



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.rjcorp.in
CIN No. : U74899DL1995PLC069839

May 12, 2017

To,

BSE Limited Corporate Relationship Department, 1 st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai – 400 001 022-2272 3121, 2037, 2061 corp.relations@bseindia.com Security Code No. 540180	National Stock Exchange of India Ltd. Exchange Plaza, 5 th floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 # 022-2659 8237, 8238, 8347, 8348 cmlist@nse.co.in Symbol : VBL Series : EQ
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Sub: Outcome of Board Meeting in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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Dear Sir/Madam,

The Board of Directors at their meeting held today (started at 11.00 A.M. and concluded at 12.00 Noon) have considered and approved:

1. The Unaudited Financial Results of the Company (which have been subjected to Limited Review), both on standalone and consolidated basis, for the 1st quarter ended March 31, 2017 in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In this regard, please find enclosed:
 - a) Copy of the Unaudited Financial Results of the Company, both on standalone and consolidated basis, for the 1st quarter ended March 31, 2017; and
 - b) Limited Review Report on the above-mentioned Unaudited Financial Results issued by M/s. APAS & Co., Chartered Accountants and M/s. Walker Chandiook & Associates, Chartered Accountants, Joint Statutory Auditors of the Company, with unmodified opinion.

Copies of the above mentioned results are also being uploaded on the website of the Company at www.varunpepsi.com.
2. Re-appointment of Mr. Sanjoy Mukerji and Mrs. Geeta Kapoor as Additional Directors of the Company in the category of Independent Directors.
3. Appointment of M/s. O.P. Bagla & Co., Chartered Accountants as Internal Auditors of the Company.
4. In terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Ravi Batra, Chief Risk Officer & Group Company Secretary of the Company has been appointed as Company Secretary & Compliance Officer of the Company with effect from May 12, 2017 in place of Mr. Mahavir Prasad Garg consequent to his resignation as the Company Secretary & Compliance officer of the Company with effect from close of business hours on May 12, 2017.



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5. Pursuant to the Policy on Determination and Disclosure of Materiality of Events and Information, the Company Secretary and Chief Financial Officer of the Company have been jointly authorized to determine the materiality of an event / information and for making appropriate disclosures of such event/information to the stock exchanges pursuant to Regulation 30(5) of the SEBI (Listing Obligations and Disclosure Requirements, 2015. Accordingly, the policy is being modified and uploaded on the website of the Company.

You are requested to take the above on record.

Yours faithfully,

For Varun Beverages Limited

Raj P. Gandhi
Whole-time Director

Encl: A.A



VARUN BEVERAGES LIMITED

Corporate identification number: U74899DL1995PLC069839

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-122022 (Haryana)

Ph.: +91-124-4643100-500, E-mail: complianceofficer@rjcorp.in, Website: www.varunpepsi.com

Statement of consolidated unaudited financial results for the quarter ended on 31 March 2017

₹ in million, except as stated otherwise

Particulars	Three months ended	Three months ended
	on 31 March 2017 (Unaudited)	on 31 March 2016 (See note 4)
1. Income from operations		
(a) Gross sales/income from operations	10,462.43	10,270.60
(b) Other operating income	46.44	56.29
(c) Other income	135.32	48.15
Total income from operations	10,644.19	10,375.04
2. Expenses		
(a) Cost of materials consumed	4,763.89	5,033.53
(b) Purchases of stock-in-trade	70.19	338.90
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(833.02)	(1,152.29)
(d) Excise duty	1,716.90	1,636.69
(e) Employee benefits expense	1,099.98	972.28
(f) Finance costs	566.11	1,090.49
(g) Depreciation and amortisation expenses	800.81	774.50
(h) Other expenses	2,318.57	2,303.15
Total expenses	10,503.43	10,997.25
3. Profit/(loss) before tax and share of profit in associate (1-2)	140.76	(622.21)
4. Share of profit in associate	2.15	3.90
5. Profit/(loss) before tax (3+4)	142.91	(618.31)
6. Tax expense:		
(a) Current tax	95.18	19.03
(b) Deferred tax	(21.21)	(80.25)
Total tax expense	73.97	(61.22)
7. Net profit/(loss) for the period (5-6)	68.94	(557.09)
8. Other comprehensive income		
A Items that will not be reclassified to profit or loss	(23.43)	(35.38)
B Income tax relating to items that will not be reclassified to profit or loss	8.11	12.25
C Items that will be reclassified to profit or loss	-	-
D Income tax relating to items that will be reclassified to profit or loss	-	-
Total other comprehensive income	(15.32)	(23.13)
9. Total comprehensive income/(loss) for the period (including non-controlling interest) (7+8)	53.62	(580.22)
10. Net profit attributable to:		
A Owners	45.08	(517.86)
B Non-controlling interest	23.86	(39.23)
11. Other comprehensive income attributable to:		
A Owners	(15.32)	(23.13)
B Non-controlling interest	-	-
12. Total comprehensive income attributable to:		
A Owners	29.76	(540.99)
B Non-controlling interest	23.86	(39.23)
13. Paid-up equity share capital (face value of ₹ 10 each)	1,824.12	1,356.70
14. Earnings per share (of ₹ 10/- each) (not annualised):		
(a) Basic	0.25	(3.87)
(b) Diluted	0.25	(3.86)
See accompanying notes		



