



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

August 4, 2020

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
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Subject: Regulations 30: Outcome of the Board Meeting

Dear Sir/Madam,

The Board of Directors at their meeting held today (started at 11:00 A.M. and concluded at 11:48 A.M.) *inter-alia* considered and approved the following:

1. The Unaudited Financial Results of the Company (Standalone and Consolidated) for the Quarter and Half Year ended June 30, 2020 (Copy of the same along-with Limited Review Report issued by M/s. Walker Chandiook & Co., LLP, Chartered Accountants and M/s. APAS & Co., Chartered Accountants, Joint Statutory Auditors of the Company, with unmodified opinion are attached and the same are being uploaded on website of the Company).
2. The payment of interim dividend of Rs. 2.50 (Two Rupees and Fifty Paise only) per Equity Share for the financial year 2020 on the total issued, subscribed and paid-up 28,86,88,720 Equity Shares of the nominal value of Rs. 10/- each.
3. Pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, fixed **Monday, August 17, 2020** as the "**RECORD DATE**" for ascertaining the eligibility of the Equity Shareholders for payment of interim dividend.

The interim dividend will be paid on and from Tuesday, August 18, 2020 to those shareholders whose name appears in the Register of Members of the Company or in the list of beneficial owners maintained by the Depositories as on Monday, August, 17, 2020.

Further, please note that the Company is following 1st January to 31st December 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

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Statement of consolidated assets and liabilities

	₹ in million	
	As at 30 June 2020 (Unaudited)	As at 31 December 2019 (Audited)
Assets		
Non-current assets		
(a) Property, plant and equipment	58,793.39	58,925.02
(b) Capital work-in-progress	669.86	638.24
(c) Goodwill	242.30	242.30
(d) Other intangible assets	5,597.12	5,623.11
(e) Financial assets		
(i) Investments	0.01	0.01
(ii) Loans	407.90	445.48
(iii) Others	10.09	8.90
(f) Deferred tax assets (Net)	108.36	128.48
(g) Other non-current assets	1,467.71	1,153.96
Total non-current assets (A)	67,296.74	67,165.50
Current assets		
(a) Inventories	9,845.23	8,815.13
(b) Financial assets		
(i) Trade receivables	2,375.77	1,725.55
(ii) Cash and cash equivalents	1,782.39	1,379.68
(iii) Bank balances other than (ii) above	336.77	331.09
(iv) Loans	107.57	69.37
(v) Others	1,105.85	2,189.83
(c) Current tax assets (Net)	9.22	10.23
(d) Other current assets	2,216.51	2,197.96
Total current assets (B)	17,779.31	16,718.84
Total assets (A+B)	85,076.05	83,884.34
Equity and liabilities		
Equity		
(a) Equity share capital	2,886.89	2,886.89
(b) Other equity	31,691.06	30,397.33
Equity attributable to owners of the Company	34,577.95	33,284.22
(c) Non-controlling interest	380.25	306.79
Total equity (C)	34,958.20	33,591.01
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	19,452.00	23,553.76
(ii) Other financial liabilities	246.09	-
(b) Provisions	1,853.46	1,703.35
(c) Deferred tax liabilities (Net)	2,106.68	2,825.07
(d) Other non-current liabilities	7.75	8.23
Total non-current liabilities (D)	23,665.98	28,090.41
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,556.26	4,671.54
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	25.61	26.14
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,274.71	4,750.47
(iii) Other financial liabilities	12,660.51	10,258.13
(b) Other current liabilities	4,521.22	2,044.85
(c) Provisions	304.32	299.79
(d) Current tax liabilities (Net)	109.24	152.00
Total current liabilities (E)	26,451.87	22,202.92
Total liabilities (F=D+E)	50,117.85	50,293.33
Total equity and liabilities (C+F)	85,076.05	83,884.34

See accompanying notes



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Statement of consolidated financial results for the quarter and half year ended on 30 June 2020

