



## VARUN BEVERAGES LIMITED

Corporate identification number: L74899DL1995PLC069839

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

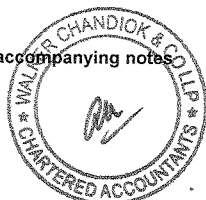
Corporate office: RJ Corp House, Plot No-31, Institutional Area, Sector-44, Gurgaon-122002 (Haryana)

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 31 December 2018 (Audited)	As at 31 December 2017 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	38,601.77	35,411.66
(b) Capital work-in-progress	3,523.57	1,454.38
(c) Goodwill	19.40	19.40
(d) Other intangible assets	5,248.57	4,374.15
(e) Investment in associates	112.43	82.23
(f) Financial assets		
(i) Investments	0.01	0.04
(ii) Loans	200.92	193.16
(iii) Others	8.34	8.96
(g) Deferred tax assets (Net)	334.00	80.04
(h) Other non-current assets	857.60	1,525.85
<b>Total non-current assets (A)</b>	<b>48,906.61</b>	<b>43,149.87</b>
<b>Current assets</b>		
(a) Inventories	5,783.97	4,388.94
(b) Financial assets		
(i) Trade receivables	1,280.25	1,502.45
(ii) Cash and cash equivalents	429.36	649.46
(iii) Bank balances other than (ii) above	505.44	295.14
(iv) Loans	15.53	0.26
(v) Others	1,404.78	932.40
(c) Current tax assets (Net)	4.10	0.13
(d) Other current assets	1,984.04	1,532.48
<b>Total current assets (B)</b>	<b>11,407.47</b>	<b>9,301.26</b>
Assets classified as held for sale (C)	-	384.95
<b>Total assets (A+B+C)</b>	<b>60,314.08</b>	<b>52,836.08</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
(a) Equity share capital	1,826.42	1,825.87
(b) Other equity	18,158.62	15,868.41
<b>Equity attributable to owners of the Company</b>	<b>19,985.04</b>	<b>17,694.28</b>
(c) Non-controlling interest	77.68	(14.32)
<b>Total equity (A)</b>	<b>20,062.72</b>	<b>17,679.96</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	19,800.69	16,913.68
(b) Provisions	1,052.55	732.64
(c) Deferred tax liabilities (Net)	1,921.66	1,501.51
(d) Other non-current liabilities	67.75	119.81
<b>Total non-current liabilities (B)</b>	<b>22,842.65</b>	<b>19,267.64</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	3,776.55	3,533.65
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	2.47	8.71
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,165.50	1,900.75
(iii) Other financial liabilities	8,512.43	8,736.41
(b) Other current liabilities	1,466.55	1,473.11
(c) Provisions	160.19	167.50
(d) Current tax liabilities (Net)	325.02	68.35
<b>Total current liabilities (C)</b>	<b>17,408.71</b>	<b>15,888.48</b>
<b>Total liabilities (D=B+C)</b>	<b>40,251.36</b>	<b>35,156.12</b>
<b>Total equity and liabilities(A+D)</b>	<b>60,314.08</b>	<b>52,836.08</b>

See accompanying notes



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### Statement of consolidated financial results for the quarter and year ended on 31 December 2018

