

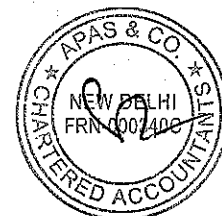
**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**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') and its associates (refer Annexure 1 for the list of subsidiaries and associates included in the Statement) for the quarter ended 30 June 2019 and the consolidated year to date results for the period 01 January 2019 to 30 June 2019, 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 recognition and measurement 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'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), 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.

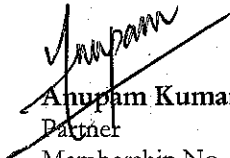
4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular 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 seven subsidiaries included in the Statement, whose financial information reflect total assets of ₹ 16,729.06 million as at 30 June 2019, and total revenues of ₹ 4,309.78 million and ₹ 8,584.61 million total net profit after tax of ₹ 225.76 million and ₹ 86.01 million, total comprehensive income of ₹ 218.76 million and ₹ 79.01 million, for the quarter and six month period ended on 30 June 2019, respectively, and cash flows (net) of ₹ (140.33) million for the period ended 30 June 2019, as considered in the Statement. The Statement also includes the Group's

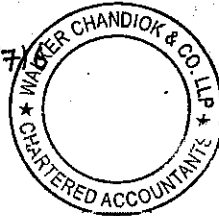


**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)**

share of net profit after tax of ₹ 13.12 million and ₹ 21.03 million and total comprehensive income of ₹ 13.12 million and ₹ 21.03 million, for the quarter and six-month period ended on 30 June 2019, respectively, 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 conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ associates is based solely on the review reports of 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.

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

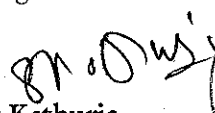
  
**Anupam Kumar**  
Partner  
Membership No. 501531  
UDIN 19501531AAAAV8716

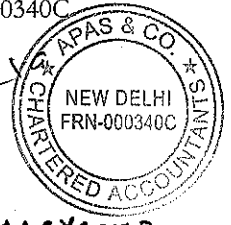


Place: Gurugram  
Date: 01 August 2019

L-41 Connaught Place,  
New Delhi 110 001

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

  
**Sumit Kathuria**  
Partner  
Membership No. 520078  
UDIN 19520078AAAACT8073



Place: Gurugram  
Date: 01 August 2019

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

**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**

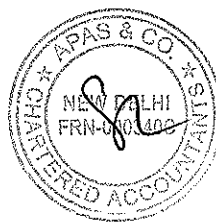
**List of entities included in the Statement**

**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



**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 2019 and the year to date results for the period 01 January 2019 to 30 June 2019, 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 recognition and measurement 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'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), 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 recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular, 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.

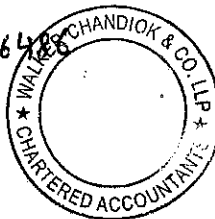
**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

  
**Anupam Kumar**  
Partner

Membership No. 501531  
UDIN 19501531AAAAU6428

Place: Gurugram  
Date: 01 August 2019

L-41 Connaught Place,  
New Delhi 110 001



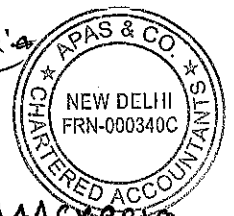
**For APAS & Co.**  
Chartered Accountants  
Firm Registration No: 000340C

  
**Sumit Kathuria**  
Partner

Membership No. 520078  
UDIN 19520078AAAAK9810

Place: Gurugram  
Date: 01 August 2019

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





## 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

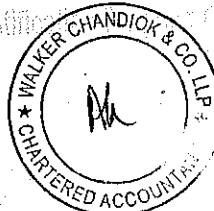
### Statement of consolidated assets and liabilities

