

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Coca-Cola India Foundation

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

We have audited the financial statements of Coca-Cola India Foundation ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Income and Expenditure (including other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit (including other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 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.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises Director's report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

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

1. This Report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- c) The Balance Sheet, the Statement of Income and expenditure, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

**For MSKA & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W

  
**Amit Mitra**

Partner

Membership No. 094518

UDIN: 20094518AAAAEF8569



Place: Gurugram

Date: 3 September 2020

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF COCA-COLA INDIA FOUNDATION FOR THE YEAR ENDED 31 MARCH 2020**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from 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 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



# MSKA

## & Associates

Chartered Accountants

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.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W



**Amit Mitra**  
Partner  
Membership No. 094518  
UDIN: 20094518AAAAEF8569



Place: Gurugram  
Date: 3 September 2020

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF COCA-COLA INDIA FOUNDATION**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Coca-Cola India Foundation ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control 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 (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors's Responsibility**

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 Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.

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

A Company's internal financial control 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 control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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 control 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

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

  
**Amit Mitra**  
Partner  
Membership No. 094518  
UDIN: 20094518AAAAEF8569



Place: Gurugram  
Date: 3 September 2020

**Coca-Cola India Foundation**  
**Balance Sheet as at 31 March 2020**

(₹ in '000)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Right-of-use assets	3	703	-
		<b>703</b>	<b>-</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Cash and cash equivalent	4	11,732	9,905
Loans	5	-	47
Other financial assets	5	47	-
Other current assets	6	-	66
		<b>11,779</b>	<b>10,018</b>
<b>Total</b>		<b>12,482</b>	<b>10,018</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	7	500	500
Other equity	8	2,511	2,191
		<b>3,011</b>	<b>2,691</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	9	464	-
Long term provisions	10	5,723	3,082
		<b>6,187</b>	<b>3,082</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	9	265	-
Trade payables	11		
(A) total outstanding dues of micro enterprises and small enterprises;		9	94
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		459	1,997
Other financial liabilities	11	626	577
Short term provisions	10	1,255	861
Other current liabilities	12	670	716
		<b>3,284</b>	<b>4,245</b>
<b>Total</b>		<b>12,482</b>	<b>10,018</b>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 105047W

  
**Amit Mitra**  
Partner  
Membership No.: 094518



Place: Gurugram  
Date: 3 September 2020

For and on behalf of the Board of Directors of  
**Coca-Cola India Foundation**

  
**Ishteyaque Ahmad**  
Director  
DIN: 02828738



  
**Geetima Rakyam**  
Director  
DIN: 08464868

Place: Gurugram  
Date: 3 September, 2020

Place: Gurugram  
Date: 3 September, 2020



## Coca-Cola India Foundation

## Statement of Income and Expenditure for the year ended 31 March 2020

(₹ in '000)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Income</b>			
Donation received	13	135,500	87,500
Other income	14	807	-
<b>Total income</b>		<b>136,307</b>	<b>87,500</b>
<b>Expenditure</b>			
Donation given for projects execution expenses		121,972	69,121
Employee benefits expense	15	8,484	9,465
Other expenses	16	2,579	5,197
Depreciation expense	17	272	-
Finance cost	18	62	-
<b>Total expenditure</b>		<b>133,369</b>	<b>83,783</b>
<b>Surplus before tax</b>		<b>2,938</b>	<b>3,717</b>
<b>Tax expenses</b>			
Current tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Surplus for the year</b>		<b>2,938</b>	<b>3,717</b>
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to statement of income and expenditure:			
Re-measurement gain/(loss) on defined benefit plans	19	(2,618)	376
<b>Other comprehensive income/(deficit) for the year (net of tax)</b>		<b>(2,618)</b>	<b>376</b>
<b>Total comprehensive income for the year</b>		<b>320</b>	<b>4,093</b>
Earnings per equity share [nominal value of share ₹10 (31 March 2019: ₹10)]			
Basic and diluted	20	6.40	81.86
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Amit Mitra

