22 May 2024, 100% share capital subscribed on 22 May 2024 and till 25 November 2025.

~~Wholly owned subsidiary w.e.f. 16 December 2024 (refer note 50(x))

**Joint venture w.e.f. 27 May 2025

#Joint venture incorported w.e.f. 04 September 2025, 50% share capital subscribed on 31 December 2025

@Wholly owned subsidiary incorporated on 19 November 2025, 100% share capital subscribed on 23 December 2025.

$subsidiary of Bevco

$$$ subsidiary of Bevco upto 05 September 2025

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

39. During the year ended 31 December 2024, pursuant to Qualified institutions placement (QIP), the Holding Company has raised ₹ 75,000 million through fresh issue of 132,743,362 equity shares of ₹ 2 each at a premium of ₹ 563 per share on 19 November 2024. The Audit, Risk Management and Ethics Committee and the Board of Directors noted the utilisation of funds raised through such fresh issue of equity shares to be in line with the object of the issue, the details of which are as follows:

(₹ in million)

Particulars	Amount as per placement document	Amount utilised upto 31 December 2024	Amount utilised during the year	Amount Unutilised/ (Excess spent) as at 31 December 2025
Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by Holding Company and/or one of our Subsidiaries	56,000.00	50,475.46	5,549.94	(25.40)
Inorganic acquisitions and general corporate purposes	18,390.00	3,858.42	14,500.80	30.78
Share issue expenses	610.00	611.10	4.28	(5.38)
Total	**75,000.00**	**54,944.98**	**20,055.02**	**0.00**

40. 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:

(₹ in million, unless otherwise stated)

	Gratuity		Compensated absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Changes in present values are as follows:				
Balance at the beginning of the year	2,216.13	2,147.71	1,166.10	973.33
Acquired on business combination	-	-	-	90.61
Current service cost	307.35	278.76	253.10	229.96
Interest cost	148.92	152.92	77.20	70.63
Past Service Cost*	118.40	-	-	-
Benefits settled	(272.59)	(129.57)	(124.33)	(78.61)
Actuarial gain	(263.00)	(238.15)	(134.01)	(118.02)
Foreign currency translation difference	7.29	4.46	24.22	(1.80)
Balance at the end of the year	**2,262.50**	**2,216.13**	**1,262.28**	**1,166.10**

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Changes in fair value of plan assets are as follows:				
Plan assets at the beginning of the year, at fair value	1,043.01	672.89	-	-
Expected income on plan assets	69.06	49.81	-	-
Actuarial gain/(loss)	2.92	28.35	-	-
Contributions by employer	-	300.00	-	-
Benefits settled	(0.08)	(8.04)	-	-
Plan assets at the end of the year, at fair value	**1,114.91**	**1,043.01**	**-**	**-**

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

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Reconciliation of present value of the obligation and the fair value of the plan assets:				
Present value of obligation	2,262.50	2,216.13	1,262.28	1,166.10
Fair value of plan assets	(1,114.91)	(1,043.01)	-	-
Net liability recognised in the consolidated balance sheet	**1,147.59**	**1,173.12**	**1,262.28**	**1,166.10**

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Amount recognised in consolidated statement of profit and loss:				
Current service cost	307.35	278.76	253.10	229.96
Interest cost	148.92	152.92	77.20	70.63
Past Service Cost*	118.40	-	-	-
Expected return on plan assets	(69.06)	(49.81)	-	-
Actuarial gain	-	-	(134.01)	(118.02)
Net cost recognised	**505.61**	**381.87**	**196.29**	**182.57**

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Amount recognised in Other Comprehensive Income:				
Actuarial changes arising from changes in financial assumptions	(197.57)	(229.31)	-	-
Actuarial changes arising from changes in demographic assumptions	2.69	(5.02)	-	-
Experience adjustments	(68.11)	(26.09)	-	-
Return on plan assets	(2.92)	(28.35)	-	-
Amount recognised loss/(gain)	**(265.91)**	**(288.77)**	**-**	**-**

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
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	5.75% - 10.5%	6.95% - 11.50%	6.65% - 9.00%	6.95%-8.00%
Rate of return on plan assets	7%-7.68%	7.33% - 7.67%	-	-
Withdrawal rate				
- Permanent	1-12%	1%-12%	6% - 12%	1%-12%
- Contractual	50.00%	-	-	-
Salary increase	6% - 9%	6% -10%	6% - 12%	6%-11%

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Rate of leave availment	-	-	3.5% - 20%	3.50%-20%
Retirement age (Years)	58-70 years	58-70 years	58-70 years	58-70 years

These assumptions were developed by management of the respective company/entity with the assistance of independent actuaries wherever applicable. 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 2025	India	Outside India	Total
Defined benefit obligation	2,151.88	110.62	2,262.50
Fair value of plan assets	1,114.91	-	1,114.91

(₹ in million, unless otherwise stated)

31 December 2024	India	Outside India	Total
Defined benefit obligation	2,141.35	74.78	2,216.13
Fair value of plan assets	1,043.01	-	1,043.01

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

(₹ in million, unless otherwise stated)

	Sensitivity level		Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Discount rate	+1%	+1%	(50.58)	(137.23)	(31.97)	(33.42)
	-1%	-1%	183.95	123.68	33.97	31.70
Salary increase	+1%	+1%	181.29	121.55	33.19	31.11
	-1%	-1%	(50.33)	(132.14)	(31.84)	(32.20)
Withdrawal rate	+1%	+1%	(3.71)	(21.13)	7.77	(9.65)
	-1%	-1%	16.56	19.23	(8.11)	9.19

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 2024: (2012-14) ultimate table). A change in mortality rate will have a bearing on the plan's liability.

Risk associated:	
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 Holding 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 Holding Company carries out a funding valuation based on the latest employee data provided by the Holding Company. Any deficit in the assets arising as a result of such valuation is funded by the Holding Company.

Expected contribution during the next annual reporting period:

The Holding Company's best estimate of contribution during the next financial year approximates to ₹ 1,086.79 million (31 December 2024: ₹ 1,310.68 million).

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

(₹ in million, unless otherwise stated)

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
i) Weighted average duration of the defined benefit obligation	2-6.3 years	6 -6.2 years	3-5 years	3- 5 years
ii) Expected cash flows over the years (valued on undiscounted basis):				
Duration (years)				
1	457.24	366.32	385.23	357.96
2 to 5	1,167.63	1,065.09	705.35	682.20
Above 5	1,733.08	2,134.70	291.79	307.83
	3,357.95	**3,566.11**	**1,382.37**	**1,347.99**

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 ₹ 962.88 million (31 December 2024 ₹ 816.67 million) (Refer note 33)

*On 21 November 2025, the Government of India notified the four Labour Codes consolidating 29 existing labour laws. The Ministry of Labour & Employment has also issued draft Central Rules and FAQs to help assess the financial impact of these changes. The Company has assessed the incremental impact of these changes amounting to ₹ 139.00 million (₹ 118.40 million recorded as past service cost) towards gratuity liability for the year ended 31 December 2025, on the basis of best information available, consistent with the guidance provided by Institute of Chartered Accountants of India. The Company continues to monitor the finalisation of Central/State Rules and clarifications from the Government on other aspects of the Labour Codes and would provide the appropriate accounting effect on the basis of such developments needed.

41. Earnings per share (EPS)

(₹ in million, unless otherwise stated)

	31 December 2025	31 December 2024
Profit attributable to the equity shareholders	30,364.89	25,946.33
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (nos.)	3,381,870,773	3,264,147,731
Add: Weighted average number of potential equity shares on account of employee stock options (nos.)	1,155,051	1,610,654

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

(₹ in million, unless otherwise stated)

	31 December 2025	31 December 2024
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (nos.)	3,383,025,824	3,265,758,385
Nominal value per equity shares (₹)	2.00	2.00
Basic earnings per share (₹)	8.98	7.95
Diluted earnings per share (₹)	8.98	7.94

42. Dividend

(₹ in million)

	31 December 2025	31 December 2024
Final dividend on equity shares paid during the year related to previous year:		
Final dividend	1,690.93	1,624.24
Interim dividend on equity shares declared and paid during the year:		
Interim dividend	3,381.89	1,624.31

43. Contingent liabilities

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
a. Claims against the Group not acknowledged as debts (being contested):		
i. Goods and Service Tax	424.19	308.74
ii. For excise and service tax	217.66	67.88
iii. For customs	481.87	207.81
iv. For sales tax (VAT)/entry tax	1,011.15	1,005.20
v. For income tax	773.09	771.29
vi. For mandi tax and others*	196.49	205.02
b. Claims against the Associates and Joint ventures not acknowledged as debts.	-	-

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

44. Commitments

(₹ in million, unless otherwise stated)

	31 December 2025	31 December 2024
a. Guarantee issued to third party by subsidiaries for business purposes	1,743.49	458.48
b. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances ₹ 2,761.37 million (31 December 2024 ₹ 4,862.11 million))*	30,047.50	26,908.22

*Inclusive of commitment as mentioned in note no. 50 (vii) (Previous year: 50 (xii))

45. Pursuant to transfer pricing legislations under the Income-tax Act, 1961, the Holding Company and one of its Indian subsidiary 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 and one of its Indian subsidiary 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 and one of its Indian subsidiary 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.

46. 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 and Whole time Director
Mr. Raj Pal Gandhi	Whole Time Director
Mr. Rajinder Jeet Singh Bagga	Whole Time Director
Mrs. Sita Khosla	Non-executive independent director
Dr. Ravi Gupta	Non-executive independent director
Mrs. Rashmi Dhariwal	Non-executive independent director
Mr. Abhiram Seth	Non-executive independent director
Mr. Anil Kumar Sondhi	Non-executive independent director
Dr. Naresh Kumar Trehan	Non-executive Non-independent director (w.e.f 21 April 2024)
Mr. Ravi Batra	Company secretary
Mr. Mahavir Prasad Garg	Company secretary of the parent, namely RJ Corp Limited
Mr. Lalit Malik	Chief Financial Officer (till 13 May 2024)
Mr. Rajesh Chawla	Chief Financial Officer (w.e.f 14 May 2024 till 29 July 2025)
Mr. Pankaj Madan	Chief Financial Officer (w.e.f 30 July 2025)

II. Parent and ultimate parent

RJ Corp Limited	Parent

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

Devyani International Limited
Devyani Food Industries Limited
Devyani Food Industries (Kenya) Limited
Varun Food and Beverages Zambia Limited
Varun Developers Private Limited
SVS India Private Limited
Ole Marketing (Private) Limited
Devyani International Nepal Private Limited
Cryoviva Biotech Private Limited
CV Biotech Private Limited
Cryoviva Life Sciences Private Limited
Cryoviva Singapore Pte Ltd.
Restaurants Development Co., Ltd.
RJ Corp International (UK) Pvt. Ltd.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

IV. Joint ventures and associates*

IDVB Recycling Operations Private Limited	Joint Venture
Clean Max Tav Private Limited	Associate
Huoban Energy 7 Private Limited	Associate
Everest Industrial Lanka Private Limited	Joint Venture (w.e.f 27 May 2025)
White Peak Refrigeration Private Limited	Joint Venture (w.e.f 04 Sept 2025)

V. Relatives of KMPs*

Mrs. Dhara Jaipuria

Mrs. Devyani Jaipuria

Mrs. Kanwaljit Kaur Bagga

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

RJ Foundation

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.

(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 46A)

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

46A. Information on related party transactions pursuant to Ind AS-24 - Related Party Disclosures

Transactions entered with KMP's and related parties:

(₹ in million)

Description	KMPs		Parent and ultimate parent		Fellow subsidiaries and entities controlled by parent		Joint Venture and Associate (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	
	For year ended		For year ended		For year ended		For year ended		For year ended		For year ended		For year ended	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Remuneration paid	553.63	471.10	-	-	-	-	-	-	-	-	-	-	-	-
Director sitting fees paid	5.10	8.20	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	1,642.21	1,094.84	1,296.40	871.63	-	-	-	-	118.23	78.81	-	-	-	-
Advance given	3.90	5.25	-	-	-	-	-	-	-	-	-	-	-	-
Advance received against leased vehicle	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of goods	-	-	-	-	485.65	87.93	-	-	-	-	265.88	246.59	-	-
Sale of raw materials and stores & trading goods	-	-	-	-	5.94	34.10	0.59	-	-	-	98.05	263.85	-	-
Purchase of goods	-	-	-	-	76.66	291.16	-	-	-	-	343.93	449.81	-	-
Purchase of raw materials and stores	-	-	-	-	11.07	5.61	-	-	-	-	11.35	7.51	-	-
Interest received/(paid)	-	-	-	-	-	-	-	-	-	-	-	(4.00)	-	-
Contribution to corporate social responsibility activities	-	-	-	-	-	-	-	-	-	-	462.80	308.11	-	-
Equity investment	-	-	-	-	-	-	642.91	369.93	-	-	-	-	-	-
Share application money paid	-	-	-	-	-	-	150.00	-	-	-	-	-	-	-
Licence Fee Paid	-	-	-	-	1.42	1.50	-	-	-	-	-	-	-	-
(Recovery of Expenses incurred by the Company on behalf of others)/ expenses incurred by others on behalf of the Company	-	-	(3.46)	(1.73)	(19.82)	(19.13)	-	-	-	-	(12.34)	-	-	-
Rent/ lease charges paid/ (received)	-	-	135.72	112.80	0.95	(5.58)	-	-	-	-	27.00	27.00	-	-
Medical Expenditure paid	-	-	-	-	-	-	-	-	-	-	0.12	0.15	-	-
Purchase of property, plant and equipment	-	-	-	-	122.41	1.86	105.65	-	-	-	-	-	-	-
Contribution to gratuity trust	-	-	-	-	-	-	-	-	-	-	-	-	-	300.00
IT infrastructure support fee received	-	-	2.87	1.75	42.40	33.09	3.06	-	-	-	0.26	0.49	-	-
Advance paid for acquisition of assets	-	-	-	-	-	-	-	-	-	-	10.00	45.00	-	-
Capital commitments	-	-	-	-	-	-	-	-	-	-	146.60	156.60	-	-
Utility charges	-	-	-	-	-	-	100.35	106.98	-	-	-	-	-	-
Outstanding at the end of the year, net														
Balances (payable)/receivable	(12.11)	(9.21)	37.17	67.19	150.77	27.11	17.44	(2.26)	-	-	159.33	134.17	-	-
Provision for employee benifits	(239.23)	(239.54)	-	-	-	-	-	-	-	-	-	-	-	-

Note:

i) Stock options have been granted to KMPs of the Company. The number of stock options granted to such KMPs outstanding as at 31 December 2025: 11,250 (31 December 2024 : 35,000). However as the liability has not been determined for individual employees, the charge thereof for the individual employees is not disclosed above. Previous year numbers are adjusted for shares splits during the current year (Refer note 19(g))

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

47. 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, visi coolers and vehicles. With the exception of short-term leases, leases of low-value underlying assets 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 2024: 5.44% - 13.56%).

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 2025	As at 31 December 2024
Current lease liabilities (Refer note 21D)	842.68	1,049.03
Non-current lease liabilities (Refer note 21B)	3,997.96	3,570.86
Total	**4,840.64**	**4,619.89**

ii. The recognised right of use assets relate to land, buildings, plant and equipments, visi coolers and vehicles as at 31 December 2025 and 31 December 2024:

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Right of use assets - land, buildings and plant and equipments		
Balance at the beginning of the year	13,631.22	10,347.07
Acquired on business combination (Refer note 50(viii))	-	1,567.24
Additions for the year	937.32	2,497.75
Disposable for the year (net)	(185.27)	-
Rebate/grant received (net)	(216.29)	-
Transfer to asset classified as held for sale (net)	(62.55)	-
Transfer during the year (net)	17.48	-
Amortisation charge for the year	(1,172.55)	(818.53)
Foreign currency translation difference (net)	741.11	37.69
Balance at the end of the year	**13,690.47**	**13,631.22**

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

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Amortisation charge on right of use assets	1,172.55	818.53
Interest expense on lease liabilities	514.19	402.65
Total	**1,686.74**	**1,221.18**

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 ₹ 1,810.54 million (31 December 2024: ₹ 1,616.21 million).

v. Refer Consolidated Cash Flow Statement for total cash outflow for leases.

vi. Maturity of lease liabilities

Future minimum lease payments for year ended 31 December 2025 were as follows:

(₹ in million)

	Lease payments	Interest expense	Net Present value*
Not later than 1 year	1,294.42	452.07	842.68
Later than 1 year not later than 5 years	3,620.60	1,188.50	2,431.75
Later than 5 years	3,091.20	1,524.99	1,566.21
Total	**8,006.22**	**3,165.56**	**4,840.64**

Future minimum lease payments for year ended 31 December 2024 were as follows:

(₹ in million)

	Lease payments	Interest expense	Net Present value*
Not later than 1 year	1,478.96	429.93	1,049.03
Later than 1 year not later than 5 years	3,367.35	1,123.85	2,243.50
Later than 5 years	2,984.76	1,657.40	1,327.36
Total	**7,831.07**	**3,211.18**	**4,619.89**

48. 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 2025	As at 31 December 2024
Non-current assets*		
- Within India	113,576.39	106,527.75
- Outside India	59,738.30	44,274.15

* excluding Investment in associates & joint venture, non current financial assets and deferred tax assets(net).

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Revenue from operations		
- Within India	144,492.47	141,755.87
- Outside India	77,763.37	63,057.41

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

49. 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 and its one Indian subsidiary is given below:

(₹ in million)

Particulars	31 December 2025	31 December 2024
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	1,445.77	1,237.70
Interest due	27.32	6.56
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*	2,715.10	949.98
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.	73.14	14.82
The amount of interest accrued and remaining unpaid at the end of each accounting year	149.05	48.59
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	149.05	48.59

*includes principal amounting to ₹ 2,715.10 million (31 December 2024: ₹ 949.98 million).

The above amounts includes ₹ 173.85 million (31 December 2024 ₹ 591.94 million) due to micro and small enterprises included within other financial liabilities.

50. Investments/Acquisitions of Subsidiary

Investment/Acquisition of Subsidiaries during the current year

i On 19 November 2025, the Holding Company has incorporated a newly wholly owned subsidiary in Kenya i.e. VBL Industries (Kenya) Limited in Kenya, by subscription of its 100% share capital for a consideration of ₹ 8.83 million to carry on the business of manufacturing, distribution and selling of Beverages.

ii During the year ended 31 December 2025, Varun Beverages Lanka (Private) Limited has bought back 10% of its own equity share.

iii During the year ended 31 December 2025, the Holding Company has converted loan of ₹ 2,219.21 million into 1,005,000 ordinary shares of its subsidiary company i.e. The Beverage Company Proprietary Limited, South Africa (Bevco). Post conversion, the Holding Company is holding 97.92% of the effective share capital of Bevco.

iv During the year ended 31 December 2025, the Holding Company has converted loan of ₹ 764.92 million into 20,789,000 ordinary shares of its subsidiary company i.e. Varun Beverages (Zambia) Limited (VBL Zambia). Post conversion, the Holding Company is holding 95% of the effective share capital of VBL Zambia.

v During the year ended 31 December 2025, the Holding Company has converted loan of ₹ 6,457.82 million into 7,500,000 ordinary shares of its subsidiary company i.e. Varun Beverages RDC SAS.

vi During the year ended 31 December 2025, the Holding Company has converted loan of ₹ 2,216.90 million into 1,749 ordinary shares of its subsidiary company i.e. Varun Beverages International DMCC.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

vii On 21 December 2025, the subsidiary company in South Africa i.e. The Beverages Company Proprietary Limited ("Bevco") has entered into a binding agreement to acquire 100% stake in the business conducted by Twizza Proprietary Limited ("Twizza") (a company incorporated under the laws of South Africa), subject to regulatory and other approvals (if any) including but not limited to Competition Commissions of South Africa, Botswana and Eswatini for a proposed purchase consideration amounting to ZAR 2,095.00 million. The indicative time period for completion of the acquisition is on or before 30 June 2026. Twizza is engaged in the business of manufacturing and distribution of own branded non-alcoholic Beverages in South Africa. Twizza's three manufacturing facilities are located at Cape Town, Queenstown and Middelburg. Twizza also has backward integration facilities at all plants with total of 5 preform and 1 closure line.

Investment in Subsidiary during the previous year

viii **Business Combination- Bevco**

(a) Summary of acquisition

During the previous year, Pursuant to Share Purchase Agreement ("SPA") and Shareholders Agreement ("SHA") executed by Varun Beverages Limited ("VBL" or "the Company") with the existing Promoters and Shareholders of The Beverage Company Proprietary Limited along with its wholly owned subsidiaries (hereinafter referred as "Bevco"), the Group had acquired 95% equity shareholding of Bevco amounting to ₹ 4,037.26 million from its shareholders upon fulfilment of terms and conditions as per SPA and SHA and the said transaction had been completed on 26 March 2024. The remaining stake of 5% is held by ESOT (Trust). Consequent to the above transaction, Bevco had become a subsidiary of VBL w.e.f. 26 March 2024. Bevco is engaged in the business of manufacturing and distribution of licensed (PepsiCo Inc.) and own-branded non-alcoholic beverages in South Africa. Bevco has franchise bottling rights from PepsiCo Inc. for South Africa, Lesotho and Eswatini and distribution rights for Namibia, Botswana, Mozambique and Madagascar.

(b) Accounting treatment

Said transaction has been accounted for using the acquisition method prescribed under Ind AS 103 – 'Business Combinations', and accordingly, the identifiable assets (both tangible and intangible) acquired and liabilities assumed are recorded on acquisition date at their fair values as determined by an independent valuer. Excess of purchase consideration over the fair value of identified assets acquired, liabilities assumed and non-controlling interest in the acquiree has been recognised as Goodwill.

(c) The fair values of identifiable assets acquired and liabilities assumed on acquisition are as follows:

(₹ in million)

Particulars		Amount
A. Non-current assets		
Property, plant and equipment	2,376.20	
Capital work-in-progress	466.37	
Right of use assets	1,567.24	
Other Intangible assets	5,719.68	
Other non-current assets	65.40	10,194.89
B. Non-current liabilities		
Financial liabilities	3,263.57	
Provisions	16.83	
Deferred tax liabilities	314.33	3,594.73
C. Net working capital		**4,680.56**
D. Deferred tax liability on fair valuation and newly identified assets		**359.23**
Total liabilities (E=B+C+D)		**8,634.52**
Total net assets (F=A-E)		**1,560.37**
Goodwill (G)		2,689.38
Total Equity Value H=(F+G)		**4,249.75**
Non-controlling stake on acquisition date (I)		212.49
Purchase consideration (H-I)		**4,037.26**

The excess of the purchase price over the fair value of the acquired net assets was recorded as goodwill in the consolidated financial statements.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

(d) Revenue and loss contribution

ix. From the date of acquisition, acquired business contributed revenue from operations and loss after tax of ₹ 15,763.29 million and ₹ 250.46 million respectively to the Group. If the acquisition had occured on 01 January 2024, revenue from operations for the Group would have been ₹ 209,536.36 million and since the details on loss after tax is not readily available, such information has not been disclosed.

There are no transaction costs incurred in relation to this aquisition.

The goodwill is attributable to the operational synergies and expansion on market share.

Further, through the acquisition the Group intends to expand in other geographical areas with franchise bottling rights from PepsiCo Inc. for South Africa, Lesotho and Eswatini and distribution rights for Namibia, Botswana, Mozambique and Madagascar which is part of its expansion strategy.

x. The Holding Company on 16 December 2024, has acquired 39.93% shareholding in Lunarmech Technologies Private Limited (LTPL) for a purchase consideration of 2,000 million Post acquisition, LTPL has become wholly-owned subsidiary of the Holding Company w.e.f 16 December 2024.

xi. During the year ended 31 December 2024, the Holding Company on 22 May 2024 has incorporated a wholly owned subsidiary Varun Foods Zimbabwe (Private) Limited for a consideration of ₹ 0.84 million. Further, on 15 July 2024 Varun Foods Zimbabwe (Private) Limited and Varun Beverages (Zambia) Limited, subsidiaries of the Holding Company, had entered into exclusive agreements with Premier Nutrition Trading LLC, Dubai (subsidiary of PepsiCo Inc.) to manufacture, distribute and selling of snacks "Simba Munchiez" in the territory of Zimbabwe and Zambia. During the year ended 31 December 2025, the Company has dissolved Varun Foods Zimbabwe (Private) Limited on 25 Novemebr 2025.

xii. On 13 November 2024, the Company entered into a binding agreement to acquire 100% stake in the business conducted by SBC Beverages Tanzania Limited, Tanzania (SBCT) and SBC Beverages Ghana Limited, Ghana (SBCG), subject to completion of conditions precedent. Due to non-fulfilment of certain conditions precedent before the long stop date, the agreements stand terminated as per clause 4.6 of the above said agreements.