	₹ in million	
	As at 30 June 2019 (Unaudited)	As at 31 December 2018 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	59,477.27	38,601.77
(b) Capital work-in-progress	637.41	3,523.57
(c) Goodwill	19.40	19.40
(d) Other intangible assets	5,639.88	5,248.57
(e) Investment in associates	133.46	112.43
(f) Financial assets		
(i) Investments	0.01	0.01
(ii) Loans	555.01	200.92
(iii) Others	8.61	8.34
(g) Deferred tax assets (Net)	159.66	334.00
(h) Other non-current assets	870.59	857.60
<b>Total non-current assets (A)</b>	<b>67,501.30</b>	<b>48,906.61</b>
<b>Current assets</b>		
(a) Inventories	8,069.56	5,783.97
(b) Financial assets		
(i) Trade receivables	2,679.60	1,280.25
(ii) Cash and cash equivalents	951.70	429.36
(iii) Bank balances other than (ii) above	571.54	505.44
(iv) Loans	164.48	15.53
(v) Others	1,920.03	1,404.78
(c) Current tax assets (Net)	19.46	4.10
(d) Other current assets	2,806.23	1,984.04
<b>Total current assets (B)</b>	<b>17,182.60</b>	<b>11,407.47</b>
<b>Total assets (A+B)</b>	<b>84,683.90</b>	<b>60,314.08</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
(a) Equity share capital	1,826.55	1,826.42
(b) Other equity	23,169.62	18,158.62
<b>Equity attributable to owners of the Company</b>	<b>24,996.17</b>	<b>19,985.04</b>
(c) Non-controlling interest	52.46	77.68
<b>Total equity (A)</b>	<b>25,048.63</b>	<b>20,062.72</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	31,017.32	19,800.69
(b) Provisions	1,464.88	1,052.55
(c) Deferred tax liabilities (Net)	2,538.14	1,921.66
(d) Other non-current liabilities	44.01	67.75
<b>Total non-current liabilities (B)</b>	<b>35,064.35</b>	<b>22,842.65</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	1,515.88	3,776.55
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	0.51	2.47
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,373.12	3,165.50
(iii) Other financial liabilities	11,374.01	8,512.43
(b) Other current liabilities	4,104.29	1,466.55
(c) Provisions	251.87	160.19
(d) Current tax liabilities (Net)	951.24	325.02
<b>Total current liabilities (C)</b>	<b>24,570.92</b>	<b>17,408.71</b>
<b>Total liabilities (D=B+C)</b>	<b>59,635.27</b>	<b>40,251.36</b>
<b>Total equity and liabilities (A+D)</b>	<b>84,683.90</b>	<b>60,314.08</b>

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)

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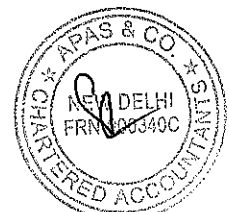
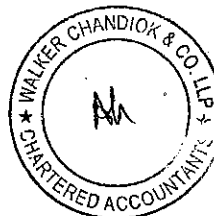
### Statement of consolidated unaudited financial results for the quarter and half year ended on 30 June 2019