Partner

Membership No.: 094518

Place: Gurugram

Date: 3 September 2020

For and on behalf of the Board of Directors of  
**Coca-Cola India Foundation**

Ishteyaque Aamjad

Director

DIN: 02828738

Place: Gurugram

Date: 3 September 2020

Neelima Rakyan

Director

DIN: 08464868

Place: Gurugram

Date: 3 September 2020

**Coca-Cola India Foundation**  
**Statement of Changes in Equity for the year ended 31 March 2020**

**A. Equity share capital**

Equity Shares of ₹10 each issued, subscribed and fully paid up

	Number of shares	₹ in '000
<b>Balance as at 1 April 2018</b>	50,000	500
Changes in share capital during the year	-	-
<b>Balance as at 31 March 2019</b>	50,000	500
Changes in share capital during the year	-	-
<b>Balance as at 31 March 2020</b>	<b>50,000</b>	<b>500</b>

**B. Other equity**

	₹ in '000
<b>Surplus/ (deficit) in statement of income and expenditure</b>	
<b>At 31 March 2018</b>	<b>(1,902)</b>
Surplus for the year	3,717
Items of other comprehensive income not to be reclassified to statement of income and expenditure	
- Remeasurement gain of post- employment benefit obligations	376
<b>At 31 March 2019</b>	<b>2,191</b>
Surplus for the year	2,938
Items of other comprehensive income not to be reclassified to statement of income and expenditure	
- Remeasurement (loss) of post- employment benefit obligations	(2,618)
<b>At 31 March 2020</b>	<b>2,511</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **MSKA & Associates**  
 Chartered Accountants  
 ICAI Firm Registration No.: 105047W

Amit Mitra  
 Partner  
 Membership No.: 004518

Place: Gurugram  
 Date: 3 September 2020

For and on behalf of the Board of Directors of  
**Coca-Cola India Foundation**

Ishteyaque Amjad  
 Director  
 DIN: 02828738

Place: Gurugram  
 Date: 3 September 2020

Sheetima Rakyan  
 Director  
 DIN: 08464868

Place: Gurugram  
 Date: 3 September 2020

Coca-Cola India Foundation  
Statement of Cash Flows for the year ended 31 March 2020

	(₹ in '000)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Cash flow from operating activities</b>		
Surplus before tax	2,938	3,717
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation of right-of-use assets	272	-
Finance costs	62	-
<b>Operating surplus before working capital changes</b>	<u>3,272</u>	<u>3,717</u>
<b>Movements in working capital:</b>		
(Decrease)/ Increase in financial liabilities	(1,574)	973
(Decrease)/ Increase in other current liabilities	(46)	178
Increase in provisions	417	741
(Increase) in financial assets	-	(25)
Decrease in other current assets	66	87
<b>Cash generated from operations</b>	<u>2,135</u>	<u>5,671</u>
Income tax paid	-	-
<b>Net cash flows from operating activities</b>	<u>(A) 2,135</u>	<u>5,671</u>
<b>Cash flows from investing activities</b>	<u>(B) -</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Payment of principal portion of lease liabilities	(246)	-
Payment of interest portion of lease liabilities	(62)	-
<b>Net cash flows used in financing activities</b>	<u>(C) (308)</u>	<u>-</u>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<u>1,827</u>	<u>5,671</u>
Cash and cash equivalents at the beginning of the year	9,905	4,234
<b>Cash and cash equivalents at the end of the year</b>	<u>11,732</u>	<u>9,905</u>
<b>Components of cash and cash equivalents</b>		
Balances with banks:		
- On current accounts	11,732	9,905
<b>Total cash and cash equivalents (note 4)</b>	<u>11,732</u>	<u>9,905</u>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No. 103047W

Amit Mitra

Partner

Membership No.: 094518

Place: Gurugram

Date: 3 September 2020



For and on behalf of the Board of Directors of  
**Coca-Cola India Foundation**

Ishteyaque Amjad

Director

DIN: 02828738

Place: Gurugram

Date: 3 September 2020



Reetima Rakyam

Director

DIN: 08464868

Place: Gurugram

Date: 3 September 2020

*Reetima*

## **Coca-Cola India Foundation**

### **Notes to financial statements for the year ended 31 March 2020**

#### **1. Corporate information**

Coca-Cola India Foundation ("the Company") was incorporated under section 25 of the Companies Act 1956 (Section 8 of the Companies Act, 2013) in India on 17 September 2008 as a non-profit organisation. It aims to promote charitable activities in the field of water sustainability, climate change, waste management, energy management, social development/empowerment, healthy living, and education and to preserve the cultural and national heritage of India, without any profit motive. The registered office of the Company is located at 13, Abul Fazal Road, Bengali Market, New Delhi, India - 110001.

