

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Varun Beverages Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Varun Beverages Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates (refer Annexure 1 for the list of subsidiaries and associates included in the Statement) for the quarter ended 30 September 2019 and the consolidated year to date results for the period 01 January 2019 to 30 September 2019, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), SEBI Circulars CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of seven subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 4,750.73 million and ₹ 13,335.34 million, total net profit after tax of ₹ 175.15 million and ₹ 261.15 million, and total comprehensive income of ₹ 175.41 million and ₹ 254.41 million, for the quarter and nine-month period ended on 30 September 2019, respectively, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ 22.36 million and ₹ 43.39 million and total comprehensive income of ₹ 22.36 million and ₹ 43.39 million, for the quarter and nine-month period ended on 30 September 2019, respectively, as considered in the Statement, in respect of two associates, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included



Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

in respect of these subsidiaries and associates is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion is not modified in respect of this matter.

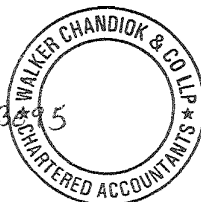
For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013


Anupam Kumar
Partner

Membership No. 501531
UDIN : 19501531AAAA CN3495

Place: Gurugram
Date: 04 November 2019

L-41 Connaught Place,
New Delhi 110 001



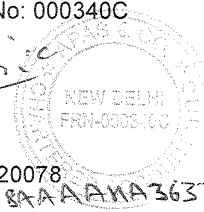
For APAS & Co.
Chartered Accountants
Firm Registration No: 000340C


Sumit Kathuria
Partner

Membership No. 520078
UDIN : 1952078AAAAA3637

Place: Gurugram
Date: 04 November 2019

8/14 Basement, Kalkaji Extension,
New Delhi 110 009



Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

Annexure 1

List of entities included in the Statement

Subsidiaries

1. Varun Beverages (Nepal) Private Limited
2. Varun Beverages Lanka (Private) Limited
3. Varun Beverages Morocco SA
4. Ole Spring Bottlers (Private) Limited
5. Varun Beverages (Zambia) Limited
6. Varun Beverages (Zimbabwe) (Private) Limited
7. Varun Beverages (Botswana) (Proprietary) Limited

Associates

1. Angelica Technologies Private Limited
2. Lunarmech Technologies Private Limited

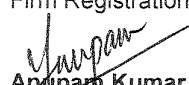


Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Varun Beverages Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Varun Beverages Limited ('the Company') for the quarter ended 30 September 2019 and the year to date results for the period 01 January 2019 to 30 September 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013


Anupam Kumar
Partner

Membership No. 501531
UDIN: 19501531AAAACM920

Place: Gurugram
Date: 04 November 2019

L-41 Connaught Place,
New Delhi 110 001



For APAS & Co.
Chartered Accountants
Firm Registration No: 000340C


Sumit Kathuria
Partner

Membership No. 520078
UDIN: 19520078AAAA6Z5704

Place: Gurugram
Date: 04 November 2019

8/14 Basement, Kalkaji Extension,
New Delhi 110 009



VARUN BEVERAGES LIMITED

Corporate identification number: L74899DL1995PLC069839

Registered office: F-2/7, Okhla Industrial Area, Phase-I, New Delhi-110020

Corporate office: RJ Corp House, Plot No-31, Institutional Area, Sector-44, Gurugram-122002 (Haryana)

Tel: +91-124-4643100, Fax: +91-124-4643303, E-mail: complianceofficer@rjcorp.in, Website: www.varunpepsi.com

Statement of consolidated unaudited financial results for the quarter ended on 30 September 2019