₹ in million, except per share data

Particulars	Three months ended on	Three months ended on	Three months ended on	Six months ended on	Six months ended on	Year ended on
	30 June 2019	31 March 2019	30 June 2018	30 June 2019	30 June 2018	31 December 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Income</b>						
(a) Revenue from operations	28,514.59	13,806.07	20,971.46	42,320.66	32,195.19	52,281.27
(b) Other income	33.39	14.02	3.47	47.41	85.11	218.24
<b>Total income</b>	<b>28,547.98</b>	<b>13,820.09</b>	<b>20,974.93</b>	<b>42,368.07</b>	<b>32,280.30</b>	<b>52,499.51</b>
<b>2. Expenses</b>						
(a) Cost of materials consumed	11,112.41	5,898.21	8,163.95	17,010.62	13,952.19	21,122.78
(b) Excise duty	410.05	214.62	380.15	624.67	656.18	1,228.72
(c) Purchases of stock-in-trade	2,335.07	897.38	563.22	3,232.45	963.07	1,942.18
(d) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(152.31)	(807.39)	861.28	(959.70)	(410.85)	(623.97)
(e) Employee benefits expense	1,991.64	1,583.64	1,510.65	3,575.28	2,896.86	5,829.51
(f) Finance costs	848.17	590.28	517.64	1,438.45	1,116.81	2,125.63
(g) Depreciation and amortisation expense	1,254.10	990.29	1,000.43	2,244.39	1,911.03	3,850.70
(h) Other expenses	4,938.95	3,835.86	3,743.63	8,774.81	6,662.22	12,716.18
<b>Total expenses</b>	<b>22,738.08</b>	<b>13,202.89</b>	<b>16,740.95</b>	<b>35,940.97</b>	<b>27,747.51</b>	<b>48,191.73</b>
<b>3. Profit before tax and share of profit in associates(1-2)</b>	<b>5,809.90</b>	<b>617.20</b>	<b>4,233.98</b>	<b>6,427.10</b>	<b>4,532.79</b>	<b>4,307.78</b>
4. Share of profit in associate	13.12	7.91	0.05	21.03	17.59	30.20
<b>5. Profit before tax (3+4)</b>	<b>5,823.02</b>	<b>625.11</b>	<b>4,240.63</b>	<b>6,448.13</b>	<b>4,550.38</b>	<b>4,337.98</b>
<b>6. Tax expense:</b>						
(a) Current tax	997.91	144.52	1,295.40	1,142.43	1,350.29	1,094.09
(b) Adjustment of tax relating to earlier periods	2.23	-	-	2.23	-	14.35
(c) Deferred tax	772.95	80.19	(122.66)	853.14	(65.18)	230.91
<b>Total tax expense</b>	<b>1,773.09</b>	<b>224.71</b>	<b>1,172.74</b>	<b>1,997.80</b>	<b>1,285.11</b>	<b>1,339.35</b>
<b>7. Net Profit for the period (5-6)</b>	<b>4,049.93</b>	<b>400.40</b>	<b>3,067.89</b>	<b>4,450.33</b>	<b>3,265.27</b>	<b>2,998.63</b>
<b>8. Other comprehensive income</b>						
A Items that will not be reclassified to profit or loss	365.14	(59.13)	11.78	306.01	(26.08)	(16.53)
B Income tax relating to items that will not be reclassified to profit or loss	(9.54)	20.52	(2.98)	10.98	10.39	7.78
C Items that will be reclassified to profit or loss	199.02	153.14	59.43	352.16	23.32	(234.44)
D Income tax relating to items that will be reclassified to profit or loss	(46.36)	(35.68)	(13.71)	(82.04)	(5.38)	54.62
<b>Total other comprehensive income</b>	<b>508.26</b>	<b>78.85</b>	<b>54.52</b>	<b>587.11</b>	<b>2.25</b>	<b>(188.57)</b>
<b>9. Total comprehensive income for the period (including non-controlling interest) (7+8)</b>	<b>4,558.19</b>	<b>479.25</b>	<b>3,122.41</b>	<b>5,037.44</b>	<b>3,267.52</b>	<b>2,810.06</b>
<b>10. Net profit attributable to:</b>						
A Owners	4,069.29	406.26	3,034.43	4,475.55	3,220.75	2,928.41
B Non-controlling interest	(19.36)	(6.86)	33.46	(26.22)	14.52	70.22
<b>11. Other comprehensive income attributable to:</b>						
A Owners	508.26	78.85	54.52	587.11	2.25	(188.57)
B Non-controlling interest	-	-	-	-	-	-
<b>12. Total comprehensive income attributable to:</b>						
A Owners	4,577.55	485.11	3,088.95	5,062.66	3,223.00	2,739.84
B Non-controlling interest	(19.36)	(6.86)	33.46	(26.22)	14.52	70.22
<b>13. Paid-up equity share capital (face value of ₹ 10 each)</b>	<b>1,826.55</b>	<b>1,826.52</b>	<b>1,826.15</b>	<b>1,826.55</b>	<b>1,826.15</b>	<b>1,826.42</b>
<b>14. Reserves excluding revaluation reserves</b>				<b>23,169.62</b>	<b>19,199.80</b>	<b>18,158.62</b>
<b>15. Earnings per share (of ₹ 10/- each) (not annualised for quarters and half years):</b>						
(a) Basic	14.85	1.48	11.08	16.33	11.76	10.69
(b) Diluted	14.85	1.48	11.08	16.33	11.76	10.69

