



# VARUN BEVERAGES LIMITED



Corporate Off : Plot No.31, Institutional Area, Sec.-44, Gurgaon, Haryana-122002 (India)  
Ph.: +91-124-4643100-500 • Fax: +91-124-4643303/04 E-mail : info@rjcorp.in • Visit us at : www.rjcorp.in  
CIN No. : U74899DL1995PLC069839

February 20, 2017

To,

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

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Dear Sir/Madam,

The Board at its meeting held today transacted, inter alia, the following businesses:

1. Approved the Audited Financial Results (Standalone & Consolidated) for the year ended December 31, 2016. In this regard, please find enclosed:
  - a) Audited Financial Results, both standalone and consolidated basis, of the Company for the financial year ended December 31, 2016; and
  - b) Auditors' Report in respect of the audited standalone and consolidated financial results of the Company for the financial year ended December 31, 2016, with unmodified opinion.
2. Pursuant to Section 139 of the Companies Act, 2013 and Rules made thereunder, it is mandatory for the Company to rotate the current statutory auditors on completion of a maximum term permitted under the said Section. Accordingly, on the proposal of the Audit Committee of the Company, the Board has, at its meeting held today i.e. February 20, 2017, recommended the appointment of M/s. APAS & Co., Chartered Accountants (Firm Registration No. 000340C) as the Joint Statutory Auditors of the Company. M/s. APAS & Co. will hold the office for a period of 5 (five) consecutive years from the conclusion of the 22<sup>nd</sup> Annual General Meeting of the Company scheduled to be held in the year 2017 till the conclusion of the 27<sup>th</sup> Annual General Meeting to be held in the year 2022, subject to the approval of shareholders of the Company.





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3. Pursuant to Section 71 and Section 42 of the Companies Act, 2013 read with Companies (Share Capital & Debenture) Rules, 2014 and Companies (Prospectus & Allotment of Securities) Rules, 2014, the Board has approved issuance and allotment of listed, redeemable, secured/unsecured Non-Convertible Debentures upto Rs.3,000,000,000 (Rupees Three Billion Only) on private placement basis, in one or more tranches.
4. Considering the growth potential and profitability, the Board has, subject to various consents, approvals from various Statutory and Regulatory Authorities, if any, approved and authorised the Directors to increase the shareholding of Varun Beverages (Zambia) Limited from the existing 60% upto 90% by acquiring further 15,000 shares.
5. In view of very small scale of operation and losses, the Board has approved and authorised the directors to divest the 41% equity stake of the Company in Varun Beverages Mozambique Limitada.

The Board meeting commenced at 12.30 p.m. and concluded at 3.30 p.m.

A copy of the said results together with the Auditors' Report is enclosed herewith. These are also being made available on the website of the Company at [www.varunpepsi.com](http://www.varunpepsi.com).

You are requested to take the above on record.

Yours faithfully,  
**For Varun Beverages Limited**

  
**Mahavir Prasad Garg**  
**Company Secretary &**  
**Compliance Officer**



Encl: A.A

# VARUN BEVERAGES LIMITED

Corporate identification number: U74899DL1995PLC069839

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

Corporate office: RJ Corp House, Plot No-31, Institutional Area, Sector-44, Gurgaon-122022 (Haryana)  
Ph.: +91-124-4643100-500, E-mail: complianceofficer@rjcorp.in, Website: www.varunpepsi.com

Statement of standalone audited financial results for the year ended on 31 December 2016