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

52. 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 ESOS 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 41,737,880 equity shares ("Ceiling Limit"). The scheme was formulated with the objective to enable the Holding Company to grant Options for equity shares of the Holding 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 2025

Scheme	Grant Date	Number of Options Granted	Exercise Price	Vesting Conditions	Vesting Period	Contractual period
ESOS 2016	10-Feb-25	20,000	604.00	Graded vesting over 4 years	10 Feb 2025 to 01 Jan 2029	0-8.92 Years
ESOS 2016	30-Apr-25	3,000	535.00	Graded vesting over 4years	30 April 2025 to 01 Jan 2029	0-8.67 Years
ESOS 2016	07-Jul-25	98,000	504.00	Graded vesting over 4 years	07 July 2025 to 01 Jan 2029	0-8.50 Years

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

31 December 2024

Scheme	Grant Date	Number of Options Granted	Exercise Price	Vesting Conditions	Vesting Period	Contractual period
ESOS 2016	05-Feb-24	7,500	453.60	Graded vesting over 4 years	05 Feb 2025 to 01 Jan 2028	0-8.92 Years
ESOS 2016	13-May-24	30,000	563.20	Graded vesting over 4 years	13 May 2024 to 01 Jan 2028	0-8.67 Years
ESOS 2016	16-Sep-24	6,250	626.00	Graded vesting over 4 years	16 Sep 2024 to 01 Jan 2028	0-8.25 Years
ESOS 2016	27-Sep-24	20,000	626.00	Graded vesting over 4 years	27 Sep 2024 to 01 Jan 2028	0-8.25 Years

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 2025

Particulars	Options granted on 10 February 2025	Options granted on 30 April 2025	Options granted on 07 July 2025
Fair value per Option at grant date (in ₹)	210.71	209.55	143.19
Share price at grant date (in ₹)	554.00	522.35	456.15
Exercise price (in ₹)	604.00	535.00	504.00
Expected volatility	37.30%	36.14%	35.68%
Expected life (in years)	3.50-7.89	3.5-7.68	3.5-5.99
Expected dividends	0.28%	0.34%	0.49%
Risk-free interest rate	6.74%	6.36%	6.33%

31 December 2024

Particulars	Options granted on 05 February 2024	Options granted on 13 May 2024	Options granted on 16 September 2024	Options granted on 27 September 2024
Fair value per Option at grant date (in ₹)	187.97	183.34	165.54	165.54
Share price at grant date (in ₹)	514.30	585.32	626.85	626.85
Exercise price (in ₹)	453.60	563.20	626.00	626.00
Expected volatility	34.20%-37.95%	31.26%-36.48%	30.39%-35.07%	30.39%-35.07%
Expected life (in years)	1.57-4.47	1.57-4.20	1.57-3.83	1.57-3.83
Expected dividends	0.27%	0.17%	0.40%	0.40%
Risk-free interest rate	6.67%-6.75%	6.72%-6.76%	6.33%-6.37%	6.33%-6.37%

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.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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

(₹ in million, unless otherwise stated)

Particulars	31 December 2025	31 December 2024
Employee stock option expense*	37.64	162.43

*included in employee benefits expense (Refer note 33)

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 2025		As at 31 December 2024	
	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	2,407,570	170.84	3,083,035	159.82
Add: Options granted during the year	121,000	521.30	63,750	576.16
Less: Options exercised during the year	478,752	170.84	729,215	159.82
Less: Options forfeited/lapsed during the year	-	-	10,000	159.82
Options outstanding as at the end of the year	2,049,818	191.53	2,407,570	170.84
Options exercisable at the end of the year	937,281	170.84	563,877	159.82

	As at 31 December 2025	As at 31 December 2024
Weighted average remaining life of options outstanding at the end of year (in years)	4.46	5.26

Also refer note 19(g) 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.

53. 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/Holding Company on a continuous basis. The Group's risk management is coordinated at head office, in close cooperation with the management of respective entity/Holding 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.

53.1 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 material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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"), Pound Sterling ("GBP"), Zuid-Afrikaanse Rand ("ZAR"), Australian Dollars ("AUD"),Zimbabwe Gold ("ZWG") and Zimbabwe Dollar ("ZWL").

The Group has limited exposure to foreign currency risk and thereby it mainly relies on natural hedge. To further mitigate the Company's exposure to foreign currency risk, non-INR cash flows are continuously monitored.

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	ZWG	ZAR	AUD
31 December 2025							
Financial assets							
(i) Trade receivables	1.47	-	-	33.81	-	0.00*	-
(ii) Others	8.36	-	-	0.03	-	-	-
(iii) Cash and cash equivalents	4.93	-	0.02	85.96	-	1.69	-
(iv) Other bank balances	0.24	-	-	-	-	-	-
Total financial assets	**15.00**	**-**	**0.02**	**119.80**	**-**	**1.69**	**-**
Financial liabilities							
(i) Borrowings	28.62	-	-	-	-	-	-
(ii) Trade payables	18.85	0.01	3.19	12.92	-	16.95	0.00*
(iii) Other financial liabilities	4.44	-	2.05	-	-	-	-
Total financial liabilities	**51.91**	**0.01**	**5.24**	**12.92**	**-**	**16.95**	**0.00***
31 December 2024							
Financial assets							
(i) Trade receivables	6.17	-	-	-	29.78	0.00	-
(ii) Others	4.18	-	0.41	-	0.00	0.01	-
(iii) Cash and cash equivalents	2.74	-	0.05	-	58.16	4.09	-
(iv) Other bank balances	0.57	-	-	-	-	-	-
Total financial assets	**13.66**	**-**	**0.46**	**-**	**87.94**	**4.10**	**-**
Financial liabilities							
(i) Borrowings	42.28	-	1.12	-	-	-	-
(ii) Trade payables	21.59	0.00*	0.89	-	10.28	0.42	0.00*
(iii) Other financial liabilities	11.75	0.01	3.32	-	-	-	-
Total financial liabilities	**75.62**	**0.01**	**5.33**	**-**	**10.28**	**0.42**	**0.00***

*Rounded off to Nil.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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 2025 (31 December 2024: +/-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 2024: 1%), GBP by 1% (31 December 2024: 1%), ZWL by 1% (31 December 2024: 1%) EUR by 1% (31 December 2024: 1%), AUD by 1% (31 December 2024: 1%), ZWG by 1% (31 December 2024: 1%) and ZAR by 1% (31 December 2024: 1%), the following would have been the impact:

(₹ in million)

Particulars	Profit/(Loss) for the year		Equity	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
USD	33.24	52.62	33.24	52.62
GBP	0.01	0.01	0.01	0.01
EUR	5.52	4.74	5.52	4.74
ZWL	(0.26)	-	(0.26)	-
ZAR	0.83	(0.17)	0.83	(0.17)
AUD	0.00*	0.00*	0.00*	0.00*
ZWG	-	(2.58)	-	(2.58)

*Rounded off to Nil.

If the INR had weakened against the USD by 1% (31 December 2024: 1%), GBP by 1% (31 December 2024: 1%), ZWL by 1% (31 December 2024: 1%) EUR by 1% (31 December 2024: 1%), AUD by 1% (31 December 2024: 1%),ZWG by 1% (31 December 2024: 1%) and ZAR by 1% (31 December 2024: 1%), the following would have been the impact:

(₹ in million)

Particulars	Profit/(Loss) for the year		Equity	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
USD	(33.24)	(52.62)	(33.24)	(52.62)
GBP	(0.01)	(0.01)	(0.01)	(0.01)
EUR	(5.52)	(4.74)	(5.52)	(4.74)
ZWL	0.26	-	0.26	-
ZAR	(0.83)	0.17	(0.83)	0.17
AUD	(0.00)	0.00*	0.00*	0.00*
ZWG	-	2.58	-	2.58

Amounts below the rounding off norms adopted by the Group are presented as "0.00".

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.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (31 December 2024: +/- 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.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

(₹ in million)

Particulars	Profit/(Loss) for the year		Equity	
	+1%	-1%	+1%	-1%
31 December 2025	(37.89)	37.89	(37.89)	37.89
31 December 2024	(70.11)	70.11	(70.11)	70.11

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 2025					
Sugar	+/-1%	-210.50	210.50	(210.50)	210.50
Pet chips	+/-1%	-224.32	224.32	(224.32)	224.32
31 December 2024					
Sugar	+/-1%	(195.15)	195.15	(195.15)	195.15
Pet chips	+/-1%	(192.37)	192.37	(192.37)	192.37

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.

53.2 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 2025	As at 31 December 2024
Classes of financial assets-carrying amounts:		
Investments (non-current)	110.16	60.55
Loans (non-current)	261.01	218.87
Others non-current financial assets	1,128.25	987.26
Trade receivables	12,490.31	8,458.42
Cash and cash equivalents	17,841.77	22,662.83
Bank balances (other than those classified as cash and cash equivalents above)	2,143.14	1,837.71
Others current financial assets	11,721.11	8,356.16
	45,695.75	**42,581.80**

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

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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. Further, the Group has assessed the recoverability of grants receivable classified under other current financial assets and accordingly provided for balance overdue for more than three years, amounting to ₹ 473.46 million (31 December 2024: ₹ 236.45 million).

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

(₹ in million)

Particulars	As at 31 December 2025	As at 31 December 2024
Balance as at beginning of the year	1,077.51	586.23
Acquired on business combination	-	500.52
Loss allowance measured at lifetime expected credit loss	70.85	84.85
Reversal of allowance during the year	-	(36.89)
Foreign currency translation difference	(31.37)	(57.20)
Balance at the end of the year	**1,116.99**	**1,077.51**

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.

53.3 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 2025 and 31 December 2024, the Group's non-derivative financial liabilities have contractual undiscounted maturities as summarised below:

(₹ in million)

31 December 2025	Carrying value	1 to 12 months	1 to 5 years	Later than 5 years	Total contractual cash flow
Borrowings (current and non-current)	20,241.19	14,836.70	5,367.15	167.09	20,370.93
Lease liabilities (current and non-current)	4,840.64	1,294.42	3,620.60	3,091.20	8,006.22
Trade payables	14,013.04	14,013.04	-	-	14,013.04
Other financial liabilities (current)	5,953.85	5,953.85	-	-	5,953.85
Total	**45,048.72**	**36,098.01**	**8,987.75**	**3,258.29**	**48,344.04**

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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

(₹ in million)

31 December 2024	Carrying value	1 to 12 months	1 to 5 years	Later than 5 years	Total contractual cash flow
Borrowings (current and non-current)	23,642.65	15,247.96	8,250.35	275.29	23,773.60
Lease liabilities (current and non-current)	4,619.89	1,478.96	3,367.35	2,984.76	7,831.07
Trade payables	15,604.27	15,604.27	-	-	15,604.27
Other financial liabilities (current)	7,043.41	7,043.41	-	-	7,043.41
Total	**50,910.22**	**39,374.60**	**11,617.70**	**3,260.05**	**54,252.35**

54. Fair value measurements

Financial instruments by categories

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

(₹ in million)

Particulars	Notes	31 December 2025		31 December 2024	
		FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets					
(i) Non-current financial assets					
(a) Investment	7	110.16	-	60.55	-
(b) Loans	8	-	261.01	-	218.87
(c) Others financial assets	9	-	1,128.25	-	987.26
(ii) Current financial assets					
(a) Trade receivables	13	-	12,490.31	-	8,458.42
(b) Cash and cash equivalents	14	15,101.22	2,740.55	1,319.21	21,343.62
(c) Bank balances other than above	15	-	2,143.14	-	1,837.71
(d) Others financial assets	16	-	11,721.11	-	8,356.16
Total		**15,211.38**	**30,484.37**	**1,379.76**	**41,202.04**
Financial liabilities					
(i) Non-current borrowings	21A	-	5,404.49	-	8,406.89
(ii) Non-current lease liabilities	21B	-	3,997.96	-	3,570.86
(iii) Current financial liabilities					
(a) Borrowings	21C	-	14,836.70	-	15,235.76
(b) Lease liabilities	21D	-	842.68	-	1,049.03
(c) Trade payables	24	-	14,013.04	-	15,604.27
(d) Others financial liabilities	25	-	5,953.85	-	7,043.41
Total		**-**	**45,048.72**	**-**	**50,910.22**

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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.

Fair value hierarchy

The financial assets measured at fair value are grouped into the fair value hierarchy as on 31 December 2025 and 31 December 2024 as follows: (also refer note 3(a))

(₹ in million)

31 December 2025	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 2025	**110.16**	-	-	110.16
Cash and cash equivalents	31 December 2025	**15,101.22**	15,101.22	-	-

There have been no transfers of financial assets and financial liabilities between the levels during the year 2025

(₹ in million)

31 December 2024	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 2024	**60.55**	-	-	60.55
Cash and cash equivalents	31 December 2024	**1,319.21**	1,319.21	-	-

55. 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.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

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 and lease liabilities, less cash and cash equivalents, excluding discontinued operations, if any.

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

(₹ in million)

Particulars		As at 31 December 2025	As at 31 December 2024
Non-current borrowings (Refer note 21A)		5,404.49	8,406.89
Current borrowings (Refer note 21C)		14,836.70	15,235.76
Lease liabilities (Refer note 21B)		3,997.96	3,570.86
Current lease liabilities (Refer note 21D)		842.68	1,049.03
		25,081.83	**28,262.54**
Less: Cash and cash equivalents (Refer note 14)		(17,841.77)	(22,662.83)
Net debt	**(A)**	**7,240.06**	**5,599.71**
Equity share capital (Refer note 19)		6,763.98	6,763.02
Other equity (Refer note 20)		189,023.06	159,335.27
Total capital	**(B)**	**195,787.04**	**166,098.29**
Capital and net debt	**(C=A+B)**	**203,027.10**	**171,698.00**
Gearing ratio	**(A/C)**	**3.57%**	**3.26%**

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 2025 and 31 December 2024.

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.

56. Assets pledged as security

The carrying amount of assets pledged as security are:

(₹ in million)

Particulars	As at 31 December 2025	As at 31 December 2024
Inventories and trade receivable	40,573.67	33,011.21
Other bank deposits	2,150.65	1,220.72
Other current financial assets	13,851.82	10,685.23
Other current assets	3,674.17	3,987.89

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

(₹ in million)

Particulars	As at 31 December 2025	As at 31 December 2024
Other non current assets	133.58	0.09
Other intangible assets	0.28	6,420.00
Property, plant and equipment (including capital work-in-progress) Refer note 4A	131,285.08	106,922.29
Right of use assets (Refer note 4C)	8,920.23	7,116.13
Cash and cash equivalent	1,003.78	117.32

57. Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies covered under the Act, which uses accounting software for maintaining its books of accounts, shall only use such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Group used certain software for maintenance of its books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year except in case of the Holding Company which uses two accounting software's, out of which one accounting software used for payroll processing which was operated by a third party software service provider till 31 March 2025, for maintaining its books of account.

During the year the audit trail has been preserved by the Holding Company, subsidiary company, associates and joint venture companies as per the statutory requirements for record retention, except for instances mentioned below:

1. One accounting software used for maintenance of books of accounts of the Holding Company and accounting software used for maintenance of books of accounts by subsidiary company, one associate company and joint venture companies did not have a feature of recording audit trail (edit log) facility enabled at the database level to log any direct data changes;

2. Reporting on compliance with audit trail requirements for accounting software used by one associate company for the period 01 April 2025 to 31 December 2025 is not available on account of different accounting year adopted by the Company.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

58. 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 2025								
A. Parent Company								
Varun Beverages Limited	95.04%	187,647.96	87.44%	26,766.40	4.66%	202.31	77.00%	26,968.71
B. Subsidiaries								
Indian								
Lunarmech Technologies Private Limited	1.20%	2,360.45	1.04%	318.65	0.01%	0.59	1.00%	319.24
Foreign								
Varun Beverages (Nepal) Private Limited	1.22%	2,414.30	3.77%	1,155.41	0.00%	-	3.00%	1,155.41
Varun Beverages Lanka (Private) Limited (Consolidated)	1.44%	2,844.14	2.63%	806.31	(0.10%)	(4.33)	2.00%	801.98
Varun Beverages Morocco SA	2.23%	4,400.01	2.91%	890.99	0.00%	-	3.00%	890.99
Varun Beverages (Zambia) Limited (Consolidated)	0.90%	1,776.07	2.18%	667.83	0.31%	13.57	2.00%	681.40
Varun Beverages (Zimbabwe) (Private) Limited	3.67%	7,236.59	2.98%	913.14	(1.03%)	(44.84)	2.00%	868.30
Varun Beverages RDC SAS	4.67%	9,212.39	3.05%	933.21	0.00%	-	3.00%	933.21
Varun Beverages International DMCC	1.44%	2,843.02	(1.07%)	(327.39)	0.00%	-	(1.00%)	(327.39)
Varun Beverages South Africa (PTY) Limited	0.00%	0.04	0.00%	-	0.00%	-	0.00%	-
VBL Mozambique, SA	(0.01%)	(26.87)	(0.04%)	(10.92)	0.00%	-	0.00%	(10.92)
The Beverages Company Proprietary Limited	3.42%	6,743.70	1.97%	602.46	(0.75%)	(32.65)	2.00%	569.81
VBL Industries (Kenya) Limited	0.00%	8.64	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Non-controlling interests in subsidiaries	0.82%	1,622.51	0.83%	255.53	1.47%	63.92	1.00%	319.45
C. Associate (Investment as per equity method)								
Indian								
Clean Max Tav Private Limited^		-	(0.01%)	(2.34)		-	0.00%	(2.34)
Huoban Energy 7 Private Limited ^		-	(0.02%)	(5.93)		-	0.00%	(5.93)
D. Joint venture (Investment as per equity method)								
Indian								
IDVB Recycling Operations Private Limited^		-	(0.05%)	(13.90)		-	0.00%	(13.90)
White Peak Refrigeration Private Limited ^			(0.01%)	(2.06)			0.00%	(2.06)
Foreign								
Everest Industrial Lanka (Private) Limited ^			0.15%	44.78			0.00%	44.78
	116.04%	**229,082.95**	**107.75%**	**32,947.38**	**4.57%**	**198.57**	**95.00%**	**33,190.73**
Inter group eliminations/adjustments	(16.04%)	(31,673.40)	(7.60%)	(2,326.96)	95.43%	4,141.21	5.00%	1,814.25
Total	**100.00%**	**197,409.55**	**100.15%**	**30,620.42**	**100.00%**	**4,339.78**	**100.00%**	**34,960.20**

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

(₹ 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 2024								
A. Parent Company								
Varun Beverages Limited	98.92%	165,587.05	88.08%	23,203.64	36.05%	208.07	86.97%	23,411.71
B. Subsidiaries								
Indian								
Lunarmech Technologies Private Limited	1.22%	2,041.21	0.63%	164.76	(0.03%)	(0.18)	0.61%	164.58
Foreign								
Varun Beverages (Nepal) Private Limited	1.61%	2,694.24	5.11%	1,344.96	0.00%	-	5.00%	1,344.96
Varun Beverages Lanka (Private) Limited (Consolidated)	1.56%	2,616.76	2.64%	694.53	2.26%	13.03	2.63%	707.56
Varun Beverages Morocco SA	1.93%	3,226.90	1.30%	342.56	0.00%	-	1.27%	342.56
Varun Beverages (Zambia) Limited (Consolidated)	0.15%	252.87	(0.68%)	(179.19)	0.94%	5.43	(0.65%)	(173.76)
Varun Beverages (Zimbabwe) (Private) Limited	3.62%	6,067.35	6.94%	1,827.77	(3.39%)	(19.55)	6.72%	1,808.22
Varun Beverages RDC SAS	(0.03%)	(50.51)	0.23%	61.66	0.00%	-	0.23%	61.66
Varun Beverages International DMCC	0.54%	911.44	1.06%	280.27	0.00%	-	1.04%	280.27
Varun Beverages South Africa (PTY) Limited	0.00%	0.03	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
VBL Mozambique, SA	(0.01%)	(14.86)	(0.06%)	(15.82)	0.00%	-	(0.06%)	(15.82)
The Beverages Company Proprietary Limited	(0.41%)	(682.31)	(0.89%)	(233.84)	(0.87%)	(5.00)	(0.89%)	(238.84)
Varun Foods Zimbabwe (Private) Limited	0.00%	0.86	0.00%	-	0.00%	-	0.00%	-
Non-controlling interests in subsidiaries	0.78%	1,298.07	1.51%	396.52	3.29%	18.97	1.54%	415.49
C. Associate (Investment as per equity method)								
Indian								
Clean Max Tav Private Limited^	0.00%	-	0.00%	(1.29)	0.00%	-	0.00%	(1.29)
Huoban Energy 7 Private Limited ^	0.00%	-	0.00%	(0.99)	0.00%	-	0.00%	(0.99)
D. Joint venture (Investment as per equity method)								
Indian								
IDVB Recycling Operations Private Limited^	0.00%	-	(0.05%)	(12.50)	0.00%	-	(0.05%)	(12.50)
	109.88%	**183,949.10**	**105.82%**	**27,873.04**	**38.25%**	**220.77**	**104.36%**	**28,093.81**
Inter group eliminations/adjustments	(9.88%)	(16,552.74)	(5.82%)	(1,530.19)	61.75%	356.42	(4.36%)	(1,173.77)
Total	**100.00%**	**167,396.36**	**100.00%**	**26,342.85**	**100.00%**	**577.19**	**100.00%**	**26,920.04**

^ Refer note 6..

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

59. Summarised financial information for Associate and Joint Venture:

The Holding Company has subscribed 50% ownership interest in IDVB Recycling Operations Private Limited ("IDVB"), Everest Industrial Lanka (Private) Limited ("Everest") and White Peak Refrigeration Private Limited ("White Peak"), 26% ownership interest in Clean Max Tav Private Limited ("Clean Max") and 26.34% ownership interest in Huoban Energy 7 Private Limited ("Huoban"). The Holding Company's interest in above mentioned Associates and Joint Ventures are accounted at cost using the equity method in these financial statements. Summarised financial information of is set out below:

A. Principal place of business: India and Sri Lanka

B. Summarised balance sheet as on 31 December 2025:

(₹ in million)

Particulars	IDVB	Everest	White Peak	Huoban	Clean Max
Non-current assets	3,952.76	44.66	35.95	297.04	368.32
Current assets	1,050.87	493.19	53.6	36.81	63.22
Non-current liabilities	(2,234.33)	(5.19)	0	(283.45)	(303.16)
Current liabilities	(328.76)	(346.67)	(4.12)	(26.92)	(16.98)
Net assets	**2,440.54**	**185.99**	**85.43**	**23.48**	**111.40**
Group share of net assets	50.00%	50.00%	50.00%	26.34%	26.00%
Group's carrying amount of investment	**1,220.27**	**93.00**	**42.72**	**6.18**	**28.96**

C. Summarised statement of profit and loss

(₹ in million)

Particulars	IDVB	Everest	White Peak	Huoban	Clean Max
Revenue		127.37	-	36.98	54.35
Other income	4.36	0.01	-	1.21	1.41
Total income	**4.36**	**127.38**	**-**	**38.19**	**55.76**
Cost of material consumed	(95.70)	160.13	-		-
Employee benefit expenses	55.42		-		-
Finance costs	1.31	0.84	-	37.84	30.46
Depreciation and amortisation expense	5.03	5.03	-	12.54	17.49
Other expenses	66.10	32.10	4.13	8.20	9.76
Total expense	**32.16**	**198.10**	**4.13**	**58.58**	**57.71**
Loss before tax	**(27.80)**	**(70.72)**	**(4.13)**	**(20.39)**	**(1.95)**
Tax expense	-			2.10	7.07
Loss after tax	**(27.80)**	**(70.72)**	**(4.13)**	**(22.49)**	**(9.02)**
Other comprehensive income	-	(1.36)	-		
Total comprehensive income	**(27.80)**	**(72.08)**	**(4.13)**	**(22.49)**	**(9.02)**
Group's share in %	50.00%	50.00%	50.00%	26.34%	26.00%
Group's share in total comprehensive loss	**(13.90)**	**(36.04)**	**(2.06)**	**(5.93)**	**(2.34)**
Loss recognised in the Consolidated Statement of Profit and Loss	**(13.90)**	**(36.04)**	**(2.06)**	**(5.93)**	**(2.34)**

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

60. Disclosure relating to provision:

(₹ in million)

Particulars	31 December 2025	31 December 2024
Opening balance	294.12	503.72
Addition	-	41.16
Utilisation	(294.12)	(250.76)
Closing balance	**-**	**294.12**

The Holding Company has made GST provision during the year 31 December 2023 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. During the previous year, the Holding Company has accrued interest on above GST provision and also reversed provisions that has now become time-barred. Further, during the year ended 31 December 2025, the Holding Company obtained an independent expert opinion regarding the likelihood of the outflow of the provision previously recognised for the aforementioned matter. Based on this opinion, which indicates that an outflow is no longer probable, the Holding Company reversed the provision previously recognised in the books of account. The matter has accordingly been disclosed as a contingent liability.

Notes:

i. As at 31 December 2024, the above provision represents 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 depends on the final outcome of the dispute. Hence, the Holding Company was not able to reasonably ascertain the timing of the outflow.

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

61. Additional regulatory information not disclosed elsewhere in the financial information during current and previous year

a) The Holding Company and its Indian subsidiary does not have any Benami property and no proceedings have been initiated or pending against the Holding Company and its Indian subsidiary 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 2025	Relationship with the struck off company	Balance outstanding as at 31 December 2024	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	-	No relationship	-	No relationship
Thermadyne Private Limited	Purchases	-	No relationship	(0.38)	No relationship
RBC Bearings 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.

d) The Group has not traded or invested in Crypto currency or Virtual Currency.

Summary of material accounting policies and other explanatory information on the Consolidated Financial Statements for the year ended 31 December 2025

e) The Group, its associates and joint ventures 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, its associates and joint ventures 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 Group from banks have been applied for the purposes for which such loans were taken.

k) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both.

l) The Holding Company and its Indian subsidiary 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.

62. Subsequent events occurred after the balance sheet date:

The Board of Directors in their meeting held on 03 February 2026 have approved a payment of final dividend of ₹ 0.50 (Rupee fifty paisa only) per equity share of the face value of ₹ 2 each, subject to the approval of equity shareholders in ensuing annual general meeting of the Holding Company.

