



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

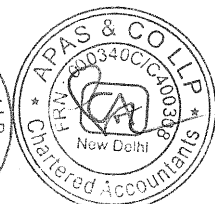
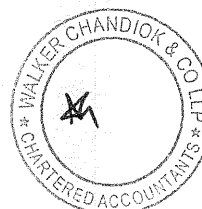
Statement of consolidated financial results for the quarter and year ended on 31 December 2021

₹ in million, except per share data

Particulars	Three months ended on	Three months ended on	Three months ended on	Year ended on	Year ended on
	31 December 2021 (See Note 2)	30 September 2021 (Unaudited)	31 December 2020 (See Note 2)	31 December 2021 (Audited)	31 December 2020 (Audited)
1. Income					
(a) Revenue from operations	17,649.36	24,404.34	13,513.39	89,582.91	65,557.91
(b) Other income	8.54	369.34	55.69	679.25	369.72
Total income	17,657.90	24,773.68	13,569.08	90,262.16	65,927.63
2. Expenses					
(a) Cost of materials consumed	7,977.61	10,813.98	5,490.24	39,689.13	26,885.09
(b) Excise duty	306.01	422.76	204.48	1,350.61	1,056.49
(c) Purchases of stock-in-trade	426.04	362.74	163.39	1,654.69	925.87
(d) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(665.55)	146.79	(349.74)	(997.22)	(171.59)
(e) Employee benefits expense	2,598.08	2,662.08	2,317.33	10,076.99	8,897.36
(f) Finance costs	372.94	426.88	619.85	1,847.00	2,811.04
(g) Depreciation and amortisation expense	1,292.73	1,384.92	1,346.74	5,312.62	5,287.02
(h) Other expenses	4,931.49	5,049.44	3,965.44	21,262.26	15,946.01
Total expenses	17,239.35	21,269.59	13,757.73	80,196.08	61,637.29
3. Profit/(Loss) before exceptional items and tax (1-2)	418.55	3,504.09	(188.65)	10,066.08	4,290.34
4. Exceptional items	-	-	-	-	665.29
5. Profit/(Loss) before tax (3-4)	418.55	3,504.09	(188.65)	10,066.08	3,625.05
6. Tax expense:					
(a) Current tax	10.32	381.98	41.89	1,341.98	423.85
(b) Adjustment of tax relating to earlier periods/years	66.13	281.88	23.84	350.06	153.69
(c) Deferred tax	16.20	281.23	(181.96)	913.52	(525.20)
Total tax expense	92.65	925.09	(116.23)	2,605.56	52.34
7. Net profit/(loss) after tax (5-6)	325.90	2,579.00	(72.42)	7,460.52	3,572.71
8. Other comprehensive income					
A Items that will not be reclassified to profit or loss	45.54	(49.44)	(59.78)	85.99	(115.38)
B Income tax relating to items that will not be reclassified to profit or loss	(9.77)	13.52	14.84	(18.93)	29.53
C Items that will be reclassified to profit or loss	(265.24)	(35.14)	204.28	(365.92)	(531.02)
D Income tax relating to items that will be reclassified to profit or loss	-	-	(178.94)	-	(7.64)
Total other comprehensive loss	(229.47)	(71.06)	(19.60)	(298.86)	(624.51)
9. Total comprehensive income for the period/year (including non-controlling interest) (7+8)	96.43	2,507.94	(92.02)	7,161.66	2,948.20
10. Net profit attributable to:					
A Owners	164.91	2,401.41	(197.33)	6,940.52	3,289.95
B Non-controlling interest	160.99	177.59	124.91	520.00	282.76
11. Other comprehensive income attributable to:					
A Owners	(229.58)	(70.90)	(19.59)	(298.87)	(624.57)
B Non-controlling interest	0.11	(0.16)	(0.01)	0.01	0.06
12. Total comprehensive income attributable to:					
A Owners	(64.67)	2,330.51	(216.92)	6,641.65	2,665.38
B Non-controlling interest	161.10	177.43	124.90	520.01	282.82
13. Paid-up equity share capital (face value of ₹ 10 each)	4,330.33	4,330.33	2,886.89	4,330.33	2,886.89
14. Other equity				36,468.75	32,353.12
15. Earnings per share (of ₹ 10/- each) (not annualised for quarters):					
(a) Basic	0.38	5.55	(0.46)	16.03	7.60
(b) Diluted	0.38	5.55	(0.46)	16.03	7.60
See accompanying notes					