₹ in million, except as stated otherwise

Particulars	Three months ended on	Three months ended on	Three months ended on	Year to date figures for year ended on	Year to date and previous year ended on
	31 December 2016 (Unaudited)	30 September 2016 (Unaudited)	31 December 2015 (Unaudited)	31 December 2016 (Audited)	31 December 2015 (Audited)
<b>1. Income from operations</b>					
(a) Net sales/income from operations (net of excise duty)	2,414.37	6,034.11	2,888.47	29,309.71	28,342.21
(b) Other operating income	62.39	98.65	90.45	412.76	297.88
<b>Total income from operations (net)</b>	<b>2,476.76</b>	<b>6,132.76</b>	<b>2,978.92</b>	<b>29,722.47</b>	<b>28,640.09</b>
<b>2. Expenses</b>					
(a) Cost of materials consumed	1,084.45	1,703.55	1,041.97	13,023.62	12,029.53
(b) Purchase of stock-in-trade	39.45	103.16	461.31	803.47	3,164.74
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(151.37)	646.66	(87.48)	(168.45)	(318.44)
(d) Employee benefits expense	680.42	730.32	598.06	2,852.49	2,457.47
(e) Depreciation and amortisation expense	776.32	705.04	700.83	2,996.18	2,626.21
(h) Other expenses	953.09	1,448.40	894.71	6,305.92	5,556.87
<b>Total expenses</b>	<b>3,382.36</b>	<b>5,337.13</b>	<b>3,609.40</b>	<b>25,813.23</b>	<b>25,516.38</b>
3. (Loss)/profit from operations before other income and finance costs (1-2)	(905.60)	795.63	(630.48)	3,909.24	3,123.71
4. Other income	295.94	44.23	201.94	471.34	464.16
5. (Loss)/profit from ordinary activities before finance costs and prior period items (3 + 4)	(609.66)	839.86	(428.54)	4,380.58	3,587.87
6. Finance costs	379.47	438.59	413.46	1,750.96	1,388.53
7. (Loss)/profit from ordinary activities after finance costs before prior period items (5 - 6)	(989.13)	401.27	(842.00)	2,629.62	2,199.34
8. Prior period items	-	-	-	-	9.79
9. (Loss)/profit from ordinary activities after finance costs and prior period items (7 - 8)	(989.13)	401.27	(842.00)	2,629.62	2,189.55
10. Tax expense	(300.71)	121.94	(304.19)	762.28	673.08
11. Net (Loss)/profit after tax (9 - 10)	(688.42)	279.33	(537.81)	1,867.34	1,516.47
12. Paid-up equity share capital (face value of ₹ 10 each)	1,823.13	1,356.70	1,337.66	1,823.13	1,337.66
13. Reserve excluding revaluation reserves	-	-	-	19,595.59	2,766.55
14. Earnings per share (before and after extraordinary items) (of ₹ 10/- each) (not annualised):					
(a) Basic	(3.93)	2.06	(4.02)	12.86	11.34
(b) Diluted	(3.90)	2.05	(3.99)	11.04	11.26
See accompanying note to the Financial Results					



*(Handwritten Signature)*

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Statement of consolidated audited financial results for the year ended on 31 December 2016