See accompanying notes

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## VARUN BEVERAGES LIMITED

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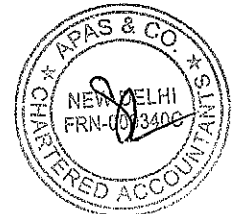
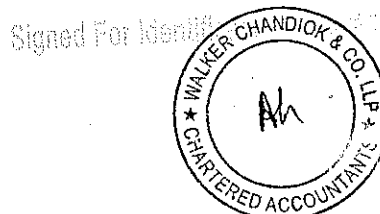
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Tel: +91-124-4643100, Fax: +91-124-4643303, E-mail: complianceofficer@rjcorp.in, Website: www.varunpepsi.com

### Statement of standalone assets and liabilities

	As at 30 June 2019 (Unaudited)	As at 31 December 2018 (Audited)
₹ in million		
<b>Assets</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	48,865.59	27,983.04
(b) Capital work-in-progress	504.67	3,392.26
(c) Goodwill	19.40	19.40
(d) Other intangible assets	5,611.65	5,215.80
(e) Investment in subsidiaries and associates	8,927.44	7,744.99
(f) Financial assets		
(i) Investments	0.01	0.01
(ii) Loans	6,179.29	6,959.06
(iii) Others	8.61	8.34
(g) Other non-current assets	493.11	523.47
<b>Total non-current assets (A)</b>	<b>70,609.77</b>	<b>51,846.37</b>
<b>Current assets</b>		
(a) Inventories	5,947.50	4,183.25
(b) Financial assets		
(i) Trade receivables	2,000.09	1,344.74
(ii) Cash and cash equivalents	680.42	17.75
(iii) Bank balances other than (ii) above	0.65	0.65
(iv) Loans	320.88	104.68
(v) Others	2,238.68	1,783.80
(c) Other current assets	2,467.07	1,581.41
<b>Total current assets (B)</b>	<b>13,655.29</b>	<b>9,016.28</b>
<b>Total assets (A+B)</b>	<b>84,265.06</b>	<b>60,862.65</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
(a) Equity share capital	1,826.55	1,826.42
(b) Other equity	28,717.84	24,062.97
<b>Total equity (A)</b>	<b>30,544.39</b>	<b>25,889.39</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	30,004.22	18,359.13
(b) Provisions	1,379.48	976.50
(c) Deferred tax liabilities (Net)	2,560.71	2,026.27
(d) Other non-current liabilities	44.01	44.33
<b>Total non-current liabilities (B)</b>	<b>33,988.42</b>	<b>21,406.23</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	870.89	3,188.75
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	0.51	2.47
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,221.55	1,780.71
(iii) Other financial liabilities	9,917.77	6,943.00
(b) Other current liabilities	3,537.18	1,224.09
(c) Provisions	240.88	152.28
(d) Current tax liabilities (Net)	943.47	275.73
<b>Total current liabilities (C)</b>	<b>19,732.25</b>	<b>13,567.03</b>
<b>Total liabilities (D=B+C)</b>	<b>53,720.67</b>	<b>34,973.26</b>
<b>Total equity and liabilities (A+D)</b>	<b>84,265.06</b>	<b>60,862.65</b>

See accompanying notes





## VARUN BEVERAGES LIMITED

Corporate identification number: L74899DL1995PLC069839

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

Corporate office: R.J 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

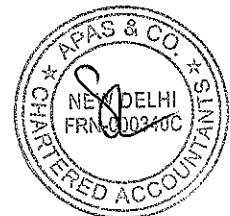
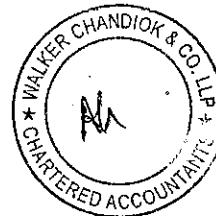
### Statement of standalone unaudited financial results for the quarter and half year ended on 30 June 2019