₹ in million, except per share data

Particulars	Three months ended on 31 December 2018 (See note 2)	Three months ended on 30 September 2018 (Unaudited)	Three months ended on 31 December 2017 (See note 2)	Year ended on 31 December 2018 (Audited)	Year ended on 31 December 2017 (Audited)
<b>1. Income</b>					
(a) Revenue from operations	8,041.37	12,044.71	5,434.63	52,281.27	45,163.77
(b) Other income	127.40	5.73	15.43	218.24	125.12
<b>Total income</b>	<b>8,168.77</b>	<b>12,050.44</b>	<b>5,450.06</b>	<b>52,499.51</b>	<b>45,288.89</b>
<b>2. Expenses</b>					
(a) Cost of materials consumed	2,645.34	4,525.25	2,485.05	21,122.78	18,555.09
(b) Excise duty	185.20	387.34	159.63	1,228.72	5,128.37
(c) Purchases of stock-in-trade	360.09	619.02	62.18	1,942.18	277.69
(d) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(335.79)	122.67	(629.50)	(623.97)	(732.22)
(e) Employee benefits expense	1,446.51	1,486.14	1,157.68	5,829.51	4,628.44
(f) Finance costs	537.23	471.59	526.16	2,125.63	2,121.75
(g) Depreciation and amortisation expense	940.64	999.03	880.05	3,850.70	3,466.41
(h) Other expenses	3,262.08	2,791.88	1,973.44	12,716.18	8,947.32
<b>Total expenses</b>	<b>9,041.30</b>	<b>11,402.92</b>	<b>6,614.69</b>	<b>48,191.73</b>	<b>42,392.85</b>
<b>3. (Loss)/profit before tax (1-2)</b>	<b>(872.53)</b>	<b>647.52</b>	<b>(1,164.63)</b>	<b>4,307.78</b>	<b>2,896.04</b>
4. Share of profit in associate	6.60	6.01	4.60	30.20	13.50
<b>5. (Loss)/profit before tax (3+4)</b>	<b>(865.93)</b>	<b>653.53</b>	<b>(1,160.03)</b>	<b>4,337.98</b>	<b>2,909.54</b>
<b>6. Tax expense:</b>					
(a) Current tax	(408.90)	152.70	(525.27)	1,094.09	547.85
(b) Adjustment of tax relating to earlier periods	14.35	-	1.60	14.35	1.60
(c) Deferred tax	236.84	59.25	84.93	230.91	219.50
<b>Total tax expense</b>	<b>(157.71)</b>	<b>211.95</b>	<b>(438.74)</b>	<b>1,339.35</b>	<b>768.95</b>
<b>7. Net (loss)/profit for the period (5-6)</b>	<b>(708.22)</b>	<b>441.58</b>	<b>(721.29)</b>	<b>2,998.63</b>	<b>2,140.59</b>
<b>8. Other comprehensive income</b>					
A Items that will not be reclassified to profit or loss	(26.17)	35.72	(5.19)	(16.53)	10.83
B Income tax relating to items that will not be reclassified to profit or loss	10.74	(13.35)	2.75	7.78	(3.39)
C Items that will be reclassified to profit or loss	(305.86)	48.10	37.26	(234.44)	(94.27)
D Income tax relating to items that will be reclassified to profit or loss	71.26	(11.26)	(8.60)	54.62	21.75
<b>Total other comprehensive income</b>	<b>(250.03)</b>	<b>59.21</b>	<b>26.22</b>	<b>(188.57)</b>	<b>(65.08)</b>
<b>9. Total comprehensive income for the period (including non-controlling interest) (7+8)</b>	<b>(958.25)</b>	<b>500.79</b>	<b>(695.07)</b>	<b>2,810.06</b>	<b>2,075.51</b>
<b>10. Net profit attributable to:</b>					
A Owners	(715.09)	422.75	(728.44)	2,928.41	2,101.54
B Non-controlling interest	6.87	18.83	7.15	70.22	39.05
<b>11. Other comprehensive income attributable to:</b>					
A Owners	(250.03)	59.21	26.22	(188.57)	(65.08)
B Non-controlling interest	-	-	-	-	-
<b>12. Total comprehensive income attributable to:</b>					
A Owners	(965.12)	481.96	(702.22)	2,739.84	2,036.46
B Non-controlling interest	6.87	18.83	7.15	70.22	39.05
<b>13. Paid-up equity share capital (face value of ₹ 10 each)</b>	<b>1,826.42</b>	<b>1,826.34</b>	<b>1,825.87</b>	<b>1,826.42</b>	<b>1,825.87</b>
<b>14 Reserves excluding revaluation reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,158.62</b>	<b>15,868.41</b>
<b>15. Earnings per share (of ₹ 10/- each) (not annualised for quarters):</b>					
(a) Basic	(3.92)	2.31	(3.99)	16.04	11.52
(b) Diluted	(3.91)	2.31	(3.99)	16.03	11.51
<b>See accompanying notes</b>					



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### Statement of standalone assets and liabilities