₹ in million, except as stated otherwise

Particulars	Three months ended on	Three months ended on	Three months ended on	Year to date figures for year ended on	Year to date and previous year ended on
	31 December 2016 (Unaudited)	30 September 2016 (Unaudited)	31 December 2015 (Unaudited)	31 December 2016 (Audited)	31 December 2015 (Audited)
<b>1. Income from operations</b>					
(a) Net sales/income from operations (net of excise duty)	4,200.56	8,890.31	3,842.99	38,251.28	33,642.19
(b) Other operating income	48.41	84.22	65.58	268.80	299.30
<b>Total income from operations (net)</b>	<b>4,248.97</b>	<b>8,974.53</b>	<b>3,908.57</b>	<b>38,520.08</b>	<b>33,941.49</b>
<b>2. Expenses</b>					
(a) Cost of materials consumed	1,879.88	2,847.28	1,384.40	16,767.95	14,253.08
(b) Purchase of stock-in-trade	127.53	99.82	486.29	911.04	3,201.51
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(268.32)	698.51	(42.72)	(315.91)	(289.85)
(d) Employee benefits expense	1,019.00	1,136.19	823.50	4,263.56	3,237.51
(e) Depreciation and amortisation expense	925.80	902.93	886.22	3,723.64	3,174.09
(h) Other expenses	1,291.22	2,482.04	1,224.12	8,941.31	7,168.48
<b>Total expenses</b>	<b>4,975.11</b>	<b>8,166.77</b>	<b>4,761.81</b>	<b>34,291.59</b>	<b>30,744.82</b>
3. (Loss)/profit from operations before other income and finance costs (1-2)	(726.14)	807.76	(853.24)	4,228.49	3,196.67
4. Other income	44.28	206.58	56.84	347.77	142.81
5. (Loss)/profit from ordinary activities before finance costs and prior period items (3 + 4)	(681.86)	1,014.34	(796.40)	4,576.26	3,339.48
6. Finance costs	498.94	536.65	495.34	2,147.90	1,687.91
7. (Loss)/profit from ordinary activities after finance costs before prior period items (5 - 6)	(1,180.80)	477.69	(1,291.74)	2,428.36	1,651.57
8. Prior period items	-	-	-	-	(254.52)
9. (Loss)/profit from ordinary activities after finance costs and prior period items (7 - 8)	(1,180.80)	477.69	(1,291.74)	2,428.36	1,906.09
10. Tax expense	(289.24)	72.44	(301.01)	828.50	788.57
11. Net (Loss)/profit after tax (9 - 10)	(891.56)	405.25	(990.73)	1,599.86	1,117.52
12. Share of profit of associates	5.87	2.20	3.22	23.46	12.90
13. Minority Interest	(20.37)	(38.23)	-	(110.76)	-
14. Net (Loss)/profit after taxes	(906.06)	369.22	(987.51)	1,512.56	1,130.42
15. Paid-up equity share capital (face value of ₹ 10 each)	1,823.13	1,356.70	1,337.66	1,823.13	1,337.66
16. Reserve excluding revaluation reserves	-	-	-	17,115.54	905.11
17. Earnings per share (before and after extraordinary items) (of ₹ 10/- each) (not annualised):					
(a) Basic	(5.18)	2.72	(7.38)	10.42	8.45
(b) Diluted	(5.13)	2.71	(7.33)	8.94	8.39
<b>See accompanying note to the Financial Results</b>					



Please

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## Notes:

1. The standalone and consolidated audited financial results as at and for the year ended 31 December 2016, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 20 February 2017.

2. The business activity of Varun Beverages Limited ("the Company") and its subsidiaries and associates (together referred to as the "Group") predominantly fall within a single primary business segment viz manufacturing and sale of beverages. There is no separate reportable business segment. As part of secondary reporting for geographical segments, the Group operates in two principal geographical areas of the world, i.e., in India, its home country, and other countries. The sale of products of the Group and the Company is seasonal.

3. During the year ended 31 December 2016, pursuant to Initial Public Offering (IPO), 25,000,000 equity shares of ₹ 10 each were allotted at a premium of ₹ 435 per share consisting of fresh issue of 15,000,000 equity shares and offer for sale of 10,000,000 equity shares by the selling shareholders for the purpose of repayment of debts and general corporate purposes. The Audit Committee and the Board of Directors noted the utilisation of funds raised through fresh issue of equity shares pursuant to IPO to be in line with the objects of the issue, the details of the same is as follows:

Particulars	₹ in million
Issue proceeds	6,675.00
Less: Issue expenses	222.15
Net proceeds of IPO	6,452.85
Amount utilised for:	
Repayment of debts	(5,400.00)
General corporate purposes	(1,052.85)
Amount unutilised as at 31 December 2016	-

4. During the year, the Company, vide business transfer agreements, has completed the acquisition of manufacturing units at Phillaur (Punjab) and Sathariya (Uttar Pradesh) including land, buildings, plant and machinery for a total consideration of ₹ 574 million and ₹ 500 million respectively.

5. During the year, the Company has acquired sixty percent equity in Varun Beverages (Zambia) Limited for a consideration of ₹ 1,755.21 million, fifty one percent quota capital in Varun Beverages Mozambique Limitada for a consideration of ₹ 0.13 million and eighty five percent equity in Varun Beverages (Zimbabwe) (Private) Limited for a consideration of ₹ 0.06 million. Subsequent to 31 December 2016, the Company is considering to increase its controlling stake in Varun Beverages (Zambia) Limited from existing 60% stake to 90% stake by acquiring further 15,000 shares from existing shareholders, subject to necessary approvals.