₹ in million, except per share data

Particulars	Three months ended on 30 June 2020 (Unaudited)	Three months ended on 31 March 2020 (Unaudited)	Three months ended on 30 June 2019 (Unaudited)	Six months ended on 30 June 2020 (Unaudited)	Six months ended on 30 June 2019 (Unaudited)	Year ended on 31 December 2019 (Audited)
1. Income						
(a) Revenue from operations	16,656.90	16,992.48	28,514.59	33,649.38	42,320.66	72,484.58
(b) Other income	26.62	252.64	33.39	279.26	47.41	425.28
Total income	16,683.52	17,245.12	28,547.98	33,928.64	42,368.07	72,909.86
2. Expenses						
(a) Cost of materials consumed	6,229.38	7,546.54	11,112.41	13,775.92	17,010.62	29,395.56
(b) Excise duty	255.07	228.14	410.05	483.21	624.67	1,188.80
(c) Purchases of stock-in-trade	148.83	450.14	2,335.07	598.97	3,232.45	4,237.33
(d) Changes in inventories of finished goods, stock-in-trade and work-in-progress	1,032.56	(1,081.90)	(152.31)	(49.34)	(959.70)	(1,438.61)
(e) Employee benefits expense	1,992.91	2,291.45	1,991.64	4,284.36	3,575.28	8,108.15
(f) Finance costs	741.87	869.69	848.17	1,611.56	1,438.45	3,096.42
(g) Depreciation and amortisation expense	1,243.11	1,351.23	1,254.10	2,594.34	2,244.39	4,886.28
(h) Other expenses	3,221.18	4,846.55	4,938.95	8,067.73	8,774.81	16,516.82
Total expenses	14,864.91	16,501.84	22,738.08	31,366.75	35,940.97	65,990.75
3. Profit before share of profit in associates, exceptional items and tax (1-2)	1,818.61	743.28	5,809.90	2,561.89	6,427.10	6,919.11
4. Share of profit in associate	-	-	13.12	-	21.03	43.61
5. Profit before exceptional items and tax (3+4)	1,818.61	743.28	5,823.02	2,561.89	6,448.13	6,962.72
6. Exceptional items	-	665.29	-	665.29	-	-
7. Profit before tax (5-6)	1,818.61	77.99	5,823.02	1,896.60	6,448.13	6,962.72
8. Tax expense:						
(a) Current tax	171.94	59.05	997.91	230.99	1,142.43	1,048.28
(b) Adjustment of tax relating to earlier periods	0.10	122.96	2.23	123.06	2.23	29.90
(c) Deferred tax	216.79	(704.64)	772.95	(487.85)	853.14	1,162.49
Total tax expense	388.83	(522.63)	1,773.09	(133.80)	1,997.80	2,240.67
9. Net profit for the period (7-8)	1,429.78	600.62	4,049.93	2,030.40	4,450.33	4,722.05
10. Other comprehensive income						
A Items that will not be reclassified to profit or loss	(61.04)	(27.45)	365.14	(88.49)	306.01	243.02
B Income tax relating to items that will not be reclassified to profit or loss	15.82	7.23	(9.54)	23.05	10.98	33.19
C Items that will be reclassified to profit or loss	(533.03)	(262.11)	199.02	(795.14)	352.16	416.26
D Income tax relating to items that will be reclassified to profit or loss	124.18	61.06	(46.36)	185.24	(82.04)	(96.97)
Total other comprehensive income	(454.07)	(221.27)	508.26	(675.34)	587.11	595.50
11. Total comprehensive income for the period (including non-controlling interest) (9+10)	975.71	379.35	4,558.19	1,355.06	5,037.44	5,317.55
12. Net profit attributable to:						
A Owners	1,407.78	549.19	4,069.29	1,956.97	4,475.55	4,689.75
B Non-controlling interest	22.00	51.43	(19.36)	73.43	(25.22)	32.30
13. Other comprehensive income attributable to:						
A Owners	(454.10)	(221.27)	508.26	(675.37)	587.11	595.52
B Non-controlling interest	0.03	-	-	0.03	-	(0.02)
14. Total comprehensive income attributable to:						
A Owners	953.68	327.92	4,577.55	1,281.60	5,062.66	5,285.27
B Non-controlling interest	22.03	51.43	(19.36)	73.46	(25.22)	32.28
15. Paid-up equity share capital (face value of ₹ 10 each)	2,886.89	2,886.89	1,826.55	2,886.89	1,826.55	2,886.89
16. Other equity				31,691.06	23,169.62	30,397.33
17. Earnings per share (of ₹ 10/- each) (not annualised for quarters and half years):						
(a) Basic	4.88	1.90	14.85	6.78	16.33	16.83
(b) Diluted	4.88	1.90	14.85	6.78	16.33	16.83
See accompanying notes						



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Statement of standalone assets and liabilities