	₹ in million	
	As at 31 December 2018 (Audited)	As at 31 December 2017 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	27,983.04	28,404.80
(b) Capital work-in-progress	3,392.26	119.69
(c) Goodwill	19.40	19.40
(d) Other intangible assets	5,215.80	4,355.84
(e) Investment in subsidiaries and associates	7,744.99	6,271.89
(f) Financial assets		
(i) Investments	0.01	0.04
(ii) Loans	6,959.06	5,930.85
(iii) Others	8.34	8.96
(g) Other non-current assets	523.47	559.34
<b>Total non-current assets (A)</b>	<b>51,846.37</b>	<b>45,670.81</b>
<b>Current assets</b>		
(a) Inventories	4,183.25	3,156.70
(b) Financial assets		
(i) Trade receivables	1,344.74	946.90
(ii) Cash and cash equivalents	17.75	312.64
(iii) Bank balances other than (ii) above	0.65	0.06
(iv) Loans	104.68	94.31
(v) Others	1,783.80	1,373.30
(c) Other current assets	1,581.41	959.74
<b>Total current assets (B)</b>	<b>9,016.28</b>	<b>6,843.65</b>
Assets classified as held for sale (C)	-	471.01
<b>Total assets (A+B+C)</b>	<b>60,862.65</b>	<b>52,985.47</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
(a) Equity share capital	1,826.42	1,825.87
(b) Other equity	24,062.97	21,142.14
<b>Total equity (A)</b>	<b>25,889.39</b>	<b>22,968.01</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	18,359.13	16,061.57
(b) Provisions	976.50	658.54
(c) Deferred tax liabilities (Net)	2,026.27	1,551.51
(d) Other non-current liabilities	44.33	45.98
<b>Total non-current liabilities (B)</b>	<b>21,406.23</b>	<b>18,317.60</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	3,188.75	1,925.88
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	2.47	8.71
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,780.71	829.61
(iii) Other financial liabilities	6,943.00	7,486.89
(b) Other current liabilities	1,224.09	1,242.17
(c) Provisions	152.28	155.45
(d) Current tax liabilities (Net)	275.73	51.15
<b>Total current liabilities (C)</b>	<b>13,567.03</b>	<b>11,699.86</b>
<b>Total liabilities (D=B+C)</b>	<b>34,973.26</b>	<b>30,017.46</b>
<b>Total equity and liabilities (A+D)</b>	<b>60,862.65</b>	<b>52,985.47</b>

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### Statement of standalone financial results for the quarter and year ended on 31 December 2018

₹ 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 2018 (See note 2)	30 September 2018 (Unaudited)	31 December 2017 (See note 2)	31 December 2018 (Audited)	31 December 2017 (Audited)
<b>1. Income</b>					
(a) Revenue from operations	4,168.67	8,092.76	3,300.63	38,622.76	34,906.99
(b) Other income	426.11	277.73	1.31	962.15	473.91
<b>Total income</b>	<b>4,594.78</b>	<b>8,370.49</b>	<b>3,301.94</b>	<b>39,584.91</b>	<b>35,380.90</b>
<b>2. Expenses</b>					
(a) Cost of materials consumed	1,728.42	3,090.96	1,760.13	16,603.01	14,546.23
(b) Excise duty	-	-	-	-	4,281.07
(c) Purchase of stock-in-trade	320.77	580.16	12.78	1,829.00	158.91
(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(404.75)	(28.57)	(561.68)	(687.86)	(662.04)
(e) Employee benefits expense	963.34	1,019.79	781.16	4,114.72	3,191.26
(f) Finance costs	509.99	419.92	531.37	1,943.98	1,917.14
(g) Depreciation and amortisation expense	696.82	750.60	697.63	2,955.50	2,736.42
(h) Other expenses	1,469.47	1,709.26	1,236.72	8,196.98	6,169.98
<b>Total expenses</b>	<b>5,284.06</b>	<b>7,542.12</b>	<b>4,458.11</b>	<b>34,955.33</b>	<b>32,338.97</b>
<b>3. (Loss)/profit before tax (1-2)</b>	<b>(689.28)</b>	<b>828.37</b>	<b>(1,156.17)</b>	<b>4,629.58</b>	<b>3,041.93</b>
<b>4. Tax expense</b>					
(a) Current tax	(588.09)	138.29	(543.96)	797.90	451.10
(b) Adjustment of tax relating to earlier periods	14.35	-	1.37	14.35	1.37
(c) Deferred tax	422.70	54.06	77.21	493.74	233.48
<b>Total tax expense</b>	<b>(151.04)</b>	<b>192.35</b>	<b>(465.38)</b>	<b>1,305.99</b>	<b>685.95</b>
<b>5. Net (loss)/profit after tax (3 - 4)</b>	<b>(538.24)</b>	<b>636.02</b>	<b>(690.79)</b>	<b>3,323.59</b>	<b>2,355.98</b>
<b>6. Other comprehensive income</b>					
A. Items that will not be reclassified to profit or loss	(30.73)	38.21	(7.96)	(22.54)	9.78
B. Income tax relating to items that will not be reclassified to profit or loss	10.74	(13.35)	2.75	7.78	(3.39)
<b>Total other comprehensive income</b>	<b>(19.99)</b>	<b>24.86</b>	<b>(5.21)</b>	<b>(14.76)</b>	<b>6.39</b>
<b>7. Total comprehensive income for the period (5+6)</b>	<b>(558.23)</b>	<b>660.88</b>	<b>(696.00)</b>	<b>3,308.83</b>	<b>2,362.37</b>
<b>8. Paid-up equity share capital (face value of ₹ 10 each)</b>	<b>1,826.42</b>	<b>1,826.34</b>	<b>1,825.87</b>	<b>1,826.42</b>	<b>1,825.87</b>
<b>9. Reserves excluding revaluation reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,062.97</b>	<b>21,142.14</b>
<b>10. Earnings per share (of ₹ 10/- each) (not annualised for quarters):</b>					
(a) Basic	(2.95)	3.48	(3.78)	18.20	12.91
(b) Diluted	(2.95)	3.48	(3.78)	18.20	12.91
See accompanying notes					