The financial statements were authorised for issue in accordance with a resolution of the board of directors on 3 September 2020.

#### **2. Basis of preparation:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Indian Rupees ('₹') and all values are rounded to the nearest thousands (₹ in '000), except otherwise indicated.

#### **2.1 Summary of significant accounting policies**

A summary of significant accounting policies, which have been applied, are set out below. The Company does not carry on business for profit and accordingly, a Statement of Income and Expenditure has been prepared.

##### **a. Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- i. expected to be realised or intended to be 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 when:

- 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 end of the reporting period

The Company classifies all other liabilities as non-current.

The Company has identified twelve months as its operating cycle.

##### **b. Foreign currencies**

Items included in the financial statements of the Company are measured using the currency of the economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee ('₹'), which is the Company's functional and presentation currency.



**Coca-Cola India Foundation**  
**Notes to financial statements for the year ended 31 March 2020**

**c. Fair value measurement**

The Company measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting 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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (refer note 2.2)
- Financial instruments (including those carried at amortised cost) (refer note 23 and 24)

**d. Recognition of income from donations**

Income from unconditional grants and donations are recognized when there is reasonable assurance of receiving the same and the amount can be reliably measured.

**e. Donation given for project execution expenses**

Donations given for project execution expenses are recognized as an expense in the period it is made. The expenses are incurred for various activities and projects which are undertaken by the various not for profit organizations to which the Company donates. The donation for the projects is paid by the Company in tranches based on the extent of completion of the projects and / or work done for the project.



## Coca-Cola India Foundation

### Notes to financial statements for the year ended 31 March 2020

#### f. Income taxes

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.

The Company's income is entitled to exemption under Section 11 read with Section 2(15) of the Income Tax Act, 1961 and accordingly current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the aforesaid provisions.

#### g. Retirement and other employee benefits

Retirement benefit is in the form of provident fund in which both the employee and the Company make monthly contributions to the provident fund equal to a specified percentage of employee's salary. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes 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 recognized 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 recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund. The Company contributes a part of the contributions to the Coca-Cola India Inc., Provident Fund "the trust".

The rate at which the annual interest is payable to the beneficiaries by the Trust is being administered by the Trustees, which shall not be less than the rates notified by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The Company operates another defined benefit plan for its employees viz., gratuity. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of Income and Expenditure in subsequent periods.

Past service costs are recognised in the Statement of Income and Expenditure on the date of the plan amendment or curtailment.

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 Income and Expenditure:

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

#### h. 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 Statement of Income and Expenditure, transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified as debt instruments at amortised cost.



## **Coca-Cola India Foundation**

### **Notes to financial statements for the year ended 31 March 2020**

#### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the surplus or deficit. The deficit arising from impairment are recognised in the Statement of Income and Expenditure. This category generally applies to trade and other receivables.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Financial liabilities**

##### **Initial recognition and measurement**

The Company's financial liabilities include trade payables. These are recognised initially at fair value net of directly attributable transaction costs.

##### **Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and deficits are recognised in the Statement of Income and Expenditure when the liabilities are derecognised as well as through the EIR amortisation process.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Income and Expenditure.

#### **i. Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprise of cash at bank.

#### **j. 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 Income and Expenditure 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.



**Coca-Cola India Foundation**  
**Notes to financial statements for the year ended 31 March 2020**

**k. 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**l. Leases**

With the effect from 1 April 2019, the Company has adopted Ind AS 116 - Leases using the modified retrospective approach. As a result, Company has recognised "Right of Use Assets" and "Lease liability" as at the transition date. Further, the expenses towards such lease are now recorded as amortisation on "Right of Use Assets" and finance cost on "Lease liability", instead of rent expense. The impact of the adoption of the standard on the financial statements of the Company is explained in Note 28.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

**i) Right-of-use assets**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

**ii) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments

**iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**m) 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.





## **Coca-Cola India Foundation**

### **Notes to financial statements for the year ended 31 March 2020**

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. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the companies CGUs to which the individual assets are allocated.

