



VARUN BEVERAGES LIMITED



Corporate Off : Plot No.31, Institutional Area, Sec.-44, Gurgaon, Haryana-122002 (India)
Ph.: +91-124-4643100-500 • Fax: +91-124-4643303/04 E-mail : info@rjcorp.in • Visit us at : www.varunpepsi.com
CIN No. : L74899DL1995PLC069839

May 9, 2019

To,

| | |
|--|--|
| BSE Limited Phiroze Jeejeebhoy Towers , Dalal Street, Mumbai - 400 001 Email: corp.relations@bseindia.com Security Code: 540180 | National Stock Exchange of India Ltd. Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Email : cmlist@nse.co.in Symbol : VBL |
|--|--|

Subject: 1. Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Unaudited Financial Results of the Company, both on Standalone and Consolidated basis for the Quarter ended March 31, 2019; and
2. Regulation 8(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015: Amendment in Code of Conduct for Prohibition of Insider Trading Policy and Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (Code of Fair Disclosure).

Dear Sir/Madam,

The Board of Directors at their meeting held today (started at 11.00 A.M. and concluded at 11:50 A.M.) considered and approved the following:

- i) Unaudited Financial Results of the Company, both on Standalone and Consolidated basis, for the Quarter ended on March 31, 2019. In this regard, please find enclosed:
 - a. Copy of the Unaudited Financial Results of the Company, both on standalone and consolidated basis for the Quarter ended on March 31, 2019.
 - b. Limited Review Report issued by M/s. Walker Chandiok & Co. LLP, Chartered Accountants and M/s. APAS & Co., Chartered Accountants, Joint Statutory Auditors of the Company, with unmodified opinion.
- ii) To comply with provisions of Regulation 8(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015, amended its Code of Conduct for Prohibition of Insider Trading Policy and Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (Code of Fair Disclosure).

Copies of the above mentioned results and modified policies are also being uploaded on website of the Company at www.varunpepsi.com.

Further, please note that the Company is following Calendar Year (January 1 to December 31) as its Financial Year in terms of Section 2 (41) of the Companies Act, 2013 as approved by the Company Law Board.

You are requested to take the above on record.

Yours faithfully,
For Varun Beverages Limited


Ravi Batra
Chief Risk Officer & Group Company Secretary



Encl: as above



VARUN BEVERAGES LIMITED

Corporate identification number: L74899DL1995PLC069839

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

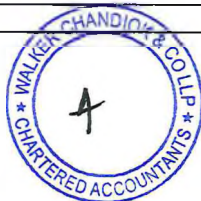
Corporate office: RJ Corp House, Plot No-31, Institutional Area, Sector-44, Gurugram-122002 (Haryana)

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

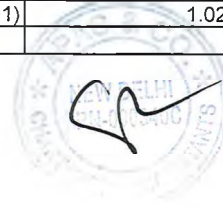
Statement of consolidated financial results for the quarter ended on 31 March 2019

