



UNITED BREWERIES LIMITED

May 20, 2019

1. Department of Corporate Services,  
BSE Limited,  
Floor 25, P J Towers,  
Dalal Street,  
Mumbai - 400 001
2. National Stock Exchange of India Limited,  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051

Dear Sirs,

**Sub: Audited Financial Results for the Financial Year ended March 31, 2019**

---

In terms of Regulation 30 and 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are furnishing herewith Audited Financial Results (Standalone & Consolidated) of the Company for the Quarter and Year ended March 31, 2019, along with Statement of Assets and Liabilities (Standalone & Consolidated) as at March 31, 2019 (Audited) and Auditor's Report.

The Auditors have issued their Report with unmodified (unqualified) opinion on the Financial Statements (Standalone and Consolidated) for the year ended March 31, 2019. For emphasis of matter please refer to Note No. 5 and 7 of the Notes accompanying the financial results.

The Board of Directors of the Company at its meeting held today has recommended payment of Dividend @ 250% i.e. Rs 2.50/- per equity share of Re.1/- for the Financial Year ended March 31, 2019 which shall be paid on or before September 21, 2019 post its declaration at the Annual General Meeting proposed to be held on Thursday, August 22, 2019.

The Board Meeting commenced at 3.30 p.m. and concluded at 11.50 p.m.

The Results will be published in an English Daily and also in a local Newspaper in Kannada, being the regional language where the Registered Office of the Company is situated.

A copy of the Press Release is enclosed.

Thanking you, we remain,

Yours faithfully,  
For UNITED BREWERIES LIMITED

**GOVIND IYENGAR**  
Senior Vice President – Legal &  
Company Secretary


**UNITED BREWERIES LIMITED**

Registered office: UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru - 560001  
 Phone: 080 - 39855000, 22272806/07 Fax: 080 - 22211964, 22229488  
 CIN: L36999KA1999PLC025195 Email: ublinvestor@ubmail.com Website: www.unitedbreweries.com

Rs. in Lakhs

**Statement of audited standalone Ind AS results for the quarter and year ended March 31, 2019**

Particulars	Quarter ended			Year ended	
	March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
	Audited*	Unaudited	Audited*	Audited	Audited
<b>1 INCOME</b>					
(a) Revenue from operations (gross of excise duty) (refer Note 4 and 9)	345,868	318,840	327,310	1,413,682	1,243,831
(b) Other income	1,062	210	475	3,170	1,298
<b>Total income from operations</b>	<b>346,930</b>	<b>319,050</b>	<b>327,785</b>	<b>1,416,852</b>	<b>1,245,129</b>
<b>2 EXPENSES</b>					
(a) Cost of materials consumed	78,629	60,423	69,514	292,714	251,657
(b) Purchase of stock-in-trade	4,764	3,272	1,758	16,477	11,343
(c) (Increase)/Decrease in inventories of finished goods, work-in-progress and stock-in-trade	(2,756)	4,030	(1,720)	(7,447)	2,286
(d) Excise duty on sale of goods	182,928	173,723	180,135	766,439	680,958
(e) Employee benefits expense (refer Note 10)	12,352	11,088	10,973	44,386	39,463
(f) Finance costs	1,178	620	1,140	3,120	4,765
(g) Depreciation and amortisation expense	6,390	6,654	6,475	25,978	25,960
(h) Other expenses (refer Note 10)	52,828	41,516	45,828	187,337	168,014
<b>Total expenses</b>	<b>336,313</b>	<b>301,326</b>	<b>314,103</b>	<b>1,329,004</b>	<b>1,184,446</b>
<b>3 Profit before tax</b>	<b>10,617</b>	<b>17,724</b>	<b>13,682</b>	<b>87,848</b>	<b>60,683</b>
<b>4 Tax expenses</b>					
(a) Current tax	3,264	7,223	4,915	32,234	24,078
(b) Deferred tax charge/(credit)	561	(416)	(321)	(664)	(2,794)
<b>Total tax expenses</b>	<b>3,825</b>	<b>6,807</b>	<b>4,594</b>	<b>31,570</b>	<b>21,284</b>
<b>5 Profit for the period/year</b>	<b>6,792</b>	<b>10,917</b>	<b>9,088</b>	<b>56,278</b>	<b>39,399</b>
<b>6 Other comprehensive income (OCI)</b>					
(a) Items that will not be reclassified to profit or loss in subsequent periods					
Re-measurement losses on defined benefit plans	(48)	(410)	(294)	(293)	(469)
Income tax effect on above	16	144	103	102	164
(b) Items that will be reclassified to profit or loss in subsequent periods					
Net movement in cash flow hedges	229	7	5	261	236
Income tax effect on above	(74)	(2)	(2)	(85)	(82)
<b>Total other comprehensive income, net of taxes</b>	<b>123</b>	<b>(261)</b>	<b>(188)</b>	<b>(15)</b>	<b>(151)</b>
<b>7 Total comprehensive income</b>	<b>6,915</b>	<b>10,656</b>	<b>8,900</b>	<b>56,263</b>	<b>39,248</b>
<b>8 Paid up equity share capital (Face value of Re.1 each)</b>	2,644	2,644	2,644	2,644	2,644
<b>9 Other equity</b>				315,545	266,201
<b>10 Earnings per equity share in Rs. (nominal value per share Re.1)**</b>					
(a) Basic	2.57	4.13	3.44	21.29	14.90
(b) Diluted	2.57	4.13	3.44	21.29	14.90