	₹ in million	
	As at 30 June 2020 (Unaudited)	As at 31 December 2019 (Audited)
Assets		
Non-current assets		
(a) Property, plant and equipment	48,363.17	48,399.67
(b) Capital work-in-progress	542.92	585.75
(c) Goodwill	19.40	19.40
(d) Other intangible assets	5,575.32	5,598.47
(e) Investment in subsidiaries and associates	11,704.39	9,077.83
(f) Financial assets		
(i) Investments	0.01	0.01
(ii) Loans	4,372.87	6,042.77
(iii) Others	10.09	8.90
(g) Other non-current assets	772.32	916.91
Total non-current assets (A)	71,360.49	70,649.71
Current assets		
(a) Inventories	7,263.91	6,729.83
(b) Financial assets		
(i) Trade receivables	2,246.64	1,305.31
(ii) Cash and cash equivalents	721.06	323.51
(iii) Bank balances other than (ii) above	0.61	0.65
(iv) Loans	107.36	351.71
(v) Others	1,750.52	2,820.09
(c) Other current assets	1,736.98	1,554.83
Total current assets (B)	13,827.08	13,085.93
Total assets (A+B)	85,187.57	83,735.64
Equity and liabilities		
Equity		
(a) Equity share capital	2,886.89	2,886.89
(b) Other equity	37,697.40	35,784.28
Total equity (C)	40,584.29	38,671.17
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	19,021.18	22,917.07
(ii) Other financial liabilities	84.03	-
(b) Provisions	1,757.71	1,606.73
(c) Deferred tax liabilities (Net)	2,248.10	2,761.29
(d) Other non-current liabilities	7.75	8.23
Total non-current liabilities (D)	23,118.77	27,293.32
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,625.52	4,110.44
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	18.44	17.79
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,375.21	3,160.99
(iii) Other financial liabilities	11,444.67	8,485.19
(b) Other current liabilities	3,649.48	1,593.72
(c) Provisions	296.28	288.79
(d) Current tax liabilities (Net)	74.91	114.23
Total current liabilities (E)	21,484.51	17,771.15
Total liabilities (F=D+E)	44,603.28	45,064.47
Total equity and liabilities (C+F)	85,187.57	83,735.64

See accompanying notes



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₹ in million, except per share data

Particulars	Three months ended on 30 June 2020 (Unaudited)	Three months ended on 31 March 2020 (Unaudited)	Three months ended on 30 June 2019 (Unaudited)	Six months ended on 30 June 2020 (Unaudited)	Six months ended on 30 June 2019 (Unaudited)	Year ended on 31 December 2019 (Audited)
1. Income						
(a) Revenue from operations	14,105.93	13,136.63	24,557.54	27,242.56	34,413.28	56,156.64
(b) Other income	107.21	305.32	127.85	412.53	273.82	980.07
Total income	14,213.14	13,441.95	24,685.39	27,655.09	34,687.10	57,136.71
2. Expenses						
(a) Cost of materials consumed	5,359.04	6,406.13	9,665.84	11,765.17	14,130.09	23,480.22
(b) Purchase of stock-in-trade	118.78	433.05	2,335.66	551.83	3,161.67	3,963.29
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,288.53	(973.31)	28.50	315.22	(592.49)	(1,324.13)
(d) Employee benefits expense	1,638.79	1,833.37	1,569.64	3,472.16	2,693.24	6,308.13
(e) Finance costs	689.58	727.65	766.48	1,417.23	1,305.48	2,802.48
(f) Depreciation and amortisation expense	984.29	1,068.88	998.45	2,053.17	1,740.03	3,872.02
(g) Other expenses	2,539.70	3,230.23	3,947.89	5,769.93	6,105.75	11,691.79
Total expenses	12,618.71	12,726.00	19,312.46	25,344.71	28,543.77	50,793.80
3. Profit before exceptional items and tax (1-2)	1,594.43	715.95	5,372.93	2,310.38	6,143.33	6,342.91
4. Exceptional items	-	665.29	-	665.29	-	-
5. Profit before tax (3-4)	1,594.43	50.66	5,372.93	1,645.09	6,143.33	6,342.91
6. Tax expense						
(a) Current tax	141.82	5.17	958.60	146.99	1,091.53	948.70
(b) Adjustment of tax relating to earlier periods	-	-	-	-	-	9.86
(c) Deferred tax	233.10	(723.23)	593.30	(490.13)	676.21	898.88
Total tax expense	374.92	(718.06)	1,551.90	(343.14)	1,767.74	1,857.44
7. Net profit after tax (5 - 6)	1,219.51	768.72	3,821.03	1,988.23	4,375.59	4,485.47
8. Other comprehensive income						
A. Items that will not be reclassified to profit or loss	(61.80)	(28.23)	371.74	(90.03)	313.01	249.84
B. Income tax relating to items that will not be reclassified to profit or loss	15.84	7.23	(9.54)	23.07	10.98	33.05
Total other comprehensive income	(45.96)	(21.00)	362.20	(66.96)	323.99	282.89
9. Total comprehensive income for the period (7+8)	1,173.55	747.72	4,183.23	1,921.27	4,699.58	4,768.36
10. Paid-up equity share capital (face value of ₹ 10 each)	2,886.89	2,886.89	1,826.55	2,886.89	1,826.55	2,886.89
11. Other equity				37,697.40	28,717.84	35,784.28
12. Earnings per share (of ₹ 10/- each) (not annualised for quarters and half years):						
(a) Basic	4.23	2.66	13.95	6.89	15.97	16.10
(b) Diluted	4.23	2.66	13.95	6.89	15.97	16.10
See accompanying notes						