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 income and expenditure.

#### **2.2 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of incomes, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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.

The areas involving critical estimates or judgements are as below:

##### **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity 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 and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on mortality rates from Indian Assures Lives Mortality 2006-08. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 21.

##### **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 judgement 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. See Note 23 and 24 for further disclosures.

##### **Impairment of financial assets**

The impairment allowance for financial assets, other than trade receivable, are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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**Coca-Cola India Foundation**  
**Notes to financial statements for the year ended 31 March 2020**

**3. Right-of-use assets**

Particulars	(₹ in '000)	
	Motor Vehicle	Total
As at 1 April 2019*	975	975
Additions	-	-
Depreciation charge for the year	(272)	(272)
As at 31 March 2020	<u>703</u>	<u>703</u>

\*Refer note no 28

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**Coca-Cola India Foundation**  
**Notes to financial statements for the year ended 31 March 2020**

**4. Cash and cash equivalents** (₹ in '000)

	As at 31 March 2020	As at 31 March 2019
Balances with bank:		
- On current accounts	11,732	9,905

**5A. Loans** (₹ in '000)

	As at 31 March 2020	As at 31 March 2019
Loan Receivables considered good - secured	-	-
Loan receivable considered good - unsecured		
Loans to employees	-	47
Loan Receivables which have significant increase in credit risk	-	-
Loan Receivables - credit impaired	-	-
	<u>-</u>	<u>47</u>

**5B. Other financial assets** (₹ in '000)

	As at 31 March 2020	As at 31 March 2019
Other receivable (refer Note 22)	47	-

**6. Other current assets** (₹ in '000)

	As at 31 March 2020	As at 31 March 2019
Prepayment to vendor	-	66

**7. Equity share capital** (₹ in '000)

	As at 31 March 2020	As at 31 March 2019
<b>Authorized share capital</b>		
50,000 (31 March 2019: 50,000) equity shares of ₹10 (31 March 2019: ₹10) each	500	500
<b>Issued, subscribed and fully paid-up share capital</b>		
50,000 (31 March 2019: 50,000) equity shares of ₹10 (31 March 2019: ₹10) each fully subscribed and paid-up	500	500
<b>Total issued, subscribed and fully paid-up share capital</b>	<u>500</u>	<u>500</u>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	₹ in '000	Number of shares	₹ in '000
Beginning of the year	50,000	500	50,000	500
Issued during the year	-	-	-	-
Outstanding at the end of year	<u>50,000</u>	<u>500</u>	<u>50,000</u>	<u>500</u>

**(b) Term / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, if there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the Company, but shall be given or transferred to some other Company registered under Section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013), having objects similar to the object of the Company, to be determined by the members of the Company at or before the time of dissolution.

**(c) Shares held by holding company**

Out of equity shares issued by the Company, shares held by holding company are as below:

	(₹ in '000)	
Name of shareholder	As at 31 March 2020	As at 31 March 2019
Coca-Cola India Private Limited, holding company		
49,999 (31 March 2019: 49,999) equity shares of ₹10 each fully paid	500	500



**Coca-Cola India Foundation**  
**Notes to financial statements for the year ended 31 March 2020**

**(d) Details of shareholders holding more than 5% shares in the Company**

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	Number	% holding	Number	% holding
Equity shares of ₹10 each fully paid Coca-Cola India Private Limited, the holding company	49,999	99.99%	49,999	99.99%

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

8. Other equity *		(₹ in '000)
		As at 31 March 2020
<b>Surplus/ (deficit) in statement of income and expenditure</b>		
<b>At 1 April 2018</b>		(1,902)
Surplus for the year		3,717
Items of other comprehensive income not to be reclassified to statement of income and expenditure		
- Remeasurement gain of post- employment benefit obligations, net of tax		376
<b>At 31 March 2019</b>		<b>2,191</b>
Surplus for the year		2,938
Items of other comprehensive income not to be reclassified to statement of income and expenditure		
- Remeasurement (loss) of post- employment benefit obligations, net of tax		(2,618)
<b>At 31 March 2020</b>		<b>2,511</b>

\* The other equity can be applied only for charitable activities. In the event of liquidation of the Company, if there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the Company, but shall be given or transferred to some other Company registered under Section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013), having objects similar to the object of the Company, to be determined by the members of the Company at or before the time of dissolution.