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Statement of consolidated assets and liabilities

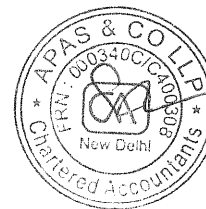
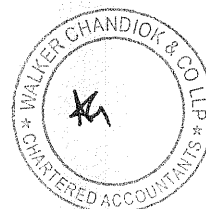
₹ in million

	As at 31 December 2021 (Audited)	As at 31 December 2020 (Audited)
Assets		
Non-current assets		
(a) Property, plant and equipment	57,279.71	58,271.88
(b) Capital work-in-progress	4,966.08	668.15
(c) Goodwill	242.30	242.30
(d) Other intangible assets	5,585.74	5,572.01
(e) Financial assets		
(i) Investments	0.01	0.01
(ii) Loans	412.59	417.89
(iii) Others	8.04	1.21
(f) Deferred tax assets (Net)	24.07	110.18
(g) Other non-current assets	1,839.23	1,303.44
Total non-current assets (A)	70,357.77	66,587.07
Current assets		
(a) Inventories	14,480.87	9,288.04
(b) Financial assets		
(i) Trade receivables	2,212.49	2,417.97
(ii) Cash and cash equivalents	1,507.50	1,045.58
(iii) Bank balances other than (ii) above	1,858.72	854.92
(iv) Loans	94.54	100.16
(v) Others	2,276.86	1,670.04
(c) Current tax assets (Net)	11.08	102.19
(d) Other current assets	3,019.07	2,517.86
Total current assets (B)	25,461.13	17,996.76
Total assets (A+B)	95,818.90	84,583.83
Equity and liabilities		
Equity		
(a) Equity share capital	4,330.33	2,886.89
(b) Other equity	36,468.75	32,353.12
Equity attributable to owners of the Company	40,799.08	35,240.01
(c) Non-controlling interest	1,167.89	647.88
Total equity (C)	41,966.97	35,887.89
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	18,133.27	19,796.22
(ii) Other financial liabilities	312.63	244.39
(b) Provisions	2,085.43	2,039.06
(c) Deferred tax liabilities (Net)	3,111.41	2,259.43
(d) Other non-current liabilities	6.73	7.34
Total non-current liabilities (D)	23,649.47	24,346.44
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	6,284.92	7,138.58
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	342.85	93.70
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,774.68	5,020.15
(iii) Other financial liabilities	13,066.44	8,543.51
(b) Other current liabilities	3,096.76	3,182.92
(c) Provisions	497.40	331.72
(d) Current tax liabilities (Net)	139.41	38.92
Total current liabilities (E)	30,202.46	24,349.50
Total liabilities (F=D+E)	53,851.93	48,695.94
Total equity and liabilities (C+F)	95,818.90	84,583.83

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Consolidated Cash Flow Statement

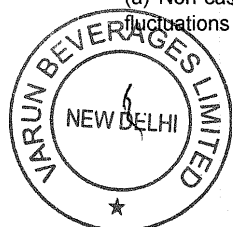
(Indirect Method)

(₹ in million)

