



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.varunbeverages.com
CIN No. : L74899DL1995PLC069839

February 10, 2025

To,

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	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 Email: corp.relations@bseindia.com Security Code: 540180
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Subject: Report of the Monitoring Agency on utilization of proceeds raised through Qualified Institutions Placement

Dear Sir/Madam,

Pursuant to Regulation 173A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report of the Monitoring Agency issued by CARE Ratings Limited on utilization of proceeds raised through Qualified Institutions Placement for the Quarter ended December 31, 2024 is enclosed.

The same is being uploaded on website of the Company at www.varunbeverages.com.

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

Monitoring Agency Report

The Board of Directors
Varun Beverages Limited
Plot No. 31, Institutional Area, Sector-44,
Gurgaon-122002, Haryana, India

February 10,2025

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended December 31st,2024 - in relation to the QIP of Varun Beverages Limited ("the Company")

We write in our capacity of Monitoring Agency for the Qualified institutional placement for the amount aggregating to Rs. 7,500 crore of the Company and refer to our duties cast under 173A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended December 31,2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated November 04, 2024.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

Anant Agarwal

Anant Agarwal
Associate Director
Anant.agarwal@careedge.in

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Noida,
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CIN-L67190MH1993PLC071691

Report of the Monitoring Agency (MA)

Name of the issuer: Varun Beverages Limited

For quarter ended: December 31, 2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Anant Agarwal

Signature:

Anant Agarwal

Associate Director

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1) Issuer Details:

Name of the issuer : Varun Beverages Limited
Name of the promoters : RJ Corp Limited, Mr. Ravi Kant Jaipuria, Mr. Varun Jaipuria
Industry/sector to which it belongs : Manufacturer and distributor of beverages

2) Issue Details

Issue Period : Date of allotment: 19th November 2024
Type of issue : Qualified Institutional Placement
Type of specified securities : Equity shares
IPO Grading, if any : Not applicable
Issue size (in ` crore) : Rs. 7500 crore*

* The offer comprises of 132,743,362 number of equity shares of face value of Rs 2 at an issue price of Rs.565 per equity share as determined on the relevant date in accordance with the provisions of Chapter V of the SEBI ICDR Regulations aggregating to Rs.75,00,00,00,000 for cash consideration by way of allotment to Specified investors/Identified investors.

Particulars	Remarks
Total equity shares issued and subscribed as part of QIP	132,743,362
Equity issue price (Rs. per share)	565.00
Total proceeds received from equity shares issued (in Rs. Crore)	7,500.00
Issue related expenses	61.00
Net proceeds available for utilization (in Rs. Crore)	7,439.00

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate*, Bank statements, Placement document	Yes	No comments
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Chartered Accountant certificate*, Bank statement, Placement document	Not applicable	No comments
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not applicable	Not applicable	No comments
Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable	Not applicable	Not applicable	No comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	Not applicable	Not applicable	No comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	No comments
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	No	Not Applicable	No comments

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Is there any other relevant information that may materially affect the decision making of the investors?	No	No	Not Applicable	No comments
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* Chartered Accountant certificate from OP Bagla & CO LLP, Chartered Accountants (Statutory Auditor) dated Jan 09, 2025

Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

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4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Repayment/ Prepayment, in part or in full of certain outstanding borrowings availed by the company and /or one of its subsidiaries	Chartered Accountant certificate*, Placement Document	5600.00	Not applicable		No comments	No comments	No comments
2	For general corporate purposes and inorganic acquisitions	Chartered Accountant certificate*, Placement Document	1839.00	Not applicable		No comments	No comments	No comments
3	QIP Issue Expense	Chartered Accountant certificate*, Placement Document	61.00	Not applicable		No comments	No comments	No comments
Total			7500.00					

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(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Repayment/ Prepayment, in part or in full of certain outstanding borrowings availed by the							Total repayment of Rs 5047.55 crore includes	No comments	No comments

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	company and /or one of its subsidiaries	Chartered Accountant certificate*, Bank Statements	5600.00	0.00	5047.55	5047.55	552.45	Rs 1225.25 crore of WCDL/STL and Rs 3822.29 crore of term loan which has been paid in quarter ended December 31, 2024.		
2	For general corporate purposes and inorganic acquisitions	Chartered Accountant certificate*, Board resolution copy, Bank Statements	1839.00	0.00	385.85	385.85	1453.15	Total amount of Rs 385.85 crore includes the share purchase of lunarmech Technologies Private Limited of Rs 200 crore and remaining amount of Rs 185.85 crore includes land purchase for future expansion of Rs 93.64	No comments	No comments

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								core and balance towards payments to capex vendors.		
3	QIP Issue Expense	Chartered Accountant certificate*, Board resolution copy, Bank Statements	61.00	0.00	61.11	61.11		QIP issue expense of Rs 61.11 crore, the incremental amount was done through the GCP allotted funds	No comments	No comments
Total			7500.00	00.00	5494.50	5494.50	**2005.50			

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** Investment in Fixed Deposit & Mutual Fund and Balance in Monitoring accounts amounting to Rs 2005.50 crore.

(iii) Deployment of un-utilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (Rs. crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1	Fixed Deposit (50301071269783)	553.00	07-01-2025	7.10%	7.10%	553.00
2	Fixed Deposit (301023085125)	310.00	06-01-2025	6.60%	6.60%	310.00
3	Fixed Deposit (301023083129)	500.00	06-01-2025	6.60%	6.60%	500.00
4	Fixed Deposit (301023080933)	500.00	06-01-2025	6.60%	6.60%	500.00
5	ABSL Saving Plan (INF209K01)	130.00	NA	NA	NA	130.00
6	*Credit balance in monitoring account	12.50	NA	NA	NA	12.50
	Total	2005.50				2005.50

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*Credit balance of Rs 12.50 crore is kept in the monitoring account, also FD's worth Rs 1863 crore and mutual funds of Rs 130 crore has been made of the unutilized funds

(iv) Delay in implementation of the object(sdi):

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Repayment/ Prepayment, in part or in full of certain outstanding borrowings availed by the company and /or one of its subsidiaries	Entire amount by December 2025	Ongoing	No delays	No comments	No comments
For general corporate purposes and inorganic acquisitions	Entire amount by December 2025	Ongoing	No delays	No comments	No comments

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	General Corporate Purpose	385.85	Chartered Accountant certificate*, Bank Statement	During Q4 of fiscal 24, the amount of Rs 385.85 crore has been utilized for GCP which includes Rs 200 crore for share purchase of Lunarmech Technologies Private Limited and remaining Rs 185.85 crore includes Rs 93.64 crore for land purchase for future expansion and the balance towards payments to capex vendors.	No comments
	Total	385.85			

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*However, as per the company's placement document, If the Net Proceeds are not utilized (in full or in part) for the Objects for the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by Company i.e. VBL, in accordance with applicable laws. If the actual utilisation towards the Objects is lower than the proposed deployment, such balance will be used towards inorganic acquisitions and general corporate purposes such that the total amount to be utilised cumulatively towards inorganic acquisitions and general corporate purposes shall not exceed 35% of the Gross Proceeds, and towards general corporate purposes or towards inorganic acquisitions to the extent that the total amount to be utilised towards general corporate purposes or towards inorganic acquisitions individually will not exceed 25% of the Gross Proceeds

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Disclaimers to MA report:

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

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