9. Lease liabilities		(₹ in '000)	
		As at 31 March 2020	As at 31 March 2019
As at 1 April (refer Note 28)		975	-
Additions		-	-
Accretion of Interest		62	-
Payment		(308)	-
<b>As at 31 March</b>		<b>729</b>	<b>-</b>

Current	265	-
Non- current	464	-

10. Provisions		(₹ in '000)	
		As at 31 March 2020	As at 31 March 2019
<b>Provision for employee benefits</b>			
Provision for gratuity (refer Note 21)		6,478	3,516
Provision for compensated absences		500	427
		<b>6,978</b>	<b>3,943</b>

Current	1,255	861
Non-current	5,723	3,082



**Coca-Cola India Foundation**  
**Notes to financial statements for the year ended 31 March 2020**

<b>11A. Trade payable</b>	<b>(₹ in '000)</b>	
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>Trade payable</b>		
(A) total outstanding dues of micro enterprises and small enterprises;	9	94
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	459	1,997
	<b>468</b>	<b>2,091</b>

- Trade payables are non-interest bearing and are normally settled within a period of 30-120 days.

Based on the information available with the Company about the suppliers who have intimated their status as Micro and small enterprises as per the provision of Micro, Small and Medium Enterprise Development Act 2006:

(a) The principal amount and the interest due thereon remaining unpaid to the supplier at the end 31 March 2020 is Nil (31 March 2019 : ₹ 94 thousand and ₹ 1 thousand respectively)

(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is Nil and the amount of the payment made to the supplier beyond the appointed day during the current year is ₹ 40.4 thousand (31 March 2019 : ₹ 115 thousand).

(c) 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 Micro, Small and Medium Enterprises Development Act, 2006 is ₹ 0.2 thousand (31 March 2019 : ₹ 7.6 thousand).

(d) The amount of interest accrued and remaining unpaid at the end of 31 March 2020 is ₹ 8.9 thousand (31 March 2019 : ₹ 8.6 thousands).

(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ 8.9 thousand (31 March 2019 : ₹ 8.6 thousand).

<b>11B. Other current liabilities</b>	<b>(₹ in '000)</b>	
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Employees related liabilities	626	577
	<b>626</b>	<b>577</b>

<b>12. Other current liabilities</b>	<b>(₹ in '000)</b>	
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Statutory dues payable	670	716
	<b>670</b>	<b>716</b>

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**Coca-Cola India Foundation**  
**Notes to financial statements for the year ended 31 March 2020**

	(₹ in '000)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>13. Donations received</b>		
Donations received from the holding company	135,500	87,500

	(₹ in '000)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>14. Other Income</b>		
Provisions no longer required written back	807	-

	(₹ in '000)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>15. Employee benefits expense</b>		
Salaries, wages and incentives	7,602	7,971
Contribution to provident fund and other fund (refer Note 21 (ii))	309	260
Gratuity expense (refer Note 21 (i))	344	411
Staff welfare expenses	229	823
	<b>8,484</b>	<b>9,465</b>

	(₹ in '000)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>16. Other expenses</b>		
Travelling and conveyance	176	589
Communication costs	1	24
Legal and professional fees	1,849	4,259
Meetings and conferences	239	57
Payment to auditor (refer details below)	266	266
Miscellaneous expenses	48	2
	<b>2,579</b>	<b>5,197</b>

	(₹ in '000)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Payment to auditor</b>		
As Auditor		
- Statutory audit fee	125	125
- Certification fee	100	100
- Applicable taxes	41	41
	<b>266</b>	<b>266</b>

	(₹ in '000)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>17. Depreciation expense</b>		
Depreciation of right-of-use assets (refer Note 3)	272	-
	<b>272</b>	<b>-</b>



**Coca-Cola India Foundation**  
**Notes to financial statements for the year ended 31 March 2020**

**18. Finance costs**

(₹ in '000)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on lease liabilities (refer Note 9)	62	-
	<u>62</u>	<u>-</u>

**19. Other comprehensive income**

During the year ended 31 March 2020

(₹ in '000)

	Amount	Total
Re-measurement (loss) on post employment benefit obligation	(2,618)	(2,618)

During the year ended 31 March 2019

	Amount	Total
Re-measurement gain on post employment benefit obligation	376	376

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**Coca-Cola India Foundation**  
**Notes to financial statements for the year ended 31 March 2020**

**20. Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the surplus for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the surplus for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares into equity shares.