\*\*Not annualised for quarters

**Segment information (also refer Note 3)**

Rs. in Lakhs

Particulars	Quarter ended			Year ended	
	March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
	Audited*	Unaudited	Audited*	Audited	Audited
<b>1 Segment revenue</b>					
Beer	345,366	318,534	327,310	1,412,874	1,243,831
Non-alcoholic beverages	502	306	-	808	-
<b>Total revenue</b>	<b>345,868</b>	<b>318,840</b>	<b>327,310</b>	<b>1,413,682</b>	<b>1,243,831</b>
<b>2 Segment results</b>					
Beer	19,795	27,819	14,347	106,545	64,150
Non-alcoholic beverages	(827)	(1,471)	-	(2,298)	-
<b>Total segment results</b>	<b>18,968</b>	<b>26,348</b>	<b>14,347</b>	<b>104,247</b>	<b>64,150</b>
Other income	1,062	210	475	3,170	1,298
Finance costs	(1,178)	(620)	(1,140)	(3,120)	(4,765)
Other unallocable expenses	(8,235)	(8,214)	-	(16,449)	-
<b>Profit before tax</b>	<b>10,617</b>	<b>17,724</b>	<b>13,682</b>	<b>87,848</b>	<b>60,683</b>

\*Refer Note 13

See accompanying notes to the standalone Ind AS financial results



## UNITED BREWERIES LIMITED

Registered office: UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru - 560001

Phone: 080 - 39855000, 22272806/07 Fax: 080 - 22211964, 22229488

CIN: L36999KA1999PLC025195 Email: ublinvestor@ubmail.com Website: www.unitedbreweries.com

Rs. in Lakhs

### Statement of Standalone Assets and Liabilities

	As at March 31, 2019	As at March 31, 2018
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	172,525	167,979
(b) Capital work-in-progress	18,992	7,227
(c) Intangible assets	2,694	2,526
(d) Financial assets		
(i) Investments	2,568	2,557
(ii) Others	5,828	5,277
(e) Income tax assets (net)	17,493	10,828
(f) Other non-current assets	17,786	11,899
	<b>237,886</b>	<b>208,293</b>
<b>Current assets</b>		
(a) Inventories	103,080	80,644
(b) Financial assets		
(i) Trade receivables	151,002	149,835
(ii) Cash and cash equivalents	3,988	1,520
(iii) Bank balances other than (ii) above	524	496
(iv) Others	71	1,040
(c) Other current assets	41,309	30,077
	<b>299,974</b>	<b>263,612</b>
<b>Total assets</b>	<b>537,860</b>	<b>471,905</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	2,644	2,644
(b) Other equity	315,545	266,201
	<b>318,189</b>	<b>268,845</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	7,543	20,500
(ii) Others	955	907
(b) Provisions	163	93
(c) Deferred tax liability (net)	1,147	1,828
	<b>9,808</b>	<b>23,328</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	600	5,278
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	4,426	481
- Total outstanding dues of creditors other than micro and small enterprises	54,568	51,791
(iii) Others	70,025	54,821
(b) Other current liabilities	72,151	59,298
(c) Provisions	8,093	8,063
	<b>209,863</b>	<b>179,732</b>
<b>Total equity and liabilities</b>	<b>537,860</b>	<b>471,905</b>

