August 14, 2020

Dear Sirs,

Sub: Outcome of Board Meeting - Unaudited Financial Results for the Quarter ended June 30, 2020

In terms of Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are furnishing herewith Unaudited Financial Results of the Company for the quarter ended June 30, 2020.

Time of commencement of Board Meeting: 14.00 Hours

Time of conclusion of Board Meeting: 20.00 Hours

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

Encl: As above
### UNITED BREWERIES LIMITED

Registered office: UB Tower, UB City, 24, Vital Malleya Road, Bengaluru - 560001
Phone: 080 - 45655000 Fax: 080 - 22211956, 22228948
CIN: L36959KA1989PLC025155 Email: ubinvestor@ubemail.com Website: www.unitedbreweries.com

Rs. in Lakhs

#### Statement of unaudited standalone financial results for the quarter ended June 30, 2020

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quater ended</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2020</td>
<td>March 31, 2020</td>
</tr>
<tr>
<td></td>
<td>Unaudited</td>
<td>Audited*</td>
</tr>
<tr>
<td><strong>1 INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Revenue from operations (gross of excise duty)</td>
<td>126,225</td>
<td>309,897</td>
</tr>
<tr>
<td></td>
<td>(refer Note 7)</td>
<td></td>
</tr>
<tr>
<td>(b) Other income</td>
<td>141</td>
<td>61</td>
</tr>
<tr>
<td>Total income from operations</td>
<td>126,366</td>
<td>309,958</td>
</tr>
<tr>
<td><strong>2 EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Cost of materials consumed</td>
<td>21,338</td>
<td>65,835</td>
</tr>
<tr>
<td></td>
<td>(refer Note 7)</td>
<td></td>
</tr>
<tr>
<td>(b) Purchase of stock-in-trade</td>
<td>717</td>
<td>5,502</td>
</tr>
<tr>
<td></td>
<td>(refer Note 7)</td>
<td></td>
</tr>
<tr>
<td>(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade</td>
<td>4,984</td>
<td>(1,041)</td>
</tr>
<tr>
<td>(d) Excise duty on sale of goods</td>
<td>75,537</td>
<td>167,480</td>
</tr>
<tr>
<td>(e) Employee benefits expense</td>
<td>11,510</td>
<td>12,787</td>
</tr>
<tr>
<td></td>
<td>(refer Note 7)</td>
<td></td>
</tr>
<tr>
<td>(f) Finance costs</td>
<td>715</td>
<td>476</td>
</tr>
<tr>
<td>(g) Depreciation and amortisation expense</td>
<td>5,052</td>
<td>7,937</td>
</tr>
<tr>
<td></td>
<td>(refer Note 7)</td>
<td></td>
</tr>
<tr>
<td>(h) Other expenses (refer Note 7)</td>
<td>21,202</td>
<td>46,469</td>
</tr>
<tr>
<td>Total expenses</td>
<td>143,558</td>
<td>304,485</td>
</tr>
<tr>
<td><strong>3 (Loss)/profit before tax</strong></td>
<td>(15,192)</td>
<td>5,473</td>
</tr>
<tr>
<td><strong>4 Tax expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Current tax</td>
<td>-</td>
<td>2,563</td>
</tr>
<tr>
<td></td>
<td>(refer Note 7)</td>
<td></td>
</tr>
<tr>
<td>(b) Deferred tax (credit)</td>
<td>(3,763)</td>
<td>(1,209)</td>
</tr>
<tr>
<td><strong>Total tax (credit)/expense</strong></td>
<td>(3,763)</td>
<td>1,354</td>
</tr>
<tr>
<td><strong>5 (Loss)/profit for the period/year</strong></td>
<td>(11,420)</td>
<td>4,119</td>
</tr>
<tr>
<td><strong>6 Other comprehensive income (OCI)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified to profit or loss in subsequent periods</td>
<td>19</td>
<td>(1,428)</td>
</tr>
<tr>
<td>Re-measurement gains/(losses) on defined benefit plans</td>
<td>(5)</td>
<td>359</td>
</tr>
<tr>
<td><strong>Total other comprehensive income/(loss), net of taxes</strong></td>
<td>14</td>
<td>(1,069)</td>
</tr>
<tr>
<td><strong>7 Total comprehensive (loss)/income for the period/year</strong></td>
<td>(11,415)</td>
<td>3,050</td>
</tr>
<tr>
<td><strong>8 Paid up equity share capital (Face value of Re. 1 each)</strong></td>
<td>2,644</td>
<td>2,644</td>
</tr>
<tr>
<td><strong>9 Other equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>349,153</td>
<td></td>
</tr>
<tr>
<td><strong>10 Earnings/(Loss) per equity share in Rs. (nominal value per share Re. 1)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Basic</td>
<td>(4.32)</td>
<td>1.56</td>
</tr>
<tr>
<td>(b) Diluted</td>
<td>(4.32)</td>
<td>1.56</td>
</tr>
</tbody>
</table>