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

7. During the year, the Company has converted all outstanding Compulsorily Convertible Debentures and Compulsorily Convertible Preference Shares into equity shares as per the terms of the agreements.

8. During the year, the Company has called up the balance amount of ₹ 0.9 million each on 2,000 secured, non-convertible debentures ('NCDs') of face value of ₹ 1 million each from RBL Bank Limited. The proceeds of these securities have been fully utilised in accordance with the terms of the respective agreement. The Company has redeemed 2,000 Non-convertible debentures (NCDs) (secured) of face value ₹ 1 million each and 300 NCDs (unsecured) of face value ₹ 10 million each.

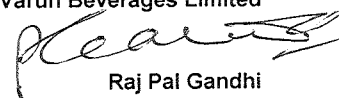
9. The equity shares of Varun Beverages Limited were listed on Bombay Stock Exchange and National Stock Exchange with effect from 08 November 2016. Accordingly, the Consolidated and Standalone financial results of the three months period ended 31 December 2016 and 30 September 2016 and for the corresponding three months period ended 31 December 2015 presented have not been subjected to limited review or audit.

10. Prior period item in standalone financial results for the previous year ended 31 December 2015 relates to depreciation on leasehold land. Prior period item in consolidated financial results for the previous year ended 31 December 2015 relates to adjustment for depreciation and amortisation, write back of excess provision, rates and taxes and adjustment for leases and loss on fixed assets.

11. Previous year amounts have been regrouped/rearranged, wherever necessary, to make them comparable with those of current period/year. Previous year amounts are as per the audited financial statements of the comparative year, before considering effect of restatement pursuant to the requirements of Section 26(1)(b) of the Companies Act, 2013.



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

  
Raj Pal Gandhi  
Whole Time Director

Place : Gurugram  
Dated : 20 February 2017

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**Standalone Statement of Assets and Liabilities as at 31 December 2016**

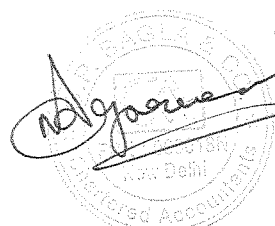
₹ in million, except as stated otherwise

Particulars	As at 31 December 2016	As at 31 December 2015
<b>A Equity and liabilities</b>		
<b>1 Shareholders' funds</b>		
a Share capital	1,823.13	5,837.66
b Reserves and surplus	19,595.59	2,766.55
<b>Subtotal shareholders' funds</b>	<b>21,418.72</b>	<b>8,604.21</b>
<b>2 Non-current liabilities</b>		
a Long-term borrowings	8,612.19	15,030.60
b Deferred tax liabilities (net)	2,225.66	1,481.82
c Other long-term liabilities	3,313.16	6,252.10
d Long-term provisions	556.98	384.16
<b>Subtotal non-current liabilities</b>	<b>14,707.99</b>	<b>23,148.68</b>
<b>3 Current liabilities</b>		
a Short-term borrowings	1,482.55	681.00
b Trade payables		
Total outstanding dues to micro enterprises and small enterprises	7.23	1.44
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,436.88	991.49
c Other current liabilities	8,378.15	7,622.07
d Short-term provisions	418.87	366.34
<b>Subtotal current liabilities</b>	<b>11,723.68</b>	<b>9,662.34</b>
<b>Total equity and liabilities</b>	<b>47,850.39</b>	<b>41,415.23</b>
<b>B Assets</b>		
<b>1 Non-current assets</b>		
a Fixed assets	31,006.14	29,482.13
b Non-current investments	6,116.82	3,039.24
c Long-term loans and advances	4,864.65	3,295.16
d Other non-current assets	42.99	50.12
<b>Subtotal non-current assets</b>	<b>42,030.60</b>	<b>35,866.65</b>
<b>2 Current assets</b>		
a Current investments	0.01	0.01
b Inventories	3,599.71	3,507.85
c Trade receivables	503.14	500.52
d Cash and bank balances	149.39	195.84
e Short-term loans and advances	1,354.89	1,217.65
f Other current assets	212.65	126.71
<b>Subtotal current assets</b>	<b>5,819.79</b>	<b>5,548.58</b>
<b>Total assets</b>	<b>47,850.39</b>	<b>41,415.23</b>