## NOTES

1. The standalone Ind AS financial results for the quarter and year ended March 31, 2019 of United Breweries Limited (“the Company”) have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 20, 2019, and have been audited by the statutory auditors of the Company.
2. The standalone Ind AS financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
3. As per Ind AS 108, operating segment is a component of the Company that engages in business activities, whose operating results are regularly reviewed by the Company’s Chief Operating Decision Maker (‘CODM’) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Company has identified its operating segments, as below:
  - a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands
  - b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

Considering the seasonality of the business, the revenue and profits do not accrue evenly over the year in respect of aforesaid operating segments. The Company’s CODM does not review assets and liabilities for each operating segment separately, hence segment disclosures relating to total assets and liabilities have not been furnished.

4. Ind AS 115 “Revenue from Contracts with Customers”, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The application of Ind AS 115 has impacted the Company’s accounting for revenue from sale of products with consequential impact on expenses and taxes. The Company has applied the modified retrospective approach and debited retained earnings as at April 1, 2018 by Rs. 549 Lakhs, net of tax effect. The impact on financial results arising from the application of Ind AS 115 vis-à-vis the amounts if replaced standard was applicable is increase / (decrease) as below:

(Rs. in Lakhs)

	Quarter ended		Year ended
	March 31, 2019	December 31, 2018	March 31, 2019
Revenue	(2,225)	2,195	(1,148)
Expense	(1,927)	1,915	(984)
Tax expense	(104)	98	(57)
Profit after tax	(194)	182	(107)
Basic / diluted earnings per share	(0.07)	0.07	(0.04)

5. On October 10, 2018, certain officials from the Competition Commission of India (“CCI”) had visited the Company for their investigation in relation to allegations of price-fixation and performed search of the premises and conducted inquiries with certain officials of the Company at its registered office. Pursuant to this, the Company has made requisite filings and also certain officials of the Company have appeared before the aforesaid authorities. The Company has not received any demand order in respect of this matter and the investigation is ongoing, hence it is not practicable to state an estimate of its financial effect, if any. Management, along-with its legal advisors, are in the continuous process of evaluating this matter and believe that there are mitigating circumstances to counter presumptions made against the Company by the CCI as contained in the Competition Act, 2002.

6. The Supreme Court of India in a judgment on Provident Fund dated February 28, 2019 addressed the principle for determining salary components that form part of Basic Salary for individuals below a prescribed salary threshold. The Company determined that they had not previously included such components in Basic Salary for such individuals. It is however unclear as to whether the clarified definition of Basic Salary would be applicable prospectively or retrospectively. The Company has made a provision on a prospective basis from the date of the Supreme Court order and is in the process of obtaining clarity on the judgment as well as determining the impact of any retrospective adjustment, if applicable.
7. The Bihar State Government (“the Government”) vide its notification dated April 5, 2016 had imposed ban on trade and consumption of foreign liquor in the State of Bihar. The Company had filed a writ petition with the High Court at Patna, requesting remedies and compensation for losses incurred on account of such abrupt notification, against which the Government preferred a special leave petition before the Supreme Court of India. Further, the Government did not renew brewery licenses for the financial year 2017-18 onwards and consequently the Company discontinued production of beer at Bihar and all its inventories lying with Bihar State Beverages Corporation Limited (BSBCL) were drained / destroyed. The matter is currently pending before the Supreme Court for final conclusion.

The financial impact on current assets arising from aforesaid matter was fully provided for. Also, during the year, the Company has commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment at Bihar with carrying value of Rs.19,633 Lakhs as at March 31, 2019. Management believes that the carrying amount of these property, plant and equipment do not exceed their recoverable amount and accordingly no provision has been considered necessary by the management in this regard.