**Not annualised for interim periods**

#### Segment information (also refer Note 4)

<table>
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<tr>
<th>Particulars</th>
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</tr>
<tr>
<td></td>
<td>Unaudited</td>
<td>Audited*</td>
</tr>
<tr>
<td><strong>1 Segment revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beer</td>
<td>125,510</td>
<td>309,431</td>
</tr>
<tr>
<td>Non-alcoholic beverages</td>
<td>715</td>
<td>466</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>126,225</td>
<td>309,897</td>
</tr>
<tr>
<td><strong>2 Segment results</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beer</td>
<td>(7,303)</td>
<td>(3,310)</td>
</tr>
<tr>
<td>Non-alcoholic beverages</td>
<td>(501)</td>
<td>(892)</td>
</tr>
<tr>
<td><strong>Total segment results</strong></td>
<td>(7,804)</td>
<td>(3,318)</td>
</tr>
<tr>
<td>Other income</td>
<td>141</td>
<td>61</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(715)</td>
<td>(476)</td>
</tr>
<tr>
<td>Other unallocable expenses</td>
<td>(6,814)</td>
<td>(7,430)</td>
</tr>
<tr>
<td><strong>(Loss)/profit before tax</strong></td>
<td>(15,192)</td>
<td>5,473</td>
</tr>
</tbody>
</table>

*Refer Note 9

See accompanying notes to the standalone financial results
NOTES

1. In March 2020, the World Health Organisation declared Coronavirus (COVID-19) to be a pandemic and consequently on March 24, 2020, the Government of India ordered a nationwide lockdown, which got extended in phases. The outbreak of COVID-19 pandemic in India has caused significant disturbance and slowdown of economic activities. The Company’s business operations have been significantly impacted by way of interruption of production, supply chain, etc.

   The Company has taken various precautionary measures to protect its employees from COVID-19. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial results in determining the recoverability and carrying values of property, plant and equipment, intangible assets, investments, trade and other receivables, inventories and other financial statement captions. The impact of COVID-19 pandemic on the overall economic environment being uncertain, may affect the underlying assumptions and estimates used in preparation of these financial results, whereby actual outcome may differ from those assumptions and estimates considered at the date of approval of these financial results. The Company will continue to closely monitor the situation and any material changes to future economic conditions. From May 2020, the Company has resumed its business activities in a phased manner in line with directives issued by the central and state governments.

2. The standalone financial results for the quarter ended June 30, 2020 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 August 14, 2020 and have been subjected to limited review by the statutory auditors of the Company.

3. The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, read with the 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.

4. 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.
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 made requisite filings and also certain officials of the Company appeared before the aforesaid authorities. The Director General, CCI has submitted the investigation report to the CCI for consideration which was also communicated to the Company on December 13, 2019, followed with an updated report on March 19, 2020 for filing its suggestion / objections, if any. The Company has not received any demand order in respect of this matter, hence management is of the view that it is not practicable to state an estimate of its financial effect, if any. Management, along with its legal advisors, are reviewing the aforesaid report and 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 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 financial year 2018-19, in order to maintain the assets in running condition, the Company commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment at Bihar which has carrying value of Rs. 17,034 Lakhs as at June 30, 2020. 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.

7. Revenue from operations for the quarters ended June 30, 2020, March 31, 2020 and June 30, 2019 is adjusted for reversals in variable considerations of Rs. 559 Lakhs, Rs. 992 Lakhs and Rs. 789 Lakhs, respectively, and that for the year ended March 31, 2020 is adjusted for such reversals of Rs. 1,702 Lakhs (excluding the amounts accrued and reversed within the said year).

Sales promotion expense and selling and distribution expense (included under other expenses) for the quarter ended March 31, 2020 is net of reversal of Rs. 1,005 Lakhs and that for the year ended March 31, 2020 is net of such reversal of Rs. 489 Lakhs (excluding the amounts accrued and reversed within the said year).

8. 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. 1,534 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 the year ended March 31, 2020 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. 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.
9. The figures of the last quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 and the unaudited published year-to-date figures up to December 31, 2019 being the date of the end of the third quarter of the financial year, which were subjected to limited review.


Place : Bengaluru
Date : August 14, 2020

By the authority of the Board

Rishi Pardal
Managing Director

Review Report to
The Board of Directors
United Breweries Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of United Breweries Limited (the “Company”) for the quarter ended June 30, 2020 (the “Statement”) attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”).