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

*Raj Pal Gandhi*  
**Raj Pal Gandhi**  
 Whole Time Director

Place : Gurugram  
 Dated : 20 February 2017



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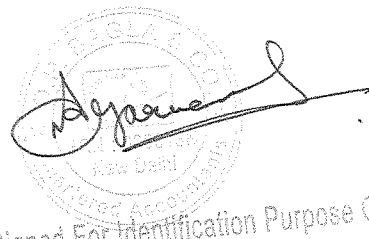
**Consolidated Statement of Assets and Liabilities as at 31 December 2016**

Particulars	₹ in million, except as stated otherwise	
	As at 31 December 2016	As at 31 December 2015
<b>A Equity and liabilities</b>		
<b>1 Shareholders' funds</b>		
a Share capital	1,823.13	5,837.66
b Reserves and surplus	17,115.54	905.11
<b>Subtotal shareholders' funds</b>	<b>18,938.67</b>	<b>6,742.77</b>
<b>2 Minority Interest</b>	0.58	-
<b>3 Non-current liabilities</b>		
a Long-term borrowings	9,632.74	15,795.19
b Deferred tax liabilities (net)	2,225.68	1,481.82
c Other long-term liabilities	3,455.39	6,362.84
d Long-term provisions	623.40	443.13
<b>Subtotal non-current liabilities</b>	<b>15,937.21</b>	<b>24,082.98</b>
<b>4 Current liabilities</b>		
a Short-term borrowings	4,055.71	2,524.12
b Trade payables		
Total outstanding dues to micro enterprises and small enterprises	7.23	1.44
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,738.69	1,844.11
c Other current liabilities	10,183.01	8,797.92
d Short-term provisions	430.08	372.06
<b>Subtotal current liabilities</b>	<b>17,414.72</b>	<b>13,539.65</b>
<b>Total equity and liabilities</b>	<b>52,291.18</b>	<b>44,365.40</b>
<b>B Assets</b>		
<b>1 Non-current assets</b>		
a Fixed assets	38,457.19	35,334.79
b Goodwill on consolidation	2,132.08	-
c Non-current investments	56.19	32.73
d Deferred tax assets (net)	67.84	52.97
e Long-term loans and advances	2,790.76	1,592.77
f Other non-current assets	42.99	50.12
<b>Subtotal non-current assets</b>	<b>43,547.05</b>	<b>37,063.38</b>
<b>2 Current assets</b>		
a Current investments	0.01	0.01
b Inventories	4,899.25	4,246.61
c Trade receivables	1,303.15	979.10
d Cash and bank balances	657.02	580.73
e Short-term loans and advances	1,786.17	1,401.41
f Other current assets	98.53	94.16
<b>Subtotal current assets</b>	<b>8,744.13</b>	<b>7,302.02</b>
<b>Total assets</b>	<b>52,291.18</b>	<b>44,365.40</b>

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

*Raj Pal Gandhi*  
**Raj Pal Gandhi**  
Whole Time Director

Place : Gurugram  
Dated : 20 February 2017



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**Auditors' Report on Annual Financial Results of Varun Beverages Limited 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 annual financial results of Varun Beverages Limited ("the Company") for the year ended 31 December 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These annual financial results have been prepared on the basis of the annual financial statements which are the responsibility of the Company's management. Our responsibility is to express an opinion on these annual financial results based on our audit of the annual financial statements as at and for the year ended 31 December 2016 which have been prepared in accordance with the generally accepted accounting principles in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
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 annual financial results:
  - (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
  - (ii) give a true and fair view of the net profit and other financial information for the year ended 31 December 2016.
4. The financial results for the three months periods ended 30 September 2016 and 31 December 2016 and for the corresponding three months period ended 31 December 2015 included in these standalone financial results are based on management's certified accounts and have not been subjected to any audit or review. Our opinion is not modified in respect of this matter.