₹ in million, except per share data

Particulars	Three months ended on	Three months ended on	Three months ended on	Six months ended on	Six months ended on	Year ended on
	30 June 2019 (Unaudited)	31 March 2019 (Unaudited)	30 June 2018 (Unaudited)	30 June 2019 (Unaudited)	30 June 2018 (Unaudited)	31 December 2018 (Audited)
<b>1. Income</b>						
(a) Revenue from operations	24,557.54	9,855.74	17,386.11	34,413.28	26,361.33	38,622.76
(b) Other income	127.85	145.97	170.34	273.82	258.31	962.15
<b>Total income</b>	<b>24,685.39</b>	<b>10,001.71</b>	<b>17,556.45</b>	<b>34,687.10</b>	<b>26,619.64</b>	<b>39,584.91</b>
<b>2. Expenses</b>						
(a) Cost of materials consumed	9,665.84	4,464.25	6,903.79	14,130.09	11,783.63	16,603.01
(b) Purchase of stock-in-trade	2,335.66	826.01	566.71	3,161.67	928.07	1,829.00
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	28.50	(620.99)	936.72	(592.49)	(254.54)	(687.86)
(d) Employee benefits expense	1,569.64	1,123.60	1,106.51	2,693.24	2,131.59	4,114.72
(e) Finance costs	766.48	539.00	464.28	1,305.48	1,014.07	1,943.98
(f) Depreciation and amortisation expense	998.45	741.58	779.45	1,740.03	1,508.08	2,955.50
(g) Other expenses	3,947.89	2,157.86	2,759.60	6,105.75	5,018.25	8,196.98
<b>Total expenses</b>	<b>19,312.46</b>	<b>9,231.31</b>	<b>13,517.06</b>	<b>28,543.77</b>	<b>22,129.15</b>	<b>34,955.33</b>
<b>3. Profit before tax (1-2)</b>	<b>5,372.93</b>	<b>770.40</b>	<b>4,039.39</b>	<b>6,143.33</b>	<b>4,490.49</b>	<b>4,629.58</b>
<b>4. Tax expense</b>						
(a) Current tax	958.60	132.93	1,215.49	1,091.53	1,247.70	797.90
(b) Adjustment of tax relating to earlier periods	-	-	-	-	-	14.35
(c) Deferred tax	593.30	82.91	(66.94)	676.21	16.98	493.74
<b>Total tax expense</b>	<b>1,551.90</b>	<b>215.84</b>	<b>1,148.55</b>	<b>1,767.74</b>	<b>1,264.68</b>	<b>1,305.99</b>
<b>5. Net Profit after tax (3 - 4)</b>	<b>3,821.03</b>	<b>554.56</b>	<b>2,890.84</b>	<b>4,375.59</b>	<b>3,225.81</b>	<b>3,323.59</b>
<b>6. Other comprehensive income</b>						
A. Items that will not be reclassified to profit or loss	371.74	(58.73)	8.60	313.01	(30.02)	(22.54)
B. Income tax relating to items that will not be reclassified to profit or loss	(9.54)	20.52	(2.98)	10.98	10.39	7.78
<b>Total other comprehensive income</b>	<b>362.20</b>	<b>(38.21)</b>	<b>5.62</b>	<b>323.99</b>	<b>(19.63)</b>	<b>(14.76)</b>
<b>7. Total comprehensive income for the period (5+6)</b>	<b>4,183.23</b>	<b>516.35</b>	<b>2,896.46</b>	<b>4,699.58</b>	<b>3,206.18</b>	<b>3,308.83</b>
<b>8. Paid-up equity share capital (face value of ₹ 10 each)</b>	<b>1,826.55</b>	<b>1,826.52</b>	<b>1,826.15</b>	<b>1,826.55</b>	<b>1,826.15</b>	<b>1,826.42</b>
<b>9. Reserves excluding revaluation reserves</b>				<b>28,717.84</b>	<b>24,495.38</b>	<b>24,062.97</b>
<b>10. Earnings per share (of ₹ 10/- each) (not annualised for quarters and half years):</b>						
(a) Basic	13.95	2.02	10.55	15.97	11.78	12.13
(b) Diluted	13.95	2.02	10.55	15.97	11.77	12.13
<b>See accompanying notes</b>						



Signed For Identification Purpose





**Varun Beverages Limited**  
**Consolidated Cash Flow Statement**

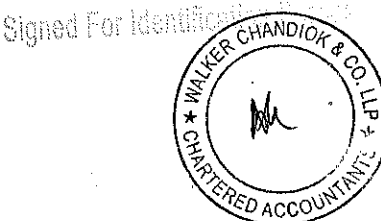
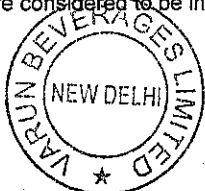
(Indirect Method)

(₹ in million)