8. During the year, the Company had received e-mails / letter whereby allegations were raised against an employee of the Company relating to his involvement in certain irregularities in the procurement of packing materials from certain select vendors. Based on an initial inquiry on this matter, the service of the said employee was terminated. The Company is conducting a detailed investigation on this matter which is currently in progress. Management is of the view that although the actual financial impact, if any, which may arise from this matter can be ascertained only after completion of the investigation, the amount involved is not expected to be material, considering the profitability of the Company.
9. Revenue from operations for the quarters ended March 31, 2019, December 31, 2018 and March 31, 2018 is adjusted for reversals in variable considerations of Rs. 1,806 Lakhs, Rs. 592 Lakhs and Rs. 985 Lakhs, respectively, and that for the years ended March 31, 2019 and March 31, 2018 is adjusted for such reversals of Rs. 2,091 Lakhs and Rs. 839 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).
10. Employee benefits expense for the year ended March 31, 2018 is net of reversal of Rs. 632 Lakhs.

Other expenses for the quarters ended March 31, 2019, December 31, 2018 and March 31, 2018 is net of reversals relating to sales promotion and selling & distribution expenses aggregating to Rs. 912 Lakhs, Rs. 1,004 Lakhs and Rs. 600 Lakhs, respectively, and that for the years ended March 31, 2019 and March 31, 2018 is net of such reversals of Rs. 609 Lakhs and Rs. 993 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

11. The Company had received an order dated September 30, 2015 from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Company has been directed not to pay/release amounts that may be payable with respect to shares in the Company held by an erstwhile director (including his joint holdings) and United Breweries (Holdings) Limited, without its prior permission. Accordingly, the Company has withheld payment of Rs. 918 Lakhs (net of payment of Rs. 784 Lakhs to the official liquidator of United Breweries (Holdings) Limited) relating to dividend on aforesaid shares. The Company would also withhold payment of proposed dividend for year ended March 31, 2019 on aforesaid shares, which is subject to approval by the shareholders at the ensuing annual general meeting.

Further, the Company had received various orders from tax and provident fund authorities prohibiting the Company from making any payment to an erstwhile director of the Company. The Company has accordingly withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.

12. The Board of Directors of the Company has proposed dividend of Rs. 2.50 per equity share of Re. 1 each amounting to Rs.7,969 Lakhs (inclusive of dividend distribution tax) for the year ended March 31, 2019. The proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and accordingly have not been recognised as a liability (including dividend distribution tax thereon) as at year end.

13. The figures of the last quarter ended March 31, 2019 / 2018 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2019 / 2018 and the unaudited published year-to-date figures up to December 31, 2018 / 2017 being the date of the end of the third quarter of the financial year which were subjected to limited review.

14. The standalone Ind AS financial results and notes are also available on the websites of the Stock Exchanges viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also on the website of the Company viz. [www.unitedbreweries.com](http://www.unitedbreweries.com).

By the authority of the Board



Shekhar Ramamurthy  
Managing Director

Place : Bengaluru  
Date : May 20, 2019



## UNITED BREWERIES LIMITED

Registered office: UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru - 560001

Phone: 080 - 39855000, 22272806/07 Fax: 080 - 2221964, 22229488

CIN: L36999KA1999PLC025195 Email: ublinvestor@ubmail.com Website: www.unitedbreweries.com