₹ in million, except per share data

| Particulars | Three months ended on | Three months ended on | Three months ended on | Year ended on |
|--|------------------------------|---------------------------------|------------------------------|-------------------------------|
| | 31 March 2019 (Unaudited) | 31 December 2018 (Unaudited) | 31 March 2018 (Unaudited) | 31 December 2018 (Audited) |
| 1. Income | | | | |
| (a) Revenue from operations | 13,806.07 | 8,041.37 | 11,223.73 | 52,281.27 |
| (b) Other income | 14.02 | 127.40 | 81.64 | 218.24 |
| Total income | 13,820.09 | 8,168.77 | 11,305.37 | 52,499.51 |
| 2. Expenses | | | | |
| (a) Cost of materials consumed | 5,898.21 | 2,645.34 | 5,788.24 | 21,122.78 |
| (b) Excise duty | 214.62 | 185.20 | 276.03 | 1,228.72 |
| (c) Purchases of stock-in-trade | 897.38 | 360.09 | 399.85 | 1,942.18 |
| (d) Changes in inventories of finished goods, stock-in-trade and work-in-progress | (807.39) | (335.79) | (1,272.13) | (623.97) |
| (e) Employee benefits expense | 1,583.64 | 1,446.51 | 1,386.21 | 5,829.51 |
| (f) Finance costs | 590.28 | 537.23 | 599.17 | 2,125.63 |
| (g) Depreciation and amortisation expense | 990.29 | 940.64 | 910.60 | 3,850.70 |
| (h) Other expenses | 3,835.86 | 3,262.08 | 2,918.59 | 12,716.18 |
| Total expenses | 13,202.89 | 9,041.30 | 11,006.56 | 48,191.73 |
| 3. Profit/(loss) before tax and share of profit in associates(1-2) | 617.20 | (872.53) | 298.81 | 4,307.78 |
| 4. Share of profit in associate | 7.91 | 6.60 | 10.94 | 30.20 |
| 5. Profit/(loss) before tax (3+4) | 625.11 | (865.93) | 309.75 | 4,337.98 |
| 6. Tax expense: | | | | |
| (a) Current tax | 144.52 | (408.90) | 54.89 | 1,094.09 |
| (b) Adjustment of tax relating to earlier periods | - | 14.35 | - | 14.35 |
| (c) Deferred tax | 80.19 | 236.84 | 57.48 | 230.91 |
| Total tax expense | 224.71 | (157.71) | 112.37 | 1,339.35 |
| 7. Net Profit/(loss) for the period (5-6) | 400.40 | (708.22) | 197.38 | 2,998.63 |
| 8. Other comprehensive income | | | | |
| A Items that will not be reclassified to profit or loss | (59.13) | (26.17) | (37.86) | (16.53) |
| B Income tax relating to items that will not be reclassified to profit or loss | 20.52 | 10.74 | 13.37 | 7.78 |
| C Items that will be reclassified to profit or loss | 153.14 | (305.86) | (36.11) | (234.44) |
| D Income tax relating to items that will be reclassified to profit or loss | (35.68) | 71.26 | 8.33 | 54.62 |
| Total other comprehensive income | 78.85 | (250.03) | (52.27) | (188.57) |
| 9. Total comprehensive income for the period (including non-controlling interest) (7+8) | 479.25 | (958.25) | 145.11 | 2,810.06 |
| 10. Net profit attributable to: | | | | |
| A Owners | 406.26 | (715.09) | 186.32 | 2,928.41 |
| B Non-controlling interest | (5.86) | 6.87 | 11.06 | 70.22 |
| 11. Other comprehensive income attributable to: | | | | |
| A Owners | 78.85 | (250.03) | (52.27) | (188.57) |
| B Non-controlling interest | - | - | - | - |
| 12. Total comprehensive income attributable to: | | | | |
| A Owners | 485.11 | (965.12) | 134.05 | 2,739.84 |
| B Non-controlling interest | (5.86) | 6.87 | 11.06 | 70.22 |
| 13. Paid-up equity share capital (face value of ₹ 10 each) | 1,826.52 | 1,826.42 | 1,826.15 | 1,826.42 |
| 14. Reserves excluding revaluation reserves | | | | 18,158.62 |
| 15. Earnings per share (of ₹ 10/- each) (not annualised for quarters): | | | | |
| (a) Basic | 2.22 | (3.92) | 1.02 | 16.04 |
| (b) Diluted | 2.22 | (3.91) | 1.02 | 16.03 |
| See accompanying notes | | | | |



Signed For Identification





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 financial results for the quarter ended on 31 March 2019

₹ in million, except per share data

| Particulars | Three months ended | Three months ended | Three months ended | Year ended on |
|---|--------------------|--------------------|--------------------|------------------|
| | on | on | on | |
| | 31 March 2019 | 31 December 2018 | 31 March 2018 | 31 December 2018 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1. Income | | | | |
| (a) Revenue from operations | 9,855.74 | 4,168.67 | 8,975.22 | 38,622.76 |
| (b) Other income | 145.97 | 426.11 | 87.97 | 962.15 |
| Total income | 10,001.71 | 4,594.78 | 9,063.19 | 39,584.91 |
| 2. Expenses | | | | |
| (a) Cost of materials consumed | 4,464.25 | 1,728.42 | 4,879.84 | 16,603.01 |
| (b) Purchase of stock-in-trade | 826.01 | 320.77 | 361.36 | 1,829.00 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (620.99) | (404.75) | (1,191.26) | (687.86) |
| (d) Employee benefits expense | 1,123.60 | 963.34 | 1,025.08 | 4,114.72 |
| (e) Finance costs | 539.00 | 509.99 | 549.79 | 1,943.98 |
| (f) Depreciation and amortisation expense | 741.58 | 696.82 | 728.63 | 2,955.50 |
| (g) Other expenses | 2,157.86 | 1,469.47 | 2,258.65 | 8,196.98 |
| Total expenses | 9,231.31 | 5,284.06 | 8,612.09 | 34,955.33 |
| 3. Profit/(loss) before tax (1-2) | 770.40 | (689.28) | 451.10 | 4,629.58 |
| 4. Tax expense | | | | |
| (a) Current tax | 132.93 | (588.09) | 32.21 | 797.90 |
| (b) Adjustment of tax relating to earlier periods | - | 14.35 | - | 14.35 |
| (c) Deferred tax | 82.91 | 422.70 | 83.92 | 493.74 |
| Total tax expense | 215.84 | (151.04) | 116.13 | 1,305.99 |
| 5. Net Profit/(loss) after tax (3 - 4) | 554.56 | (538.24) | 334.97 | 3,323.59 |
| 6. Other comprehensive income | | | | |
| A. Items that will not be reclassified to profit or loss | (58.73) | (30.73) | (38.62) | (22.54) |
| B. Income tax relating to items that will not be reclassified to profit or loss | 20.52 | 10.74 | 13.37 | 7.78 |
| Total other comprehensive income | (38.21) | (19.99) | (25.25) | (14.76) |
| 7. Total comprehensive income for the period (5+6) | 516.35 | (558.23) | 309.72 | 3,308.83 |
| 8. Paid-up equity share capital (face value of ₹ 10 each) | 1,826.52 | 1,826.42 | 1,826.15 | 1,826.42 |
| 9. Reserves excluding revaluation reserves | | | | 24,062.97 |
| 10. Earnings per share (of ₹ 10/- each) (not annualised for quarters): | | | | |
| (a) Basic | 3.04 | (2.95) | 1.83 | 18.20 |
| (b) Diluted | 3.04 | (2.95) | 1.83 | 18.20 |
| See accompanying notes | | | | |