Varun Beverages Limited
Consolidated Cash Flow Statement

(Indirect Method)

(₹ in million)

Particulars	Six month period ended 30 June 2020 (Unaudited)	Six month period ended 30 June 2019 (Unaudited)
A. Operating activities		
Profit before tax and share of profit in associate	1,896.60	6,427.10
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant and equipment	2,565.93	2,215.75
Amortisation of intangible assets	28.41	28.64
Exceptional items	665.29	-
Interest expense at amortised cost	1,574.49	1,425.36
Interest income at amortised cost	(43.73)	(23.25)
Dividend income from current investment	-	(0.18)
Profit on sale of current investments	-	(0.09)
Excess provisions/balances written back	(220.07)	(1.77)
Loss on disposal of property, plant and equipment (Net)	13.70	55.38
Bad debts and advances written off	2.98	1.71
Allowance for expected credit loss	16.64	89.62
Unrealised exchange fluctuation	(96.15)	198.35
Operating profit before working capital changes	6,404.09	10,416.62
Working capital adjustments		
Increase in inventories	(1,030.10)	(1,208.91)
Increase in trade receivables	(686.37)	(1,493.76)
Decrease/(increase) in current and non-current financial assets and other current and non-current assets	1,107.53	(1,609.99)
Increase in current financial liabilities and other current and non-current liabilities and provisions	1,938.71	6,491.00
Total cash from operations	7,733.86	12,594.96
Income tax paid	(583.17)	(454.33)
Net cash flows from operating activities (A)	7,150.69	12,140.63
B. Investing activities		
Purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advance received/paid and capital creditors)	(2,594.63)	(4,730.77)
Proceeds from disposal of property, plant and equipment and intangible assets	132.12	17.01
Acquisition under business combination	-	(16,551.47)
Interest received	45.78	18.75
Dividend income from current investment	-	0.18
Proceeds from sale of current investments (Net)	-	0.09
Increase in other bank balances	(5.72)	(66.10)
Net cash used in investing activities (B)	(2,422.45)	(21,312.31)
C. Financing activities		
Proceeds from long term borrowings	5,337.58	18,229.01
Repayment of long term borrowings	(6,919.46)	(4,727.42)
Repayment of lease liabilities	(63.86)	-
Repayment of deferred payment liabilities	-	(433.87)
Repayments of short term borrowings (Net)	(1,131.23)	(2,260.67)
Proceeds from issue of share capital (including share premium thereon)	-	1.99
Interest paid	(1,580.22)	(1,390.77)
Dividends paid to non-controlling interest	-	(5.43)
Net cash flows from/(used in) financing activities (C)	(4,357.19)	9,412.84
Net change in cash and cash equivalents (D=A+B+C)	371.05	241.16
Cash and cash equivalents at the beginning of year (E)	1,379.68	429.36
Unrealised exchange differences on translation of cash and cash equivalent in subsidiaries (F)	31.66	281.18
Cash and cash equivalents at the end of year (G= D+E+F)	1,782.39	951.70

Note:

(a) Non-cash changes in liabilities arising from financing activities pertains to impact of fair value changes and foreign exchange fluctuations which are considered to be insignificant.