Rs. in Lakhs

### Statement of audited consolidated Ind AS results for the year ended March 31, 2019

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Audited	Audited
<b>1 INCOME</b>		
(a) Revenue from operations (gross of excise duty) (refer Note 4 and 9)	1,413,982	1,243,062
(b) Other income	3,201	1,313
<b>Total income from operations</b>	<b>1,417,183</b>	<b>1,244,375</b>
<b>2 EXPENSES</b>		
(a) Cost of materials consumed	291,731	249,589
(b) Purchase of stock-in-trade	16,477	11,343
(c) (Increase)/Decrease in inventories of finished goods, work-in-progress and stock-in-trade	(7,442)	2,214
(d) Excise duty on sale of goods	766,439	681,160
(e) Employee benefits expense (refer Note 10)	44,843	39,922
(f) Finance costs	3,120	4,765
(g) Depreciation and amortisation expense	25,986	25,965
(h) Other expenses (refer Note 10)	188,098	168,635
<b>Total expenses</b>	<b>1,329,252</b>	<b>1,183,593</b>
<b>3 Profit before tax</b>	<b>87,931</b>	<b>60,782</b>
<b>4 Tax expenses</b>		
(a) Current tax	32,261	24,110
(b) Deferred tax credit	(661)	(2,791)
<b>Total tax expenses</b>	<b>31,600</b>	<b>21,319</b>
<b>5 Profit for the year</b>	<b>56,331</b>	<b>39,463</b>
<b>6 Other comprehensive income (OCI)</b>		
(a) Items that will not be reclassified to profit or loss in subsequent periods		
Re-measurement losses on defined benefit plans	(293)	(469)
Income tax effect on above	102	164
(b) Items that will be reclassified to profit or loss in subsequent periods		
Net movement in cash flow hedges	261	236
Income tax effect on above	(85)	(82)
<b>Total other comprehensive income, net of taxes</b>	<b>(15)</b>	<b>(151)</b>
<b>7 Total comprehensive income for the year</b>	<b>56,316</b>	<b>39,312</b>
<b>8 Profit for the year attributable to:</b>		
Equity shareholders of the Holding Company	56,294	39,420
Non-controlling interest	37	43
	<b>56,331</b>	<b>39,463</b>
<b>9 Total comprehensive income for the year attributable to:</b>		
Equity shareholders of the Holding Company	56,279	39,269
Non-controlling interest	37	43
	<b>56,316</b>	<b>39,312</b>
<b>10 Paid up equity share capital (Face value of Re.1 each)</b>	2,644	2,644
<b>11 Other equity</b>	315,733	266,382
<b>12 Earnings per equity share in Rs. (nominal value per share Re.1)</b>		
(a) Basic	<b>21.30</b>	<b>14.93</b>
(b) Diluted	<b>21.30</b>	<b>14.93</b>

**UNITED BREWERIES LIMITED**

Registered office: UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru - 560001

Phone: 080 - 39855000, 22272806/07 Fax: 080 - 22211964, 22229488

CIN: L36999KA1999PLC025195 Email: ublinvestor@ubmail.com Website: www.unitedbreweries.com

**Segment information (also refer Note 3)**

Rs. in Lakhs

Particulars	Year ended	
	March 31, 2019	March 31, 2018
	Audited	Audited
<b>1 Segment revenue</b>		
Beer	1,413,174	1,243,062
Non-alcoholic beverages	808	-
<b>Total revenue</b>	<b>1,413,982</b>	<b>1,243,062</b>
<b>2 Segment results</b>		
Beer	106,597	64,234
Non-alcoholic beverages	(2,298)	-
<b>Total segment results</b>	<b>104,299</b>	<b>64,234</b>
Other income	3,201	1,313
Finance costs	(3,120)	(4,765)
Other unallocable expenses	(16,449)	-
<b>Profit before tax</b>	<b>87,931</b>	<b>60,782</b>

See accompanying notes to the consolidated Ind AS financial results





## UNITED BREWERIES LIMITED

Registered office: UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru - 560001

Phone: 080 - 39855000, 22272806/07 Fax: 080 - 22211964, 22229488

CIN: L36999KA1999PLC025195 Email: ublinvestor@ubmail.com Website: www.unitedbreweries.com