Signed For Identification





VARUN BEVERAGES LIMITED

Corporate identification number: L74899DL1995PLC069839

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

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(₹ in million, except otherwise stated)

Notes:

1. These standalone and consolidated unaudited financial results for the quarter ended on 31 March 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 09 May 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 CIR/CFD/CMD/15/2015 dated 30 November 2015 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 on 31 March 2019, the paid-up capital of the Company has increased by ₹ 0.10 on allotment of 9,585 equity shares of ₹ 10 each, pursuant to exercise of stock options by employees.
6. During the quarter ended on 31 March 2019, the Company has started commercial production from a greenfield production facility at Pathankot (India).
7. Pursuant to approval by the Board of Directors in their meeting held on 18 February 2019, the Company on 01 May 2019, has concluded the acquisition of franchise rights in South and West regions from PepsiCo India Holdings Private Limited ("PepsiCo") for a national bottling, sales and distribution footprint in 7 states and 5 Union Territories of India for a transaction value of ₹ 18,025. Transfer of certain manufacturing facilities in above territories is in progress and shall be completed in due course. The Company is now a franchise of PepsiCo's beverages business across 27 states and 7 Union Territories of India.

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

Raj P. Gandhi
Whole Time Director

Signed For Identification

Place : Gurugram
Dated : 09 May 2019

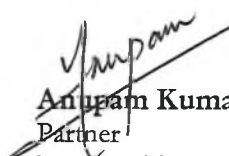


Independent Auditor's Review Report on Standalone Quarterly Financial Results of the Varun Beverages Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Varun Beverages Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Varun Beverages Limited ("the Company") for the quarter ended 31 March 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. 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 applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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


Anupam Kumar
Partner
Membership No. 501531



Place: Gurugram
Date: 09 May 2019

L-41 Connaught Place,
New Delhi 110 001

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


Sumit Kathuria
Partner
Membership No. 520078



Place: Gurugram
Date: 09 May 2019

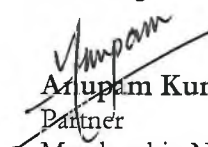
8/14 Basement, Kalkaji Extension,
New Delhi 110 009

Independent Auditor's Review Report on Consolidated Quarterly Financial Results of the Varun Beverages Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Varun Beverages Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("Statement") of Varun Beverages Limited ("the Company") and its subsidiaries (the 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 31 March 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above and upon consideration of the review reports of the other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We did not review the financial results of seven subsidiaries included in the Statement whose financial results reflect total revenues of ₹ 4,274.83 million for the quarter ended 31 March 2019, net loss (including other comprehensive income) of ₹ 139.76 million for the quarter ended 31 March 2019. The Statement also includes the Group's share of net profit (including other comprehensive income) of ₹ 7.91 million for the quarter ended 31 March 2019, as considered in the Statement, in respect of two associates, whose financial results have not been reviewed by us. These financial results have been reviewed by other auditors whose review reports have been furnished to us by the management and our report in respect thereof is based solely on the review reports of such other auditors. Our review report is not modified in respect of this matter.

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

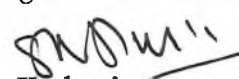

Anupam Kumar
Partner
Membership No. 501531

Place: Gurugram
Date: 09 May 2019

L-41 Connaught Place,
New Delhi 110 001



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


Sumit Kathuria
Partner
Membership No. 520078

Place: Gurugram
Date: 09 May 2019

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



Independent Auditor's Review Report on Consolidated 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 (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