Particulars	Six month period ended 30 June 2019 (Unaudited)	Six month period ended 30 June 2018 (Unaudited)
<b>A. Operating activities</b>		
Profit before tax and share of profit in associate	6,427.10	4,532.79
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation on property, plant and equipment	2,215.75	1,890.16
Amortisation of intangible assets	28.64	20.87
Interest expense at amortised cost	1,425.36	1,092.31
Interest income at amortised cost	(23.25)	(27.48)
Dividend income from current investment	(0.18)	-
Profit on sale of current investments	(0.09)	-
Excess provisions written back	(1.77)	(3.48)
Property, plant and equipment written off	52.98	52.05
Loss/(gain) on disposal of property, plant and equipment (Net)	2.40	43.61
Bad debts and advances written off	1.71	1.22
Allowance for expected credit loss	89.62	138.41
Unrealised exchange fluctuation	198.35	263.56
Operating profit before working capital changes	10,416.62	8,004.02
<b>Working capital adjustments</b>		
Increase in inventories	(1,208.91)	(1,262.31)
Increase in trade receivables	(1,493.76)	(813.87)
Increase in current and non-current financial assets and other current and non-current assets	(1,609.99)	(443.29)
Increase in current financial liabilities and other current and non-current liabilities and provisions	6,491.00	4,279.05
<b>Total cash from operations</b>	<b>12,594.96</b>	<b>9,763.60</b>
Income tax paid	(454.33)	(259.48)
<b>Net cash flows from operating activities (A)</b>	<b>12,140.63</b>	<b>9,504.12</b>
<b>B. Investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(4,730.77)	(3,815.22)
Proceeds from disposal of property, plant and equipment and intangible assets	17.01	45.44
Acquisition under business combination	(16,551.47)	(491.80)
Interest received	18.75	34.13
Dividend income from current investment	0.18	-
Proceeds from sale of current investments (Net)	0.09	-
(Increase)/decrease in other bank balances	(66.10)	280.93
<b>Net cash used in investing activities (B)</b>	<b>(21,312.31)</b>	<b>(3,946.52)</b>
<b>C. Financing activities</b>		
Proceeds from borrowings	18,229.01	7,540.75
Repayments of borrowings	(4,727.42)	(5,648.24)
Repayment of deferred payment liabilities	(433.87)	(3,020.73)
Proceeds/(repayments) from/(of) short term borrowings (Net)	(2,260.67)	(45.31)
Redemption of non-convertible debentures	-	(3,000.00)
Proceeds from issue of share capital (including share premium thereon)	1.99	3.06
Interest paid	(1,390.77)	(920.08)
Dividends paid to non-controlling shareholders	(5.43)	-
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>9,412.84</b>	<b>(5,090.56)</b>
<b>Net change in cash and cash equivalents (D=A+B+C)</b>	<b>241.16</b>	<b>467.04</b>
Cash and cash equivalents at the beginning of year (E)	429.36	649.46
Unrealised exchange loss on translation of cash and cash equivalent in subsidiaries (F)	281.18	-
<b>Cash and cash equivalents at the end of year (G= D+E+F)</b>	<b>951.70</b>	<b>1,116.50</b>