₹ in million, except per share data

Particulars	Three months ended on 30 September 2019 (Unaudited)	Three months ended on 30 June 2019 (Unaudited)	Three months ended on 30 September 2018 (Unaudited)	Nine months ended on 30 September 2019 (Unaudited)	Nine months ended on 30 September 2018 (Unaudited)	Year ended on 31 December 2018 (Audited)
1. Income						
(a) Revenue from operations	17,768.57	28,514.59	12,044.71	60,089.23	44,239.90	52,281.27
(b) Other income	18.03	33.39	5.73	65.44	90.84	218.24
Total income	17,786.60	28,547.98	12,050.44	60,154.67	44,330.74	52,499.51
2. Expenses						
(a) Cost of materials consumed	6,676.70	11,112.41	4,525.25	23,687.32	18,477.44	21,122.78
(b) Excise duty	371.23	410.05	387.34	995.90	1,043.52	1,228.72
(c) Purchases of stock-in-trade	584.66	2,335.07	619.02	3,817.11	1,582.09	1,942.18
(d) Changes in inventories of finished goods, stock-in-trade and work-in-progress	210.16	(152.31)	122.67	(749.54)	(288.18)	(623.97)
(e) Employee benefits expense	2,296.48	1,991.64	1,486.14	5,871.76	4,383.00	5,829.51
(f) Finance costs	867.37	848.17	471.59	2,305.82	1,588.40	2,125.63
(g) Depreciation and amortisation expense	1,273.43	1,254.10	999.03	3,517.82	2,910.06	3,850.70
(h) Other expenses	4,372.72	4,938.95	2,791.88	13,147.53	9,454.10	12,716.18
Total expenses	16,652.75	22,738.08	11,402.92	52,593.72	39,150.43	48,191.73
3. Profit before tax and share of profit in associates(1-2)	1,133.85	5,809.90	647.52	7,560.95	5,180.31	4,307.78
4. Share of profit in associate	22.36	13.12	6.01	43.39	23.60	30.20
5. Profit before tax (3+4)	1,156.21	5,823.02	653.53	7,604.34	5,203.91	4,337.98
6. Tax expense:						
(a) Current tax	1.21	997.91	152.70	1,143.64	1,502.99	1,094.09
(b) Adjustment of tax relating to earlier periods	-	2.23	-	2.23	-	14.35
(c) Deferred tax	343.77	772.95	59.25	1,196.91	(5.93)	230.91
Total tax expense	344.98	1,772.09	211.95	2,342.78	1,497.06	1,339.35
7. Net Profit for the period (5-6)	811.23	4,049.93	441.58	5,261.56	3,706.85	2,998.63
8. Other comprehensive income						
A Items that will not be reclassified to profit or loss	(57.72)	365.14	35.72	248.29	9.64	(16.53)
B Income tax relating to items that will not be reclassified to profit or loss	20.26	(9.54)	(13.35)	31.24	(2.96)	7.78
C Items that will be reclassified to profit or loss	(819.13)	199.02	48.10	(466.97)	71.42	(234.44)
D Income tax relating to items that will be reclassified to profit or loss	190.82	(46.36)	(11.26)	108.78	(16.64)	54.62
Total other comprehensive income	(665.77)	508.26	59.21	(78.66)	61.46	(188.57)
9. Total comprehensive income for the period (including non-controlling interest) (7+8)	145.46	4,558.19	500.79	5,182.90	3,768.31	2,810.06
10. Net profit attributable to:						
A Owners	807.32	4,069.29	422.75	5,282.87	3,643.50	2,928.41
B Non-controlling interest	3.91	(19.36)	18.83	(21.31)	63.35	70.22
11. Other comprehensive income attributable to:						
A Owners	(665.77)	508.26	59.21	(78.66)	61.46	(188.57)
B Non-controlling interest	-	-	-	-	-	-
12. Total comprehensive income attributable to:						
A Owners	141.55	4,577.55	481.96	5,204.21	3,704.96	2,739.84
B Non-controlling interest	3.91	(19.36)	18.83	(21.31)	63.35	70.22
13. Paid-up equity share capital (face value of ₹ 10 each)	2,886.89	1,826.55	1,826.34	2,886.89	1,826.34	1,826.42
14. Reserves excluding revaluation reserves						18,158.62
15. Earnings per share (of ₹ 10/- each) (not annualised for quarters and nine months):						
(a) Basic	2.91	14.85	1.54	19.20	13.30	10.69
(b) Diluted	2.91	14.85	1.54	19.20	13.30	10.69
See accompanying notes						



**SIGNED FOR
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PURPOSES**



VARUN BEVERAGES LIMITED

Corporate identification number: L74899DL1995PLC069839

Registered office: F-2/7, Okhla Industrial Area, Phase-I, New Delhi-110020

Corporate office: RJ Corp House, Plot No-31, Institutional Area, Sector-44, Gurugram-122002 (Haryana)

Tel: +91-124-4643100, Fax: +91-124-4643303, E-mail: complianceofficer@rjcorp.in, Website: www.varunpepsi.com

Statement of standalone unaudited financial results for the quarter ended on 30 September 2019