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Corporate office: RJ Corp House, Plot No-31, Institutional Area, Sector-44, Gurugram-122022 (Haryana)

Ph.: +91-124-4643100-500, E-mail: complianceofficer@rjcorp.in, Website: www.varunpepsi.com

Statement of standalone unaudited financial results for the quarter ended on 31 March 2017

₹ in million, except as stated otherwise

Particulars	Three months ended	Three months ended
	on 31 March 2017 (Unaudited)	on 31 March 2016 (See note 4)
1. Income from operations		
(a) Gross sales/income from operations	8,426.70	8,290.56
(b) Other operating income	91.37	96.24
(c) Other income	94.13	64.64
Total income from operations	8,612.20	8,451.44
2. Expenses		
(a) Cost of materials consumed	3,935.11	4,222.46
(b) Purchases of stock-in-trade	64.50	306.91
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(830.71)	(1,092.40)
(d) Excise duty	1,539.68	1,480.89
(e) Employee benefits expense	750.60	661.15
(f) Finance costs	463.51	1,003.67
(g) Depreciation and amortisation expenses	617.16	591.14
(h) Other expenses	1,741.81	1,638.96
Total expenses	8,281.66	8,812.78
3. Profit/(loss) before tax (1-2)	330.54	(361.34)
4. Tax expense:		
(a) Current tax	83.90	-
(b) Deferred tax	(21.58)	(80.19)
Total tax expense	62.32	(80.19)
5. Net profit/(loss) for the period (3-4)	268.22	(281.15)
6. Other comprehensive income		
A Items that will not be reclassified to profit or loss	(23.43)	(35.38)
B Income tax relating to items that will not be reclassified to profit or loss	8.11	12.25
C Items that will be reclassified to profit or loss	-	-
D Income tax relating to items that will be reclassified to profit or loss	-	-
Total other comprehensive income	(15.32)	(23.13)
7. Total comprehensive income/(loss) for the period (5+6)	252.90	(304.28)
8. Paid-up equity share capital (face value of ₹ 10 each)	1,824.12	1,356.70
9. Earnings per share (of ₹ 10/- each) (not annualised):		
(a) Basic	1.47	(2.10)
(b) Diluted	1.47	(2.09)
See accompanying notes		



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Notes:

1. These standalone and consolidated unaudited financial results for the quarter ended 31 March 2017, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12 May 2017.

2. The business activities of Varun Beverages Limited ("the Company") and 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. As part of secondary reporting for geographical segments, the Group operates in two principal geographical areas of the world, i.e., in India, its home country, and 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.

3. This statement of unaudited standalone and consolidated financial results for the quarter ended 31 March 2017 is in compliance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 and specified in Section 133 of the Companies Act, 2013 read with SEBI Circulars 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. Consequently, results for the quarter ended 31 March 2016 have been restated to comply with Ind AS to make them comparable.

4. The statutory auditors have carried out limited review of the unaudited standalone and consolidated financial results for the quarter ended 31 March 2017. The equity shares of the Company were listed on Bombay Stock Exchange and National Stock Exchange with effect from 08 November 2016. Accordingly, the Ind AS compliant standalone and consolidated financial results, pertaining to the quarter ended 31 March 2016 presented have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that these standalone and consolidated financial results provide a true and fair view of its affairs.

5. The reconciliation of net profit as per erstwhile Indian GAAP (referred to as 'Previous GAAP') and the total comprehensive income as per Ind AS is as per the table below:

₹ in million, except as stated otherwise

Particulars	Profit reconciliation	
	Consolidated	Standalone
	Three months ended on	Three months ended on
	31 March 2016	31 March 2016
Net (loss)/profit after tax as per Previous GAAP	(174.22)	4.32
Effects of transition to Ind AS:		
Effects of measuring financial instruments at fair value through profit and loss	(358.42)	(358.42)
Effects of change in method of recognising grants	(8.68)	(5.47)
Effects of measurement of financial assets at fair value through profit and loss and at amortised cost	(0.12)	5.13
Actuarial (gain)/loss on employee defined benefit plan recognised in other comprehensive income	35.38	35.38
Fair valuation of employee stock options	(0.05)	(0.05)
Fair valuation of deferred payments for business acquisition	(146.31)	(146.31)
Effect of accounting of transaction costs on borrowings as per effective interest rate	(1.54)	(0.55)
Expected credit losses on financial assets	(12.32)	(7.41)
Other impacts	26.36	110.58
Deferred tax impact	82.83	81.65
Net loss after tax for the quarter ended under Ind AS	(557.09)	(281.15)
Other Comprehensive Income/(expense) (net of taxes)	(23.13)	(23.13)
Total Comprehensive loss under Ind AS as reported	(580.22)	(304.28)

6. The paid up capital of the Company has been increased by ₹ 0.99 million by way of allotment of 99,400 equity shares of ₹ 10 each, pursuant to exercise of stock options by employees.