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

Pankaj Madan
Chief Financial Officer

Raj Pal Gandhi
Whole Time Director
DIN 00003649

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

Place : Gurugram
Dated : 03 February 2026

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	10	11	12
		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^	VBL Mozambique, SA	VBL Industries (Kenya) Limited#	The Beverage Company Proprietary 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**	**21 November 2023**	**19 November 2025**	**26 March 2024**
	Financial year ended	**15 July 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 March 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**
	Reporting period for consolidation	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**	**31 December 2025**
	Reporting Currency	**NPR**	**LKR**	**MAD**	**ZMW**	**USD**	**INR**	**CDF**	**AED**	**ZAR**	**MZN**	**KSH**	**ZAR**
	Exchange rate on the last day of financial year	**0.62441**	**0.28846**	**9.70945**	**4.04312**	**89.91980**	**1.00000**	**0.04122**	**24.46440**	**5.41734**	**1.39413**	**0.69132**	**5.41734**
	Average exchange rate during the financial year	**0.62441**	**0.28818**	**9.25044**	**3.48268**	**87.16611**	**1.00000**	**0.03230**	**23.71940**	**4.87684**	**1.35165**	**0.66946**	**4.87684**
1	Share Capital	907.31	2,623.87	6,215.07	1,608.63	0.07	9.95	6,458.57	62.91	0.05	1.34	8.83	10,087.65
2	Reserves and surplus	1,506.99	220.27	(1,815.07)	260.83	8,511.90	2,350.47	2,753.82	2,780.11	(0.01)	(28.20)	(0.01)	(3,090.20)
3	Total Assets	5,881.84	3,494.80	13,453.55	3,685.01	11,744.94	3,086.90	17,122.62	7,027.38	0.04	3.05	8.64	24,737.46
4	Total Liabilities	3,467.54	650.70	9,053.54	1,817.45	3,232.96	726.48	7,910.39	4,182.50	-	29.92	0.01	17,740.01
5	Investments	-	-	-	-	-	-	-	-	-	-	-	-
6	Turnover	7,346.35	4,185.06	14,258.76	5,140.63	16,082.58	2,091.35	4,147.49	7,214.18	-	6.52	-	25,836.30
7	Profit/(Loss) before tax	1,315.72	994.52	612.26	573.74	1,178.05	425.80	377.95	(291.83)	-	(10.92)	(0.01)	312.69
8	Provision for tax	160.32	185.88	35.58	-	194.11	107.17	-	63.08	-	-	-	111.31
9	Profit/(Loss) after tax	1,155.41	808.64	576.68	573.74	983.95	318.63	377.95	(354.91)	-	(10.92)	(0.01)	201.38
10	Proposed Dividend	1,437.22	347.55	-	-	-	-	-	-	-	-	-	-
11	% of shareholding	100.00%	100.00%	100.00%	95.00%	85.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	97.92%

* Consolidated figures

^Yet to commence operations as on reporting date.

#Incorporated on 19 November 2025 and yet to commence operations as on reporting date.

Varun Foods Zimbabwe (Private) Limited, wholly owned subsidiary, ceased to exist by way of strike off on 25 November 2025.

Part B: Associates and Joint ventures

(₹ in million, except as stated otherwise)

S. No.	Particulars	White Peak Refrigeration Private Limited*	Everest Industrial Lanka (Private) Limited	IDVB Recycling Operations Private Limited*	Clean Max Tav Private Limited	Huoban Energy 7 Private Limited
	Latest Audited Balance sheet date	31 December 2025	Unaudited	31 December 2025	31 December 2025	31 December 2025
	Date of acquisition	04 September 2025	27 May 2025	01 July 2022	23 November 2022	09 May 2023
	Reporting Currency	INR	USD	INR	INR	INR
1	Shares of Associates/ Joint ventures held by the Holding company at the year end: (Number)	4,478,000	281,098,247	110,000,000	21,030	1,247,943
	Amount of investment in Associates/joint ventures	44.78	363.63	1,100.00	32.85	21.24
	Total number of shares	8,956,000	562,196,494	220,000,000	80,881	4,738,129
	Extent of holding %	50.00%	50.00%	50.00%	26.00%	26.34%
	Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Associate	Associate
2	Networth attributable to shareholding as per latest Balance Sheet	85.43	185.98	2,440.54	111.40	23.48
3	Loss for the year:					
	Considered in consolidation	(2.07)	(36.04)	(13.90)	(2.35)	(5.93)
	Not considered in consolidation	(2.07)	(64.05)	(13.90)	(6.67)	(16.57)

*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

Pankaj Madan
Chief Financial Officer

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

Place: Gurugram
Dated: 03 February 2026

Independent Auditor's Report

To the Members of Varun Beverages Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Varun Beverages Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 December 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at 31 December 2025, and its profit (including other comprehensive income), its cash flows and the 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone 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 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, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 3.12 and 3.5 for accounting policies on Goodwill and Intangibles assets respectively. Further refer note 5A and 5B to the standalone financial statements. The Company carries Goodwill and franchise rights/ trademarks as intangible assets having indefinite life amounting to ₹ 19.40 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.	Our audit procedures included, but were not limited, 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; • 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;

Key audit matter	How our audit addressed the key audit matter
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.	• Tested the design and operating effectiveness of internal controls over such identification and impairment test procedures; • Assessed the appropriateness of the Company'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 Goodwill and assessed the professional competence, skills and objectivity for performing the required valuations; • Assessed the appropriateness of the significant assumptions as well as the Company'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 Company in the standalone financial statements, as required by the applicable provisions of the Act and Ind AS.
Claims, Appeals and Litigations – provisions and contingent liabilities (Refer note 40 to the standalone financial statements for the amounts of contingent liabilities) The Company 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 Company's accounting policies relating to provisions and contingent liabilities with the applicable accounting standards; • Assessed the Company'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 standalone 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 standalone 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 counsels' opinions received by the Company; • 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 Company'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 Company, where relevant, to validate management's conclusions; and • Assessed the appropriateness of the Company's description of the accounting policy, disclosures related to matters and whether these are adequately presented in the standalone financial statements.

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

6. The 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 standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance

with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, 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 accompanying standalone financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2025 from being appointed as a director in terms of section 164(2) of the Act;

    f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 December 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

    h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company, as detailed in note 40 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 December 2025;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 December 2025;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 December 2025;

        iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 57(e) to the standalone 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 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 Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 57(f) to the standalone financial statements, no funds have been received by the 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 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 as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year ended 31 December 2025 and until the date of this audit report is in compliance with section 123 of the Act.

The final dividend paid by the Company during the year ended 31 December 2025 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.

As stated in note 61 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 December 2025 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. Based on our examination which included test checks, the Company, in respect of financial year commencing on 01 January 2025, has used two accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. However, the audit trail feature was not enabled at database level for one accounting software to log any direct data changes, as described in note 60 to the standalone financial statements.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of these accounting software and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

Akhil Bhalla
Partner
Membership No: 505002
UDIN: 26505002FPNXFO5150

Place: Gurugram
Date: 03 February 2026

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: 26094155BLUDUH3304

Place: Gurugram
Date: 03 February 2026

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

Annexure I referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Varun Beverages Limited on the standalone financial statements for the year ended 31 December 2025

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment,capital work-in-progress, non-current assets held for sale and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets including intangible assets under development.

(b) The property, plant and equipment (other than refrigerators (Visi coolers) and containers lying with third parties) and right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. The Company has a regular programme of physical verification of refrigerators (Visi coolers) under which such assets are verified in a phased manner over a period of three years and no material discrepancies were noticed on such verification. According to the information and explanations given to us, the existence of containers lying with third parties is considered on the basis of the confirmations obtained from such third parties. In our opinion, the frequency of physical verification programme adopted by the Company is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is a lessee), disclosed in Note 4A and 4C to the standalone financial statements, are held in the name of the Company. For properties where the Company is a lessee, the lease arrangements have been duly executed in favour of the Company except in following case:

Description of property	Gross carrying value (₹ million)	Net carrying value (₹ million)	Whether title deed holder is a Promoter, director or relative of promoter/ director or employee	Date since the property is held	Reason
Land situated at Kolkata, West Bengal	1.50	1.39	No	01 October 2018	The Company has executed the lease agreement for Kolkata, West Bengal land, which is yet to be registered.

We have directly obtained the confirmation from the trust for title deeds of immovable properties, which are in the nature of land, having gross carrying value of ₹ 15,835.10 million as at 31 December 2025. The title deeds of such immovable properties have been mortgaged as security for loans or borrowings taken by the Company.

(d) The Company has adopted cost model for its Property, Plant and Equipment including right-of-use assets and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of

Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipt and dispatch inventory records.

(b) As disclosed in Note 19B to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 50 million by banks or financial institutions based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks or financial institutions and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit/review.

(iii) (a) The Company has not provided security or granted advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. The Company has provided guarantees and granted loans, to Subsidiaries during the year as per details given below:

Particulars	Guarantees (₹ million)	Loans (₹ million)
Aggregate amount provided/granted during the year	10,381.94	5,077.19
Balance outstanding as at balance sheet date	26,044.33	8,687.36

Further, the Company has made investment in 13 entities amounting to ₹ 17,018.02 million (year- end balance ₹ 37,704.60 million).

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided and terms and conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company. Further the Company has not provided any advances in the nature of loans or has not given any security.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has granted loan, installments of which had fallen due during the year and such loan was extended during the year. The details of the same has been given below:

Name of the party	Total loan amount granted during the year* (₹ million)	Aggregate amount of overdues of existing loans extended (₹ million)	Nature of extension (i.e., renewed/ extended/fresh loan provided)	Percentage of the aggregate to the total loans granted during the year
Varun Beverages Zimbabwe (Private) Limited	547.13	547.13	Extended	100%

*Loans extended have been considered as "loans granted during the year" for the purpose of reporting under this clause.

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of security provided by it.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)(a) In our opinion, company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect thereof which were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Gross Amount (₹ million)	Amount deposited under Protest (₹ million)
Goods and Services Tax Act, 2017	GST	State Appellate Authority	FY 2019-20 and FY 2025-26	1.11	1.11
		State Tax Office-(Intelligence) Adjudication Cell	FY 2023-24	0.05	0.05
		Commissioner/ Additional Commissioner (Appeals)	FY 2022-23 to FY 2023-24 and FY 2025-26	2.08	2.08
		Assessing Authority	FY 2017-18 to FY 2024-25	419.55	36.62
		High Court - Allahabad	FY 2019-20 and FY 2024-25	1.22	1.22
		High Court - Odisha	FY 2019-20	0.18	0.18

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Gross Amount (₹ million)	Amount deposited under Protest (₹ million)
Central Excise Act, 1944	Central excise	Customs, Excise and Service Tax Appellate Tribunal, Chandigarh	FY 2014-15	13.69	0.68
		Assessing Authority	FY 2014-15 to FY2018-19	1.12	-
The Custom Act, 1962	Custom Duty	Customs, Excise and Service Tax Appellate Tribunal, Mumbai	FY 2016-17 to FY 2023-24	481.87	9.70
Value Added Tax Act, 2003	Value added tax	Deputy Commissioner (Appeal)	FY2009 -10, FY 2015-16 and FY 2016-17	0.04	-
		High Court - Rajasthan	FY2009 -10 to FY 2014-15	582.46	16.75
		State Tribunal - West Bengal	FY2012-13	0.25	0.12
Value Added Tax Act, 2005	Value added tax	Commissioner (Appeals)	FY 2012-13	0.14	0.14
		The Deputy Excise and Taxation Commissioner (Appeals) cum Joint Director (Investigation)	FY 2015-16 to FY 2016-17	0.73	0.14
		Assessing Authority	FY 2017-18	5.75	-
		High Court - Uttarakhand	FY 2015-16 to FY 2016-17	15.02	1.00
Value Added Tax Act, 2008	Value added tax	Assessing Authority	FY 2007-08 to FY 2010-11	14.27	0.10
		Additional Commissioner (Appeals)	FY 2001-02	1.52	0.11
		Tribunal bench-1 - Ghaziabad	FY 2011-12	4.48	4.48
Income-Tax Act, 1961	Income tax	Commissioner Income Tax (Appeals)	AY 2017-18 and AY 2018-19	2.64	-
		Income Tax Appellate Tribunal	AY 2016-17 to AY 2018-19 and AY 2020-21	39.31	0.20
		High Court - New Delhi	AY 2012-13	39.00	-

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Further, money raised towards the end of previous year by way of private placement (Qualified Institutional Placement) were fully applied for the purposes for which these were obtained.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has only one CIC as part of the Group.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the unspent amounts towards Corporate Social Responsibility ('CSR') pertaining to the ongoing projects as at the end of the current financial year is kept in a separate bank account with RJ foundation (i.e., trust established for carrying the CSR activities). Details are given below:

Financial year	Amount identified for Spending on CSR activities for "On going Projects" (₹ million)	Unspent amount not transferred to a special account (₹ million)*
(a)	(b)	(c)
2025	462.80	Nil

*The unspent amount towards CSR of ₹ 171.54 million related to ongoing projects is kept in a separate bank account with RJ foundation (i.e., trust established for carrying the CSR activities).

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Akhil Bhalla
Partner
Membership No: 505002
UDIN: 26505002FPNXFO5150

Place: Gurugram
Date: 03 February 2026

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: 26094155BLUDUH3304

Place: Gurugram
Date: 03 February 2026

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

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone 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 standalone financial statements of Varun Beverages Limited ('the Company') as at and for the year ended 31 December 2025, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone 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. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') 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 on Audit of Internal Financial Controls Over Financial Reporting ('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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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 the 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 Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 December 2025, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Akhil Bhalla
Partner
Membership No: 505002
UDIN: 26505002FPNXFO5150

Place: Gurugram
Date: 03 February 2026

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: 26094155BLUDUH3304

Place: Gurugram
Date: 03 February 2026

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

Standalone Balance Sheet

as at 31 December 2025

(₹ in million)

	Notes	As at 31 December 2025	As at 31 December 2024
Assets			
Non-current assets			
(a) Property, plant and equipment	4A	93,753.27	77,016.11
(b) Capital work-in-progress	4B	1,362.48	9,556.64
(c) Right of use assets	4C	9,055.67	9,315.41
(d) Goodwill	5A	19.40	19.40
(e) Other intangible assets	5B	5,541.06	5,460.04
(f) Intangible assets under development	5C	44.83	43.69
(g) Financial assets			
(i) Investments	6	37,704.60	20,960.11
(ii) Loans	7	8,687.36	14,856.27
(iii) Other financial assets	8	878.69	802.09
(h) Other non-current assets	9	1,898.67	3,429.50
Total non-current assets		**158,946.03**	**141,459.26**
Current assets			
(a) Inventories	10	16,590.34	16,887.05
(b) Financial assets			
(i) Trade receivables	11	2,662.06	1,997.63
(ii) Cash and cash equivalents	12	15,987.89	20,580.80
(iii) Bank balances other than (ii) above	13	11.47	6.28
(iv) Loans	14	-	547.13
(v) Other financial assets	15	13,155.46	9,772.54
(c) Current tax assets (Net)	26a	30.93	-
(d) Other current assets	16	2,552.13	3,589.05
Total current assets		**50,990.28**	**53,380.48**
Assets classified as held for sale	4D	66.40	-
Total assets		**210,002.71**	**194,839.74**
Equity and liabilities			
Equity			
(a) Equity share capital	17	6,763.98	6,763.02
(b) Other equity	18	180,884.00	158,824.03
Total equity		**187,647.98**	**165,587.05**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19A	2,663.92	1,442.10
(ia) Lease liabilities	19C	255.42	419.61
(b) Provisions	20	1,728.25	1,777.00
(c) Deferred tax liabilities (Net)	21	4,932.19	3,833.51
(d) Other non-current liabilities	22	3.58	47.31
Total non-current liabilities		**9,583.36**	**7,519.53**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19B	1,096.82	6,873.31
(ia) Lease liabilities	19D	26.14	77.10
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	23	1,261.09	640.19
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	3,218.27	4,938.09
(iii) Other financial liabilities	24	4,980.59	5,883.00
(b) Other current liabilities	25	1,811.90	2,171.10
(c) Provisions	20	376.56	647.94
(d) Current tax liabilities (Net)	26b	-	502.43
Total current liabilities		**12,771.37**	**21,733.16**
Total liabilities		**22,354.73**	**29,252.69**
Total equity and liabilities		**210,002.71**	**194,839.74**
Material accounting policies	3		

The accompanying notes 1 to 62 are an integral part of the standalone 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

Pankaj Madan
Chief Financial Officer

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

Place: Gurugram
Dated: 03 February 2026

Standalone Statement of Profit and Loss

for the year ended 31 December 2025

(₹ in million, unless otherwise stated)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Income			
Revenue from operations	27	145,568.22	143,486.00
Other income	28	5,139.34	3,539.35
Total income		**150,707.56**	**147,025.35**
Expenses			
Cost of materials consumed	29	66,018.96	63,622.29
Purchases of stock-in-trade	30	1,404.54	2,029.08
Changes in inventories of finished goods, intermediate goods, stock-in-trade and work-in-progress	31	129.66	388.40
Employee benefits expense	32	12,602.18	11,775.54
Finance costs	33	322.38	3,496.55
Depreciation and amortisation expense	34	7,024.20	6,179.06
Other expenses	35	27,773.18	28,835.04
Total expenses		**115,275.10**	**116,325.96**
Profit before tax		**35,432.46**	**30,699.39**
Tax expense			
(a) Current tax	26	7,644.46	6,858.95
(b) Adjustment of tax relating to earlier years	26	(9.06)	6.64
(c) Deferred tax charge	21	1,030.64	630.16
Total tax expense		**8,666.04**	**7,495.75**
Net profit for the year		**26,766.42**	**23,203.64**
Other comprehensive income	36		
(a) Items that will not to be reclassified to Profit or Loss:			
(i) Re-measurement gain on defined benefit plans		270.35	278.06
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(68.04)	(69.98)
Total other comprehensive income		**202.31**	**208.08**
Total comprehensive income for the year		**26,968.73**	**23,411.72**
Earnings per equity share of face value of ₹ 2 each			
Basic (₹)	38	7.91	7.11
Diluted (₹)	38	7.91	7.11
Material accounting policies	3		

The accompanying notes 1 to 62 are an integral part of the standalone 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

Pankaj Madan
Chief Financial Officer

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

Place: Gurugram
Dated: 03 February 2026

Standalone Statement of Cash Flow

for the year ended 31 December 2025

(Indirect Method) (₹ in million)

Particulars	Year ended 31 December 2025	Year ended 31 December 2024
A. Operating activities		
Profit before tax	35,432.46	30,699.39
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant and equipment	6,819.73	5,986.66
Amortisation of intangible assets and right of use assets	204.47	192.40
Interest expense at amortised cost	322.38	3,496.55
Interest income at amortised cost	(1,280.43)	(1,183.48)
Dividend income from non-current investment in subsidiaries	(1,692.14)	(1,315.99)
(Gain)/Loss on disposal/written off of property, plant and equipment (Net)	(23.41)	761.81
Share based payments (Net)	23.11	140.25
Bad debts and advances written off	0.56	9.10
Excess provisions and liabilities written back	(4.80)	(62.35)
Gain on sale of current investments	(806.64)	(22.47)
Guarantee commission income	(110.03)	(93.48)
Unrealised foreign exchange fluctuation	(991.52)	(425.29)
Allowance for expected credit loss	5.27	3.10
Operating profit before working capital changes	**37,899.01**	**38,186.20**
Working capital adjustments:		
Decrease/(Increase) in inventories	296.72	(1,528.30)
(Increase)/Decrease in trade receivables	(686.49)	127.61
Increase in current and non-current financial assets and other current and non-current assets	(2,181.81)	(914.90)
(Decrease)/ Increase in current financial liabilities and other current and non-current liabilities and provisions	(1,479.75)	423.94
Total cash from operations	**33,847.68**	**36,294.55**
Income tax paid	(8,077.78)	(6,625.12)
Net cash flows from operating activities (A)	**25,769.90**	**29,669.43**
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)	(15,381.80)	(23,833.06)
Proceeds from disposal of property, plant and equipment	120.91	154.65
Loan given to subsidiaries	(5,077.19)	(7,994.24)
Investment made in subsidiaries, joint ventures and others (Net)	(5,031.88)	(6,438.39)
Proceeds from sale of current investments (Net)	806.64	22.47
Receipt of loan given to a subsidiary	1,165.85	-
Change in other bank balances	(1.61)	22.88
Guarantee commission received	90.72	81.42
Interest received	1,553.88	430.55
Dividend received from non-current investment in subsidiaries	1,185.61	682.81
Net cash used in investing activities (B)	**(20,568.87)**	**(36,870.91)**

Standalone Statement of Cash Flow

for the year ended 31 December 2025

(Indirect Method) (₹ in million)

Particulars	Year ended 31 December 2025	Year ended 31 December 2024
C. Financing activities		
Proceeds from long term borrowings	2,887.62	10,929.58
Repayment of long term borrowings	(1,764.42)	(48,171.60)
Repayments of short term borrowings (Net)	(5,683.42)	(2,071.58)
Repayments of lease liabilities	(37.98)	(1,015.91)
Interest paid (inclusive of interest paid on lease liabilities ₹ 47.24 (31 December 2024: ₹ 120.18))	(207.08)	(3,642.51)
Proceeds from issue of equity shares including share premium thereon (QIP & ESOPs)	85.44	75,118.80
Share issue expenses (Refer note 59)	(4.28)	(611.10)
Proceeds from share application money pending allotment	2.72	-
Dividend paid	(5,072.54)	(3,248.20)
Net cash (used in)/generated from financing activities (C)	**(9,793.94)**	**27,287.48**
Net change in cash and cash equivalents (D=A+B+C)	**(4,592.91)**	**20,086.00**
Cash and cash equivalents at the beginning of year (E)	20,580.80	494.80
Cash and cash equivalents at the end of year (D+E) (Refer note 12)	**15,987.89**	**20,580.80**

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 2025	2,631.99	5,683.42	496.71
Cash flows (Net)	1,123.20	(5,683.42)	(37.98)
Non-cash changes:			
Recognition of lease liabilities (net)	-	-	(177.17)
Impact of fair value changes	5.55	-	-
Balance as at 31 December 2025	**3,760.74**	**-**	**281.56**

(₹ in million)

	Non-current borrowings*	Current borrowings	Lease Liabilities (Non-current and current)
Balance as at 01 January 2024	39,846.05	7,755.00	1,219.94
Cash flows (Net)	(37,242.02)	(2,071.58)	(1,015.91)
Non-cash changes:			
Recognition of lease liabilities (net)	-	-	292.68
Impact of fair value changes	27.96	-	-
Balance as at 31 December 2024	**2,631.99**	**5,683.42**	**496.71**

*includes current maturities of long-term debts amounting to ₹ 1,096.82 million (31 December 2024: ₹ 1,189.89 million). (Refer note 19A and 19B)

Refer Note 47 for amount spent during the financial year 31 December 2025 and 31 December 2024 relating to Corporate Social Responsibilities activities.

Refer Note 6(!) for details of significant non-cash transactions entered by the Company and excluded from the statement of cash flows.

The accompanying notes 1 to 62 are an integral part of the standalone 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

Pankaj Madan
Chief Financial Officer

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

Place: Gurugram
Dated: 03 February 2026

Standalone Statement of Changes in Equity

for the year ended 31 December 2025

A. Equity share capital

(₹ in million)

Particulars	Notes	Number of shares	Amount
Balance as at 01 January 2024		1,299,214,976	6,496.07
Changes in equity share capital during the year 2024		2,082,295,041	266.95
Balance as at 31 December 2024	17	**3,381,510,017**	**6,763.02**
Changes in equity share capital during the year 2025		478,752	0.96
Balance as at 31 December 2025	17	**3,381,988,769**	**6,763.98**

B. Other Equity

(₹ in million)

Particulars	Notes	Reserve and surplus					Share application money pending allotment	Total
		Capital reserve	Share option outstanding account	Securities premium	General reserve	Retained earnings		
Balance as at 01 January 2024		**533.93**	**84.99**	**22,636.59**	**444.26**	**40,558.69**	**3.51**	**64,261.97**
Profit for the year		-	-	-	-	23,203.64	-	23,203.64
Other comprehensive income for the year								
Re-measurement gain on defined benefit plans (Net of taxes)#		-	-	-	-	208.08	-	208.08
Dividend paid* (Refer note 39)		-	-	-	-	(3,248.55)	-	(3,248.55)
Equity share capital issued during the year pending previous year allotment		-	-	-	-	-	(3.51)	(3.51)
Recognition of share based payment expenses (Refer note 32)		-	162.43	-	-	-	-	162.43
Pursuant to exercise of employee stock options		-	(62.72)	183.56	-	-	-	120.84
Additions made on issue of equity share capital pursuant to Qualified Institutions Placement (Refer note 59)		-	-	74,734.51	-	-	-	74,734.51
Amount utilised for share issue expenses (Refer note 59)		-	-	(615.38)	-	-	-	(615.38)

Standalone Statement of Changes in Equity

for the year ended 31 December 2025

(₹ in million)

Particulars	Notes	Reserve and surplus					Share application money pending allotment	Total
		Capital reserve	Share option outstanding account	Securities premium	General reserve	Retained earnings		
Balance as at 31 December 2024	18	**533.93**	**184.70**	**96,939.28**	**444.26**	**60,721.86**	**-**	**158,824.03**
Profit for the year		-	-	-	-	26,766.42	-	26,766.42
Other comprehensive income for the year								
Re-measurement loss on defined benefit plans (Net of taxes)#		-	-	-	-	202.31	-	202.31
Dividend paid* (Refer note 39)		-	-	-	-	(5,072.82)	-	(5,072.82)
Share application money pending allotment		-	-	-	-	-	2.72	2.72
Gain on buyback of shares by a subsidiary*		-	-	-	-	39.22	-	39.22
Recognition of share based payment expenses (Refer note 32)		-	37.64	-	-	-		37.64
Pursuant to exercise of employee stock options		-	(39.86)	124.34	-	-	-	84.48
Balance as at 31 December 2025	**18**	**533.93**	**182.48**	**97,063.62**	**444.26**	**82,656.99**	**2.72**	**180,884.00**

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in Note 37.
*Transaction with owners in their capacity as owners.