Rs. in Lakhs

### Statement of Consolidated Assets and Liabilities

	As at March 31, 2019	As at March 31, 2018
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	172,599	168,034
(b) Capital work-in-progress	18,992	7,227
(c) Intangible assets	2,694	2,526
(d) Goodwill on consolidation	2,421	2,421
(e) Financial assets		
(i) Investments	27	16
(ii) Others	6,231	5,307
(f) Income tax assets (net)	17,516	10,795
(g) Other non-current assets	17,824	11,964
	<b>238,304</b>	<b>208,290</b>
<b>Current assets</b>		
(a) Inventories	103,246	80,800
(b) Financial assets		
(i) Trade receivables	151,099	149,857
(ii) Cash and cash equivalents	4,010	1,535
(iii) Bank balances other than (ii) above	607	889
(iv) Others	71	1,040
(c) Other current assets	41,104	29,931
	<b>300,137</b>	<b>264,052</b>
<b>Total assets</b>	<b>538,441</b>	<b>472,342</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	2,644	2,644
(b) Other equity	315,733	266,382
	<b>318,377</b>	<b>269,026</b>
<b>Non-controlling interest</b>	<b>304</b>	<b>294</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	7,543	20,500
(ii) Others	955	907
(b) Provisions	163	93
(c) Deferred tax liability (net)	1,144	1,822
	<b>9,805</b>	<b>23,322</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	600	5,278
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	4,426	481
- Total outstanding dues of creditors other than micro and small enterprises	54,596	51,691
(iii) Others	70,079	54,879
(b) Other current liabilities	72,157	59,304
(c) Provisions	8,097	8,067
	<b>209,955</b>	<b>179,700</b>
<b>Total equity and liabilities</b>	<b>538,441</b>	<b>472,342</b>

## NOTES

1. The consolidated Ind AS financial results for the year ended March 31, 2019 of United Breweries Limited (“the Company”), its subsidiary (together referred to as “the Group”) and its associate have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 20, 2019 and have been audited by the statutory auditors of the Company.
2. The consolidated Ind AS financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
3. As per Ind AS 108, operating segment is a component of the Group that engages in business activities, whose operating results are regularly reviewed by the Group’s Chief Operating Decision Maker (‘CODM’) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Group has identified its operating segments, as below:
  - a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands
  - b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

Considering the seasonality of the business, the revenue and profits do not accrue evenly over the year in respect of aforesaid operating segments. The Group’s CODM does not review assets and liabilities for each operating segment separately, hence segment disclosures relating to total assets and liabilities have not been furnished.

4. Ind AS 115 “Revenue from Contracts with Customers”, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The application of Ind AS 115 has impacted the Group’s accounting for revenue from sale of products with consequential impact on expenses and taxes. The Group has applied the modified retrospective approach and debited retained earnings as at April 1, 2018 by Rs. 549 Lakhs, net of tax effect. The impact on consolidated financial results arising from the application of Ind AS 115 vis-à-vis the amounts if replaced standard was applicable is increase / (decrease) as below:

(Rs. in Lakhs)

	<b>Year ended March 31, 2019</b>
Revenue	(1,148)
Expense	(984)
Tax expense	(57)
Profit after tax	(107)
Basic / diluted earnings per share	(0.04)

5. On October 10, 2018, certain officials from the Competition Commission of India (“CCI”) had visited the Company for their investigation in relation to allegations of price-fixation and performed search of the premises and conducted inquiries with certain officials of the Company at its registered office. Pursuant to this, the Company has made requisite filings and also certain officials of the Company have appeared before the aforesaid authorities. The Company has not received any demand order in respect of this matter and the investigation is ongoing, hence it is not practicable to state an estimate of its financial effect, if any. Management, along-with its legal advisors, are in the continuous process of evaluating this matter and believe that there are mitigating circumstances to counter presumptions made against the Company by the CCI as contained in the Competition Act, 2002.

6. The Supreme Court of India in a judgment on Provident Fund dated February 28, 2019 addressed the principle for determining salary components that form part of Basic Salary for individuals below a prescribed salary threshold. The Group determined that they had not previously included such components in Basic Salary for such individuals. It is however unclear as to whether the clarified definition of Basic Salary would be applicable prospectively or retrospectively. The Group has made a provision on a prospective basis from the date of the Supreme Court order and is in the process of obtaining clarity on the judgment as well as determining the impact of any retrospective adjustment, if applicable.
7. The Bihar State Government (“the Government”) vide its notification dated April 5, 2016 had imposed ban on trade and consumption of foreign liquor in the State of Bihar. The Company had filed a writ petition with the High Court at Patna, requesting remedies and compensation for losses incurred on account of such abrupt notification, against which the Government preferred a special leave petition before the Supreme Court of India. Further, the Government did not renew brewery licenses for the financial year 2017-18 onwards and consequently the Company discontinued production of beer at Bihar and all its inventories lying with Bihar State Beverages Corporation Limited (BSBCL) were drained / destroyed. The matter is currently pending before the Supreme Court for final conclusion.