7. During the quarter ended 31 March 2017, the Company has issued 3,000 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹ 1 million each equally to Kotak Mahindra Bank Limited and RBL Bank Limited. The proceeds of these securities have been fully utilised in accordance with the terms of the respective agreement.

8. During the quarter ended 31 March 2017, the Company has acquired thirty percent additional equity from minority shareholders in Varun Beverages (Zambia) Limited for a consideration of ₹ 719.16 million, thereby increasing its controlling stake to 90%.



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9. During the quarter ended 31 March 2017, the Company has sold forty one percent quota capital of Varun Beverages Mozambique Limitada ("VBML") for a consideration of ₹ 0.11 million thereby decreasing the stake to 10%. The above consolidated unaudited financial results include Income from operations- ₹ 25.60 million (corresponding three months period ended 31 March 2016 ₹ 101.50 million) and Net loss- ₹ 23.86 million (corresponding three months period ended 31 March 2016 ₹ 98.50 million) of VBML upto the date of reduction in controlling interest, i.e., 02 March 2017.

10. The Company follows calendar year as its financial year as approved by the Company Law Board, New Delhi.

11. The Company has started commercial production at its newly commissioned manufacturing facility at Sandila, District Hardoi, Uttar Pradesh subsequent to quarter ended 31 March 2017 on 03 May 2017.

12. Comparative amounts of the previous period have been regrouped and / or reclassified to make them comparable wherever necessary, including for compliance with Ind AS.

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



Raj P. Gandhi
Whole Time Director

Place : Gurugram
Dated : 12 May 2017



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Review Report on Quarterly Consolidated Financial Results of the Company 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 for the quarter ended 31 March 2017. Attention is drawn to the fact that the figures for the corresponding quarter ended 31 March 2016, including the reconciliation of net loss under Ind AS of the said quarter with net loss reported under previous GAAP, as included in the Statement have not been subject to limited review or audit. 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 other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with 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 terms 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.



Review Report on Quarterly Consolidated Financial Results of Varun Beverages Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd.)

4. We did not review the interim financial results of seven subsidiaries, included in the Statement, whose interim financial results reflect total revenues (after eliminating intra-group transactions) of ₹ 2,200.14 million for the quarter ended 31 March 2017, net loss after tax (after eliminating intra-group transactions) of ₹ 94.14 million for the quarter ended 31 March 2017. The Statement also includes the Group's share of net profit of ₹ 2.15 million for the quarter ended 31 March 2017 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 report in respect thereof is based solely on the review reports of such other auditors. Our review report is not qualified in respect of this matter.

Walker Chandio & Associates
For Walker Chandio & Associates
Chartered Accountants
Firm Registration No: 001329N

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


per Nitin Toshniwal
Partner
Membership No. 507568



Sumit Kathuria
per Sumit Kathuria
Partner
Membership No. 520078



Place: Gurugram
Date: 12 May 2017

Place: Gurugram
Date: 12 May 2017

L-41 Connaught Place,
New Delhi 110 001

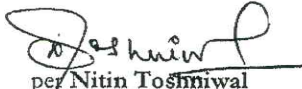
8/14 Basement, Kalkaji Extension,
New Delhi 110 019

Review Report on Quarterly Financial Results of the Company 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 2017. Attention is drawn to the fact that the figures for the corresponding quarter ended 31 March 2016, including the reconciliation of net loss under Ind AS of the said quarter with net profit reported under previous GAAP, as included in the Statement have not been subject to limited review or audit. 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 accounting standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with 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 terms 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.

Walker Chandiook & Associates
For Walker Chandiook & Associates
Chartered Accountants
Firm Registration No: 001329N



per Nitin Toshniwal
Partner
Membership No. 507568



Place: Gurugram
Date: 12 May 2017

L-41 Connaught Place,
New Delhi 110 001

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


per Sumit Kathuria
Partner
Membership No. 520078



Place: Gurugram
Date: 12 May 2017

8/14 Basement, Kalkaji Extension,
New Delhi 110 019



VARUN BEVERAGES LIMITED



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To,

May 12, 2017

<p>BSE Limited Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai – 400 001 022-2272 3121, 2037, 2061 corp.relations@bseindia.com</p> <p>Security Code No. 540180</p>	<p>National Stock Exchange of India Ltd. Exchange Plaza, 5th floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 # 022-2659 8237, 8238, 8347, 8348 cmlist@nse.co.in</p> <p>Symbol : VBL Series : EQ</p>
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Sub: Declaration under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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Dear Sir/Madam,

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby declare that Limited Review Report on the Unaudited Financial Results for the 1st quarter ended March 31, 2017 issued by M/s. APAS & Co., Chartered Accountants and M/s. Walker Chandiook & Associates, Chartered Accountants, Joint Statutory Auditors of the Company, is WITH UNMODIFIED OPINION.

You are requested to take the above on record.

Yours faithfully,
For Varun Beverages Limited



Raj P. Gandhi
Whole-time Director