**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)

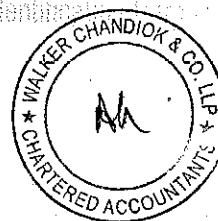
Particulars	Six month period ended 30 June 2019 (Unaudited)	Six month period ended 30 June 2018 (Unaudited)
<b>A. Operating activities</b>		
Profit before tax	6,143.33	4,490.49
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation on property, plant and equipment	1,715.62	1,499.46
Amortisation of intangible assets	24.41	8.62
Interest expense at amortised cost	1,305.48	1,014.07
Interest income at amortised cost	(158.10)	(145.98)
Dividend income from current and non-current investment in subsidiary	(46.67)	-
(Gain)/loss on disposal of property, plant and equipment (Net)	(5.02)	21.41
Property, plant and equipment written off	49.67	51.87
Bad debts and advances written off	1.60	1.17
Excess provisions written back	(1.63)	-
Profit on sale of current investments	(0.09)	-
Guarantee commission received	(21.13)	(10.18)
Unrealised foreign exchange fluctuation	25.64	(15.99)
Allowance for expected credit loss	30.09	28.20
Operating profit before working capital changes	<b>9,063.20</b>	<b>6,943.14</b>
<b>Working capital adjustments:</b>		
Increase in inventories	(687.56)	(663.22)
Increase in trade receivables	(687.05)	(608.92)
Increase in current and non-current financial assets and other current and non-current assets	(1,745.45)	(418.24)
Increase in current financial liabilities and other current and non-current liabilities and provisions	5,441.38	3,299.62
<b>Total cash from operations</b>	<b>11,384.52</b>	<b>8,552.38</b>
Income tax paid	(418.35)	(202.28)
<b>Net cash flows from operating activities (A)</b>	<b>10,966.17</b>	<b>8,350.10</b>
<b>B. Investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(3,863.16)	(1,930.59)
Proceeds from disposal of property, plant and equipment and intangible assets	21.67	213.10
Loan given to subsidiaries	(211.22)	(1,017.26)
Redemption of preference shares (classified as loan given to subsidiary)	52.35	95.42
Acquisition under business combination	(16,551.47)	(491.80)
Purchase of investments in subsidiaries	-	(629.56)
Proceeds from sale of current investments (Net)	0.09	-
Guarantee commission received	19.82	-
Interest received	29.05	28.66
Dividend income from current investment	0.18	-
Dividend income from non-current investment in subsidiary	223.28	180.92
<b>Net cash used in investing activities (B)</b>	<b>(20,279.41)</b>	<b>(3,551.11)</b>
<b>C. Financing activities</b>		
Proceeds from borrowings	18,229.01	6,879.74
Repayment of borrowings	(4,216.63)	(5,443.73)
Repayment of deferred payment liabilities	(433.87)	(3,020.73)
Proceeds from short-term borrowings (Net)	(2,317.86)	812.74
Proceeds from issue of share capital (including share premium thereon)	1.99	3.06
Redemption of non-convertible debentures	-	(3,000.00)
Interest paid	(1,286.73)	(904.73)
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>9,975.91</b>	<b>(4,673.65)</b>
<b>Net change in cash and cash equivalents (D=A+B+C)</b>	<b>662.67</b>	<b>125.34</b>
Cash and cash equivalents at the beginning of year (E)	17.75	312.65
<b>Cash and cash equivalents at the end of year (D+E)</b>	<b>680.42</b>	<b>437.99</b>

**Notes:**

(a) During the period, loan amounting to ₹ 1,182.46 (30 June 2018: Nil) 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.

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


(₹ in million, except otherwise stated)

### Notes:

1. These standalone and consolidated unaudited financial results for the quarter and half year ended on 30 June 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 01 August 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 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 30 June 2019, the paid-up capital of the Company has increased by ₹ 0.03 on allotment of 3,700 equity shares of ₹ 10 each, pursuant to exercise of stock options by employees.
6. 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.
7. Pursuant to recommendation by Board of Directors in its meeting held on 17 June 2019 and approved by the shareholders through postal ballot on 19 July 2019, the Company on 29 July 2019 allotted 91,327,613 bonus equity shares of ₹ 10 each as fully paid-up bonus equity shares, in the proportion of 1 (One) equity share of Rs. 10/- each for every 2 (Two) existing equity shares of ₹ 10/- each to the eligible members whose names appeared in the register of members/list of beneficial owners as on 27 July 2019, i.e. record date. Consequently, the paid-up equity share capital of the Company stands increased from ₹ 1,826.55 divided into 182,655,225 equity shares of ₹ 10 each to ₹ 2,739.83 divided into 273,982,838 equity shares of ₹ 10 each. Accordingly, earnings per share for all the periods presented has been calculated based on number of shares outstanding in respective periods, as increased for issuance of bonus shares.
8. During the quarter ended on 30 June 2019, the Company 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 total transaction value of ₹ 18,025 on a slump sale basis. The aforesaid transaction value excludes the consideration paid for working capital taken over and investment fund received on acquisition from PepsiCo. The Company is now a franchisee 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

Signed For Identification Purpose

  
Raj P. Gandhi  
Whole Time Director

Place : Gurugram  
Dated : 01 August 2019