*Walker Chandiook & Associates*

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

*Arun Tandon*

Per **Arun Tandon**  
Partner  
Membership No. 517273



**Place:** Gurugram  
**Date:** 20 February 2017

L-41 Connaught Place,  
New Delhi 110 001

For **O.P. Bagla & Co.**  
Chartered Accountants  
Firm Registration No: 000018N

*Neeraj Kumar Agarwal*

Per **Neeraj Kumar Agarwal**  
Partner  
Membership No. 094155



**Place:** Gurugram  
**Date:** 20 February 2017

8/12, Kalkaji Extension,  
New Delhi 110 019



**Auditors' Report on Annual Consolidated Financial Results of Varun Beverages Limited 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 annual consolidated financial results of Varun Beverages Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and its associates for the year ended 31 December 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These annual consolidated financial results have been prepared on the basis of the annual consolidated financial statements which are the responsibility of the Company's management. Our responsibility is to express an opinion on these annual consolidated financial results based on our audit of the annual consolidated financial statements as at and for the year ended 31 December 2016 which have been prepared in accordance with the generally accepted accounting principles in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
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 consolidated financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as consolidated 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 upon consideration of reports of other auditors, the annual consolidated financial results:
  - (i) include the annual financial results for the year ended 31 December 2016, of the following entities (list of entities included in consolidation)

**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 (w.e.f. 01 January 2016)
- f. Varun Beverages (Mozambique) Limitada (w.e.f. 01 January 2016)
- g. Varun Beverages (Zimbabwe) (Private) Limited (w.e.f. 05 April 2016)

**Associates**

- a. Angelica Technologies Private Limited
  - b. Lunarmech Technologies Private Limited
- (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
  - (iii) give a true and fair view of the consolidated net profit and other financial information for the year ended 31 December 2016.



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

4. We did not audit the financial statements of seven subsidiaries, included in the annual consolidated financial results, whose financial statements reflect total revenues (after eliminating intra-group transactions) of ₹ 9,445.64 million and net profit after tax (after eliminating intra-group transactions) of ₹ 312.05 million for the year ended 31 December 2016 and total assets (after eliminating intra-group transactions) of ₹ 13,881.68 million as at year ended 31 December 2016. The annual consolidated financial results also include the Group's share of net profit of ₹ 23.46 million for the year ended 31 December 2016 as considered in the annual consolidated financial results, in respect of two associates, whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose audit reports have been furnished to us, and our opinion in respect thereof is based solely on the audit reports of such other auditors. Our opinion is not qualified in respect of this matter.
5. The financial results for the three months periods ended 30 September 2016 and 31 December 2016 and for the corresponding three months period ended 31 December 2015 included in these consolidated financial results are based on management's certified accounts and have not been subjected to any audit or review. Our opinion is not modified in respect of this matter.

*Walker Chandniok & Associates*

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

*Arun Tandon*

Per **Arun Tandon**  
Partner  
Membership No. 517273



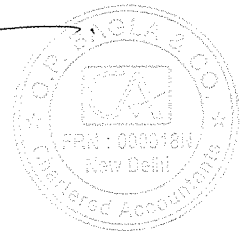
**Place:** Gurugram  
**Date:** 20 February 2017

L-41 Connaught Place,  
New Delhi 110 001

For **O.P. Bagla & Co.**  
Chartered Accountants  
Firm Registration No: 000018N

*Neeraj Kumar Agarwal*

Per **Neeraj Kumar Agarwal**  
Partner  
Membership No. 094155



**Place:** Gurugram  
**Date:** 20 February 2017

8/12, Kalkaji Extension,  
New Delhi 110 019