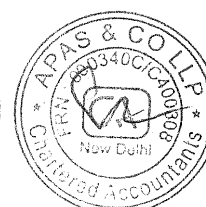
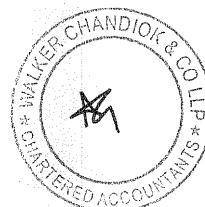
Particulars	Year ended 31 December 2021 (Audited)	Year ended 31 December 2020 (Audited)
A. Operating activities		
Profit before tax	10,066.08	3,625.05
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant and equipment	5,254.92	5,231.91
Amortisation of intangible assets	57.70	55.11
Exceptional items	-	665.29
Interest expense at amortised cost	1,850.37	2,729.82
Interest income at amortised cost	(145.16)	(88.86)
Profit on sale of current investments	(0.70)	-
Excess provisions written back	(58.38)	-
Loss on disposal of property, plant and equipment (Net)	258.71	14.35
Bad debts and advances written off	-	11.94
Allowance for expected credit loss	58.92	53.09
Unrealised foreign exchange fluctuation	(1,098.50)	(294.20)
Operating profit before working capital changes	16,243.96	12,003.50
Working capital adjustments		
Increase in inventories	(5,192.83)	(472.91)
Decrease/(increase) in trade receivables	146.56	(757.45)
(Increase)/decrease in current and non-current financial assets and other current and non-current assets	(921.85)	244.68
Increase/(decrease) in current financial liabilities and other current and non-current liabilities and provisions	3,280.66	(122.76)
Total cash from operations	13,556.50	10,895.06
Income tax paid	(1,242.28)	(775.19)
Net cash flows from operating activities (A)	12,314.22	10,119.87
B. Investing activities		
Purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(8,348.00)	(5,596.74)
Proceeds from disposal of property, plant and equipment and intangible assets	193.51	240.59
Change in advance received for capital assets	(1,074.43)	1,074.43
Interest received	132.46	86.90
Proceeds from sale of current investments (Net)	0.70	-
Increase in other bank balances	(1,010.63)	(516.14)
Net cash used in investing activities (B)	(10,106.39)	(4,710.96)
C. Financing activities		
Proceeds from long term borrowings	8,548.06	7,734.82
Repayment of long term borrowings	(6,408.51)	(12,332.25)
Repayment of lease liabilities	(188.65)	(111.55)
(Repayments)/Proceeds from short-term borrowings (Net)	(853.66)	2,467.04
Interest paid (inclusive of interest paid on lease liabilities ₹ 30.50 (31 December 2020: ₹ 29.56))	(1,791.48)	(2,773.51)
Dividends paid	(1,082.58)	(721.72)
Net cash used in financing activities (C)	(1,776.82)	(5,737.17)
Net change in cash and cash equivalents (D=A+B+C)	431.01	(328.26)
Cash and cash equivalents at the beginning of year (E)	1,045.58	1,379.68
Unrealised exchange differences on translation of cash and cash equivalent in subsidiary (F)	30.91	(5.84)
Cash and cash equivalents at the end of year (G= D+E+F)	1,507.50	1,045.58

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.



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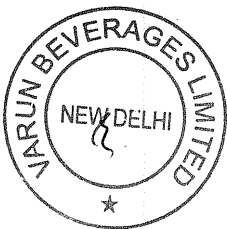
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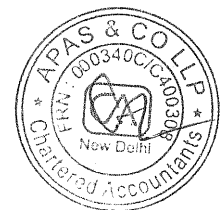
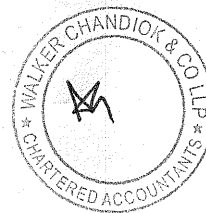
Statement of standalone financial results for the quarter and year ended on 31 December 2021