The accompanying notes 1 to 62 are an integral part of the standalone 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

Pankaj Madan
Chief Financial Officer

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

Place: Gurugram
Dated: 03 February 2026

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

1 Corporate information

Varun Beverages Limited (the "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 provision of the Companies Act, 1956. The Company is primarily engaged in manufacturing, selling, bottling and distribution of beverages of PepsiCo's brand in geographically pre-defined territories as per franchisee agreement with PepsiCo India Holdings Private Limited.

2 Basis for preparation

These standalone financial statements ("financial statements") of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS") and comply with requirements of Ind AS notified under section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI) from time to time, stipulation contained in Schedule III (Revised) and other pronouncements/ provisions of applicable laws. These financial statements are authorised for issue on 03 February 2026 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 standalone financial statements have been prepared using the material accounting policies and measurement basis summarised below. These accounting policies have been used consistently throughout all periods presented in these standalone financial statements except as mentioned in note 3.2 below.

The financial statements 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 Company 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.

All other liabilities are classified 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 Company has identified twelve months as its operating cycle.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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

The financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III to the Act, unless otherwise stated.

3 Material accounting policies

3.1 Fair value measurements

The Company 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 independent market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company 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.

3.2 Revenue recognition

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

a) 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.

b) 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

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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 other income in the Statement of Profit and Loss.

c) Dividends:

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

d) Commission:

Commission income is recognised rateably over the contract period as per the agreed contractual terms.

e) 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.

3.3 Inventories

Inventories are valued as follows:

a) **Raw materials, components, 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.

b) **Work-in-progress:** At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads including depreciation. Cost is determined on a weighted average basis.

c) **Intermediate goods/ Finished goods:**

i. **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.

ii. **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 Statement of Profit and Loss.

3.4 Property, plant and equipment

Measurement at recognition:

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

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

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

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

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Statement of Profit and Loss.

Value for individual assets acquired for a consolidated price, the cost is apportioned to the various assets on their relative fair values basis as determined by competent valuers.

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	30 years
Buildings-others	60 years
Plant and equipment	20 years
Furniture and fixtures	10 years
Delivery vehicles	10 years
Vehicles (other than delivery vehicles)	7 years
Office equipment	4 years
Computer equipment	4 years
Containers	6 years
Post-mix vending machines and refrigerators (Visi - Cooler)	8 years
Power generating assets*	22 years

*Included in plant and equipment in financial statements.

Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided over the useful lives 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 lives prescribed in the Schedule II to the Act. The Company 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 pro-rata basis with reference to the month of addition/deletion.

The Company 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.

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 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.

3.5 Intangible assets

Intangible assets and intangible assets under development 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 loss. Intangible assets with finite useful life are assessed for impairment

whenever there is an indication that the intangible assets may be impaired. Amortisation of intangible assets such as softwares and distribution network is computed on a straight-line basis, at the rates representing estimated useful life of 4 years and 8 years respectively.

The franchise rights and trademarks acquired as part of business combinations normally have a remaining legal life of not exceeding twenty years but is renewable every twenty years and is well established. The Company 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 Company 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.

3.6 Assets classified as held for sale

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying value 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. Non-current assets classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continued use.

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

3.8 Leases

The Company as a lessee

The Company enters into an arrangement for lease of buildings and equipments. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 – Leases, at inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

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

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

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

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

Measurement and recognition of leases as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at

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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 amortisation, 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 asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

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

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

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

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

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

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

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

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

The Company has elected not to apply the requirements of 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 Company as a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

The Company 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 Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

3.9 Employee benefits

Contribution to provident and other funds

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund, employee state insurance and labour welfare fund. The Company 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 Company recognises termination benefit as a liability and an expense when the Company 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.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling (if applicable), 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 Other Comprehensive Income ("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 Statement of Profit and Loss on the earlier of:

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

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

The Company recognises the following changes in the net defined benefit obligation as an expense in the 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 Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based

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on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/ losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

3.10 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 service conditions are fulfilled in relation to options granted to employees of the Company. Further, In relation to options granted to employees of subsidiaries, the amount is disclosed under non-current investments with a corresponding increase in 'Share option outstanding account' and disclosed as equity contribution in subsidiaries.

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 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 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 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.

3.11 Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded in the functional currency, by applying to the foreign currency amount the exchange rate

between the functional currency and the foreign currency on the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate on 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 before 31 December 2016: Exchange differences arising on conversion of long term foreign currency monetary items used for acquisition of depreciable fixed assets are added to the cost of fixed assets and is depreciated over the remaining life of the respective fixed asset and in other cases, is recorded under the head 'Foreign Currency Monetary Item Translation Difference Account' and is amortised over the period of maturity of underlying long term foreign currency monetary items, in accordance with the option available under Ind AS 101.

Exchange differences pertaining to long-term foreign currency monetary items obtained or given on or after 01 January 2017: Exchange differences arising on restatement of long term foreign currency monetary items obtained or given is recorded in the Statement of Profit and Loss.

3.12 Business combination 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.

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 the Company 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.

Any contingent consideration to be transferred by the Company 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 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.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred 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 Company 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. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill

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acquired in a business combination is, from the acquisition date, allocated to each of the Company'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 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 Company 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.

3.13 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 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 effect of this favorable 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 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 balance sheet by deducting the grant from the carrying value of the asset and non-monetary grant is recognised at a nominal value.

3.14 Income taxes

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

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and rules thereunder. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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 liabilities are recognised for all temporary Differences and the carry forward of unused tax credits. 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 unused tax losses can be utilised. 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.

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.

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 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.

3.15 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 Company predominantly fall within a single operating segment, i.e., manufacturing and sale of beverages within India.

3.16 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or 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 Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company'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

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

covered by the most recent budgets/forecasts, the Company 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 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 Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.17 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 finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and 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 Company 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 categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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

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

If the Company 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 Company may transfer the cumulative gain or loss within equity.

De-recognition

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

Impairment of financial assets

The Company 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 Statement of Profit and Loss under the head 'other expenses'.

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 Company'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 Company 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 Statement of Profit and 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 Statement of Profit and Loss.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

b) Financial liabilities at amortised cost

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

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 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 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.

3.18 Investment in subsidiaries, joint ventures and associates

An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it 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.

Thus, an investor controls an investee if and only if the investor has all the following:

a) power over the investee;

b) exposure, or rights, to variable returns from its involvement with the investee; and

c) the ability to use its power over the investee to affect the amount of the investor's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Company has elected to recognise its investments in subsidiary, joint venture and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

Investment carried at cost is tested for impairment as per Ind-AS 36.

3.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand, short-term deposits with an original maturity of three months or less and investment in liquid fund, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash, short-term deposits and investment in liquid fund, as defined above.

3.20 Dividend distribution to equity holders

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

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

3.21 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.22 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.23 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 Company 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 Company 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.

3.24 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.

3.25 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

i) Judgements

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

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, 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. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Useful lives of tangible/intangible assets

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

d) Business combinations

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

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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

In assessing impairment, Company 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 material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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 2025	7,294.64	22,036.24	64,964.95	352.34	1,251.45	503.89	397.18	5,480.39	9,959.24	112,240.32
Additions for the year	151.68	5,412.46	15,626.40	72.11	104.25	114.19	56.67	922.59	1,194.05	23,654.40
Transfer to asset classified as held for sale	-	(4.29)	-	-	-	-	-	-	-	(4.29)
Disposals for the year	-	(1.00)	(55.84)	(0.62)	(47.89)	(7.23)	(10.35)	(179.04)	(58.65)	(360.62)
Balance as at 31 December 2025	7,446.32	27,443.41	80,535.51	423.83	1,307.81	610.85	443.50	6,223.94	11,094.64	135,529.81
Accumulated depreciation										
Balance as at 01 January 2025	-	3,974.25	18,242.55	175.26	841.73	309.83	243.77	2,512.63	8,924.19	35,224.21
Depreciation charge for the year	-	833.91	4,567.65	28.77	93.81	82.05	60.00	813.72	339.82	6,819.73
Transfer to asset classified as held for sale	-	(0.44)	-	-	-	-	-	-	-	(0.44)
Reversal on disposals for the year	-	(0.83)	(27.66)	(0.22)	(39.54)	(5.75)	(9.59)	(124.89)	(58.48)	(266.96)
Balance as at 31 December 2025	-	4,806.89	22,782.54	203.81	896.00	386.13	294.18	3,201.46	9,205.53	41,776.54
Carrying amount as at 31 December 2025	**7,446.32**	**22,636.52**	**57,752.97**	**220.02**	**411.81**	**224.72**	**149.32**	**3,022.48**	**1,889.11**	**93,753.27**

(₹ 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 2024	7,287.92	16,066.41	45,317.81	270.33	1,247.56	407.71	312.67	4,794.97	9,463.15	85,168.53
Additions for the year	6.72	6,319.81	20,722.33	82.32	129.07	98.36	89.63	849.83	585.11	28,883.18
Disposals/adjustments for the year	-	(349.98)	(1,075.19)	(0.31)	(125.18)	(2.18)	(5.12)	(164.41)	(89.02)	(1,811.39)
Balance as at 31 December 2024	7,294.64	22,036.24	64,964.95	352.34	1,251.45	503.89	397.18	5,480.39	9,959.24	112,240.32
Accumulated depreciation										
Balance as at 01 January 2024	-	3,355.26	14,851.42	151.96	879.78	250.79	201.31	1,854.08	8,587.88	30,132.48
Depreciation charge for the year	-	700.60	3,889.77	23.58	73.18	60.57	47.09	769.45	422.42	5,986.66
Reversal on disposals/adjustments for the year	-	(81.61)	(498.64)	(0.28)	(111.23)	(1.53)	(4.63)	(110.90)	(86.11)	(894.93)
Balance as at 31 December 2024	-	3,974.25	18,242.55	175.26	841.73	309.83	243.77	2,512.63	8,924.19	35,224.21
Carrying amount as at 31 December 2024	**7,294.64**	**18,061.99**	**46,722.40**	**177.08**	**409.72**	**194.06**	**153.41**	**2,967.76**	**1,035.05**	**77,016.11**

4A. Property, plant and equipment [Cont'd]

Footnotes to Note 4A:

i. Refer Note 50 for information on property, plant and equipment pledged as security by the Company.

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

(₹ in million)

Net Book Value	31 December 2025	31 December 2024
Balance at the beginning of the year	295.55	741.34
Add: Incurred during the year		
Finance costs	49.17	400.95
Employee benefits expense and other expenses	443.36	933.98
Less: Capitalised during the year	(746.04)	(1,780.72)
Amount carried over included in CWIP	**42.04**	**295.55**

iii. The amount of contractual commitments for the acquisitions of property, plant and equipment are disclosed in Note 41.

iv. All title deeds of immovable properties are held in the name of the Company.

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

The changes in the carrying value of capital work-in-progress for the year ended 31 December 2025 and 31 December 2024 are as follows :

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2025	9,556.64
Additions for the year*	3,850.76
Transfer to property, plant and equipment	(12,044.92)
Balance as at 31 December 2025	**1,362.48**

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2024	15,759.99
Additions for the year*	11,123.67
Transfer to property, plant and equipment	(17,327.02)
Balance as at 31 December 2024	**9,556.64**

* includes finance cost amounting to ₹ 49.17 million (31 December 2024: ₹ 400.95 million) and employee benefits expense and other expenses amounting to ₹ 443.36 million (31 December 2024: ₹ 933.98 million).

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

Footnotes to Note 4B:

(i) CWIP ageing schedule

(₹ in million)

Particulars	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 2025	1,250.36	81.51	9.70	20.91	1,362.48
As at 31 December 2024	9,406.68	129.05	17.45	3.46	9,556.64

There are no projects as on each reporting period where activity has been suspended. Also,there are no projects as on each reporting period which has exceeded cost as compared to its original plan or where completion is overdue, except for certain projects which are delayed due to approvals pending.

4C. Right of use assets (ROU)

(₹ in million)

	Land leasehold	Leased buildings	Leased plant and equipment	Leased vehicles	Total
Gross carrying amount					
Balance as at 01 January 2025	9,876.24	431.40	13.60	-	10,321.24
Additions for the year	164.87	16.62	-	6.13	187.62
Rebate/grant received (Refer note i)	(227.44)	-	-	-	(227.44)
Transfer to asset classified as held for sale	(67.93)	-	-	-	(67.93)
Balance as at 31 December 2025	**9,745.74**	**448.02**	**13.60**	**6.13**	**10,213.49**
Accumulated amortisation					
Balance as at 01 January 2025	699.26	297.90	8.67	-	1,005.83
Amortisation for the year#	130.58	36.98	0.96	0.00	168.52
Reversal of amount on rebate/grant received (Refer note i)	(11.15)	-	-	-	(11.15)
Transfer to asset classified as held for sale	(5.38)	-	-	-	(5.38)
Balance as at 31 December 2025	813.31	334.88	9.63	0.00	1,157.82
Carrying amount as at 31 December 2025	**8,932.43**	**113.14**	**3.97**	6.13	**9,055.67**

#Amounts below the rounding off norms adopted by the Company are presented as "0.00".

(₹ in million)

	Land leasehold	Leased buildings	Leased plant and equipment	Leased vehicles	Total
Gross carrying amount					
Balance as at 01 January 2024	9,331.57	373.96	13.60	-	9,719.13
Addition during the year	544.67	57.44	-	-	602.11
Balance as at 31 December 2024	**9,876.24**	**431.40**	**13.60**	**-**	**10,321.24**
Accumulated amortisation					
Balance as at 01 January 2024	572.23	263.30	7.71	-	843.24
Amortisation for the year	127.03	34.60	0.96	-	162.59
Balance as at 31 December 2024	699.26	297.90	8.67	-	1,005.83
Carrying amount as at 31 December 2024	**9,176.98**	**133.50**	**4.93**	**-**	**9,315.41**

Footnotes to Note 4C:

(i) During the current year ended on 31 December 2025, the Company has received rebate on leasehold land acquired in Damtal, Himachal Pradesh amounting to ₹ 227.44 million. The rebate received is adjusted against the carrying value of the respective asset.

(ii) All lease deeds of immovable properties are held in the name of the Company except as disclosed below:

As at 31 December 2025

(₹ 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 Company
Land situated at Kolkata, West Bengal	1.50	1.39	No	01 October 2018	The Company has executed the lease agreement for Kolkata, West Bengal land, which is yet to be registered.

As at 31 December 2024

(₹ 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 Company
Land situated at Buxar, Bihar	371.34	367.52	No	21 December 2023	The 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 registered in its name.
Land situated at Kolkata, West Bengal	1.50	1.41	No	01 October 2018	The Company has executed the lease agreement for Kolkata, West Bengal land, which is yet to be registered.

4D. Assets classified as held for sale

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Property, plant and equipment		
Buildings	3.85	-
Right of use assets		
Leasehold Land	62.55	-
	66.40	**-**

a) During the year the Company has entered into agreement to sale with external party to sale the land and building situated at Roha, Maharashtra which was acquired as part of acquisition of Maharashtra territory. The sale is expected to be completed before financial year ended 31 December 2026. Further Company has received ₹ 10.00 million as earnest money from the external party which is presented under the head "Other current liabilities" as advance received against property. Refer note 25.

b) Property, plant and equipment and Right to use assets classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, which did not impact the Statement of Profit and Loss.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

5A. Goodwill (Refer note i)

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2025	19.40
Acquired during the year	-
Balance as at 31 December 2025	**19.40**
Impairment	
Balance as at 01 January 2025	-
Impairment charge for the year	-
Balance as at 31 December 2025	-
Carrying amount as at 31 December 2025	**19.40**

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2024	19.40
Acquired during the year	-
Balance as at 31 December 2024	**19.40**
Impairment	
Balance as at 01 January 2024	-
Impairment charge for the year	-
Balance as at 31 December 2024	-
Carrying amount as at 31 December 2024	**19.40**

5B. Other intangible assets

(₹ in million)

	Franchise rights/ trademarks (Refer note i)	Distribution network	Computer software	Total
Gross carrying amount				
Balance as at 01 January 2025	6,042.96	157.64	319.62	6,520.22
Additions for the year	-	70.00	46.97	116.97
Disposals for the year	-	-	-	-
Balance as at 31 December 2025	**6,042.96**	**227.64**	**366.59**	**6,637.19**
Amortisation				
Balance as at 01 January 2025	656.97	119.28	283.93	1,060.18
Amortisation charge for the year	-	20.41	15.54	35.95
Reversal on disposals for the year	-	-	-	-
Balance as at 31 December 2025	656.97	139.69	299.47	1,096.13
Carrying amount as at 31 December 2025	**5,385.99**	**87.95**	**67.12**	**5,541.06**

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

(₹ in million)

	Franchise rights/ trademarks (Refer note i)	Distribution network	Computer software	Total
Gross carrying amount				
Balance as at 01 January 2024	6,042.96	157.64	280.51	6,481.11
Additions for the year	-	-	39.11	39.11
Disposals for the year	-	-	-	-
Balance as at 31 December 2024	**6,042.96**	**157.64**	**319.62**	**6,520.22**
Amortisation				
Balance as at 01 January 2024	656.97	99.58	273.82	1,030.37
Amortisation charge for the year	-	19.70	10.11	29.81
Reversal on disposals for the year	-	-	-	-
Balance as at 31 December 2024	656.97	119.28	283.93	1,060.18
Carrying amount as at 31 December 2024	**5,385.99**	**38.36**	**35.69**	**5,460.04**

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 Company has considered the relevant provisions of Ind AS 38 on 'Intangibles Assets' which provides factors to determine the life of intangible assets 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 Company.

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

a) Weighted average cost of capital ''WACC'' of 15.82% (Previous year - 16.45%) for the explicit period and 15.82% (Previous year - 16.45%) for the terminal year.

b) For arriving at the terminal value, approximate growth rate of 6% (Previous year - 6%) 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.

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 41.

iii. Refer Note 50 for information on other intangible assets pledged as security by the Company.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

5C. Intangible assets under development

The changes in the carrying value of intangible assets under development for the year ended 31 December 2025 and 31 December 2024 are as follows :

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2025	43.69
Additions for the year	118.11
Transfer to intangible assets	(116.97)
Balance as at 31 December 2025	**44.83**

(₹ in million)

	Amount
Gross carrying amount	
Balance as at 01 January 2024	-
Additions for the year	43.69
Transfer to intangible assets	-
Balance as at 31 December 2024	**43.69**

Footnotes to Note 5C:

(i) Intangible assets under development ageing schedule

(₹ in million)

Particulars	Amount in intangible assets under development 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 2025	26.83	18.00	-	-	44.83
As at 31 December 2024	43.69	-	-	-	43.69

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

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

6. Investments

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Investment in equity shares of subsidiaries (at cost) (unquoted)		
17,392,760 (31 December 2024: 17,392,760) fully paid equity shares of MAD 50 each in Varun Beverages Morocco SA^	6,179.18	6,179.18
579,468,303 (31 December 2024: 643,853,670) fully paid equity shares of LKR 10 each in Varun Beverages Lanka (Private) Limited*	2,876.60	3,149.55
2,001,500 (31 December 2024: 2,001,500) fully paid equity shares of NPR 1,000 each in Varun Beverages (Nepal) Private Limited	1,423.91	1,423.91
39,499,100 (31 December 2024: 18,710,100) fully paid equity shares of ZMW 10 each in Varun Beverages (Zambia) Limited^!	3,995.93	3,231.01
935 (31 December 2024: 935) fully paid equity shares of USD 1 each in Varun Beverages (Zimbabwe) (Private) Limited	0.06	0.06
995,010 (31 December 2024: 995,010) fully paid equity shares of ₹ 10 each in Lunarmech Technologies Private Limited#^	2,262.94	2,262.94
7,500,999 (31 December 2024: 999) fully paid equity shares of USD 10 each in Varun Beverages RDC SAS !	6,458.56	0.74
2,749 (31 December 2024: 1,000) fully paid equity shares of AED 1,000 each in Varun Beverages International DMCC !	2,237.58	20.68
1,000 (31 December 2024: 1,000) fully paid equity shares of ZAR 10 each in Varun Beverages South Africa (PTY) Ltd.	0.05	0.05
5,008,369 (31 December 2024: 2,018,674) fully paid equity shares in The Beverage Company Proprietary Limited.## ^!	10,384.51	4,037.26
9,900 (31 December 2024: 9,900) fully paid equity shares of MZN 100 each in VBL Mozambique, SA ^%	1.32	1.32
Nil (31 December 2024: 10,000) fully paid shares of USD 1 each in Varun Foods Zimbabwe (Private) Limited^^^	-	0.84
1,25,000 (31 December 2024: Nil) fully paid equity shares of SHS 100 each in VBL Industries (Kenya) Limited$$	8.83	-
Deemed investment (Refer note 43A)	52.46	37.93
Investment in equity shares of associates (at cost) (unquoted)		
21,030 (31 December 2024: 21,030) fully paid equity shares of ₹ 10 each in Clean Max Tav Private Limited	32.85	32.85
1,247,943 (31 December 2024: 1,247,943) fully paid equity shares of ₹ 10 each in Huoban Energy 7 Private Limited	21.24	21.24
Investment in equity shares of joint ventures (at cost) (unquoted)		
110,000,000 (31 December 2024: 50,000,000) fully paid equity shares of ₹ 10 each in IDVB Recycling Operations Private Limited~	1,100.00	500.00
Share application money paid in IDVB Recycling Operations Private Limited (31 December 2024: Nil)~	150.00	-
281,098,247 (31 December 2024: Nil) fully paid equity shares of LKR 10 each in Everest Industrial Lanka (Private) Limited@	363.64	-

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
4,478,000 (31 December 2024: Nil) fully paid equity shares of ₹ 10 each in White Peak Refrigeration Private Limited@@	44.78	-
Investment in others in fully paid equity shares (FVTPL, unquoted)		
200 (31 December 2024: 200) shares of ₹ 50 each in The Margao Urban Co-operative Bank Limited	0.01	0.01
250 (31 December 2024: 250) shares of ₹ 10 each in The Goa Urban Co-operative Bank Limited**	0.00	0.00
3,150,000 (31 December 2024: 3,150,000) fully paid equity shares of ₹ 10 each in Lone Cypress Ventures Private Limited@@@	39.65	31.50
958,415 (31 December 2024: 958,415) fully paid equity shares of ₹ 10 each in Huoban Energy 11 Private Limited ˇ@@@	21.15	29.04
11,20,000 (31 December 2024: Nil) fully paid equity shares of ₹ 10 each in Aspirative Creative Ventures Private Limited ˇ	22.40	-
241,037 (31 December 2024: Nil) fully paid equity shares of ₹ 10 each in FPEL Mercury Private Limited ˇ	10.92	-
294,117 (31 December 2024: Nil) fully paid equity shares of ₹ 10 each in Fourth Partner Solar Power Private Limited ˇ	16.00	-
2,600 (31 December 2024: Nil) fully paid equity shares of ₹ 10 each in Jager Renewables Two Private Limited ˇ	0.03	-
	37,704.60	**20,960.11**
Aggregate amount of unquoted investments	**37,704.60**	**20,960.11**

**Rounded off to Nil.

#During the year ended 31 December 2024, the company has acquired 39.93% on 16 December 2024 of the issued and paid-up Equity Share Capital and accordingly, it has become wholly-owned subsidiary.

~The Company had subscribed the equity investment of IDVB Recycling Operations Private Limited amounting to ₹ 600.00 million (31 December 2024: ₹ 369.93 million). Further during the year ended 31 December 2025, the Company has paid application money of ₹ 150.00 million for which share allotment is pending as on reporting date.

* During the year ended 31 December 2025, Varun Beverages Lanka (Private) Limited has bought back 10% of its own equity share.

"! (i) During the year ended 31 December 2025, the Company has converted loan of ₹ 2,219.21 million into 1,005,000 ordinary shares of its subsidiary company i.e. The Beverage Company Proprietary Limited, South Africa (Bevco). Post conversion, the Company is holding 97.92% of the effective share capital of Bevco.

(ii) During the year ended 31 December 2025, the Company has converted loan of ₹ 764.92 million into 20,789,000 ordinary shares of its subsidiary company i.e. Varun Beverages (Zambia) Limited (VBL Zambia). Post conversion, the Company is holding 95% of the effective share capital of VBL Zambia.

(iii) During the year ended 31 December 2025, the Company has converted loan of ₹ 6,457.82 million into 7,500,000 ordinary shares of its subsidiary company i.e. Varun Beverages RDC SAS.

(iv) During the year ended 31 December 2025, the Company has converted loan of ₹ 2,216.90 million into 1,749 ordinary shares of its subsidiary company i.e. Varun Beverages International DMCC."

^% The Company had incorporated VBL Mozambique, SA, a subsidiary on 21 November 2023, and consideration for 99% share capital has been transferred on 31 January 2024

^^^The Company has incorporated Varun Foods Zimbabwe (Private) Limited, a wholly owned subsidiary on 22 May 2024 and during the year ended 31 December 2025, the Company has made disinvestment by way of strike off on 25 November 2025.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

During the previous year the Company acquired 95% stake of The Beverage Company Proprietary Limited amounting to ₹ 4,037.26 million on 26 March 2024. During the year ended 31 December 2025, the Company has further invested ₹ 4,128.04 million to subscribe 1,984,695 ordinary shares of its subsidiary company i.e. The Beverage Company Proprietary Limited, South Africa (Bevco).

ˇ(i) During the year ended 31 December 2024, the Company has made equity investment in Huoban Energy 11 Private Limited amounting to ₹ 29.04 million.

(ii) During the year ended 31 December 2025, the Company has made equity investment in Aspirative Creative Ventures Private Limited amounting to ₹ 22.40 million.