The following reflects the surplus and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Net surplus for calculation of basic and diluted EPS (₹ in '000)	320	4,093
Weighted average number of equity shares in calculating basic and diluted EPS	50,000	50,000
<b>Basic and diluted EPS (₹ in per share)</b>	<b>6.40</b>	<b>81.86</b>

**21. Employee benefits**

**(i) Gratuity**

	(₹ in '000)	
	As at 31 March 2020	As at 31 March 2019
Provision for gratuity	6,478	3,516
Current	755	434
Non-Current	5,723	3,082

The Company has a defined benefit gratuity plan. In accordance with the policy of the Company, every employee who has completed five years or more of service gets a gratuity on separation at 15 days salary (last drawn salary) for each completed year of service.

The Company's gratuity plan is unfunded, hence, the contribution expected to be paid to the plan assets during the annual period beginning after the balance sheet date will be paid as and when it is accrued.

The following tables summarises the components of net benefit expense recognized in the Statement of Income and Expenditure / Other Comprehensive Income and amounts recognized in the Balance Sheet for the defined benefit obligations (DBO).

**Statement of income and expenditure**

	(₹ in '000)	
Net employee benefit expense recognized in employee benefits expense-	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	94	153
Interest cost on defined benefit obligation	250	258
<b>Net benefit expense</b>	<b>344</b>	<b>411</b>

**Other comprehensive income**

	(₹ in '000)	
Net employee benefit expense recognized in Other Comprehensive Income (OCI)	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement (gain)/loss due to DBO experience	2,283	(438)
Remeasurement loss due to DBO assumption changes		
- Demographic assumption	-	62
- Financial assumption	335	-
<b>Remeasurement (gain)/loss for the year on present benefit obligation</b>	<b>2,618</b>	<b>(376)</b>





**Coca-Cola India Foundation**  
**Notes to financial statements for the year ended 31 March 2020**

<b>Balance sheet</b>	(₹ in '000)	
	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation	6,478	3,516
Fair value of plan assets	-	-
<b>Net plan liability</b>	<b>6,478</b>	<b>3,516</b>

<b>Changes in the present value of the defined benefit obligation are as follows:</b>	(₹ in '000)	
	As at 31 March 2020	As at 31 March 2019
Opening defined benefit obligation	3,516	3,481
Current service cost	94	153
Interest cost	250	258
Benefits paid	-	-
Actuarial loss/(gain) on obligation	2,618	(376)
<b>Closing defined benefit obligation</b>	<b>6,478</b>	<b>3,516</b>

The principal assumptions used in determining gratuity obligations for the current year with respect to the Company's plans are shown below:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	6.20%	7.10%
Future salary increment #	9.00%	9.00%
Mortality rates	IALM (2006 - 08)	IALM (2006 - 08)
Employee turnover	13.00%	13.00%

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

<b>Sensitivity analysis of the defined benefit obligation</b>	(₹ in '000)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	6,478	3,516
Impact due to increase of 0.50 %	(190)	(103)
Impact due to decrease of 0.50 %	199	108
b) Impact of the change in salary escalation rate		
Present value of obligation at the end of the period	6,478	3,516
Impact due to increase of 0.50 %	194	105
Impact due to decrease of 0.50 %	(187)	(102)
c) Impact of the change in withdrawal rate		
Present value of obligation at the end of the period	6,478	3,516
Impact due to increase of 0.50 %	(222)	(86)
Impact due to decrease of 0.50 %	322	127

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.