Varun Beverages Limited
Standalone Cash Flow Statement

(Indirect Method)

(₹ in million)

Particulars	Six month period ended 30 June 2020 (Unaudited)	Six month period ended 30 June 2019 (Unaudited)
A. Operating activities		
Profit before tax	1,645.09	6,143.33
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant and equipment	2,028.48	1,715.62
Amortisation of intangible assets	24.69	24.41
Exceptional items	665.29	-
Interest expense at amortised cost	1,383.14	1,305.48
Interest income at amortised cost	(172.78)	(158.10)
Dividend income from non-current investment in subsidiary	-	(46.67)
(Gain)/loss on disposal of property, plant and equipment (Net)	(0.64)	44.65
Bad debts and advances written off	1.90	1.60
Excess provisions written back	-	(1.63)
Profit on sale of current investments	-	(0.09)
Guarantee commission received	(18.32)	(21.13)
Unrealised foreign exchange fluctuation	(102.61)	25.64
Allowance for expected credit loss	-	30.09
Operating profit before working capital changes	5,454.24	9,063.20
Working capital adjustments:		
Increase in inventories	(534.09)	(687.56)
Increase in trade receivables	(959.77)	(687.05)
Decrease/(increase) in current and non-current financial assets and other current and non-current assets	943.08	(1,745.45)
Increase in current financial liabilities and other current and non-current liabilities and provisions	1,166.17	5,441.38
Total cash from operations	6,069.63	11,384.52
Income tax paid	(183.55)	(418.35)
Net cash flows from operating activities (A)	5,886.08	10,966.17
B. Investing activities		
Purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advance received/paid and capital creditors)	(1,410.97)	(3,863.16)
Proceeds from disposal of property, plant and equipment and intangible assets	120.96	21.67
Loan given to a subsidiary	(435.39)	(211.22)
Redemption of preference shares (classified as loan given to subsidiary)	-	52.35
Acquisition under business combination	-	(16,551.47)
Proceeds from sale of current investments (Net)	-	0.09
Guarantee commission received	46.09	19.82
Interest received	27.65	29.05
Dividend income from current investment	-	0.18
Dividend income from non-current investment in subsidiary	-	223.28
Net cash used in investing activities (B)	(1,651.66)	(20,279.41)
C. Financing activities		
Proceeds from long term borrowings	5,214.50	18,229.01
Repayment of long term borrowings	(6,149.07)	(4,216.63)
Repayment of lease liabilities	(35.60)	-
Repayment of deferred payment liabilities	-	(433.87)
Repayments of short term borrowings (Net)	(1,484.92)	(2,317.86)
Proceeds from issue of share capital (including share premium thereon)	-	1.99
Interest paid	(1,381.78)	(1,286.73)
Net cash flows from/(used in) financing activities (C)	(3,836.87)	9,975.91
Net change in cash and cash equivalents (D=A+B+C)	397.55	662.67
Cash and cash equivalents at the beginning of year (E)	323.51	17.75
Cash and cash equivalents at the end of year (D+E)	721.06	680.42

Notes:

(a) During the period, loan amounting to ₹ 2,626.57 (30 June 2019: ₹ 1,182.46) outstanding from a subsidiary has been converted into equity.

(b) Non-cash changes in liabilities arising from financing activities pertains to impact of fair value changes and foreign exchange fluctuations which are considered to be insignificant.



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

(₹ in million, except per share data)

Notes:

1. These standalone and consolidated financial results for the quarter and half year ended on 30 June 2020 have been reviewed and recommended for approval by the Audit, Risk Management and Ethics Committee and accordingly approved by the Board of Directors of Varun Beverages Limited ("VBL" or "the Company") at their respective meetings held on 04 August 2020. 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 erstwhile 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. The outbreak of Coronavirus disease (COVID-19) pandemic globally and in India is causing significant disturbances and slowdown of economic activity. The nationwide lockdowns ordered by the Governments has resulted in operating constraints leading to significant reduction in economic activities and also the business operation of the company in terms of sales. The management has considered the possible effects that may result from the pandemic on the carrying amount of receivables including contract assets, goodwill, intangibles, inventories and investments. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of these assets. However, the management will continue to closely monitor any material changes to future economic conditions.

6. On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAB in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April 2019 subject to certain conditions.

During the previous quarter ended 31 March 2020, the Company made an assessment of the impact of Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit and expiry of other tax benefits/holidays available. In accordance with the Ind AS 12 "Income Taxes", the Company is also required to remeasure its deferred tax balances, for amounts that are expected to reverse in future when the Company would migrate to the new tax regime. The Company has remeasured its outstanding deferred tax balances and written back an amount of ₹ 731.85 to the Statement of Profit and Loss.