(iii) During the year ended 31 December 2025, the Company has made equity investment in FPEL Mercury Private Limited amounting to ₹ 10.92 million.

(iv) During the year ended 31 December 2025, the Company has made equity investment in Fourth Partner Solar Power Private Limited amounting to ₹ 16.00 million.

(v) During the year ended 31 December 2025, the Company has made equity investment in Jager Renewables Two Private Limited amounting to ₹ 0.03 million.

@ During the year ended 31 December 2025, the Company has subscribed 50% paid up capital on 27 May 2025.

@@ During the year ended 31 December 2025, the Company has incorporated White Peak Refrigeration Private Limited on 04 September 2025.and consideration has been transferred on 31 December 2025.

$$ During the year ended 31 December 2025, the Company has incorporated VBL Industries (Kenya) Limited, a wholly owned subsidiary on 19 November 2025 and consideration has been transferred on 23 December 2025.

@@@ Fair valuation done on the basis of latest available audited financial statements of respective Companies.

"^These investments were tested for impairment in accordance with Ind AS 36 ""Impairment of Assets"" concluding no impairment to the carrying values.

Refer note 51 for information required under Section 186 (4) of the Companies Act, 2013.

Information about investments along with proportion of ownership interest held and country of incorporation are as follows:

Name of the company/entity	Country of incorporation and principal place of business	Proportion of ownership interests held by the Company at year end	
		As at 31 December 2025	As at 31 December 2024
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	95.00%	90.00%
Varun Beverages (Zimbabwe) (Private) Limited ('VBL Zimbabwe')	Zimbabwe	85.00%	85.00%
Varun Beverages RDC SAS	Congo	100.00%	99.90%
Lunarmech Technologies Private Limited~~	India	100.00%	100.00%
Varun Beverages International DMCC	Dubai	100.00%	100.00%
Varun Beverages South Africa (PTY) Ltd.	South Africa	100.00%	100.00%
VBL Mozambique, SA^^	Mozambique	99.00%	99.00%
The Beverage Company Proprietary Limited ('Bevco')##	South Africa	97.92%	95.00%

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

Name of the company/entity	Country of incorporation and principal place of business	Proportion of ownership interests held by the Company at year end	
		As at 31 December 2025	As at 31 December 2024
The Beverage Company Bidco Proprietary Limited$##	South Africa	97.92%	95.00%
Little Green Beverages Proprietary Limited$##	South Africa	97.92%	95.00%
Softbev Proprietary Limited$##$$$	South Africa	-	95.00%
Varun Foods Zimbabwe (Private) Limited^^^	Zimbabwe	-	100.00%
VBL Industries (Kenya) Limited@	Kenya	100.00%	NA
Clean Max Tav Private Limited	India	26.00%	26.00%
Huoban Energy 7 Private Limited	India	26.34%	26.34%
IDVB Recycling Operations Private Limited	India	50.00%	50.00%
Everest Industrial Lanka (Private) Limited **	Sri Lanka	50.00%	NA
White Peak Refrigeration Private Limited #	India	50.00%	NA

*subsidiary of VBL Lanka

^^Subsidiary incorporated on 21 November 2023, 99% share capital subscribed on 31 January 2024

##Acquired on 26 March 2024

^^^Wholly owned subsidiary incorporated on 22 May 2024, and disinvested by way of strike off on 25 November 2025

~~Wholly owned subsidiary w.e.f. 16 December 2024

**Joint venture w.e.f. 27 May 2025

#Joint venture incorporated w.e.f. 04 September 2025, 50% share capital subscribed on 31 December 2025

@Subsidiary incorporated on 19 November 2025, 100% share capital subscribed on 23 December 2025

$subsidiary of Bevco

$$$ subsidiary of Bevco upto 05 September 2025

7. Loans

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Loans carried at amortised cost		
Loans to related parties, considered good - Unsecured	8,687.36	14,856.27
	8,687.36	**14,856.27**
Loans to subsidiaries:-		
Varun Beverages (Zimbabwe) (Private) Limited	1,064.65	466.65
Varun Beverages (Zambia) Limited#	264.58	826.71
Varun Beverages Morocco SA#	-	1,110.25
Varun Beverages RDC SAS	2,836.97	5,655.41
Varun Beverages International DMCC	1,789.40	3,844.48
The Beverage Company Proprietary Limited#	2,731.76	2,952.77

#The loans granted were tested for impairment in accordance with Ind AS 109 concluding no impairment to the carrying values.

Refer note 51 for information required under Section 186 (4) of the Companies Act, 2013.

There are no loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) that are either repayable on demand or without specifying any terms or period of repayment.

8. Other non-current financial asset

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Financial asset at amortised cost		
Security deposits	872.65	744.84
Balance in deposit accounts with remaining maturity of more than 12 months#	6.04	9.61
Others	-	47.64
	878.69	**802.09**

#Includes deposits pledged as security with banks for utility services.

9. Other non-current assets

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
(Unsecured, considered good)		
Capital advances	1,738.59	3,281.12
Advances other than capital advances		
- Income tax deposited (includes amount paid under protest)	6.24	16.42
- Balance with statutory authorities (deposited under protest)	132.27	107.93
- Prepaid expenses	21.57	24.03
	1,898.67	**3,429.50**

10. Inventories

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
(Valued at lower of cost or net realisable value)		
Raw and packing material (including goods in transit of ₹ 303.02 (31 December 2024: ₹ 212.81)	6,822.12	7,469.37
Work in progress	108.80	71.25
Intermediate goods (including goods in transit of ₹Nil (31 December 2024: ₹ 220.55))	3,498.28	3,887.77
Finished goods (including goods in transit of ₹ 205.52 (31 December 2024: ₹ 178.06)*	3,025.84	2,809.45
Stores and spares	3,135.30	2,649.21
	16,590.34	**16,887.05**

*The Company manufactures as well as purchases the same product from market for sale and is also involved in trading of other products of capital nature. 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 is disclosed in Note 29, Note 30, Note 31 and Note 35.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

11. Trade receivables

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Trade receivables, considered good - Unsecured	2,636.28	1,965.01
Trade receivables, considered good - Secured	25.78	32.62
Trade receivables - Credit impaired	295.09	289.82
	2,957.15	**2,287.45**
Less : Allowance for expected credit loss (Refer note 52.2)	(295.09)	(289.82)
	2,662.06	**1,997.63**
Includes amounts due, in the ordinary course of business, from subsidiaries:		
Varun Beverages (Zambia) Limited	22.35	96.66
Varun Beverages Zimbabwe (Private) Limited	8.62	210.44
Varun Beverages (Nepal) Private Limited	0.69	7.39
Lunarmech Technologies Private Limited	2.35	18.90
Varun Beverages Lanka (Private) Limited	0.73	55.21
Varun Beverages RDC SAS	85.52	-
Varun Beverages Morocco SA	1.66	-
The Beverage Company Proprietary Limited	21.34	-
VBL Mozambique, SA	0.03	-
Includes amounts due, in the ordinary course of business, from companies in which directors of the Company are also directors:		
Alisha Torrent Closures Private Limited	3.53	4.29

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 2025

(₹ 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	2,603.70	58.12	0.24	-	-	2,662.06
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	9.63	10.37	0.76	60.28	81.04
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	0.03	13.33	63.64	137.04	214.05
Total	**2,603.70**	**67.78**	**23.94**	**64.40**	**197.32**	**2,957.15**

31 December 2024

(₹ 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	1,967.73	29.90	-	-	-	1,997.63
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	8.49	26.23	3.72	4.93	57.60	100.97
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	0.45	2.72	8.50	33.16	144.02	188.85
Total	**1,976.67**	**58.85**	**12.22**	**38.09**	**201.62**	**2,287.45**

12. Cash and cash equivalents

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

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Balance with banks in current accounts*	184.45	501.10
Balance in deposits with original maturity of less than three months#	700.00	18,630.11
Balances with banks in QIP monitoring accounts#	-	125.02
Cash on hand	2.22	5.36
Investment in liquid fund#	15,101.22	1,319.21
	15,987.89	**20,580.80**

* Includes inward remittance not yet cleared amounting to ₹ 6.55 million (31 December 2024: ₹ 25.86 million)

#Previous year figures includes balance of qualified institutional placement (QIP) proceeds of ₹ 20,055.02 Million, which was utilised for the purpose as stated in the preliminary placement document for QIP. Net unutilised proceeds from QIP as on 31 December 2024 have been temporarily invested and kept in fixed deposits of ₹ 18,630.00 Million, mutual fund of ₹ 1,300.00 Million and QIP monitoring account for ₹ 125.02 Million. (Refer Note 59)

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

13. Bank balances other than cash and cash equivalents

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Deposits with original maturity more than 3 months but less than 12 months*	9.87	4.96
Unpaid dividend account**	1.60	1.32
	11.47	**6.28**

*Includes deposits pledged as security with banks for utility services.

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

14. Loans

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Loans carried at amortised cost		
Loans to related party, considered good - Unsecured*	-	547.13
	-	**547.13**
Varun Beverages (Zimbabwe) (Private) Limited	-	547.13

*Loans to a subsidiary, in the ordinary course of business

Refer note 51 for information required under Section 186 (4) of the Companies Act, 2013.

15. Other current financial assets

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
(Unsecured, considered good)		
Interest accrued on:		
- Loan to subsidiaries*	1,053.25	1,106.48
- Term deposits	0.32	137.81
- Others	39.85	30.88
Security deposits	166.95	140.03
Dividend receivable**	1,365.36	949.82
Guarantee commission receivable#	55.23	32.97
Advances to employees~	65.13	82.77
Government grants receivable$	10,100.54	7,110.08
Claims receivables	159.33	134.54
Other receivables^	149.50	47.16
	13,155.46	**9,772.54**

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
*Amounts due from subsidiaries		
Varun Beverages (Zambia) Limited	176.67	132.19
Varun Beverages (Zimbabwe) (Private) Limited	22.44	181.57
Varun Beverages Morocco SA	-	54.05
Varun Beverages RDC SAS	378.40	118.49
Varun Beverages International DMCC	454.33	383.53
The Beverage Company Proprietary Limited	21.40	236.65
	1,053.25	**1,106.48**
**Amount due from a subsidiary, namely, Varun Beverages (Nepal) Private Limited	1,365.36	949.82
#Amounts due from subsidiaries:		
Varun Beverages Morocco SA	0.05	0.04
Varun Beverages (Zimbabwe) (Private) Limited	4.23	0.86
Varun Beverages International DMCC	7.66	6.98
Varun Beverages RDC SAS	24.70	3.96
Varun Beverages Lanka (Private) Limited	0.38	0.58
The Beverage Company Proprietary Limited	15.83	18.83
Varun Beverages (Zambia) Limited	2.38	1.72
	55.23	**32.97**
^Includes amounts due from subsidiaries:		
Varun Beverages Morocco SA	3.42	3.92
Varun Beverages (Zambia) Limited	3.55	2.64
Varun Beverages Lanka (Private) Limited	3.46	3.62
Varun Beverages (Zimbabwe) (Private) Limited	17.85	8.03
Varun Beverages (Nepal) Private Limited	2.25	1.13
Varun Beverages International DMCC	0.25	0.15
The Beverage Company Proprietary Limited	3.82	1.58
Varun Beverages RDC SAS	4.93	0.90
	39.53	**21.97**
~Advance given to key management personnel: (Refer Note 43A)	0.81	0.76
$ Net of provision amounting to ₹ 473.46 (31 December 2024: ₹ 236.45)		

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

16. Other current assets

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
(Unsecured, considered good)		
Security deposits	8.78	10.10
Advance to related party*	64.94	50.92
Other advances :		
- Contractors and suppliers	351.73	647.46
- Prepaid expenses	321.18	225.63
- Balance with statutory/government authorities	1,772.75	2,587.43
- Other advances	32.75	67.51
	2,552.13	**3,589.05**
SMV Beverages Private Limited	64.94	50.92

*Amounts due, in the ordinary course of business, from related party:

17. Equity share capital

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Authorised share capital:		
5,000,000,000 equity shares of ₹ 2 each (31 December 2024: 5,000,000,000)	10,000.00	10,000.00
	10,000.00	**10,000.00**
Issued, subscribed and fully paid up:		
3,381,988,769 equity shares of ₹ 2 each (31 December 2024: 3,381,510,017)	6,763.98	6,763.02
	6,763.98	**6,763.02**

a) Reconciliation of share capital

(₹ in million)

Particulars	No. of shares	Amount
Balance as at 01 January 2025	3,381,510,017	6,763.02
Add: Shares issued of ₹ 2 each pursuant to exercise of employee stock options	478,752	0.96
Balance as at 31 December 2025	**3,381,988,769**	**6,763.98**

(₹ in million)

Particulars	No. of shares	Amount
Balance as at 01 January 2024	1,299,214,976	6,496.07
Add: Shares issued of ₹ 5 each pursuant to exercise of employee stock options	233,436	1.17
Add: Sub-division/split of 1 share of face value ₹ 5 each into such number share of face value ₹ 2 each effective 12 September 2024 (Increase in shares on account of sub-division/split) (Refer note (g) below)	1,949,172,618	-
Add: Shares issued of ₹ 2 each pursuant to Qualified institutions placement (QIP) (Refer note 59)	132,743,362	265.49
Add: Shares issued of ₹ 2 each pursuant to exercise of employee stock options	145,625	0.29
Balance as at 31 December 2024	**3,381,510,017**	**6,763.02**

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

b) Terms/rights attached to shares

The Company has only one class of equity shares having a par value of ₹ 2 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the 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 aggregate equity share capital of the Company at the beginning and at the end of the year:

(₹ in million)

Shareholders as at 31 December 2025	No. of shares	Amount
RJ Corp Limited	855,041,916	25.28%
Mr. Ravi Kant Jaipuria	565,086,222	16.71%
Mr. Varun Jaipuria	521,859,870	15.43%

(₹ in million)

Shareholders as at 31 December 2024	No. of shares	Amount
RJ Corp Limited	868,877,060	25.69%
Mr. Ravi Kant Jaipuria	564,736,222	16.70%
Mr. Varun Jaipuria	520,859,870	15.40%

As per records of the 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.

d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(i) During the year ended 31 December 2021, the 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.

(ii) During the year ended 31 December 2022, the 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 except as disclosed above. Further, there has been no buy back of shares during the period of five years immediately preceding 31 December 2025 and 31 December 2024.

e) Shares held by holding and ultimate holding company

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
RJ Corp Limited, Parent company*	1,710.08	1,737.75
855,041,916 fully paid-up equity shares of ₹ 2 each (31 December 2024: 868,877,060)		
	1,710.08	**1,737.75**

*as defined under Ind AS 110 - Consolidated Financial Statements.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

f) Details of shares held by promoters:

(₹ in million)

Shareholders as at 31 December 2025	No. of shares	% of shareholding	% change during the year
RJ Corp Limited	855,041,916	25.28%	(0.41%)
Mr. Ravi Kant Jaipuria	565,086,222	16.71%	0.01%
Mr. Varun Jaipuria	521,859,870	15.43%	0.03%

(₹ in million)

Shareholders as at 31 December 2024	No. of shares	% of shareholding	% change during the year
RJ Corp Limited	868,877,060	25.69%	(1.23%)
Mr. Ravi Kant Jaipuria	564,736,222	16.70%	(0.93%)
Mr. Varun Jaipuria	520,859,870	15.40%	(0.64%)

g) Sub-division/split of equity shares

i) During the year ended 31 December 2024, the Board of Directors of the Company in their meeting held on 30 July 2024 recommended the sub-division/split of existing Equity Shares of the Company from 1 (One) Equity Share having face value of ₹ 5/- (Rupees Five only) each fully paid-up, into such number Equity Shares having face value of ₹ 2/- (Rupees Two only) each fully paid-up. The above sub-division/split has been approved by the equity shareholders of the Company dated 30 August 2024 through postal ballot. Pursuant to sub-division/split of shares effective 12 September 2024 ("Record Date"), the paid up equity share capital of the Company is ₹ 6,497.24 consisting of 3,248,621,030 equity shares having face value of ₹ 2/- (Rupees two only) each fully paid-up.

ii) During the year ended 31 December 2023, the Board of Directors of the Company in their meeting held on 02 May 2023 recommended the sub-division/split of existing Equity Shares of the 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 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 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.

h) Pursuant to QIP the Company has issued 132,743,362 equity shares of ₹ 2 each at a premium of ₹ 563 per share: (Refer note 59)

(₹ in million)

Date of allotment	Share capital	Securities premium	Total
19 November 2024	265.49	74,734.51	75,000.00

18. Other equity

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

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Capital reserve	533.93	533.93
Share option outstanding account	182.48	184.70
Securities premium	97,063.62	96,939.28
General reserve	444.26	444.26
Retained earnings	82,656.99	60,721.86
Share application money pending allotment	2.72	-
	180,884.00	**158,824.03**

Description of nature and purpose of each reserve:

Capital reserve - Created on merger of Varun Beverages (International) Limited with the 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 Company, 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.

19. Borrowings

A. Non-current borrowings:

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Term loans (secured) (Refer note 19E)		
- Indian rupee loans from banks	2,316.62	1,181.43
- Indian rupee loan from others	347.30	260.67
	2,663.92	**1,442.10**

Loans and borrowing above are recognised at amortised cost/fair value 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.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

B. Current borrowings:

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Loans repayable on demand		
- Working capital facilities from banks (secured) (Refer footnote (a))	-	2,433.42
- Working capital facilities from banks (unsecured) (Refer footnote (b))	-	1,800.00
Working capital facility from banks (unsecured) (Refer footnote (c))	-	1,450.00
Current maturities of long-term debts	1,096.82	1,189.89
	1,096.82	**6,873.31**

(a) The working capital facilities from banks are secured by first charge on entire current assets of the Company ranking pari-passu amongst the banks. In the previous year, these facilities were additionally secured by a second charge on the movable and immovable assets of the Company pertaining to specific manufacturing units, wherever applicable. These facilities carried an interest rates ranging from 7.10% to 7.53% per annum.

(b) The working capital facilities availed from banks were fully repaid during the year. In the previous year, these facilities carried an interest rate of 7.16% per annum.

(c) The working capital facilities availed from banks were fully repaid during the year. In the previous year, these facilities carried an interest rate of 7.15% per annum.

There are no defaults in repayment of principal borrowings or interest there on.

C. Other non-current financial liabilities:

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Lease liabilities (Refer note 44)	255.42	419.61
	255.42	**419.61**

D. Current financial liabilities:

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Lease liabilities (Refer note 44)	26.14	77.10
	26.14	**77.10**

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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

(₹ in million)

Name of the bank/instrument	Loan outstanding			
	31 December 2025		31 December 2024	
	Non-current	Current	Non-current	Current
Term loans				
i) Indian rupee loan from banks (secured)				
Loans carrying weighted average rate of interest 6.69% (31 December 2024: 7.56%) depending upon tenure of the loans. For repayment terms refer note 19F.	2,316.62	1,096.82	1,181.43	547.17
These loans are secured on first pari-passu charge on the entire movable and immovable property, plant and equipment of the Company except vehicles and lands for which no mortgages have been created till date. In the previous year, these were additionally secured by the territory/ franchisee rights acquired under the business acquisition.				
ii) Indian rupee loan from banks (secured)				
Loans carrying rate of interest nil (31 December 2024: 7.95%) depending upon tenure of the loans. For repayment terms refer note 19F.	-	-	-	375.00
These loans 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.				
Indian rupee loan from banks Total	**2,316.62**	**1,096.82**	**1,181.43**	**922.17**
iii)Indian rupee loan 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., 7.63%-8.77% (31 December 2024:7.63%-8.77%) **The repayment schedule is as under:**	255.50	-	176.18	201.53

Date of repayment	Amount
31 March 2030	65.90
07 July 2030	139.92
22 February 2031	22.87
01 October 2031	46.59
31 March 2032	69.44
10 September 2032	28.18

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

(₹ in million)

Name of the bank/instrument	Loan outstanding			
	31 December 2025		31 December 2024	
	Non-current	Current	Non-current	Current
Interest free loan 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 2024: 8.33%) The repayment schedule is as under: Date of repayment: 21 February 2027 — 70.83; 18 July 2028 — 33.30	91.80	-	84.49	66.19
Indian rupee loan from others Total	**347.30**	**-**	**260.67**	**267.72**
Total	**2,663.92**	**1,096.82**	**1,442.10**	**1,189.89**

F. Repayment terms:

(₹ in million)

S.No	Description	31 December 2025		31 December 2024		Repayment terms
		Non-current	Current	Non-current	Current	
1	Term loan - 1	250.88	309.41	560.28	317.77	Two instalments of ₹ 154.70 each due in May 2026 and June 2026 and two instalments of ₹ 125.44 each due in May 2027 and June 2027.
2	Term loan - 2	141.32	141.33	282.65	141.32	Two instalments of ₹ 70.66 each due in May 2026 and June 2026 and two instalments of ₹ 70.66 each due in May 2027 and June 2027.
3	Term loan - 3	-	-	-	375.00	Loan was repaid during the year
4	Term loan - 4	124.42	46.08	170.50	46.08	Two instalments of ₹ 23.04 each due in May 2026 and June 2026, two instalments of ₹ 32.26 each due in May 2027 and June 2027,one instalment of ₹ 32.26 due in May 2028 and one instalment of ₹ 27.64 due in June 2028.
5	Term loan - 5	1,800.00	600.00	168.00	42.00	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, two instalments of ₹ 300.00 each due in May 2028 and June 2028 and two instalments of ₹ 300.00 each due in May 2029 and June 2029
		2,316.62	**1,096.82**	**1,181.43**	**922.17**	

20. Provisions

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Non-current		
Provision for employee benefits (Refer note 37)		
Defined benefit liability (net)	1,027.71	1,089.24
Other long term employee obligations	700.54	687.76
	1,728.25	**1,777.00**
Current		
Provision for employee benefits (Refer note 37)		
Other short term employee obligations	376.56	353.82
Others (Refer note 56)	-	294.12
	376.56	**647.94**

21. Deferred tax liabilities (net)

Deferred taxes arising from temporary differences are summarised as follows:

(₹ in million)

Deferred tax liabilities/(assets)	As at 01 January 2025	Recognised in other comprehensive income*	Recognised in Statement of Profit and Loss	As at 31 December 2025
Accelerated depreciation for tax purposes	4,546.95	-	1,156.93	5,703.88
Allowance for doubtful debts	(72.93)	-	(1.34)	(74.27)
Accrued bonus	(54.82)	-	5.83	(48.99)
Fair valuation of financial instruments	(22.73)	-	(2.77)	(25.50)
Provision for retirement benefits	(469.32)	68.04	(64.47)	(465.72)
Borrowings	(0.16)	-	0.16	0.00
Benefit accrued on government grants	67.49	-	(9.38)	58.11
Others	(161.00)	-	(54.32)	(215.32)
	3,833.51	**68.04**	**1,030.64**	**4,932.19**

(₹ in million)

Deferred tax liabilities/(assets)	As at 01 January 2024	Recognised in other comprehensive income*	Recognised in Statement of Profit and Loss	As at 31 December 2024
Accelerated depreciation for tax purposes	3,844.81	-	702.14	4,546.95
Allowance for doubtful debts	(72.16)	-	(0.77)	(72.93)
Accrued bonus	(44.51)	-	(10.31)	(54.82)
Fair valuation of financial instruments	(25.87)	-	3.14	(22.73)
Provision for retirement benefits	(501.96)	69.98	(37.34)	(469.32)
Borrowings	(0.65)	-	0.49	(0.16)
Benefit accrued on government grants	74.45	-	(6.96)	67.49
Others	(140.78)	-	(20.22)	(161.00)
	3,133.33	**69.98**	**630.16**	**3,833.51**

*The amounts recognised in other comprehensive income relate to the re-measurement of net defined retirement benefit liability. 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.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

22. Other non-current liabilities

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Deferred revenue on government grant	3.58	4.37
Deferred income	-	42.94
	3.58	**47.31**

23. Trade payables

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Total outstanding dues of-		
Micro enterprises and small enterprises (Refer note 46)	1,261.09	640.19
Creditors other than micro enterprises and small enterprises	3,218.27	4,938.09
	4,479.36	**5,578.28**

Trade payables ageing schedule

31 December 2025

(₹ 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	-	1,215.88	15.67	1.68	1.19	1,234.42
Others	1,371.26	1,753.54	30.20	6.58	12.55	3,174.14
Disputed trade payable						
Micro enterprises and small enterprises	-	11.64	7.09	3.25	4.69	26.67
Others	-	18.69	8.24	5.10	12.10	44.13
Total	**1,371.26**	**2,999.75**	**61.20**	**16.61**	**30.53**	**4,479.36**

31 December 2024

(₹ 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	113.98	522.65	2.88	0.25	0.43	640.19
Others	1,377.72	3,438.30	19.83	5.03	14.10	4,854.98
Disputed trade payable						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	52.40	12.01	8.85	9.85	83.11
Total	**1,491.70**	**4,013.35**	**34.72**	**14.13**	**24.38**	**5,578.28**

24. Other current financial liabilities

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Interest accrued but not due on borrowings	14.87	5.55
Interest payable	149.05	48.59
Payable for capital expenditure (Refer note 46)	1,895.04	3,088.65
Employee related payables	881.53	813.94
Unclaimed dividends#	1.60	1.32
Security deposits	2,038.50	1,924.95
	4,980.59	**5,883.00**

#Amounts not yet due for deposit to the Investor Education and Protection Fund. An amount of ₹ 0.19 million has been deposited to the Investor Education and Protection Fund (31 December 2024 ₹ 0.05 million).