**Coca-Cola India Foundation**  
**Notes to financial statements for the year ended 31 March 2020**

Year	(₹ in '000)	
	As at 31 March 2020	As at 31 March 2019
Within 1 year	778	449
Between 1 and 2 year	755	435
Between 2 and 3 year	732	422
Between 3 and 4 year	709	409
Between 4 and 5 year	687	396
Beyond 5 years	3,100	1,793

The weighted average duration of the defined benefit obligation at the end of reporting period is 6 years (31 March 2019 : 6 years)

The Gratuity scheme is a final salary Defined benefit plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

1. Interest risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
2. Salary inflation risk: Higher than expected increase in salary will increase the defined benefit obligation.
3. Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to long service employee.

**ii) Interest rate guarantee with respect to contribution to provident fund** (₹ in '000)

	As at 31 March 2020	As at 31 March 2019
Provision for interest rate guarantee	-	-

Eligible employees of the Company receive benefits from provident fund scheme, which is a defined contribution plan, wherein the Company has an obligation to make good the shortfall, if any, between the return from the investment of the Trust and the notified interest rate.

The Institute of Actuaries of India has issued a guidance note on valuation of interest rate guarantees on exempt provident funds under Ind AS 19. The actuary has accordingly valued the same and there is shortfall of Nil (31 March 2019: Nil) in the fund balance as at 31 March 2020. The actuary has followed deterministic approach as prescribed by the guidance note.

**Statement of Income and Expenditure**

The Company has contributed ₹309 thousand (31 March 2019: ₹ 260 thousand) towards provident fund during the year ended 31 March 2020 and recognised the same in employee benefits expense.

Assets / Liabilities	(₹ in '000)	
	As at 31 March 2020	As at 31 March 2019
Present value of obligation	(93)	(78)
Fund reserves	138	251
<b>Net liability</b>	-	-

The principal assumptions used in determining obligation for the current year with respect to the Company's plan are shown below:

	(₹ in '000)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	6.20%	7.10%
Expected statutory interest rate	8.50%	8.55%
Retirement age (Years)	60	60
Mortality rates	IALM (2006 - 08)	IALM (2006 - 08)
Employee turnover	13.00%	13.00%
Weighted average duration of Present benefit obligation	6.00	6.00



**Coca-Cola India Foundation**  
**Notes to financial statements for the year ended 31 March 2020**

	(₹ in '000)	
	As at 31 March 2020	As at 31 March 2019
Government of India securities	11.34%	12.12%
State Government securities	37.94%	40.44%
Bonds / Securities of public financial institutions	35.14%	36.27%
Special deposit scheme	0.39%	0.47%
Private sector	3.95%	5.07%
Mutual fund	5.95%	5.63%
Cash	5.29%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**22. Related party disclosure**

**i. Names of related parties and related party relationship**

**Related parties where control exists**

Holding company Coca-Cola India Private Limited

**Related parties with whom transactions have taken place during the year**

Employee Benefit Trust Coca-Cola India Inc. Provident Fund

**ii. Transactions with related Parties**

	(₹ in '000)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Coca-Cola India Private Limited		
Donations received	135,500	87,500
Other reimbursement	47	-

**iii. Outstanding balances**

	(₹ in '000)	
	As at 31 March 2020	As at 31 March 2019
Coca-Cola India Private Limited		
Other receivables	47	-

**Coca-Cola India Inc. Provident Fund\***

\* Refer Note 21 (ii) for transactions with Coca-Cola India Inc. Provident Fund.

The transactions with related parties are made on terms equivalent to those that prevail in arms length transactions. There have been no guarantees provided or received for any related party.

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**Coca-Cola India Foundation**

**Notes to financial statements for the year ended 31 March 2020**

**23. Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

	Carrying value		Fair value	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Financial assets				
- Loans	-	47	-	47

The management assessed that cash and cash equivalents, other financial assets, trade payables and other financial liabilities approximate their carrying amount largely due to short-term maturities of these instruments. The fair value of the financial assets is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Following methods and assumptions were used to estimate the fair values:

The loans are evaluated by the Company based on parameters such as interest rate, risk factors, risk characteristics, and individual credit worthiness of the employee. Based on this evaluation, no allowances have been taken into account for the expected losses of the loans.

**24. Fair value hierarchy**

The following table provides the quantitative disclosures of fair value measurement hierarchy of the Company's financial assets and liabilities as on 31 March 2020.