The financial impact on current assets arising from aforesaid matter was fully provided for. Also, during the year, the Company has commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment at Bihar with carrying value of Rs.19,633 Lakhs as at March 31, 2019. Management believes that the carrying amount of these property, plant and equipment do not exceed their recoverable amount and accordingly no provision has been considered necessary by the management in this regard.

8. During the year, the Company had received e-mails / letter whereby allegations were raised against an employee of the Company relating to his involvement in certain irregularities in the procurement of packing materials from certain select vendors. Based on an initial inquiry on this matter, the service of the said employee was terminated. The Company is conducting a detailed investigation on this matter which is currently in progress. Management is of the view that although the actual financial impact, if any, which may arise from this matter can be ascertained only after completion of the investigation, the amount involved is not expected to be material, considering the profitability of the Company.
9. Revenue from operations for the years ended March 31, 2019 and March 31, 2018 is adjusted for reversals in variable considerations of Rs. 2,091 Lakhs and Rs. 839 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).
10. Employee benefits expense for the year ended March 31, 2018 is net of reversal of Rs. 632 Lakhs.

Other expenses for the years ended March 31, 2019 and March 31, 2018 is net of reversals relating to sales promotion and selling & distribution expenses aggregating to Rs. 609 Lakhs and Rs. 993 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

11. The Company had received an order dated September 30, 2015 from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Company has been directed not to pay/release amounts that may be payable with respect to shares in the Company held by an erstwhile director (including his joint holdings) and United Breweries (Holdings) Limited, without its prior permission. Accordingly, the Company has withheld payment of Rs. 918 Lakhs (net of payment of Rs. 784 Lakhs to the official liquidator of United Breweries (Holdings) Limited) relating to dividend on aforesaid shares. The Company would also withhold payment of proposed dividend for year ended March 31, 2019 on aforesaid shares, which is subject to approval by the shareholders at the ensuing annual general meeting.

Further, the Company had received various orders from tax and provident fund authorities prohibiting the Company from making any payment to an erstwhile director of the Company. The Company has accordingly withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.

12. The Board of Directors of the Company has proposed dividend of Rs. 2.50 per equity share of Re. 1 each amounting to Rs.7,969 Lakhs (inclusive of dividend distribution tax) for the year ended March 31, 2019. The proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and accordingly have not been recognised as a liability (including dividend distribution tax thereon) as at year end.
13. The consolidated Ind AS financial results and notes are also available on the websites of the Stock Exchanges viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also on the website of the Company viz. [www.unitedbreweries.com](http://www.unitedbreweries.com).

Place : Bengaluru  
Date : May 20, 2019

By the authority of the Board



Shekhar Ramamurthy  
Managing Director

**Auditor's Report on Quarterly Standalone Ind AS Financial Results and Year to Date Standalone Ind AS Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
Board of Directors of  
United Breweries Limited

1. We have audited the accompanying statement of quarterly standalone Ind AS financial results of United Breweries Limited ("the Company") for the quarter ended March 31, 2019 and for the year ended March 31, 2019 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulation"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the Circular"). The standalone Ind AS financial results for the quarter ended March 31, 2019 and year ended March 31, 2019 have been prepared on the basis of the standalone Ind AS financial results for the nine-month period ended December 31, 2018, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the Regulation read with the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone Ind AS financial results based on our review of the standalone Ind AS financial results for the nine-month period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2019; and the relevant requirements of the Regulation and the Circular.
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, these quarterly standalone Ind AS financial results as well as the year to date results:
  - i. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
  - ii. give a true and fair view of the net profit including other comprehensive income and other financial information for the quarter ended March 31, 2019 and for the year ended March 31, 2019.