₹ in million, except per share data

Particulars	Three months ended on	Three months ended on	Three months ended on	Year ended on	Year ended on
	31 December 2021 (See Note 2)	30 September 2021 (Unaudited)	31 December 2020 (See Note 2)	31 December 2021 (Audited)	31 December 2020 (Audited)
1. Income					
(a) Revenue from operations	11,007.05	17,105.62	8,376.40	65,957.42	48,764.51
(b) Other income	337.67	83.54	299.57	573.02	719.92
Total income	11,344.72	17,189.16	8,675.97	66,530.44	49,484.43
2. Expenses					
(a) Cost of materials consumed	5,583.15	8,123.03	3,566.48	30,858.12	21,313.31
(b) Purchase of stock-in-trade	326.14	193.68	199.65	1,194.30	874.83
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(769.88)	13.36	(390.04)	(760.66)	(31.37)
(d) Employee benefits expense	1,842.40	1,940.87	1,705.16	7,411.15	6,950.64
(e) Finance costs	337.91	325.29	557.62	1,551.43	2,490.15
(f) Depreciation and amortisation expense	979.41	997.78	1,030.22	3,998.34	4,128.17
(g) Other expenses	3,375.21	3,543.03	2,668.13	15,462.54	11,066.61
Total expenses	11,674.34	15,137.04	9,337.22	59,715.22	46,792.34
3. (Loss)/profit before exceptional items and tax (1-2)	(329.62)	2,052.12	(661.25)	6,815.22	2,692.09
4. Exceptional items	-	-	-	-	665.29
5. (Loss)/profit before tax (3-4)	(329.62)	2,052.12	(661.25)	6,815.22	2,026.80
6. Tax expense					
(a) Current tax	(50.30)	345.76	4.10	1,168.10	269.80
(b) Adjustment of tax relating to earlier periods/years	(0.01)	(0.72)	14.50	(0.73)	14.50
(c) Deferred tax	(81.80)	247.90	(161.01)	752.98	(521.79)
Total tax expense	(132.11)	592.94	(142.41)	1,920.35	(237.49)
7. Net (loss)/profit after tax (5 - 6)	(197.51)	1,459.18	(518.84)	4,894.87	2,264.29
8. Other comprehensive income					
A. Items that will not be reclassified to profit or loss	38.46	(53.20)	(60.00)	75.17	(117.51)
B. Income tax relating to items that will not be reclassified to profit or loss	(9.68)	13.39	14.84	(18.92)	29.58
Total other comprehensive income/(loss)	28.78	(39.81)	(45.16)	56.25	(87.93)
9. Total comprehensive income for the period/year (7+8)	(168.73)	1,419.37	(564.00)	4,951.12	2,176.36
10. Paid-up equity share capital (face value of ₹ 10 each)	4,330.33	4,330.33	2,886.89	4,330.33	2,886.89
11. Other equity				39,655.88	37,230.78
12. Earnings per share (of ₹ 10/- each) (not annualised for quarters):					
(a) Basic	(0.46)	3.37	(1.20)	11.30	5.23
(b) Diluted	(0.46)	3.37	(1.20)	11.30	5.23
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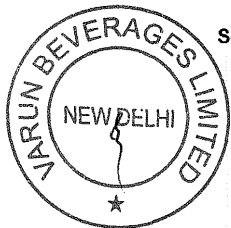
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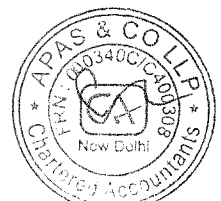
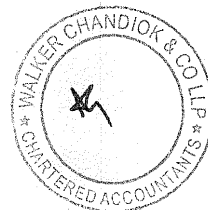
Statement of standalone assets and liabilities