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(₹ in million, except otherwise stated)

## Notes:

- These standalone and consolidated audited financial results for the quarter and year ended on 31 December 2018 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 20 February 2019. The Statutory Auditors have audited these financial results.
- 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 CIR/CFD/CMD/15/2015 dated 30 November 2015 and other recognised accounting practices and policies]. The figures for the quarter ended 31 December 2018 and 31 December 2017 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.
- VBL follows calendar year as its financial year as approved by the Company Law Board, New Delhi.
- 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.
- Subsequent to year ended 31 December 2018, on 14 February 2019, the Company concluded acquisition of franchise rights for a total purchase consideration of ₹ 150.00 from SMV Beverages Private Limited and Nectar Beverages Private Limited (together referred as 'SMV Group') to sell and distribute PepsiCo India Holdings Private Limited ('PepsiCo') beverage brands in 13 districts in State of Karnataka, 14 districts in State of Maharashtra and 3 districts in State of Madhya Pradesh.
- Subsequent to year end, on 18 February 2019, the Board of Directors at their meeting considered and approved, its intent to enter into a binding agreement with PepsiCo to acquire franchise rights in South and West regions of India from PepsiCo for a national bottling, sales and distribution footprint in 7 states and 5 Union Territories (subject to receipt of necessary statutory approvals). On completion of the acquisition and related formalities, the Company will be a franchise of PepsiCo's beverages business across 27 states and 7 Union Territories of India.
- During the quarter ended on 31 December 2018, the paid-up capital of the Company has increased by ₹ 0.08 on allotment of 7,800 equity shares of ₹ 10 each, pursuant to exercise of stock options by employees.
- Consequent to the introduction of the Goods and Service Tax Act ("GST") in India with effect from 01 July 2017, Central Excise, Value Added Tax (VAT), and some other indirect taxes have been subsumed into GST. In accordance with Ind AS 18 on Revenue and Schedule III of the Companies Act, 2013, unlike excise duty, levies such as GST are collected on behalf of Government authorities and do not form part of revenue. Accordingly, the figures for the year ended 31 December 2018 are not strictly comparable to other periods presented which were gross of excise duty. The following additional information is being provided to facilitate such understanding:

### A. Group:

Particulars	(₹ in million)		
	Year ended on 31 December 2018 (Audited)	Year ended on 31 December 2017 (Audited)	Change (%)
Gross revenue from operations (A)	52,281.27	45,163.77	15.76%
Less: Excise duty (B)	(1,228.72*)	(5,128.37)	-76.04%
<b>Net revenue from operations (A-B)</b>	<b>51,052.55</b>	<b>40,035.40</b>	<b>27.52%</b>

\*Excise duty and other similar taxes in jurisdiction other than India.

### B. Company:

Particulars	(₹ in million)		
	Year ended on 31 December 2018 (Audited)	Year ended on 31 December 2017 (Audited)	Change (%)
Gross revenue from operations (A)	38,622.76	34,906.99	10.64%
Less: Excise duty (B)	-	(4,281.07)	-100.00%
<b>Net revenue from operations (A-B)</b>	<b>38,622.76</b>	<b>30,625.92</b>	<b>26.11%</b>