4. We draw attention to below mentioned notes to the accompanying standalone Ind AS financial results:
- Note 5 which more fully describes the uncertainty relating to the future outcome of ongoing investigation by the Competition Commission of India (“CCI”); and
  - Note 7 which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof.

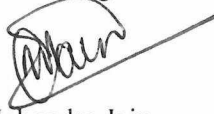
Our opinion is not qualified in respect of aforesaid matters.

5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under the Regulation and the Circular.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Mahendra Jain  
Partner

Membership Number: 205839



Place: Bengaluru

Date: May 20, 2019

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

To  
Board of Directors of  
United Breweries Limited

1. We have audited the accompanying statement of consolidated Ind AS financial results of United Breweries Limited ("the Company") comprising its subsidiary (together, "the Group") and its associate for the year ended March 31, 2019 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulation"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the Circular"). The consolidated Ind AS financial results for the year ended March 31, 2019 have been prepared on the basis of the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the Regulation read with the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated Ind AS financial results based on our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2019 which was prepared in accordance with the applicable accounting standards and other accounting principles generally accepted in India and the relevant requirements of the Regulation and the Circular.
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 report of other auditors on separate financial statements and the other financial information of subsidiary, these consolidated Ind AS financial results for the year:
  - i. includes the year-to-date results of the Company and its subsidiary i.e. Maltex Malsters Limited;
  - ii. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
  - iii. give a true and fair view of the consolidated net profit including consolidated other comprehensive income and consolidated other financial information for the year ended March 31, 2019.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

4. We draw attention to below mentioned notes to the accompanying consolidated Ind AS financial results:
  - a) Note 5 which more fully describes the uncertainty relating to the future outcome of ongoing investigation by the Competition Commission of India (“CCI”); and
  - b) Note 7 which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof.

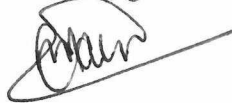
Our opinion is not qualified in respect of aforesaid matters.

5. We did not audit the financial statements and other financial information, in respect of a subsidiary, whose Ind AS financial statements include total assets Rs. 947 Lakhs (March 31, 2018 – Rs. 1,095 Lakhs) as at March 31, 2019 and total revenues of Rs. 1,283 Lakhs (March 31, 2018 – Rs. 1,300 Lakhs) for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor’s reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiary is based solely on the report of other auditors. Our opinion is not modified in respect of this matter.
6. The accompanying consolidated Ind AS financial results does not include the Company’s share of net profit for the year ended March 31, 2019 in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Mahendra Jain

Partner

Membership Number: 205839



Place: Bengaluru

Date: May 20, 2019





**PERFORMANCE HIGHLIGHTS FOR THE YEAR ENDED MARCH 2019**

- **VOLUMES UP BY 13%, NET SALES UP BY 15%**
- **PROFIT BEFORE TAX UP BY 45%, EBIDTA BY 28%,**
- **EARNINGS PER SHARE UP 43%**

UBL posted an all- round performance with double digit volume growth, higher realizations and increased gross contribution of 60bps along with better managed fixed costs, to deliver significant increase in profits.

All key markets, except for West Bengal, witnessed growth. In West Bengal, there was a large drop in consumption on account of a steep duty hike in January 2018.

Regional performances for the year ended March 2019:

- In the North, UBL saw significant volume growth in Rajasthan and Haryana. Delhi volumes were flat and there was a decline in volumes in U.P primarily because of capacity constraints.
- In the South, UBL registered double digit volume growth in all the markets with the exception of Karnataka, where growth was restricted to high single digits.
- Growth in the East was driven by Odisha and Jharkhand.
- In the West, all the key markets grew in single digits while Rest of Maharashtra grew in double digits on account of the base effect.

In the fourth quarter, volume grew in all markets except West Bengal, Uttar Pradesh and Maharashtra.

UBL's growth continues to lead the industry, strengthening its market position.

Good performance generated healthy operating cash flows, which along with better working capital management helped internal funding of Rs 430 crores investments in the business. Lower gross debt helped to reduce interest costs by 34%.

*Bangalore, May 20, 2019*