	₹ in million	
	As at 31 December 2021 (Audited)	As at 31 December 2020 (Audited)
Assets		
Non-current assets		
(a) Property, plant and equipment	44,553.99	47,061.67
(b) Capital work-in-progress	4,779.54	390.05
(c) Goodwill	19.40	19.40
(d) Other intangible assets	5,542.68	5,553.03
(e) Investment in subsidiaries and associates	13,522.38	13,521.64
(f) Financial assets		
(i) Investments	0.01	0.01
(ii) Loans	2,972.14	2,700.50
(iii) Others	8.04	1.21
(g) Other non-current assets	1,575.77	1,053.48
Total non-current assets (A)	72,973.95	70,300.99
Current assets		
(a) Inventories	10,662.71	6,790.61
(b) Financial assets		
(i) Trade receivables	1,320.73	1,705.29
(ii) Cash and cash equivalents	241.47	364.04
(iii) Bank balances other than (ii) above	0.88	0.72
(iv) Loans	284.15	99.94
(v) Others	2,733.64	2,130.20
(c) Current tax assets (Net)	-	88.80
(d) Other current assets	2,438.64	1,485.15
Total current assets (B)	17,682.22	12,664.75
Total assets (A+B)	90,656.17	82,965.74
Equity and liabilities		
Equity		
(a) Equity share capital	4,330.33	2,886.89
(b) Other equity	39,655.88	37,230.78
Total equity (C)	43,986.21	40,117.67
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	17,124.41	19,543.51
(ii) Other financial liabilities	87.52	79.50
(b) Provisions	1,994.61	1,931.60
(c) Deferred tax liabilities (Net)	2,981.82	2,209.92
(d) Other non-current liabilities	6.73	7.34
Total non-current liabilities (D)	22,195.09	23,771.87
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,605.24	6,355.40
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	321.56	90.61
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,313.08	2,630.07
(iii) Other financial liabilities	12,327.76	7,415.98
(b) Other current liabilities	1,339.71	2,261.30
(c) Provisions	489.35	322.84
(d) Current tax liabilities (Net)	78.17	-
Total current liabilities (E)	24,474.87	19,076.20
Total liabilities (F=D+E)	46,669.96	42,848.07
Total equity and liabilities (C+F)	90,656.17	82,965.74

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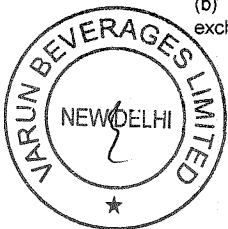
Standalone Cash Flow Statement

(Indirect Method) Particulars	(₹ in million)	
	Year ended 31 December 2021 (Audited)	Year ended 31 December 2020 (Audited)
A. Operating activities		
Profit before tax	6,815.22	2,026.80
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant and equipment	3,949.10	4,080.77
Amortisation of intangible assets	49.24	47.40
Exceptional items	-	665.29
Interest expense at amortised cost	1,554.80	2,421.90
Interest income at amortised cost	(160.00)	(251.77)
Dividend income from non-current investment in subsidiary	(303.46)	(202.31)
Loss/(Gain) on disposal of property, plant and equipment (Net)	212.60	(5.35)
Bad debts and advances written off	7.12	6.59
Excess provisions written back	(12.38)	-
Profit on sale of current investments	(0.70)	-
Guarantee commission received	(17.64)	(36.13)
Unrealised foreign exchange fluctuation	(57.57)	(68.04)
Allowance for expected credit loss	30.62	7.56
Operating profit before working capital changes	12,066.95	8,692.71
Working capital adjustments:		
Increase in inventories	(3,872.10)	(60.78)
Decrease/(Increase) in trade receivables	346.81	(414.13)
(Increase)/decrease in current and non-current financial assets and other current and non-current assets	(1,351.36)	625.05
Increase/(decrease) in current financial liabilities and other current and non-current liabilities and provisions	2,473.57	(1,169.90)
Total cash from operations	9,663.87	7,672.95
Income tax paid	(985.23)	(476.21)
Net cash flows from operating activities (A)	8,678.64	7,196.74
B. Investing activities		
Purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(6,304.46)	(3,466.76)
Proceeds from disposal of property, plant and equipment and intangible assets	117.08	223.15
Loan given to subsidiaries	(430.98)	(435.39)
Change in advance received for capital assets	(1,074.43)	1,074.43
Purchase of non-current investment in subsidiary	(0.74)	-
Proceeds from sale of current investments (Net)	0.70	-
Change in other bank balances	(6.86)	7.58
Guarantee commission received	27.99	70.54
Interest received	226.20	54.52
Dividend income from non-current investment in subsidiary	192.19	192.19
Net cash used in investing activities (B)	(7,253.31)	(2,279.74)
C. Financing activities		
Proceeds from long term borrowings	7,837.61	7,800.45
Repayment of long term borrowings	(5,939.34)	(11,719.09)
Repayment of lease liabilities	(131.97)	(74.80)
(Repayments)/Proceeds from short-term borrowings (Net)	(750.16)	2,244.96
Interest paid (inclusive of interest paid on lease liabilities ₹ 12.54 (31 December 2020: ₹13.57))	(1,481.46)	(2,406.27)
Dividends paid	(1,082.58)	(721.72)
Net cash used in financing activities (C)	(1,547.90)	(4,876.47)
Net change in cash and cash equivalents (D=A+B+C)	(122.57)	40.53
Cash and cash equivalents at the beginning of year (E)	364.04	323.51
Cash and cash equivalents at the end of year (D+E)	241.47	364.04