25. Other current liabilities

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Advance from customers*	1,125.36	1,417.35
Advance against property classified as held for sale	10.00	-
Statutory dues payable	624.13	703.84
Deferred income	52.41	49.91
	1,811.90	**2,171.10**
*Amounts due to subsidiary:		
Varun Beverages RDC SAS	-	59.20

26a. Current tax assets (Net)

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Current tax assets (net of provision for tax)	30.93	-
	30.93	**-**

26b. Current tax liabilities (Net)

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Provision for tax (net of taxes paid)	-	502.43
	-	**502.43**

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

The key components of income tax expense for the year ended 31 December 2025 and 31 December 2024 are:

A. Statement of Profit and Loss:

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
(i) Profit and Loss		
(a) Current tax	7,644.46	6,858.95
(b) Adjustment of tax relating to earlier years	(9.06)	6.64
(c) Deferred tax charge	1,030.64	630.16
Tax expense reported in the Statement of Profit and Loss	**8,666.04**	**7,495.75**
(ii)Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the year:		
(a) Net (loss) on remeasurements of defined benefit plans	(68.04)	(69.98)
Tax charged to OCI	**(68.04)**	**(69.98)**

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

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Accounting profit before tax	**35,432.46**	**30,699.39**
Tax expense at statutory income tax rate of 25.168% (31 December 2024: 25.168%)	8,917.64	7,726.42
Adjustment of tax relating to earlier years	(9.06)	6.64
Non deductible expenses	159.16	83.53
Deduction claimed u/s Chapter-VI A of Income-tax Act, 1961	(444.28)	(351.34)
Income chargeable at special rates	(4.26)	(1.64)
Others	46.84	32.14
Tax expense at effective tax rate reported in the Statement of Profit and Loss	**8,666.04**	**7,495.75**

27. Revenue from operations

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Sale of products	137,138.46	137,820.72
Rendering of services	108.94	94.64
Other operating revenue	8,320.82	5,570.64
	145,568.22	**143,486.00**

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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

A. Reconciliation of revenue recognised with the contracted price:

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Gross revenue/Contracted price	138,239.59	139,496.90
Less: Discounts and rebates	(992.19)	(1,581.54)
Revenue from contracts with customers	**137,247.40**	**137,915.36**

B. Disaggregation of revenue

a) Information about geographical area

(₹ in million)

Particulars	Year ended 31 December 2025	Year ended 31 December 2024
i. Sale of products and rendering of services		
(i) Within India	136,079.07	136,208.72
(ii) Outside India	1,168.33	1,706.64
Total sale of products and rendering of services	**137,247.40**	**137,915.36**

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.

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 2025	As at 31 December 2024
Trade receivables	2,957.15	2,287.45
Less: Allowances for expected credit loss	(295.09)	(289.82)
Net receivables	**2,662.06**	**1,997.63**

Contract liabilities

(₹ in million)

Particulars	As at 31 December 2025	As at 31 December 2024
Advance from customers (Refer note 25)	1,125.36	1,417.35
	1,125.36	**1,417.35**

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter 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 recognised under the head 'Other operating revenue' amounts to ₹ 7,641.62 million (31 December 2024: ₹ 4,829.26 million) under different industrial promotion tax exemption schemes.

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

(₹ in million)

Particulars	Year ended 31 December 2025	Year ended 31 December 2024
Balance at the beginning of the year	1,417.35	1,725.58
Addition during the year	1,125.36	1,417.35
Revenue recognised during the year	(1,417.35)	(1,725.58)
Balance at the closing of the year	**1,125.36**	**1,417.35**

28. Other income

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Interest income on items at amortised cost:		
- term deposits	132.02	170.80
- loan to subsidiaries (Refer note 43A)	1,110.71	967.78
- others	37.70	44.90
Net gain on foreign currency transactions and translations	1,220.28	714.83
Gain on sale of current investments	806.64	22.47
Excess provisions and liabilities written back	4.80	62.35
Guarantee commission income from subsidiaries (Refer note 43A)	110.03	93.48
Dividend income from non-current investment in subsidiaries (Refer note 43A)	1,692.14	1,315.99
Gain on sale of property, plant and equipment (net)	23.41	-
Miscellaneous income	1.61	146.75
	5,139.34	**3,539.35**

29. Cost of materials consumed

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Raw material and packing material consumed		
Inventories at beginning of the year	7,469.37	5,905.76
Purchases during the year (net)	65,622.37	66,202.38
	73,091.74	**72,108.14**
Less: Sold during the year	250.66	1,016.48
Less: Inventories at end of the year	6,822.12	7,469.37
	66,018.96	**63,622.29**

30. Purchases of stock-in-trade

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Beverages	334.65	806.24
Others	1,069.89	1,222.84
	1,404.54	**2,029.08**

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

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
As at the beginning of the year		
- Finished goods	2,809.45	2,985.94
- Intermediate goods	3,887.77	4,153.40
- Work in progress	71.25	24.55
	6,768.47	**7,163.89**
As at the closing of the year		
- Finished goods	3,025.84	2,809.45
- Intermediate goods	3,498.28	3,887.77
- Work in progress	108.80	71.25
	6,632.92	**6,768.47**
Finished goods used as property, plant and equipment*	(5.89)	(7.02)
	129.66	**388.40**

*The Company manufactures plastic shells at one of its manufacturing facilities at Alwar. The shells manufactured are used for beverages operations of the Company as property, plant and equipment (under the head "Containers"). These containers are also 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.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

32. Employee benefits expense

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Salaries, wages and bonus*	11,472.23	10,580.29
Contribution to provident fund and other funds*	644.25	592.02
Staff welfare expenses*	462.59	462.98
Share based payments (Net)** (Refer note 48)	23.11	140.25
	12,602.18	**11,775.54**

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

**Net of share based payments in relation to employees of subsidiaries amounting to ₹ 14.53 (31 December 2024: ₹ 22.18)

33. Finance costs

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Interest on items at amortised cost:		
- Term loans*	32.27	2,810.92
- Working capital facilities*	20.62	471.13
- Financial liabilities (inclusive of interest on lease liabilities ₹ 47.24 (31 December 2024: ₹ 104.75))*	92.93	160.08
- Others (inclusive of interest on income tax ₹ 60.79 (31 December 2024: ₹ 6.50))	173.42	46.06
Other ancillary borrowing costs	3.14	8.36
	322.38	**3,496.55**

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

34. Depreciation and amortisation expense

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Depreciation on property, plant and equipment (Refer note 4A)	6,819.73	5,986.66
Amortisation of intangible assets (Refer note 5B)	35.95	29.81
Amortisation of ROU (Refer note 4C)	168.52	162.59
	7,024.20	**6,179.06**

35. Other expenses*

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Power and fuel (Refer note 43A)	4,745.41	4,756.55
Repairs to plant and equipment	2,272.79	2,555.42
Repairs to buildings	135.57	153.46
Other repairs	858.07	942.59
Consumption of stores and spares	1,243.34	1,263.90
Rent (Refer note 44)	503.24	553.09
Rates and taxes	101.86	388.97
Insurance	200.18	205.38
Printing and stationery	55.48	60.95
Communication	70.94	68.09
Travelling and conveyance (Refer note 43A)	1,295.34	1,314.02
Sitting fees paid to directors (Refer note 43A)	5.10	8.20
Payment to auditors**	21.42	19.07
Vehicle running and maintenance	158.68	162.80
Lease and hire (Refer note 44)	213.44	228.98
Security and service charges	577.54	546.29
Legal, professional and consultancy	318.08	401.34
Bank charges	9.80	39.45
Advertisement and sales promotion	1,112.69	939.20
Meetings and conferences	153.02	52.92
Royalty	184.65	177.84
Freight, octroi and insurance paid (net)	8,599.90	8,505.58
Delivery vehicle running and maintenance	504.87	532.10
Distribution expenses	2,553.59	2,607.23
Loading and unloading charges	758.01	812.83
Donations	0.88	2.51
Loss on disposal/written off of property, plant and equipment (net)	-	761.81
Bad debts and advances written off	0.56	9.10
Allowance for expected credit loss	5.27	3.10
Corporate social responsibility expenditure (Refer note 47)	462.80	308.11
General office and other miscellaneous	567.97	454.16
Management fees (Refer note 43A)	82.69	-
	27,773.18	**28,835.04**

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

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

**Payment to auditors

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Services rendered for:		
- Audit and reviews	14.90	13.50
- Taxation matters	2.80	3.23
- Other matters#	3.02	1.40
- Reimbursement of expenses	0.70	0.94
	21.42	**19.07**

#Excludes expense of ₹ Nil (31 December 2024: ₹ 6.07) towards fee related to share issue expenses, netted off with share premium account.

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 2025	Year ended 31 December 2024
Retained earnings		
Re-measurement gain on defined benefit plans	270.35	278.06
Tax impact on re-measurement gain/(loss) on defined benefit plans (Refer note 21)	(68.04)	(69.98)
	202.31	**208.08**

37. Gratuity and other post-employment benefit plans

Gratuity:

The Company has a defined benefit gratuity plan governed by the Payments of Gratuity Act, 1972. Employees who are eligible for gratuity on separation shall be payable at 15 days of qualifying wage (last drawn) for each completed year of service. The gratuity plan is a funded plan and the Company makes contribution to recognised funds in India through gratuity trust and thus, mitigates the liquidity risk. The Company does not fully fund the liability and maintains the target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The Company makes a provision of unfunded liability based on actuarial valuation in the Balance Sheet as part of employee cost.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

Compensated absences:

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

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

(₹ in million)

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Changes in present value are as follows:				
Balance at the beginning of the year	2,132.25	2,090.08	1,041.58	951.05
Current service cost	265.72	251.03	221.00	213.85
Interest cost	142.57	148.37	70.90	68.82
Past Service Cost*	118.35	-	-	-
Benefits settled	(248.84)	(107.52)	(118.84)	(73.20)
Actuarial gain	(267.43)	(249.71)	(137.54)	(118.94)
Balance at the end of the year	**2,142.62**	**2,132.25**	**1,077.10**	**1,041.58**

(₹ in million)

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Change in fair value of plan assets are as follows:				
Plan assets at the beginning of the year, at fair value	1,043.01	672.89	-	-
Expected income on plan assets	69.06	49.81	-	-
Actuarial gain	2.92	28.35	-	-
Contributions by employer	-	300.00	-	-
Benefits settled	(0.08)	(8.04)	-	-
Plan assets at the end of the year, at fair value	**1,114.91**	**1,043.01**	**-**	**-**

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

(₹ in million)

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Reconciliation of present value of the obligation and the fair value of the plan assets:				
Present value of obligation	2,142.62	2,132.25	1,077.10	1,041.58
Fair value of plan assets	(1,114.91)	(1,043.01)	-	-
Net liability recognised in the Balance Sheet	**1,027.71**	**1,089.24**	**1,077.10**	**1,041.58**

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

(₹ in million)

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Amount recognised in Statement of Profit and Loss:				
Current service cost	265.72	251.03	221.00	213.85
Interest expense	142.57	148.37	70.90	68.82
Past Service Cost*	118.35	-	-	-
Expected return on plan assets	(69.06)	(49.81)	-	-
Actuarial gain	-	-	(137.54)	(118.94)
Net cost recognised	**457.58**	**349.59**	**154.36**	**163.73**

(₹ in million)

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Amount recognised in Other Comprehensive Income:				
Actuarial changes arising from changes in financial assumptions	(199.99)	(225.31)	-	-
Experience adjustments	(67.44)	(24.40)	-	-
Return on plan assets	(2.92)	(28.35)	-	-
Amount recognised	**(270.35)**	**(278.06)**	**-**	**-**

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Assumptions used:				
Mortality	IALM 2012-2014	IALM 2012-2014	IALM 2012-2014	IALM 2012-2014
Discount rate	5.75%-6.65%	6.95%	6.65%	6.95%
Withdrawal rate				
- Permanent	12.00%	12.00%	12.00%	12.00%
- Contractual	50.00%	-	-	-
Salary increase	8.00%	10.00%	8.00%	10.00%
Rate of leave availment	-	-	20.00%	20.00%
Retirement age (Years)	58-70	58-70	58-70	58-70
Rate of return on plan assets	7.00%-7.68%	7.33-7.67%	-	-

A quantitative sensitivity analysis for significant assumption is shown below:

(₹ in million)

	Sensitivity level		Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Discount rate	+1%	+1%	(107.47)	(133.69)	(30.25)	(32.10)
	-1%	-1%	119.13	119.78	32.06	30.25
Salary increase	+1%	+1%	116.43	117.64	31.35	29.69
	-1%	-1%	(107.14)	(128.54)	(30.16)	(30.90)
Withdrawal rate	+1%	+1%	(9.81)	(21.56)	8.24	(9.64)
	-1%	-1%	10.53	19.70	(8.64)	9.18

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 2024: (2012-14)). 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 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 Company's best estimate of contribution during the next financial year approximates to ₹ 1,086.79 million (31 December 2024: ₹ 1,310.68 million).

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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

(₹ in million)

	Gratuity		Compensated Absences	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
i) Weighted average duration of the defined benefit obligation	2-5 years	6 years	3 years	3 years
ii) Expected cash flows over the years (valued on undiscounted basis):				
Duration (years)				
1	429.17	359.50	376.56	353.82
2 to 5	1,127.27	1,041.41	691.51	671.61
Above 5	1,698.17	2,105.81	261.86	285.48
	3,254.61	**3,506.72**	**1,329.93**	**1,310.91**

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 ₹ 644.25 million (31 December 2024 ₹ 592.02 million) (Refer note 32)

*On 21 November 2025, the Government of India notified the four Labour Codes consolidating 29 existing labour laws. The Ministry of Labour & Employment has also issued draft Central Rules and FAQs to help assess the financial impact of these changes. The Company has assessed the incremental impact of these changes amounting to ₹ 138.95 million (₹ 118.35 million recorded as past service cost) towards gratuity liability for the year ended 31 December 2025, on the basis of best information available, consistent with the guidance provided by Institute of Chartered Accountants of India. The Company continues to monitor the finalisation of Central/ State Rules and clarifications from the Government on other aspects of the Labour Codes and would provide the appropriate accounting effect on the basis of such developments needed.

38. Earnings per share (EPS)

(₹ in million, unless otherwise stated)

	31 December 2025	31 December 2024
Profit attributable to the equity shareholders	26,766.42	23,203.64
Weighted average number of equity shares outstanding during the year for calculating basic earning per share (nos.)	3,381,870,773	3,264,147,731
Add: Weighted average number of potential equity shares on account of employee stock options (nos.)	1,155,051	1,610,654
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (nos.)	3,383,025,824	3,265,758,385
Nominal value per equity shares (₹)	2.00	2.00
Basic earnings per share (₹)	7.91	7.11
Diluted earnings per share (₹)	7.91	7.11

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

39. Dividend

(₹ in million)

	31 December 2025	31 December 2024
Final dividend on equity shares paid during the year related to previous year:		
Final dividend	1,690.93	1,624.24
Interim dividend on equity shares declared and paid during the year:		
Interim dividend	3,381.89	1,624.31

40. Contingent liabilities

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Claims against the Company not acknowledged as debts (being contested):-		
i. Goods and service tax	424.19	308.74
ii. For excise and service tax	14.81	38.08
iii. For customs	481.87	207.81
iv. For sales tax / entry tax	624.66	630.52
v. For income tax	80.95	100.02
vi. For others*	195.71	205.02

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

41. Commitments

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
a. Guarantees issued on behalf of subsidiaries for business purposes (Refer note 43A)	26,044.33	15,776.40
b. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 1,738.59 (31 December 2024: ₹ 3,281.12))*	14,905.90	25,311.44

*Inclusive of commitment as mentioned in note 58 in previous year.

42. Pursuant to transfer pricing legislations under the Income-tax Act, 1961, the 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 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 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 financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

43. Information on related party transactions pursuant to Ind AS-24 - Related Party Disclosures

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 and Whole time Director
Mr. Raj Pal Gandhi	Whole Time Director
Mr. Rajinder Jeet Singh Bagga	Whole Time Director
Mrs. Sita Khosla	Non-executive independent director
Dr. Ravi Gupta	Non-executive independent director
Mrs. Rashmi Dhariwal	Non-executive independent director
Mr. Abhiram Seth	Non-executive independent director
Mr. Anil Kumar Sondhi	Non-executive independent director
Dr. Naresh Kumar Trehan	Non-executive Non-independent director (w.e.f 21 April 2024)
Mr. Ravi Batra	Company secretary
Mr. Mahavir Prasad Garg	Company secretary of the parent, namely RJ Corp Limited
Mr. Lalit Malik	Chief Financial Officer (till 13 May 2024)
Mr. Rajesh Chawla	Chief Financial Officer (w.e.f 14 May 2024 till 29 July 2025)
Mr. Pankaj Madan	Chief Financial Officer (w.e.f 30 July 2025)

II. Parent and ultimate parent

RJ Corp Limited	Parent

III. Subsidiaries/step down subsidiaries

Varun Beverages Morocco SA	Subsidiary
Varun Beverages (Nepal) Private Limited	Subsidiary
Varun Beverages Lanka (Private) Limited	Subsidiary
Varun Beverages (Zambia) Limited	Subsidiary
Varun Beverages (Zimbabwe) (Private) Limited	Subsidiary
Lunarmech Technologies Private Limited	Subsidiary
Ole Spring Bottlers (Private) Limited	Step down subsidiary
Varun Beverages RDC SAS	Subsidiary
Varun Beverages International DMCC	Subsidiary
Varun Beverages South Africa (PTY) Limited	Subsidiary
VBL Mozambique, SA	Subsidiary
Varun Foods (Zimbabwe) (Private) Limited	Subsidiary (w.e.f. 22 May 2024 till 25 November 2025)
The Beverages Company Proprietary Limited	Subsidiary (w.e.f. 26 March 2024)
VBL Industries (Kenya) Limited	Subsidiary (w.e.f. 23 December 2025)
The Beverage Company Bidco Proprietary Limited	Step down subsidiary (w.e.f. 26 March 2024)
Little Green Beverages Proprietary Limited	Step down subsidiary (w.e.f. 26 March 2024)
Softbev Proprietary Limited	Step down subsidiary ((w.e.f. 26 March 2024 till 05 September 2025)

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

IV. Fellow subsidiaries and entities controlled by parent/ultimate parent*

Devyani International Limited
Devyani Food Industries Limited
Devyani Food Industries (Kenya) Limited
SVS India Private Limited
Cryoviva Biotech Private Limited
CV Biotech Private Limited
Varun Food and Beverages Zambia Limited
Cryoviva Life Sciences Private Limited
Cryoviva Singapore Pte Ltd.
Restaurants Development Co,. Ltd
RJ Corp International (UK) Pvt Ltd

V. Joint Venture/Associate (or an associate of any member of the company)

IDVB Recycling Operations Private Limited	Joint Venture
Clean Max Tav Private Limited	Associate
Huoban Energy 7 Private Limited	Associate
Everest Industrial Lanka Private Limited	Joint Venture (w.e.f 27 May 2025)
White Peak Refrigeration Private Limited	Joint Venture (w.e.f 04 September 2025)

VI. Relatives of KMPs*

Mrs. Dhara Jaipuria
Mrs. Kanwaljit Kaur Bagga
Mrs. Devyani Jaipuria

VII. Entities in which a director or his/her relative is a member/director/Trustee*

SMV Beverages Private Limited
Alisha Torrent Closures (India) Private Limited
Jai Beverages Private Limited
Lineage Healthcare Limited
RJ Foundation (Trust)
Global Health Limited

VIII. Entities which are post employment benefits plans

VBL Employees Gratuity Trust

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

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 and related parties (Refer note 43A)

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

43 A. Information on related party transactions pursuant to Ind AS-24 - Related Party Disclosures

Transactions entered with KMPs and related parties:

(₹ in million)

Particulars	KMPs		Parent and ultimate parent		Subsidiaries/step down subsidiary		Fellow subsidiaries and entities controlled by parent		Joint Venture and Associate (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	
	For year ended		For year ended		For year ended		For year ended		For year ended		For year ended		For year ended		For year ended	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Remuneration paid	269.00	266.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director sitting fees paid	5.10	8.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	1,642.21	1,094.85	1,296.40	871.63	-	-	-	-	-	-	118.23	78.81	-	-	-	-
Advance given	3.90	5.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance received against leased vehicle	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of goods	-	-	-	-	814.68	1,677.21	471.10	73.58	-	-	-	-	265.88	246.60	-	-
Sale of raw materials and stores & trading goods	-	-	-	-	613.71	520.55	5.94	34.10	0.59	-	-	-	98.05	263.85	-	-
Purchase of goods	-	-	-	-	-	-	75.95	291.16	-	-	-	-	343.93	449.81	-	-
Purchase of raw materials and stores	-	-	-	-	1,735.75	1,261.99	11.07	5.61	-	-	-	-	11.35	7.51	-	-
Purchase of Asset	-	-	-	-	-	-	119.77	-	105.65	-	-	-	-	-	-	-
Loan given	-	-	-	-	5,077.19	7,994.24	-	-	-	-	-	-	-	-	-	-
Interest received/(paid)	-	-	-	-	1,110.71	967.78	-	-	-	-	-	-	-	(4.00)	-	-
Contribution to corporate social responsibility activities	-	-	-	-	-	-	-	-	-	-	-	-	462.80	308.11	-	-
Guarantee commission income	-	-	-	-	110.03	93.48	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	1,692.14	1,315.99	-	-	-	-	-	-	-	-	-	-
Equity investment	-	-	-	-	4,128.04	2,000.00	-	-	642.91	369.93	-	-	-	-	-	-
Buyback of shares	-	-	-	-	272.95	-	-	-	-	-	-	-	-	-	-	-
Share application money paid	-	-	-	-	-	-	-	-	150.00	-	-	-	-	-	-	-
Conversion of loan into investment	-	-	-	-	11,658.86	-	-	-	-	-	-	-	-	-	-	-
Travelling expenses paid	-	-	-	-	185.63	271.42	-	-	-	-	-	-	-	-	-	-
Licence Fee Paid	-	-	-	-	-	-	1.42	1.50	-	-	-	-	-	-	-	-

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

(₹ in million)

Particulars	KMPs		Parent and ultimate parent		Subsidiaries/step down subsidiary		Fellow subsidiaries and entities controlled by parent		Joint Venture and Associate (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	
	For year ended		For year ended		For year ended		For year ended		For year ended		For year ended		For year ended		For year ended	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
(Recovery of Expenses incurred by the Company on behalf of others)/expenses incurred by others on behalf of the Company	-	-	(3.46)	(1.73)	-	-	(19.82)	(19.13)	-	-	-	-	12.34	-	-	-
Rent/ lease charges paid/ (received)	-	-	135.72	112.80	(4.02)	(3.52)	0.95	(5.58)	-	-	-	-	27.00	27.00	-	-
Medical Expenditure paid	-	-	-	-	-	-	-	-	-	-	-	-	0.12	0.15	-	-
Financial guarantees given	-	-	-	-	10,381.94	12,075.07	-	-	-	-	-	-	-	-	-	-
Financial guarantees closed	-	-	-	-	1,914.69	331.66	-	-	-	-	-	-	-	-	-	-
Sale of property, plant and equipment	-	-	-	-	23.48	152.63	-	-	-	-	-	-	-	-	-	-
Contribution to gratuity trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300.00
IT infrastructure support fee received	-	-	2.87	1.75	56.46	43.37	42.40	33.09	3.06	-	-	-	0.26	0.49	-	-
Advance paid for acquisition of assets	-	-	-	-	-	-	-	-	-	-	-	-	10.00	45.00	-	-
Capital commitments	-	-	-	-	-	-	-	-	-	-	-	-	146.60	156.60	-	-
Share Expenses- Cross Charge	-	-	-	-	14.53	22.18	-	-	-	-	-	-	-	-	-	-
Electricity Charges (Solar Power) Paid	-	-	-	-	39.41	41.02	-	-	100.35	106.98	-	-	-	-	-	-
Management Fee Paid	-	-	-	-	82.69	-	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year, net																
Balances (payable)/ receivable	(12.11)	(9.21)	37.17	67.19	11,200.61	17,460.22	211.01	43.95	17.19	(2.27)	-	-	159.58	134.18	-	-
Provision for employee benefits	(239.23)	(239.54)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial guarantees	-	-	-	-	26,044.33	15,776.40	-	-	-	-	-	-	-	-	-	-

Note:

(i) Stock options have been granted to KMPs of the Company. The number of stock options granted to such KMPs outstanding as at 31 December 2025: 11,250 (31 December 2024 : 35,000). However as the liability has not been determined for individual employees, the charge thereof for the individual employees is not disclosed above. Previous year numbers are adjusted for shares splits during the current year (Refer note 17(g))

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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

The Company's lease asset class primarily consists of leases for land, buildings ,plant and equipment and vehicle. With the exception of short-term leases, leases of low-value underlying assets 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 ranging 5.44-8.22% (31 December 2024: 5.44-8.22%).