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

**Raj P. Gandhi**  
Whole Time Director

Place : Gurugram  
Dated : 20 February 2019

**Independent Auditor's Report on 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**

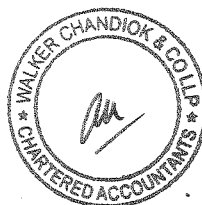
1. We have audited the consolidated financial results of Varun Beverages Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates for the year ended 31 December 2018, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 2 to the consolidated financial results regarding the figures for the quarter ended 31 December 2018 as reported in these consolidated financial results, which are the balancing figures between audited consolidated figures in respect of the full financial year and the published consolidated year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These consolidated financial results are based on the consolidated financial statements for the year ended 31 December 2018 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published consolidated year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial statements for the year ended 31 December 2018 and our review of consolidated financial results for the nine months' period ended 30 September 2018.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. 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 other auditors on separate financial results and on other financial information of the subsidiaries and associates, the consolidated financial results:
  - (i) include the financial results for the year ended 31 December 2018, of the following entities:

**Subsidiaries:**

- a. Varun Beverages (Nepal) Private Limited
- b. Varun Beverages Lanka (Private) Limited
- c. Varun Beverages Morocco SA
- d. Ole Spring Bottlers (Private) Limited
- e. Varun Beverages (Zambia) Private Limited
- f. Varun Beverages (Zimbabwe) (Private) Limited

**Associates:**

- a. Angelica Technologies Private Limited
- b. Lunarmech Technologies Private Limited




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

- (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and
- (iii) give a true and fair view of the consolidated net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 December 2018.
4. We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 16,066.54 million and net assets of ₹ 2,282.94 million as at 31 December 2018, and total revenues of ₹ 15,980.73 million for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net profit (including other comprehensive income) of ₹ 30.20 million for the year ended 31 December 2018, as considered in the consolidated financial results, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiaries and associates, are based solely on the reports of such other auditors.

Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

5. The review of unaudited consolidated financial results for the nine months period ended 30 September 2017 and the audit of consolidated financial results for the year ended 31 December 2017 including consolidated figures for the quarter ended 31 December 2017, which were the balancing figures between audited consolidated figures for the year ended 31 December 2017 and published unaudited consolidated year to date figures upto 30 September 2017, included in the consolidated financial results were jointly carried out and reported by predecessor joint auditor, Walker Chandiook & Associates, Chartered Accountants and current joint auditor, APAS & Co., Chartered Accountants vide their unmodified review report dated 06 November 2017 and unmodified audit report dated 16 February 2018 respectively, whose review and audit reports have been furnished to us by the management and which have been relied upon by us for the purpose of our audit of the consolidated financial results. Our audit report is not modified in respect of this matter.

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

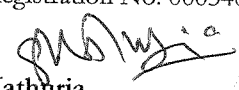
  
Anupam Kumar  
Partner  
Membership No. 501531



Place: Gurugram  
Date: 20 February 2019

L-41 Connaught Place,  
New Delhi 110 001

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

  
Sumit Kathuria  
Partner  
Membership No. 520078



Place: Gurugram  
Date: 20 February 2019

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

**Independent Auditor's Report on Standalone 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 audited the standalone financial results of Varun Beverages Limited ("the Company") for the year ended 31 December 2018, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 2 to the standalone financial results regarding the figures for the quarter ended 31 December 2018 as reported in these standalone financial results, which are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results are based on the standalone financial statements for the year ended 31 December 2018 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 ("the Act") and published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31 December 2018 and our review of standalone financial results for the nine months period ended 30 September 2018.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:
  - (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and
  - (ii) give a true and fair view of the standalone net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 December 2018.




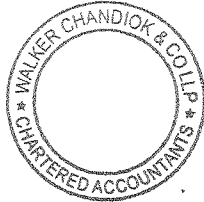


**Independent Auditor's Report on Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)**

4. The review of unaudited standalone financial results for the nine months period ended 30 September 2017 and the audit of standalone financial results for the year ended 31 December 2017 including standalone figures for the quarter ended 31 December 2017, which were the balancing figures between audited standalone figures for the year ended 31 December 2017 and published unaudited standalone year to date figures upto 30 September 2017, included in the standalone financial results were jointly carried out and reported by predecessor joint auditor, Walker Chandiook & Associates, Chartered Accountants and current joint auditor, APAS & Co., Chartered Accountants vide their unmodified review report dated 06 November 2017 and unmodified audit report dated 16 February 2018 respectively, whose review and audit reports have been furnished to us by the management and which have been relied upon by us for the purpose of our audit of the standalone financial results. Our audit report is not modified in respect of this matter.

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


  
**Anupam Kumar**  
Partner  
Membership No. 501531



**Place:** Gurugram  
**Date:** 20 February 2019

L-41 Connaught Place,  
New Delhi 110 001

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

  
**Sumit Kathuria**  
Partner  
Membership No. 520078

**Place:** Gurugram  
**Date:** 20 February 2019

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