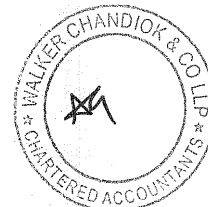
Notes:

(a) Excludes non-cash transaction of conversion of loans into equity investments during the previous year.

(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
PURPOSES ONLY





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)

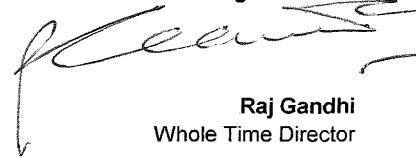
Tel: +91-124-4643100, Fax: +91-124-4643303, E-mail: complianceofficer@rjcorp.in, Website: www.varunpepsi.com

(₹ in million, except per share data)

Notes:

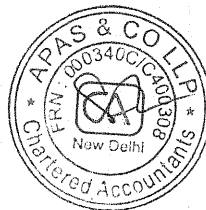
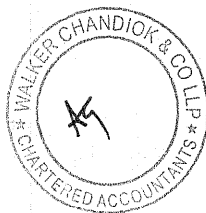
1. These standalone and consolidated financial results for the quarter and year ended on 31 December 2021 have been reviewed and recommended for approval by the Audit, Risk Management and Ethics Committee and accordingly approved by the Board of Directors of Varun Beverages Limited ("VBL" or "the Company") at their respective meetings held on 03 February 2022. The Statutory Auditors have audited the annual 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). The figures for the quarter ended 31 December 2021 and 31 December 2020 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto the third quarter of the relevant financial year, which were subject to limited review.
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 and its subsidiaries (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 resurgence of COVID-19 pandemic had caused a significant disturbances and slowdown of economic activity and business operations of the Company during the second quarter. The business operations of the Company have shown significant growth from June onwards after the relaxation of nationwide lockdowns. The impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration. Hence, the management will continue to monitor changes to the future economic conditions which may have an impact on the operations of the Company.
6. During the year ended 31 December 2021, the Company has issued 144,344,360 bonus equity shares of ₹ 10/- each as fully paid-up bonus equity shares in the ratio of 1 (One) equity share of ₹ 10/- each for every 2 (Two) existing equity shares of ₹ 10/- each. Accordingly, earnings per share of comparative periods presented has been calculated based on number of shares outstanding in respective periods, as increased for issuance of bonus shares.
7. During the current quarter ended 31 December 2021, the Company has incorporated a new subsidiary i.e. Varun Beverages RDC SAS in the Democratic Republic of Congo for a consideration of ₹ 0.74 million.
8. The exceptional items for the year ended 31 December 2020, represents write off of certain plant and equipment, glass bottles and plastic shells which are not in use.