7. The National Company Law Tribunal, through its order dated 22 May 2020 has approved the scheme of amalgamation of the subsidiaries of the Company, namely, Angelica Technologies Private Limited ("Angelica") with Lunarmech Technologies Private Limited ("Lunarmech") (subsidiary of Angelica Technologies Private Limited). The approved scheme of amalgamation has been filed with the Registrar of Companies on 07 July 2020. This has no impact on the consolidated financial results of the Group.

8. The Board of Directors have approved a payment of interim dividend of ₹ 2.50 (Rupees two and paise fifty only) per equity share of the face value of ₹ 10 each.

9. The Group has adopted Ind AS 116 "Leases" w.e.f. 01 January 2020, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method with right-of-use asset recognized at an amount equal to the lease liability in the balance sheet on the initial date of application. The adoption of this standard did not have any material impact on the profit of the current period.

10. The exceptional items for the previous quarter ended 31 March 2020, represents provision for impairment in the value of certain plant and equipment, glass bottles and plastic shells.

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

RAJ PAL GANDHI

Raj Gandhi

Whole Time Director

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0ac7c365, cn=RAJ PAL GANDHI
Date: 2020.08.04 11:27:32 +05'30'

Place : Gurugram

Dated : 04 August 2020

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'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 June 2020 and the consolidated year to date results for the period 01 January 2020 to 30 June 2020, 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 accounting 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'), 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 one of the joint auditor, APAS & Co. and 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 the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, 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 nine subsidiaries included in the Statement whose financial information reflects total assets of ₹ 17,445.83 million as at 30 June 2020, total revenues of ₹ 2,789.72 million and ₹ 7,351.00 million, total net profit after tax of ₹ 195.67 million and ₹ 39.72 million, total comprehensive income of ₹ 196.41 million and ₹ 41.23 million, for the quarter and six-month period ended on 30 June 2020, respectively, and cash flows (net) of ₹ 5.15 million for the period ended 30 June 2020, as considered in the Statement. Out of the above, financial results of two subsidiaries included in the Statement whose financial information reflect total assets of ₹ 850.45 million as at 30 June 2020, total revenues of ₹ 164.59 million and ₹ 353.14 million, total net profit after tax of ₹ 23.49 million and ₹ 54.66 million, total comprehensive income of ₹ 23.59 million and ₹ 54.72 million, for the quarter and six-month period ended 30 June 2020, respectively, and cash flows (net) of ₹ 22.62 million for the period ended 30 June 2020, as considered in the Statement have been reviewed by one of the joint

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)

auditors, APAS & Co. These interim financial results have been reviewed by APAS & Co. and 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 in respect of these subsidiaries is based solely on the review reports of APAS & Co. and 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 with respect to our reliance on the work done by and the reports of the other auditors.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



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Kumar
Date:
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Anupam Kumar

Partner

Membership No.: 501531

UDIN: 20501531AAAADH8166

Place: Gurugram

Date: 04 August 2020

L-41 First floor, Connaught Place,
New Delhi 110 001

For APAS & Co.

Chartered Accountants

Firm Registration No: 000340C

SUMIT
KATHURIA

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KATHURIA
Date: 2020.08.04
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Sumit Kathuria

Partner

Membership No.: 520078

UDIN: 20520078AAAAFN3365

Place: Gurugram

Date: 04 August 2020

606, 6th Floor, PP City Centre, Road No. 44,
Pitampura, New Delhi 110 034

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

Holding Company

1. Varun Beverages Limited

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 (till 12 May 2020)
8. Angelica Technologies Private Limited (amalgamated with Lunarmech Technologies Private Limited by NCLT order dated 22 May 2020)
9. 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 June 2020 and the year to date results for the period 01 January 2020 to 30 June 2020, 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 accounting 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'), 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 accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, 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 Chandiook & Co LLP

Chartered Accountants
Firm Registration No: 001076N/N500013



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Anupam Kumar

Partner
Membership No.: 501531
UDIN: 20501531AAAADG2987

Place: Gurugram

Date: 04 August 2020

L-41, First Floor, Connaught Place,
New Delhi 110001

For APAS & Co.

Chartered Accountants
Firm Registration No: 000340C

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Sumit Kathuria

Partner
Membership No.: 520078
UDIN: 20520078AAAAM5568

Place: Gurugram

Date: 04 August 2020

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Pitampura, New Delhi 110034