



VARUN BEVERAGES LIMITED



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December 21, 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
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Subject: Clarification on certain local media reports in Nepal on probable tax demand on subsidiary of Varun Beverages Ltd. (VBL) namely Varun Beverages (Nepal) Pvt. Ltd. (VBNPL)

Dear Sir/Madam,

VBL conducts it's business activities in several international regions and it follows best practices, systems and processes that are complaint with all laws and regulations of the operating region.

In Nepal, VBL conducts it's business through it's 100% subsidiary and it is our understanding that the demands pertain to Department of Revenue Investigation (DRI, Nepal) towards non-deposit of VAT collected from VBNPL by certain suppliers of sales promotion merchandise supplied in the ordinary course of the business, cumulatively for the period 2013-2018.

The amount of tax collected from transactions with VBNPL and allegedly not deposited by such suppliers involved under investigation including notional Income Tax on above is ~ NPR 24 cr (INR 15 cr) cumulatively for the period 2013-2018. The final demand is yet to be crystallized by the competent authorities.

VBL has been fully cooperating with the local authorities and believes it has been compliant of all the applicable laws including tax/business practices at it's end. The Company will take the appropriate legal and tax advise/action to remedy the situation if any demand on itself is formalized.

You are requested to take the above on record.

Yours faithfully,
For Varun Beverages Limited


Ravi Batra
Chief Risk Officer & Group Company Secretary