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right of use asset can only be used by the Company. 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 Company is prohibited from selling or pledging the underlying leased assets otherthan leasehold lands as security against the Company's other debts and liabilities.

i. Lease liabilities are presented in the balance sheet is as follows-

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Current lease liabilities (Refer note 19D)	26.14	77.10
Non-current lease liabilities (Refer note 19C)	255.42	419.61
Total	**281.56**	**496.71**

ii. The recognised right of use assets relate to land, buildings, plant and equipments and vehicle as at 31 December 2025 and 31 December 2024:

(₹ in million)

	As at 31 December 2025	As at 31 December 2024
Balance at the beginning of the year	9,315.41	8,875.89
Additions for the year	187.62	602.11
Rebate/grant received (net)	(216.28)	-
Transfer to asset classified as held for sale (net)	(62.55)	-
Amortisation charge for the year	(168.52)	(162.59)
Balance at the end of the year	**9,055.67**	**9,315.41**

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

(₹ in million)

	Year ended 31 December 2025	Year ended 31 December 2024
Amortisation charge on right of use assets	168.52	162.59
Interest expense on lease liabilities*	47.24	104.75
Total	**215.76**	**267.34**

*Interest expense on leasehold lands acquired were capitalised as pre-operative expense amounting to ₹ Nil (31 December 2024 ₹ 15.43 million).

iv. Lease payments not recognised as a liability
The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less), 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 ₹ 716.68 million (31 December 2024 ₹ 782.07 millon).

v. Refer Standalone Statement of Cash Flow for total cash outflow for leases.

vi. Maturity of lease liabilities

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

Future minimum lease payments were as follows for 31 December 2025:

(₹ in million)

	Lease payments	Interest expense	Net Present value
Not later than 1 year	45.71	19.57	26.14
Later than 1 year not later than 5 years	119.71	63.06	56.65
Later than 5 years	1,191.36	992.59	198.77
Total	**1,356.78**	**1,075.22**	**281.56**

Future minimum lease payments were as follows for 31 December 2024:

(₹ in million)

	Lease payments	Interest expense	Net Present value
Not later than 1 year	114.16	37.06	77.10
Later than 1 year not later than 5 years	314.16	90.76	223.40
Later than 5 years	1,193.65	997.44	196.21
Total	**1,621.97**	**1,125.26**	**496.71**

45. Segment Information

The business activities of the Company predominantly fall within a single reportable business segment, i.e., manufacturing and sale of beverages within India. There are no separately reportable business or geographical segments that meet the criteria prescribed in Ind AS 108 on Operating Segments. The aforesaid is in line with review of operating results by the chief operating decision maker. The sale of products of the Company is seasonal.

46. Dues to Micro and Small Enterprises

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

(₹ in million)

Particulars	31 December 2025	31 December 2024
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	1,434.94	1,232.13
Interest due	27.32	6.56
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*	2,715.10	949.98
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.	73.14	14.82
The amount of interest accrued and remaining unpaid at the end of each accounting year	149.05	48.59
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 micro and small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	149.05	48.59

*includes principal amounting to ₹ 2,715.10 million (31 December 2024: ₹ 949.98 million).

The above amounts includes ₹ 173.85 million (31 December 2024 ₹ 591.94 million) due to micro and small enterprises included within other financial liabilities.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

47. Details of Corporate Social Responsibility (CSR) expenditure

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted CSR Committee. The detail for CSR activities is as follows.

(₹ in million)

	For the year ended 31 December 2025	For the year ended 31 December 2024
a) Gross amount required to be spent by the Company during the year	462.80	308.11
b) Amount approved by Board to be spent during the year	462.80	308.11
c) Amount spent during the year on the following		
1. Construction/Acquisition of any asset	-	0.98
2. On purpose other than 1 above	291.26	307.13
d) Shortfall/(excess) amount spent on CSR as per Section 135(5) of Companies Act, 2013:		
1. Opening balance	-	-
2. Amount required to be spent during the year	462.80	308.11
3. Amount spent during the year	291.26	308.11
4. Closing balance	171.54	-
e) Total of previous year shortfall	-	-
f) Reason for shortfall	The unspent CSR amount pertains to ongoing projects and the same will be utilized within the prescribed timelines. Further the unutilised balance has been kept with CSR implementing agency in a separate account.	Not Applicable
g) Nature of CSR activities	Promoting healthcare,Education, Environmental substantiality, Animal welfare, Water conservation, Vocational skills etc.	Promoting healthcare, Education, Environmental substantiality, Animal welfare, Water conservation, Vocational skills etc.

1. Refer note 43A for amounts paid to RJ Foundation (CSR implementing agency registered with Ministry of Corporate Affairs, Office of the Registrar of Companies, New Delhi) having objects to carry on CSR activities as per requirements laid down under Section 135 of the Companies Act, 2013.
2. The Company does not carry any provisions for Corporate Social Responsibility expenses for current year and previous year.

48. Share-based payments

a. Description of share based payment arrangements

Share Options Schemes (equity settled)

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

The ESOS 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 41,737,880 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 2025

Scheme	Grant Date	Number of Options Granted	Exercise Price	Vesting Conditions	Vesting Period	Contractual period
ESOS 2016	10-Feb-25	20,000	604.00	Graded vesting over 4 years	10 Feb 2025 to 01 Jan 2029	0-8.92 Years
ESOS 2016	30-Apr-25	3,000	535.00	Graded vesting over 4 years	30 April 2025 to 01 Jan 2029	0-8.67 Years
ESOS 2016	07-Jul-25	98,000	504.00	Graded vesting over 4 years	07 July 2025 to 01 Jan 2029	0-8.50 Years

31 December 2024

Scheme	Grant Date	Number of Options Granted	Exercise Price	Vesting Conditions	Vesting Period	Contractual period
ESOS 2016	05-Feb-24	7,500	453.60	Graded vesting over 4 years	05 Feb 2025 to 01 Jan 2028	0-8.92 Years
ESOS 2016	13-May-24	30,000	563.20	Graded vesting over 4 years	13 May 2024 to 01 Jan 2028	0-8.67 Years
ESOS 2016	16-Sep-24	6,250	626.00	Graded vesting over 4 years	16 Sep 2024 to 01 Jan 2028	0-8.25 Years
ESOS 2016	27-Sep-24	20,000	626.00	Graded vesting over 4 years	27 Sep 2024 to 01 Jan 2028	0-8.25 Years

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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 2025

Particulars	Options granted on 10 February 2025	Options granted on 30 April 2025	Options granted on 07 July 2025
Fair value per Option at grant date (in ₹)	210.71	209.55	143.19
Share price at grant date (in ₹)	554.00	522.35	456.15
Exercise price (in ₹)	604.00	535.00	504.00
Expected volatility	37.30%	36.14%	35.68%
Expected life (in years)	3.50-7.89	3.5-7.68	3.5-5.99
Expected dividends	0.28%	0.34%	0.49%
Risk-free interest rate	6.74%	6.36%	6.33%

31 December 2024

Particulars	Options granted on 05 February 2024	Options granted on 13 May 2024	Options granted on 16 September 2024	Options granted on 27 September 2024
Fair value per Option at grant date (in ₹)	187.97	183.34	165.54	165.54
Share price at grant date (in ₹)	514.30	585.32	626.85	626.85
Exercise price (in ₹)	453.60	563.20	626.00	626.00
Expected volatility	34.20%-37.95%	31.26%-36.48%	30.39%-35.07%	30.39%-35.07%
Expected life (in years)	1.57-4.47	1.57-4.20	1.57-3.83	1.57-3.83
Expected dividends	0.27%	0.17%	0.40%	0.40%
Risk-free interest rate	6.67%-6.75%	6.72%-6.76%	6.33%-6.37%	6.33%-6.37%

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.

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)

	31 December 2025	31 December 2024
Share based payment to employees*	23.11	140.25

*included in employee benefits expense (net of share based payments in relation to employees of subsidiaries amounting to ₹ 14.53 (31 December 2024: ₹ 22.18) (Refer note 32)

d. Reconciliation of outstanding share options

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

	As at 31 December 2025		As at 31 December 2024	
	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	24,07,570	170.84	30,83,035	159.82
Add: Options granted during the year	1,21,000	521.30	63,750	576.16
Less: Options exercised during the year	4,78,752	170.84	7,29,215	159.82
Less: Options forfeited/lapsed during the year	-	-	10,000	159.82
Options outstanding as at the end of the year	20,49,818	191.53	24,07,570	170.84
Options exercisable at the end of the year	9,37,281	170.84	5,63,877	159.82

	As at 31 December 2025	As at 31 December 2024
Weighted average remaining life of options outstanding at the end of year (in years)	4.46	5.26

Also refer note 17(g) on sub-division/split of equity shares of the 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.

49. Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The Company's capital management objectives are:

- to ensure the Company'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 Company 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, non-current and current borrowings, current maturity of long-term debts and lease liabilities, less cash and cash equivalents, excluding discontinued operations, if any.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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

(₹ in million)

Particulars		As at 31 December 2025	As at 31 December 2024
Non-current borrowings (Refer note 19A)		2,663.92	1,442.10
Current borrowings (Refer note 19B)		1,096.82	6,873.31
Lease liabilities (Refer note 19C)		255.42	419.61
Current portion of lease liabilities (Refer note 19D)		26.14	77.10
		4,042.30	**8,812.12**
Less: Cash and cash equivalents (Refer note 12)		(15,987.89)	(20,580.80)
Net debt	**(A)**	**(11,945.59)**	**(11,768.68)**
Equity share capital (Refer note 17)		6,763.98	6,763.02
Other equity (Refer note 18)		180,884.00	158,824.03
Total capital	**(B)**	**187,647.98**	**165,587.05**
Capital and net debt	**(C=A+B)**	**175,702.39**	**153,818.37**
Gearing ratio	**(A/C)**	**-6.80%**	**-7.65%**

In order to achieve this overall objective, the Company'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 2025 and 31 December 2024.

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

50. Assets pledged as security

The carrying amount of assets pledged as security are:

(₹ in million)

Particulars	As at 31 December 2025	As at 31 December 2024
Inventories and trade receivable (Refer note 10 and 11)	19,252.40	18,884.68
Other bank deposits (Refer note 8 and 13)	17.51	15.89
Other current financial assets (Refer note 15)	13,155.46	9,772.54
Other current assets (Refer note 16)	2,552.13	3,589.05
Other intangible assets (Refer note 5B)	-	5,385.99
Property, plant and equipment (Refer note 4A)*	92,109.52	75,172.96
Capital work-in-progress (Refer note 4B)	1,362.48	9,556.64
Right of use assets (Refer note 4C)*	8,920.23	7,116.13

*Exclusive of vehicles and lands for which no mortgages have been created.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

51. Information under Section 186 (4) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), 2015

(₹ in million)

(i)

Name of the Loanee	Rate of Interest	Secured/ Unsecured	Maximum balance outstanding during the year 2025	As at 31 December 2025	Maximum balance outstanding during the year 2024	As at 31 December 2024
Varun Beverages Morocco SA	2% +3 month SOFR	Unsecured	1,110.25	-	1,110.25	1,110.25
Varun Beverages (Zambia) Limited	2% +3 month SOFR	Unsecured	997.59	264.58	826.71	826.71
Varun Beverages (Zimbabwe) (Private) Limited	2% +3 month SOFR	Unsecured	1,064.65	1,064.65	1,013.78	1,013.78
Varun Beverages RDC SAS	2% +3 month SOFR	Unsecured	9,121.65	2,836.97	5,655.41	5,655.41
Varun Beverages International DMCC	2% +3 month SOFR	Unsecured	3,986.77	1,789.40	3,844.48	3,844.48
The Beverage Company Proprietary Limited	Variable prime rate	Unsecured	4,627.72	2,731.76	3,168.67	2,952.77

The above loans are given for business purposes.

(₹ in million)

ii)

Name of the Investee	As at 31 December 2025#	As at 31 December 2024#
Varun Beverages Morocco SA	6,179.18	6,179.18
Varun Beverages (Nepal) Private Limited	1,423.91	1,423.91
Varun Beverages Lanka (Private) Limited	2,876.60	3,149.55
Varun Beverages (Zambia) Limited	3,995.93	3,231.01
Varun Beverages (Zimbabwe) (Private) Limited	0.06	0.06
Lunarmech Technologies Private Limited	2,262.94	2,262.94
Varun Beverages RDC SAS	6,458.56	0.74
Varun Beverages International DMCC	2,237.58	20.68
Varun Beverages South Africa (PTY) Ltd.	0.05	0.05
The Beverage Company Proprietary Limited	10,384.51	4,037.26
VBL Mozambique, SA	1.32	1.32
Varun Foods Zimbabwe (Private) Limited	-	0.84
VBL Industries (Kenya) Limited	8.83	-
Clean Max Tav Private Limited	32.85	32.85
Huoban Energy 7 Private Limited	21.24	21.24
IDVB Recycling Operations Private Limited	1,100.00	500.00
Everest Industrial Lanka (Private) Limited	363.64	-
White Peak Refrigeration Private Limited	44.78	-
Share Application Money in IDVB Recycling Operations Private Limited	150.00	-

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

(₹ in million)

ii)

Name of the Investee	As at 31 December 2025#	As at 31 December 2024#
Lone Cypress Ventures Private Limited	39.65	31.50
Huoban Energy 11 Private Limited	21.15	29.04
Aspirative Creative Ventures Private Limited	22.40	-
FPEL Mercury Private Limited	10.92	-
Fourth Partner Solar Power Private Limited	16.00	-
Jager Renewables Two Private Limited	0.03	-
The Margao Urban Co-operative Bank Limited	0.01	0.01
The Goa Urban Co-operative Bank Limited*	0.00	0.00

*Rounded off to nil

#Exclusive of deemed investment (Refer note 6)

The above investments are made for business purposes.

(₹ in million)

iii)

Guarantees outstanding, given on behalf of	As at 31 December 2025	As at 31 December 2024
Varun Beverages (Nepal) Private Limited	-	280.98
Varun Beverages (Zimbabwe) (Private) Limited	1,978.23	385.30
Varun Beverages (Zambia) Limited	1,079.04	1,027.48
Varun Beverages International DMCC	4,720.79	4,495.22
Varun Beverages RDC SAS	1,888.32	2,483.07
Varun Beverages Lanka (Private) Limited	288.46	290.27
The Beverage Company Proprietary Limited	16,089.49	6,814.08

The above financial guarantees are given on behalf of subsidiaries for business purposes and are in ordinary course of business.

52. Financial instruments risk

Financials risk management objectives and policies

The Company 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 management of the Company monitors and manages the financial risks relating to the operations of the Company on a continuous basis. The Company's risk management is coordinated at its head office, in close cooperation with the management, and focuses on actively securing the Company's 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 Company does not engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company 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 Company 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.

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 Company is Indian Rupees ('INR' or '₹'). Most of the Company's transactions are carried out in Indian Rupees. Exposures to currency exchange rates mainly arise from the Company's overseas sales and purchases, lending to overseas subsidiary companies,etc. which are primarily denominated in US Dollars ('USD'), Pound Sterling ('GBP'), Australian Dollars ('AUD'), Euro ('EUR') and South African Rand ('ZAR').

The Company has limited exposure to foreign currency risk and thereby it mainly relies on natural hedge. To further mitigate the Company's exposure to foreign currency risk, non-INR cash flows are continuously monitored.

The carrying amounts of the Company'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 Company to currency risk are as follows:

(in million)

31 December 2025	USD	AUD	EUR	GBP	ZAR
Financial assets					
(i) Loans (non-current and current)	-	-	-	-	-
(a) Loans to related parties	66.23	-	-	-	504.26
(ii) Trade receivables (current)	1.61	-	-	-	-
(iii)Other financial assets (current)	-	-	-	-	-
(a) Interest accrued on loan to related parties	11.48	-	-	-	3.95
(b) Guarantee commission receivable	0.44	-	-	-	2.92
(c) Other receivables	0.47	-	-	-	0.71
Total financial assets	**80.23**	**-**	**-**	**-**	**511.84**
Financial liabilities					
(i) Trade payables	4.06	0.00*	0.07	-	-
(ii) Other current financial liabilities	-	-	-	-	-
(a) Payable for capital expenditure	1.46	-	2.05	-	-
Total financial liabilities	**5.52**	**0.00***	**2.13**	**-**	**-**

*Rounded off to Nil.

(in million)

31 December 2024	USD	AUD	EUR	GBP	ZAR
Financial assets					
(i) Loans (non-current and current)					
(a) Loans to related parties	145.41	-	-	-	650.00
(ii) Trade receivables (current)	4.30	-	-	-	-
(iii)Other financial assets (current)					
(a) Interest accrued on loan to related parties	10.16	-	-	-	52.09
(b) Guarantee commission receivable	0.17	-	-	-	4.14
(c) Other receivables	0.23	-	-	-	0.35
Total financial assets	**160.27**	**-**	**-**	**-**	**706.58**

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

(in million)

31 December 2024	USD	AUD	EUR	GBP	ZAR
Financial liabilities					
(i) Trade payables	5.14	0.00*	-	-	-
(ii)Other current financial liabilities					
(a) Payable for capital expenditure	3.77	-	3.32	0.01	-
Total financial liabilities	**8.91**	**0.00***	**3.32**	**0.01**	**-**

*Rounded off to Nil.

The following table illustrates the foreign currency sensitivity of profit and equity with regards to the Company'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 INR/USD, INR/AUD, INR/GBP, INR/EUR and INR/ZAR exchange rate for the year ended at 31 December 2025 (31 December 2024: 1%). These are the sensitivity rates used when reporting foreign currency exposures internally to the key management personnel and represents 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 2024 1%), GBP by 1% (31 December 2024: 1%), AUD by 1% (31 December 2024: 1%), EUR by 1% (31 December 2024: 1%) and ZAR by 1% (31 December 2024: 1%) , the following would have been the impact:

(₹ in million)

Particulars	Profit/(Loss) for the year		Equity	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
USD	(67.18)	(129.60)	(67.18)	(129.60)
GBP	-	0.01	-	0.01
Euro	2.24	2.96	2.24	2.96
AUD	0.00*	0.00*	0.00*	0.00*
ZAR	(27.73)	(32.10)	(27.73)	(32.10)

*Rounded off to Nil.

If the INR had weakened against the USD by 1% (31 December 2024 1%), GBP by 1% (31 December 2024: 1%), AUD by 1% (31 December 2024: 1%), EUR by 1% (31 December 2024: 1%) and ZAR by 1% (31 December 2024: 1%), the following would have been the impact:

(₹ in million)

Particulars	Profit/(Loss) for the year		Equity	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
USD	67.18	129.60	67.18	129.60
GBP	-	(0.01)	-	(0.01)
Euro	(2.24)	(2.96)	(2.24)	(2.96)
AUD	(0.00)	0.00*	0.00*	0.00*
ZAR	27.73	32.10	27.73	32.10

*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 Company's exposure to currency risk.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

Interest rate risk

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

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (31 December 2024: +/- 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 2025	(52.74)	52.74	(52.74)	52.74
31 December 2024	(133.00)	133.00	(133.00)	133.00

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of pet chips and sugar and therefore require a continuous supply. In view of volatility of pet chips and sugar prices, the Company 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 2025						
Sugar	+1%	-1%	(150.98)	150.98	(150.98)	150.98
Pet chips	+1%	-1%	(145.87)	145.87	(145.87)	145.87

(₹ in million)

Particulars	Change in yearly average price		Effect on profit before tax		Effect on equity	
31 December 2024						
Sugar	+1%	-1%	(143.00)	143.00	(143.00)	143.00
Pet chips	+1%	-1%	(148.30)	148.30	(148.30)	148.30

Other price sensitivity

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

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

52.2 Credit risk analysis

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

(₹ in million)

Particulars	As at 31 December 2025	As at 31 December 2024
Classes of financial assets-carrying amounts:		
Investments (non-current)	37,704.60	20,960.11
Loans (current and non-current)	8,687.36	15,403.40
Trade receivables	2,662.06	1,997.63
Cash and cash equivalents	15,987.89	20,580.80
Bank balances other than mention above	11.47	6.28
Other financial assets (current and non-current)	14,034.15	10,574.63
	79,087.53	**69,522.85**

The Company 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 Company's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Company 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. Further, the Company has assessed the recoverability of grants receivable classified under other current financial assets and accordingly provided for balance overdue for more than three years, amounting to ₹ 473.46 million (31 December 2024: ₹ 236.45 million).

Movement in expected credit loss allowance on trade receivables

(₹ in million)

Particulars	As at 31 December 2025	As at 31 December 2024
Balance at the beginning of the year	289.82	286.72
Loss allowance measured at lifetime expected credit loss	5.27	3.10
Balance at the end of the year	**295.09**	**289.82**

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. The credit risk for loans advanced to subsidiary companies including interest accrued thereon is also considered negligible since operations of these entities are regularly monitored by the Company and these companies have shown considerable growth.

In respect of financial guarantees provided by the Company, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of each reporting period, the Company 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 Company might be unable to meet its obligations. The Company 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 Company's ability to avail further credit facilities subject to creation of requisite charge on its assets. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

As at 31 December 2025 and 31 December 2024 , the Company's non-derivative financial liabilities have contractual undiscounted maturities as summarised below:

(₹ in million)

31 December 2025	Carrying value	1 to 12 months	1 to 5 years	Later than 5 years	Total contractual cash flow
Borrowings (current and non-current)	3,760.74	1,096.82	2,626.58	167.09	3,890.49
Lease liabilities (current and non-current)	281.56	45.71	119.71	1,191.36	1,356.78
Trade payables	4,479.36	4,479.36	-	-	4,479.36
Other financial liabilities (current)	4,980.59	4,980.59	-	-	4,980.59
Total	**13,502.25**	**10,602.48**	**2,746.29**	**1,358.45**	**14,707.22**

(₹ in million)

31 December 2024	Carrying value	1 to 12 months	1 to 5 years	Later than 5 years	Total contractual cash flow
Borrowings (current and non-current)	8,315.41	6,885.51	1,285.57	275.29	8,446.37
Lease liabilities (current and non-current)	496.71	114.15	314.17	1,193.65	1,621.97
Trade payables	5,578.28	5,578.28	-	-	5,578.28
Other financial liabilities (current)	5,883.00	5,883.00	-	-	5,883.00
Total	**20,273.40**	**18,460.94**	**1,599.74**	**1,468.94**	**21,529.62**

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

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	Notes	As at 31 December 2025		As at 31 December 2024	
		FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets					
(i) Non-current financial assets					
(a) Investment (non-current)	6	110.16	37,594.44	60.55	20,899.56
(b) Loans	7	-	8,687.36	-	14,856.27
(c) Other financial assets	8	-	878.69	-	802.09
(ii)Current financial assets					
(a) Trade receivables	11	-	2,662.06	-	1,997.63
(b) Cash and cash equivalents	12	15,101.22	886.67	1,319.21	19,261.59
(c) Bank balances other than (b) above	13	-	11.47	-	6.28
(d) Loans	14	-	-	-	547.13
(e) Other financial assets	15	-	13,155.46	-	9,772.54
Total		**15,211.38**	**63,876.15**	**1,379.76**	**68,143.09**
Financial liabilities					
(i) Non-current borrowings	19A	-	2,663.92	-	1,442.10
(ii)Non-current lease liabilities	19C	-	255.42	-	419.61
(iii)Current financial liabilities					
(a) Borrowings	19B	-	1,096.82	-	6,873.31
(b) Lease liabilities	19D	-	26.14	-	77.10
(c) Trade payables	23	-	4,479.36	-	5,578.28
(d) Other	24	-	4,980.59	-	5,883.00
Total		**-**	**13,502.25**	**-**	**20,273.40**

Valuation technique to determine fair value

Cash and cash equivalents, other bank balances, trade receivables, loans, 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.

Fair value hierarchy

The financial assets measured at fair value are grouped into the fair value hierarchy as on 31 December 2025 and 31 December 2024 as follows: (also refer note 3.1)

(₹ in million)

31 December 2025	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 2025	110.16	-	-	110.16
Cash and cash equivalents	31 December 2025	15,101.22	15,101.22	-	-

There have been no transfers of financial assets and financial liabilities between the levels during the year 2025

(₹ in million)

31 December 2024	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 2024	60.55	-	-	60.55
Cash and cash equivalents	31 December 2024	1,319.21	1,319.21	-	-

54 Details of unhedged exposure in foreign currency denominated monetary items

Exposure in foreign currency - unhedged

Outstanding foreign currency exposure not being hedged against adverse currency fluctuation:

(₹ in million)

Particulars	Period	Foreign currency		Local currency	
Trade receivable	31 December 2025	USD	1.61	INR	144.96
	31 December 2024	USD	4.30	INR	367.92
Loan given	31 December 2025	USD	66.23	INR	5,955.60
	31 December 2024	USD	145.41	INR	12,450.63
	31 December 2025	ZAR	504.26	INR	2,731.76
	31 December 2024	ZAR	650.00	INR	2,952.77
Other receivables	31 December 2025	USD	12.38	INR	1,113.38
	31 December 2024	USD	10.56	INR	903.93
	31 December 2025	ZAR	7.58	INR	41.05
	31 December 2024	ZAR	56.59	INR	257.06

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

(₹ in million)

Particulars	Period	Foreign currency		Local currency	
Trade payables	31 December 2025	USD	4.06	INR	364.74
	31 December 2024	USD	5.14	INR	439.81
	31 December 2025	EUR	0.07	INR	7.43
	31 December 2024	EUR	-	INR	-
	31 December 2025	AUD	0.00*	INR	0.17
	31 December 2024	AUD	0.00*	INR	0.15
Payable for capital expenditure	31 December 2025	USD	1.46	INR	131.57
	31 December 2024	USD	3.77	INR	322.90
	31 December 2025	EUR	2.05	INR	216.90
	31 December 2024	EUR	3.32	INR	295.85
	31 December 2025	GBP	-	INR	-
	31 December 2024	GBP	0.01	INR	0.68

*Rounded off nil.

