NUFFOODS Spectrum
perspectives on food technologies & business
ASIA

Varun Beverages to Acquire DFIL Kenya's Dairy Beverages, Juice and Bottled Water Business

08 July 2026 | News

Acquisition strengthens VBL's manufacturing and distribution footprint in Kenya and supports expansion across East Africa

Acquisition strengthens VBL's manufacturing and distribution footprint in Kenya and supports expansion across East Africa

India-based Varun Beverages Limited (VBL) has announced that its wholly owned subsidiary, VBL Industries (Kenya) Limited, has agreed to acquire the value-added dairy beverages, juices and packaged drinking water business of Devyani Food Industries (Kenya) Limited (DFIL Kenya) for $32 million (approximately Rs 3.05 billion).

The acquisition, disclosed under SEBI's Listing Obligations and Disclosure Requirements (LODR), is expected to be completed on or before 1 August 2026.

According to the company, the transaction is aimed at strengthening VBL's presence in Kenya while expanding its footprint across the broader East African region. By acquiring DFIL Kenya's manufacturing assets and distribution capabilities, the company expects to enhance its production capacity and market reach in the fast-growing beverages segment.

The acquisition includes DFIL Kenya's value-added dairy beverages, juice and packaged drinking water business, along with all assets associated with the business as a going concern.

VBL said the strategic move will enable it to deepen market penetration by leveraging DFIL Kenya's established manufacturing infrastructure and distribution network, supporting long-term growth in the region.

The purchase consideration of $32 million will be paid by VBL Industries (Kenya) Limited to DFIL Kenya.

As disclosed by the company, DFIL Kenya is a promoter group company, while VBL Kenya is a wholly owned subsidiary of Varun Beverages. The transaction therefore qualifies as a related-party transaction and has been undertaken on an arm's-length basis.

The acquisition reflects Varun Beverages' continued strategy of expanding its manufacturing and distribution capabilities in high-growth international markets, particularly across Africa, where demand for packaged beverages continues to rise. The addition of dairy beverages, juices and packaged drinking water is expected to further diversify the company's regional portfolio while strengthening its operational presence in East Africa.