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 for which fair values are disclosed				
Financial Assets				
- Loans 31 March 2020	-	-	-	-
- Loans 31 March 2019	47	-	47	-

**25. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise trade payables, lease liability and other financial liability. The Company's principal financial assets include loans, cash and cash equivalents and other financial assets that derive directly from its operations. Since the Company's operations are driven primarily by the donations received from the holding company, as such, there is no risk attributable to the Company's operations.

**Maturity profile of financial liabilities**

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

	Maturity profile of financial liabilities			
	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>31 March 2020</b>				
Lease liability	310	491	-	801
Trade payables	468	-	-	468
Other financial liabilities	626	-	-	626
<b>31 March 2019</b>				
Lease liability	-	-	-	-
Trade payables	2,091	-	-	2,091
Other financial liabilities	577	-	-	577



**Coca-Cola India Foundation**

**Notes to financial statements for the year ended 31 March 2020**

26. During the year, the Company earned total income of ₹ 135,500 thousand (31 March 2019: ₹ 87,500 thousand) and spent ₹ 135,987 thousand (31 March 2019: ₹ 83,407 thousand) on charitable activities.

The total expenditure incurred during the current year, constitute more than 85% of the total income of the Company. Accordingly, the Company's entire income for the financial year is exempt from income tax under Section 11 of the Income Tax Act, 1961("The Act"). The Company was granted registration by the DIT (Exemption), New Delhi under Section 12A read with Section 12AA of the Act vide order no. DIT (E)/12A/ 2008-09/C-1104/555 of 6 March 2009. The Company has also received approval of the DIT (Exemption), New Delhi under Section 80G in respect of donations made to it vide order no. DIT (E) 2008-09/C-1104/3183 of 6 March 2009.

27. The Company was incorporated on 17 September 2008, as a not for profit company under section 25 of the Companies Act, 1956 (Section 8 of The Companies Act 2013). It is a wholly owned subsidiary of Coca-Cola India Private Limited (hereinafter referred to as "CC IPL"). The Company is receiving donations and the same are utilized for implementation of various projects. The donations have been received from a single source, i.e. CC IPL.

**28. New and amended standards adopted by the Company**

**Ind AS 116 Leases**

The Company applied Ind AS 116 Leases for the first time. Ind AS 116 supersedes Ind AS 17 Leases including its appendices. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to apply the Standard only to contracts that were previously identified as leases applying Ind AS 17 and its appendices at the date of initial application.

The effect of adoption Ind AS 116 as at 1 April 2019 (increase/(decrease)) is, as follows:

Refer to Note 2.1 (l): Leases for the accounting policy beginning 1 April 2019.

In accordance with the accounting policy, as at 1 April 2019:

- Right-of-use assets of INR 975 thousand were recognised and presented in the balance sheet under Note 3.
- Lease liabilities of INR 975 thousand were recognised under Note 9.
- Depreciation expense of the right-of-use asset of INR 272 thousand and interest on lease liability of INR 62 thousand are disclosed in statement of income and expenditure under Note 17 and 18, respectively.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

<b>Particulars</b>	<b>Amount (₹ in '000)</b>
Operating lease commitments (non-cancellable) as at 31 March 2019	-
Add: Lease qualifies for Ind AS 116 - Vehicle	1,111
<b>Undiscounted Lease liabilities as at 1 April 2019</b>	<b>1,111</b>
Weighted average discount rate as at 1 April 2019	7.62%
Discounted operating lease commitments as at 1 April 2019	<b>975</b>

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**Coca-Cola India Foundation**  
**Notes to financial statements for the year ended 31 March 2020**

29. Previous year's figures have been regrouped and reclassified wherever necessary to conform to current year's classification.

As per our report of even date

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. : 105047W


**Amit Mitra**  
Partner  
Membership No.: 094518

Place: Gurugram  
Date: 3 September 2020

For and on behalf of the Board of Directors of  
**Coca-Cola India Foundation**

  
  
**Ishfaq Anjad**  
Director  
DIN: 02828738

Place: Gurugram  
Date: 3 September 2020



**Reetima Rakyan**  
Director  
DIN: 08464868

Place: Gurugram  
Date: 3 September 2020