55. Financial ratios

Ratio	Measurement unit	Numerator	Denominator	As at 31 December 2025	As at 31 December 2024	Change	Reason for variance if more than 25%
				Ratio	Ratio		
Current ratio	Times	Current assets	Current liabilities (inclusive of current maturities of long-term debts)	3.99	2.46	62.55%	Refer note below i
Debt-equity ratio	Times	Total debt [Non-current borrowings + Current borrowings+Lease liabilities]	Total equity	0.02	0.05	-59.52%	Refer note below i
Debt service coverage ratio	Times	Earnings available for debt service [Profit after tax + Depreciation and amortisation + impairment + finance cost + profit/(loss) on sale of property, plant and equipment, investment + other non cash adjustments]	Debt service (finance cost + current borrowings)	22.36	3.19	601.78%	Refer note below i
Return on equity ratio	Percentage	Net profit after tax	Average shareholder's equity [(opening shareholder's equity + closing shareholder's equity)/2]	15.16%	19.64%	-22.82%	Not applicable

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

Ratio	Measurement unit	Numerator	Denominator	As at 31 December 2025	As at 31 December 2024	Change	Reason for variance if more than 25%
				Ratio	Ratio		
Inventory turnover ratio	Times	Costs of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, intermediate goods, stock-in-trade and work-in-progress	Average inventories [(opening inventories + closing inventories) /2]	4.88	4.84	0.87%	Not applicable
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables [(opening trade receivables +closing trade receivables)/2]	62.48	69.53	-10.15%	Not applicable
Trade payables turnover ratio	Times	Net purchases	Average trade payables [(opening trade payables + closing trade payables)/2]	13.33	13.00	2.52%	Not applicable
Net capital turnover ratio	Times	Revenue from operations	Working capital [current assets - current liabilities inclusive of current maturities of long-term debts]	3.81	4.53	-15.99%	Not applicable
Net profit ratio	Percentage	Net profit after tax	Revenue from operations	18.39%	16.17%	13.70%	Not applicable
Return on capital employed	Percentage	Earnings before interest and taxes	Capital employed = Tangible net worth* + total debt** + deferred tax liabilities	18.18%	19.19%	-5.22%	Not applicable
Return on investment (ROI)	Percentage	Earnings before interest and tax	Total assets	17.03%	17.55%	-2.99%	Not applicable

Note:

(i) During the year the Company had repaid majority of its borrowings from the proceeds of Qualified institutions placement (QIP), due to which ratios are impacted significantly.

*Tangible net worth:- equity share capital + other equity

**Total debt- non-current and current borrowings + non-current and current lease liabilities

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

56. Disclosure relating to provision:

(₹ in million)

Particulars	31 December 2025	31 December 2024
Opening balance	294.12	503.72
Addition	-	41.16
Reversal	(294.12)	(250.76)
Closing balance	**-**	**294.12**

The Company has made GST provision during the year 31 December 2023 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, Company has provided for GST liability on entire sales of a product for the said period. The Company has not recovered the additional GST liability from its customers.

During the previous year, the Company has accrued interest on above GST provision and also reversed provisions that had now become time-barred. Further, during the year ended 31 December 2025, the Company obtained an independent expert opinion regarding the likelihood of the outflow of the provision previously recognised for the aforementioned matter. Based on this opinion, which indicates that an outflow is no longer probable, the Company reversed the provision previously recognised in the books of account. The matter has accordingly been disclosed as a contingent liability.

Notes:

i. As at 31 December 2024, the above provision represents 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 depends on the final outcome of the dispute. Hence, the Company was not able to reasonably ascertain the timing of the outflow.

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

57. Additional regulatory information not disclosed elsewhere in the financial information during current and previous year

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

b) The Company 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 2025	Relationship with the struck off company	Balance outstanding as at 31 December 2024	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	-	No relationship	-	No relationship
Thermadyne Private Limited	Purchases	-	No relationship	(0.38)	No relationship
RBC Bearings Private Limited	Purchases	-	No relationship	-	No relationship

*Rounded off to Nil

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

c) The Company does not have any charges which is yet to be registered with ROC beyond the statutory period.

d) The Company has not traded or invested in Crypto currency or Virtual Currency.

e) The Company 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 company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

f) The Company 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 Company 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 Company 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 Company 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 Company 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 company from banks have been applied for the purposes for which such loans were taken.

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

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

58. On 13 November 2024, the Company entered into a binding agreement to acquire 100% stake in the business conducted by SBC Beverages Tanzania Limited, Tanzania (SBCT) and SBC Beverages Ghana Limited, Ghana (SBCG), subject to completion of conditions precedent. Due to non-fulfilment of certain conditions precedent before the long stop date, the agreements stand terminated as per clause 4.6 of the above said agreements.

Summary of material accounting policies and other explanatory information on the Standalone Financial Statements for the year ended 31 December 2025

59. During the year ended 31 December 2024, pursuant to Qualified institutions placement (QIP), the Company has raised ₹ 75,000 million through fresh issue of 132,743,362 equity shares of ₹ 2 each at a premium of ₹ 563 per share on 19 November 2024. The Audit, Risk Management and Ethics Committee and the Board of Directors noted the utilisation of funds raised through such fresh issue of equity shares to be in line with the object of the issue, the details of which are as follows:

(₹ in million)

Particulars	Amount as per placement document	Amount utilised upto 31 December 2024	Amount utilised during the year	Amount Unutilised/(Excess spent) as at 31 December 2025
Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company and/or one of our Subsidiaries	56,000.00	50,475.46	5,549.94	(25.40)
Inorganic acquisitions and general corporate purposes	18,390.00	3,858.42	14,500.80	30.78
Share issue expenses	610.00	611.10	4.28	(5.38)
Total	**75,000.00**	**54,944.98**	**20,055.02**	**0.00**

60. Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies covered under the Act, which uses accounting software for maintaining its books of accounts, shall only use such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses two accounting software's, out of which one accounting software used for payroll processing which was operated by a third party software service provider till 31 March 2025, for maintaining its books of account.

During the year, the audit trail (edit log) feature at the application level was operating for all relevant transactions recorded in such softwares. However, the audit trail (edit log) feature was not enabled at the database level to log any direct data changes for one accounting software operated by Company, used for maintenance of books of account. The audit trail has been preserved by the Company as per the statutory requirements for record retention wherever applicable.

61. Subsequent events occurred after the balance sheet date:

The Board of Directors in their meeting held on 03 February 2026 have approved a payment of final dividend of ₹ 0.50 (Rupee fifty paisa only) per equity share of the face value of ₹ 2 each, subject to the approval of equity shareholders in ensuing annual general meeting of the Company.

62. 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 62 are an integral part of the standalone 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

Pankaj Madan
Chief Financial Officer

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

Place: Gurugram
Dated: 03 February 2026

INDEPENDENT ASSURANCE STATEMENT

INDEPENDENT REASONABLE ASSURANCE REPORT TO VARUN BEVERAGES LIMITED ON NON-FINANCIAL BRSR CORE DISCLOSURES IN THE BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR 2025

To,
The Board of Directors,
Varun Beverages Limited
Plot No. 31, Sector 44, Institutional Area,
Gurugram - 122 002, Haryana

We ("DEKRA Testing Inspection and Certification India Private Limited" of "DEKRA") have undertaken a reasonable assurance engagement for Varun Beverages Limited ("the Company" or "VBL") on VBL's Sustainability Information as BRSR Core (Annexure I - Format of BRSR Core) attributes included in the BRSR Format (Annexure II - Business Responsibility and Sustainability Reporting Format) as per SEBI Circulars dated July 11, 2023 and July 12, 2023 in the Business Responsibility & Sustainability Report (the "BRSR" or the "Report") for the year ended December 31, 2025. Our assurance engagement does not extend to information in respect of earlier periods or to any other information included. This engagement was conducted by a multidisciplinary team including assurance practitioners and engineers and experts, as per SEBI mandated Circular July12, 2023.

Reporting Requirement - Standard/Framework

The disclosures of Sustainability Information are prepared by VBL in accordance as mentioned under;

- Regulation 34(2)(f) of the Securities and Exchange Board of India (the "SEBI") (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended;
- Business Responsibility and Sustainability Reporting Requirements for listed entities per Master Circular No. SEBI/HO/CFD/PoD2/ CIR/P/2023/120 dated July 11, 2023; and
- SEBI Circulars (SEBI/HO/CFD/CFD-SEC-2/P/ CIR/2023/122 dated July 12, 2023; SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated December 20, 2024 and clarifications thereto issued by SEBI.
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Professional Standards Applied

We performed a reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information.

Scope, Boundary & Limitation

Scope

The scope of work includes the assurance of the 9 attributes as per Annexure I - Format of BRSR Core disclosed in the BRSR report. The BRSR requirements encompass essential disclosures pertaining to the organization's Environmental, Social and Governance (ESG).

Boundary

Reporting boundary of Sustainability Information includes 38 Nos. Plants for Manufacturing of Beverages, 3 Nos. Plants for Backward Integration, 1 No. Registered Office, 1 No. Corporate Office and 67 Nos. Sales Offices, Depot & Warehouse across India.

Limitations

We conducted a reasonable assurance engagement on select BRSR Core attributes, as defined within the Business Responsibility and Sustainability Reporting (BRSR) framework. Certain limitations inherent to the subject matter and the assurance process were identified, as detailed below;

- Assurance engagement did not include procedures related to the Report's prospective information, encompassing targets, expectations, and ambitions. Consequently, no assurance conclusion is offered regarding such prospective information. Additionally, matters pertaining to Intellectual Property Rights and competitive issues are outside the scope of this assurance
- DEKRA's assurance process proceeded without any limitations impacting the defined scope.
- Data verification was conducted by DEKRA using a sampling methodology. The reporting organization, VBL, bears sole responsibility for the authenticity of all data presented.
- Any reliance placed by a person or third party on the BRSR Report is entirely at their own risk.
- DEKRA did not evaluate the company's financial data or performance. DEKRA referenced financial figures from the audited financial reports, and VBL will be responsible for the appropriate application of this financial data. DEKRA assumes no liability for the accuracy or completeness of the financial data contained within the Company's audited financial report.
- This assurance statement's applicability is restricted to the context defined by SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 (July 12, 2023) and the Industry Standards for BRSR Core reporting, as specified in SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 (December 20, 2024).
- The assessment is limited to data and information within the defined Reporting Period. Any data outside the period in not considered within the scope of assurance.
- The assessment does not include a review of the Company's strategy, or other related linkages expressed in the report. These aspects are not within the scope the assurance engagement.
- The assurance does not extent to mapping the report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Legal compliance is outside the scope of this assurance. The Company retains full responsibility for compliance with all relevant laws and regulations.
- This assurance is based on the assumption that the Company's data is complete, sufficient, and authentic.

Inherit Limitation

Inherent limitations in preparing the Company's BRSR information requires the management to establish or interpret the criteria, make determinations about the relevancy of information to be included, and make estimates and assumptions that affect the reported information.

Measurement of certain amounts and BRSR Core metrics, some of which are estimates, is subject to substantial inherent measurement uncertainty, for example, GHG emissions, water footprint, energy footprint. Obtaining sufficient appropriate evidence to support our opinion/conclusion does not reduce the uncertainty in the amounts and metrics.

Responsibilities for the VBL's Management

Management of the Company is responsible for:

- Selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable law and regulations related to reporting the Sustainability Information, if any, related to reporting on the Sustainability Information, Identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the reporting requirement.

- The preparation and fair presentation of the Sustainability Information in accordance with the SEBI BRSR Framework.
- Designing, implementing and maintaining internal control relevant to the preparation of the Sustainability Information in accordance with the SEBI BRSR Framework, to enable the preparation of such information that is free from material misstatement, whether due to fraud or error.

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

Our Responsibility

We are responsible for:

- Planning and performing the engagement to obtain reasonable assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent opinion, based on the evidence we have obtained; and
- Reporting our opinion to the Directors of VBL.

As we are engaged to form an independent opinion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Our Independence, Quality Control and Statement of Competency

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. DEKRA applied Internal Quality Control and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners, engineers, and experts, in particular, to assist with determining the reasonableness of VBL's Sustainability Information. DEKRA assurance team, to the best of knowledge, was not involved in any non-audit / non-assurance work with the Company and its entities could lead to any Conflict of Interest. DEKRA was not Involved in the preparation of any statements or data included in the Report except the Assurance Statement for the VBL. Dekra maintains complete impartiality during the assurance process. We did not provide any services to VBL in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

Summary of the Work we Performed as the Basis for our Assurance Opinion

A reasonable assurance engagement involves performing procedures to obtain evidence about the Sustainability Information. The nature, timing and extent of procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error, in the Sustainability Information. In making those risk assessments, we considered internal control relevant to VBL's preparation of the Sustainability Information. A reasonable assurance engagement also includes:

- Evaluating the suitability in the circumstances of VBL's use of the Standard/Framework, as the basis for preparing the Sustainability Information;
- Evaluating the appropriateness of measurement and evaluation methods, reporting policies used and the reasonableness of estimates made by VBL;
- DEKRA conducted interviews with key representatives, including data owners and decision-makers from different functions of VBL;
- DEKRA performed sample-based reviews of the mechanisms for implementing Sustainability-related policies and data management (qualitative and qualitative); and
- Evaluating the disclosures in, and overall presentation of, the Sustainability Information.
- Verified BRSR Core 9 ESG attributes as the outcome of this engagement

Attribute	Observation
Greenhouse Gas (GHG) Footprint	
Total Scope 1 Emissions	CO2-eq emission is calculated for all the plants from direct use HSD used in DG's, HSD & LPG used in vehicle & forklift, aviation fuel, fugitive emission form leakage of CO2 & refrigerants and company owned transport vehicle is calculated from activity data (km). Biogenic emissions from the use of briquette and firewood are calculated separately.
Total Scope 2 Emissions	Indirect CO2-eq emission form the grid electricity used for the plants & corporate office only.
Water Footprint	
Total Water Consumption	Includes ground and surface water consumption from all beverage manufacturing plants.
Water Discharge	Effluent discharge after treatment from ETPs are reported at Greater Noida Unit 1 & 2, Kosi, Sonarpur, Kosi, Cuttack and Bharuch plants only.
Energy Footprint	
Total Energy Consumed	Total energy consumption at all plants includes grid & renewable electricity and fuel usage as briquettes, firewood, HSD, LPG & aviation fuel, excluding fuel usage in transportation of owned vehicles. (Energy conversion as per DEFRA 2025)
Percentage of renewable energy	Usage of renewable electricity, briquettes and firewood at all plants used in calculating percentage of renewable energy. (Energy conversion as per DEFRA 2025)
Embracing circularity	
Plastic Waste	Reported plastic waste generated as per product sale. It does not include the plastic waste generated from plant operations.
E-Waste	E-waste as per the waste handler collection from the plants and offices.
Bio-Medical Waste	Nill bio-medical waste reported.
Construction and demolition waste	Limited refers to the remark of Principle 6, Question 9, within VBL's BRSR Report.
Battery Waste	The quantity of battery waste recorded as numbers in SAP is used to calculate the total weight in tons, based on an assumed weight of 25 kg per unit.
Radioactive waste	Not applicable to the operations of VBL.
Other Hazardous waste	Hazardous waste generated from all the plants is disposed of through authorized waste handlers.
Other Non-Hazardous waste	Reported waste limited to boiler ashes, briquettes bags, glass cullet and wooden waste as recorded in SAP, VBL needs to further strengthen reporting this disclosure by including other waste categories.
Waste Recovered	Includes plastic waste recycled under EPR obligation, reuse of boiler ashes and recycle of briquettes bag, glass cullet's & wooden waste as recorded in SAP.
Waste Disposed	Battery waste, e-waste and hazardous waste is disposed of through authorized waste handlers.
Enhancing Employee Wellbeing and Safety	
% spending towards wellbeing of employees	Percentage as spent on total employee insurance policies to the total revenue.
No. of Permanent Disabilities	No permanent or high consequence work related injury or ill-health reported.
Lost Time Injury Frequency Rate (LTIFR)	Recorded at all plants and calculated at corporate level.
No. of Fatalities	One fatality occurred at the Greater Noida Unit 2 due to fall from height.
Enabling Gender Diversity	
% of Gross wages paid to females	Calculated as gross wages paid to permanent females as percentage of total wages paid to permanent employees and workers.
Total POSH Complaints Reported	Monitored as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and its 2013 Rules, reported nil.
Complaints on POSH as a % of Female Employees	Monitored and reported zero percentage, as reported complaints are nil.
Complaints on POSH upheld	Not applicable as reported complaints are nil.
Enabling Inclusive Development	
% of Input material sourced from MSME/Small Producers	Calculated as input material directly sourced from MSME sources as percentage of total purchases
% of Job Creation in Smaller Town	Calculated as per place of employment of employees/workers. (Places categorization based on with RBI classification system on rural/ semi-urban / urban / metropolitan)
Fairness in Engaging with Customers and Suppliers	
% Instances involving loss / breach of data of customers	Monitored and reported nil.
Number of days of accounts payable	As per the audited financial statement
Open-ness of business	
% of Total Purchases from trading houses	Reported nil purchases from the trading houses.
Number of trading houses	Reported zero trading houses for purchases.
% of Purchases from top 10 trading houses	Reported nil purchases from the trading houses.
% of Total Sales to dealers/distributor	All sales are made through dealers/ distributors.
Number of dealers/distributors	All the dealers are recorded & reported through Customer Master.
% of Sales to top 10 dealers / distributors	Calculated as sales to top ten dealers/distributors as percentage of total sales to dealers/distributors.
% of Purchase from RPTs	As per the audited financial statement.
% of Sale to RPTs	As per the audited financial statement.
% of Loan & Advances to/from RPTs	As per the audited financial statement.
% of Investment to/from RPTs	As per the audited financial statement.
Note: Pallakad, Roha, Nagpur and Phillaur plants are excluded from reporting due to non-operation.	

We believe that the evidences we have obtained is sufficient and appropriate to provide a basis for our opinion. Onsite audit for verification conducted at VBL's Corporate Office on 26/02/2026, Greater Noida Unit 2 on 09/01/2026, Sandila on 19/02/2026 and Pathankot on 23/02/2026, Online audit of Supa on 17/02/2026 & Gorakhpur on 18/02/2026 and desk review for the remaining sites.

Assurance Conclusion

In our opinion, VBL's Sustainability Information as Business Responsibility and Sustainability Reporting attributes included in the Business Responsibility & Sustainability Report (the "BRSR" or the "Report") for the year ended December 31, 2025 is prepared, in all material respects, in accordance with the Reporting Requirement.

Purpose and Restriction on Distribution and Use

Our Reasonable Assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on Company's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our Reasonable Assurance report should not be used for any other purpose or by any person other than the addressees of our report. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.





Kanwaldeep Singh Sachdev
General Manager Audit Division

Vivek Nigam
Head Sustainability Services

DEKRA Testing, Inspection & Certification India Private Limited
Certificate No. : DEKRABRSR2026C01R0
Date : March 6, 2026
Place : Pune
Email : vivek.nigam@dekra.com

BR. No. 50255790

Independent Assurance Statement

To the Management and Stakeholders of Varun Beverages Limited

DQS India have been engaged by Varun Beverages Limited (VBL) to provide limited assurance of their Sustainability Report for 2025'. The engagement took place in February 2026 and concluded in March 2026.

Scope of Assurance

The scope of our assurance engagement encompassed the 'Sustainability Report' part of the 'Annual report 2025' (final version submitted on 4th March 2026) and focused on all figures, statements and claims related to sustainability during the reporting period 1 January 2025 to 31 December 2025. More specifically, this included:

- Non-financial statements, information and performance data are contained within the Sustainability Report.
- VBL management approach of material issues; and
- VBL reported data and information as per the requirements of the Global Reporting Initiative Standards.

Our **Limited level/Type 1** assurance engagement was performed in accordance with:

- **ISAE 3000 (Revised):** International Standard on Assurance Engagements (Assurance on Non-Financial Information).
- **ISO 14064:2019 Part 3:** Specification with guidance for the verification and validation of greenhouse gas statements

The scope of the assurance engagement covered 38 plants for manufacturing beverages, 3 plants for backward integration in India and 12 plants for manufacturing in international territories.

The audit was conducted remotely on the corporate functions and on selected sampled sites. The site selections followed the risk-based approach and tried to ensure representativeness of various processes and geographical boundaries within the organization.

Additionally, the scope of the audit included review of the immediate corrections made in the report where gaps were identified as part of the assessment process.

Responsibility of Varun Beverages Limited

The preparation and presentation of the selected KPIs in the VBL Sustainability Report 2025 are the responsibility of the management of Varun Beverages Limited. VBL's management is responsible for establishing and maintaining the internal controls and processes to ensure the collection, calculation, and reporting of accurate and reliable data for these KPIs.

Our Responsibility

Our responsibility is to express a limited assurance conclusion based on the work performed regarding the accuracy and completeness of the selected KPIs as presented in the **VBL Sustainability Report 2025**.

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Bengaluru - 560102 Karnataka, India

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BR. No. 50255790

Assurance Methodology

The limited assurance engagement was conducted through the following steps:

- Reviewing the Sustainability Report with respect to the in-accordance criteria of GRI requirements, including verification of material topics identification by the organization and if they have been adequately disclosed along with additional disclosures relevant to their operations.
- Evaluation of the data and information underlying the selected KPIs for accuracy and consistency.
- Interviews with key personnel responsible for the collection, monitoring, and reporting of sustainability data.
- Review of internal documentation, data records, and the control environment for managing the relevant sustainability metrics.
- Examination of the reporting and calculation methodologies used to present the selected KPIs in the sustainability report.
- DQS verification process included the following GRI disclosures:
    - General disclosures: GRI-2
    - Materiality assessment and disclosures: GRI-3
    - Disclosures of Material topics as listed below:
        - Water Management : GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5;
        - GHG Emissions: GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5;
        - Corporate Citizenship: GRI 304-3, GRI 413-1, GRI 413-2.
        - Business Ethics & Corporate Governance: GRI-2, GRI 205-1, GRI 205-2, GRI 205-3, GRI 206-1 GRI 406-1
        - Business Performance: GRI 201-1*
        - Employee Health & Safety: GRI 403-1 to GRI 403-7, GRI 403-8*, GRI 403-9*, GRI 403-10*
        - Product Safety & Quality and Consumer Health & Nutrition: GRI 416-1, GRI 416-2.
        - Packaging Lifecycle Management: GRI 301-3.
    - In addition to material topics the following disclosures were also evaluated:
        - Material Management: GRI 301-1, GRI 301-2, GRI 301-3
        - Energy mangement: GRI 302-1*, GRI 302-2, GRI 302-3, GRI 302-4, GRI 302-5
        - Waste management – GRI 306-1, GRI 306-2, GRI 306-3*, GRI 306-4*, GRI 306-5*
        - Supplier environmental assessment – GRI 308-1*, GRI 308-2
        - Employment – GRI 401-1, GRI 401-2, GRI 401-3
        - Labour/management relation – GRI 402-1
        - Training & education – GRI 404-1, GRI 404-2, GRI 404-3
        - Diversity & equal opportunity – Gri 405-1*, GRI 405-2*
        - Freedom of association and collective bargaining – GRI 407-1
        - Supplier Social assessment – GRI 414-1*, GRI 414-2
        - Marketing & labelling – GRI 417-1, GRI 417-2, GRI 417-3
        - Customer Policy – GRI 418-1
        - Market Presence – GRI 202-1, GRI 202-2
        - Indirect economic impacts – GRI 203-1, GRI 203-2
        - Procurement Practices – GRI 204-1

    * *Verified by third party*

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Observations and Findings

In addition to providing limited assurance, we noted the following observations during our engagement:

- **Stakeholder Inclusivity:**
  We found no evidence of any key stakeholder groups being excluded from VBL's stakeholder engagement process. VBL has demonstrated a proactive and inclusive approach, ensuring that diverse stakeholder perspectives are considered throughout their sustainability strategy and reporting efforts.
- **Materiality:**
  We are not aware of any significant material issues concerning VBL's sustainability performance that have been omitted from the report. VBL has thoroughly identified and addressed relevant material sustainability topics, ensuring transparency and alignment with both stakeholder expectations and industry standards.
- **Responsiveness:**
  VBL has established robust processes to effectively respond to stakeholder concerns and manage its material sustainability issues. However, the assessment was focused on the verification of the selected KPIs and did not extend beyond the agreed scope of assurance.
- **Impact:**
  VBL has implemented effective processes to measure, evaluate, and manage the environmental and social impacts associated with its operations. These processes are aligned with key performance indicators (KPIs) relevant to the nature of its business and identified material sustainability issues.
- **Reliability:**
  Data management systems are established and centralized for the collection and calculation of data associated with the selected KPIs. These systems provide an adequate foundation for the reliability of the reported data, though certain operational data depend on measurement arrangements at the site level.

Limitations and Exclusions

Excluded from the scope of our work is assurance of information relating to:

- Activities outside the defined assurance period.
- Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration, or commitment to undertake future actions.
- Other information included in the report other than the universal disclosures (GRI-2 and GRI-3) and disclosures related to material topics and mentioned disclosures.
- Since VBL had a conclusive third-party verification report available for selected key performance indicators of few material topics, as part of Business Responsibility and Sustainability Report (BRSR) Core reporting, the same were not repeated during DQS verification.

The following limitations should be noted:

- This limited assurance engagement relies on a risk-based selected sample of sustainability data and the associated limitations that this entails.
- The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, which were not addressed as part of this assurance.

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- This independent statement should not be relied upon to detect all errors, omissions, or misstatements that may exist.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the selected Key Performance Indicators (KPIs), as outlined above and reported in the **VBL Sustainability Report 2025**, are not presented fairly, in all material respects, in accordance with the applicable criteria.

Statement of Independence, Integrity, and Competence

DQS ensures that appropriately qualified individuals are selected for assurance engagements based on their qualifications, training, and experience. The outcome of all verification and assurance assessments is internally reviewed by senior management to ensure a rigorous and transparent approach is consistently applied. DQS provided assurance services to review VBL's sustainability data and processes, ensuring alignment with relevant ISO standards and risk management principles. The assurance assessments are the only work undertaken by DQS for VBL, thus safeguarding our independence and impartiality throughout the engagement.

On behalf of the assurance team

6th March 2026

Bengaluru, India



Dr. Murugan Kandasamy

CEO & Managing Director

Deutsch Quality Systems (India) Private Limited

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