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


Raj Gandhi
Whole Time Director

Place : Gurugram
Dated : 03 February 2022

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PURPOSES ONLY



Independent Auditor's Report on Consolidated Annual Financial 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

Opinion

1. We have audited the accompanying consolidated annual 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 I for the list of subsidiaries included in the statement) for the year ended 31 December 2021, attached herewith, 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) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of one of the joint auditors, APAS & Co LLP and other auditors on separate audited financial results of the subsidiaries, as referred to in paragraph 12 below, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure I;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group for the year ended 31 December 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by one of the joint auditors, APAS & Co LLP and the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Statement

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.



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

5. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by one of the joint auditors, APAS & Co LLP and the other auditors, joint auditors and such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

12. We did not audit the annual financial results of 7 subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 22,792.45 million as at 31 December 2021, total revenues of ₹ 26,941.75 million, total net profit after tax of ₹ 2,938.82 million total comprehensive income of ₹ 2,949.63 million, and cash flows (net) of ₹ 583.75 million for the year ended on that date, as considered in the Statement. Out of the above, annual financial results of one subsidiary included in the Statement whose financial information reflects total assets of ₹ 1,502.08 million as at 31 December 2021, total revenues of ₹ 1,642.19 million, total net profit after tax of ₹ 276.99 million total comprehensive income of ₹ 277.01 million, and cash flows (net) of ₹ 68.19 million for the year ended on that date, as considered in the Statement have been audited by one of the joint auditors, APAS & Co LLP. These annual financial results have been audited by APAS & Co LLP and other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of APAS & Co LLP and other auditors, and the procedures performed by us as stated in paragraph 11 above.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of APAS & Co LLP and the other auditors.

13. The Statement includes the consolidated financial results for the quarter ended 31 December 2021, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker ChandioK & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013


Ashish Gupta
Partner

Membership No.: 504662
UDIN: 22504662AAETSV2926

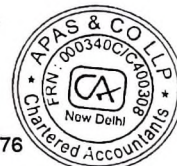
Place: Gurugram
Date: 03 February 2022

L-41, Connaught Place,
New Delhi 110001



For APAS & Co LLP
Chartered Accountants
Firm Registration No: 000340C/C400308


Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 22520078AAEUAM7276



Place: Gurugram
Date: 03 February 2022

606, 6th Floor, PP City Centre, Road No. 44,
Pitampura, New Delhi 110034

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

Annexure I

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. Lunarmech Technologies Private Limited
8. Varun Beverages RDC SAS (with effect from 31 December 2021)



Independent Auditor's Report on Standalone Annual Financial 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

Opinion

1. We have audited the accompanying standalone annual financial results (the Statement) of Varun Beverages Limited (the Company) for the year ended 31 December 2021, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Listing Regulations), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the Act), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 December 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

Other Matters

11. The Statement includes the financial results for the quarter ended 31 December 2021, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

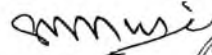
For **Walker ChandioK & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Ashish Gupta
Partner
Membership No.: 504662
UDIN: 22504662AAETSB7326



For **APAS & Co LLP**
Chartered Accountants
Firm's Registration No.: 000340C/C400308



Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 22520078AAETYT8306



Place: Gurugram
Date: 03 February 2022

L-41, Connaught Place,
New Delhi 110001

Place: Gurugram
Date: 03 February 2022

606, 6th Floor, PP City Centre, Road No. 44,
Pitampura, New Delhi 110034



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

February 3, 2022

To,

National Stock Exchange of India Ltd. Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Email: cmlist@nse.co.in Symbol: VBL	BSE Limited Phiroze Jeejeebhoy Towers , Dalal Street, Mumbai – 400 001 Email: corp.relations@bseindia.com Security Code: 540180
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Subject: Declaration under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 confirm that the Audit Report on the Audited Financial Results, both on Standalone and Consolidated basis, for the Financial Year ended December 31, 2021 issued by M/s. Walker Chandiok & Co. LLP, Chartered Accountants and M/s. APAS & Co. LLP, 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


Ravi Batra
Chief Risk Officer & Group Company Secretary