₹ in million, except per share data

articulars	Three months ended on 30 September 2019 (Unaudited)	Three months ended on 30 June 2019 (Unaudited)	Three months ended on 30 September 2018 (Unaudited)	Nine months ended on 30 September 2019 (Unaudited)	Nine months ended on 30 September 2018 (Unaudited)	Year ended on 31 December 2018 (Audited)
Income						
(a) Revenue from operations	13,387.31	24,557.54	8,092.76	47,800.59	34,454.09	38,622.76
(b) Other income	115.16	127.85	277.73	388.98	536.04	962.15
total income	13,502.47	24,685.39	8,370.49	48,189.57	34,990.13	39,584.91
Expenses						
(a) Cost of materials consumed	5,397.37	9,665.84	3,090.96	19,527.46	14,874.59	16,603.01
(b) Purchase of stock-in-trade	520.26	2,335.66	580.16	3,681.93	1,508.23	1,829.00
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(15.19)	28.50	(28.57)	(607.68)	(283.11)	(687.86)
(d) Employee benefits expense	1,829.39	1,569.64	1,019.79	4,522.63	3,151.38	4,114.72
(e) Finance costs	822.66	766.48	419.92	2,128.14	1,433.99	1,943.98
(f) Depreciation and amortisation expense	1,038.77	998.45	750.60	2,778.80	2,258.68	2,955.50
(g) Other expenses	2,921.59	3,947.89	1,709.26	9,027.34	6,727.51	8,196.98
total expenses	12,514.85	19,312.46	7,542.12	41,058.62	29,671.27	34,955.33
i. Profit before tax (1-2)	987.62	5,372.93	828.37	7,130.95	5,318.86	4,629.58
ii. Tax expense						
(a) Current tax	(18.41)	958.60	138.29	1,073.12	1,385.99	797.90
(b) Adjustment of tax relating to earlier periods	-	-	-	-	-	14.35
(c) Deferred tax	353.71	593.30	54.06	1,029.92	71.04	493.74
total tax expense	335.30	1,551.90	192.35	2,103.04	1,457.03	1,305.99
iii. Net Profit after tax (3 - 4)	652.32	3,821.03	636.02	5,027.91	3,861.83	3,323.59
iv. Other comprehensive income						
A. Items that will not be reclassified to profit or loss	(57.98)	371.74	38.21	255.03	8.19	(22.54)
B. Income tax relating to items that will not be reclassified to profit or loss	20.26	(9.54)	(13.35)	31.24	(2.96)	7.78
total other comprehensive income	(37.72)	362.20	24.86	286.27	5.23	(14.76)
v. Total comprehensive income for the period (5+6)	614.60	4,183.23	660.88	5,314.18	3,867.06	3,308.83
3. Paid-up equity share capital (face value of ₹ 10 each)	2,886.89	1,826.55	1,826.34	2,886.89	1,826.34	1,826.42
9. Reserves excluding revaluation reserves						24,062.97
10. Earnings per share (of ₹ 10/- each) (not annualised for quarters and nine months):						
(a) Basic	2.35	13.95	2.32	18.27	14.10	12.13
(b) Diluted	2.35	13.95	2.32	18.27	14.10	12.13
See accompanying notes						



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VARUN BEVERAGES LIMITED

Corporate identification number: L74899DL1995PLC069839

Registered office: F-2/7, Okhla Industrial Area, Phase-I, New Delhi-110020

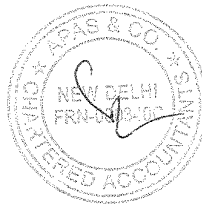
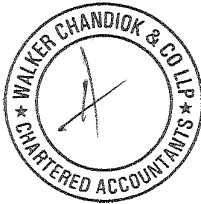
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Tel: +91-124-4643100, Fax: +91-124-4643303, E-mail: complianceofficer@rjcorp.in, Website: www.varunpepsi.com


(₹ in million, except otherwise stated)

Notes:

1. These standalone and consolidated unaudited financial results for the quarter and nine months ended on 30 September 2019 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors of Varun Beverages Limited ("VBL" or "the Company") at their respective meetings held on 04 November 2019. The Statutory Auditors have conducted a limited review of these financial results.
2. These financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013 [read with SEBI Circular CIR/CFD/FAC/62/2016 dated 05 July 2016 and other recognised accounting practices and policies].
3. VBL follows calendar year as its financial year as approved by the Company Law Board, New Delhi.
4. The business activities of the Company, its subsidiaries and associates (together referred to as the "Group") predominantly fall within a single primary business segment viz. manufacturing and sale of beverages. There is no separate reportable business segment. The Group operates in two principal geographical areas, i.e., in India, its home country, and in other countries. 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.
5. During the quarter ended 30 September 2019, pursuant to Qualified institutions placement (QIP), the Company has raised ₹ 8,999.99 through fresh issue of 14,705,882 equity shares of ₹ 10 each at a premium of ₹ 602 per share. The Audit 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 entire proceeds of the QIP, net of issue expenses of ₹ 164.36, were utilised for repayment of debts.
6. During the quarter ended 30 September 2019, the Company on 29 July 2019 allotted 91,327,613 bonus equity shares of ₹ 10 each as fully paid-up bonus equity shares, in the proportion of 1 (One) equity share of Rs. 10/- each for every 2 (Two) existing equity shares of ₹ 10/- each to the eligible members whose names appeared in the register of members/list of beneficial owners as on 27 July 2019, i.e., record date. Accordingly, earnings per share of comparative periods presented has been calculated based on number of shares outstanding in respective periods, as increased for issuance of bonus shares.
7. During the quarter ended 30 September 2019, the Company on 09 September 2019, has acquired 20% shareholding in Lunarmech Technologies Private Limited for a purchase consideration of ₹ 150. Post acquisition, the Company is holding 55% of the effective equity share capital of Lunarmech Technologies Private Limited.
8. Subsequent to quarter ended 30 September 2019, the Company has concluded acquisition of manufacturing facilities situated at Dharwad, Karnataka and Tirunvelveli, Tamil Nadu for a total consideration of ₹ 747.27 and ₹ 200 respectively.
9. The Company is in the process of evaluating the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.



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


Raj P. Gandhi
Whole Time Director



Place : Gurugram
Dated : 04 November 2019

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