

CHAIRMAN'S MESSAGE

Good day ladies and gentlemen. A very warm welcome to everyone present today at the 23rd Annual General Meeting of your Company. We are happy to report that we have delivered strong results in the first completed year post our listing. Our size of operations, contiguous territories and diversified product portfolio enabled us to drive margin improvement and record strong profit growth despite headwinds from demonetisation and de-stocking by the trade ahead of the GST implementation.

We have demonstrated our keen intent by adding 5 contiguous sub-territories in India when an opportunity has presented. VBL is now a franchisee for PepsiCo products across 21 States and 2 Union Territories in India and accounts for ~51% of its beverage sales volumes in India. We have also setup a greenfield production facility in Zimbabwe, becoming the sole franchisee for PepsiCo in Zimbabwe.

We remain agile by keeping on top of new trends and changes in consumer preferences, working closely with PepsiCo India to adjust our product portfolio and processes accordingly. We have made several additions to our portfolio this year to enhance our product mix and strengthen our presence in fast growing categories.

We look upon good Corporate Governance practices as a key driver of sustainable corporate growth and long term stakeholder value creation. The Board of Directors of the Company have formalized a dividend policy during the year, and have recommended an interim dividend of Rs. 2.5/share in Q2 CY2017 which has been approved as final dividend for CY2017.

Overall, it has been a very busy and progressive year for us as we have remained focus on initiatives where we can drive the outcome and improved our operating parameters to create a more efficient and sustainable business.

On behalf of the Board, I thank all our stakeholders including shareholders, investors, bankers, creditors and employees for their continued support. I express my sincere gratitude to all the members of our Board for their continued insights and invaluable guidance as we explore new opportunities and move ahead with confidence.