2. This Statement, which is the responsibility of the Company’s Management and approved by the Company’s Board of Directors, has 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 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards (‘Ind AS’) specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Emphasis of Matter

We draw attention to below mentioned notes to the accompanying standalone financial results:

(a) Note 1 which describes management’s assessment of the impact of COVID-19 pandemic on the Company’s operations and carrying value of assets as at June 30, 2020;

(b) Note 5 which more fully describes the uncertainty relating to the future outcome of ongoing investigation by the Competition Commission of India (“CCI”); and
(c) Note 6 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 conclusion is not modified in respect of aforesaid matters.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Aditya Vikram Bhowala
Partner
Membership No.: 208382
Unique Document Identification Number (UDIN): 20208382AAAABW5966

Bengaluru
August 14, 2020
## Statement of unaudited consolidated financial results for the quarter ended June 30, 2020

### Particulars

<table>
<thead>
<tr>
<th></th>
<th>Quarter ended</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
<td></td>
<td>Unaudited</td>
<td>Audited*</td>
</tr>
</tbody>
</table>

### 1 Income

(a) Revenue from operations (gross of excise duty)

(Refer Note 7)

(b) Other income

148

Total income from operations

126,430

### 2 Expenses

(a) Cost of materials consumed

21,250

(b) Purchase of stock-in-trade

717

(c) Changes in inventories of finished goods, work in progress and stock-in-trade

5,021

(d) Excise duty on sale of goods

75,537

(e) Employee benefits expense

11,555

(f) Finance costs

715

(g) Depreciation and amortization expense

5,056

(h) Other expenses (Refer Note 7)

21,752

Total expenses

141,648

### 3 (Loss)/profit before tax

(15,218)

### 4 Tax expense

(a) Current tax

-2,689

(b) Deferred tax (credit)

(3,033)

Total tax (credit)/expense

(5,723)

### 5 (Loss)/profit for the period/year

(11,456)

### 6 Other comprehensive income (OCI)

Items that will not be reclassified to profit or loss in subsequent periods

Re-measurement gains/losses on defined benefit plans

19

Income tax effect on above

(5)

Total other comprehensive income/(loss), net of taxes

14

### 7 Total comprehensive (loss)/income for the period/year

(11,445)

### 8 (Loss)/profit for the period/year attributable to:

Equity shareholders of the Holding Company

(13,440)

Non-controlling interest

24

Total (loss)/income for the period/year attributable to:

(13,416)

### 9 Total comprehensive (loss)/income for the period/year attributable to:

Equity shareholders of the Holding Company

(13,440)

Non-controlling interest

24

Total (loss)/income for the period/year attributable to:

(13,416)

### 10 Paid-up equity share capital (Face value of Rs. 1 each)

2,644

### 11 Other equity

349,582

### 12 Earnings/(loss) per equity share in Rs. (nominal value per share Rs. 1)**

(a) Basic

4.33

(b) Diluted

4.33

**Not annualized for interim periods

### Segment Information (also refer Note 4)

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</tr>
<tr>
<td></td>
<td>Unaudited</td>
<td>Audited*</td>
</tr>
</tbody>
</table>

### 1 Segment revenue

(a) Beer

125,567

(b) Non-alcoholic beverages

715

Total revenue

126,282

### 2 Segment results

(a) Beer

(7,333)

(b) Non-alcoholic beverages

(900)

Total segment results

(7,332)

### (Loss)/profit before tax

(13,213)
NOTES

1. In March 2020, the World Health Organisation declared Coronavirus (COVID-19) to be a pandemic and consequently on March 24, 2020, the Government of India ordered a nationwide lockdown, which got extended in phases. The outbreak of COVID-19 pandemic in India has caused significant disturbance and slowdown of economic activities. The Group’s business operations have been significantly impacted by way of interruption of production, supply chain, etc.

The Group has taken various precautionary measures to protect its employees from COVID-19. The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these consolidated financial results in determining the recoverability and carrying values of property, plant and equipment, intangible assets (including goodwill), trade and other receivables, inventories and other financial statement captions. The impact of COVID-19 pandemic on the overall economic environment being uncertain, may affect the underlying assumptions and estimates used in preparation of these consolidated financial results, whereby actual outcome may differ from those assumptions and estimates considered at the date of approval of these consolidated financial results. The Group will continue to closely monitor the situation and any material changes to future economic conditions. From May 2020, the Group has resumed its business activities in a phased manner in line with directives issued by the central and state governments.

2. The consolidated financial results for the quarter ended June 30, 2020 of United Breweries Limited (“the Holding 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 August 14, 2020 and have been subjected to limited review by the statutory auditors of the Holding Company. The consolidated financial results does not include the Holding Company’s share of net profit/loss in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group.

3. The consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, read with the 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.

4. 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.
5. On October 10, 2018, certain officials from the Competition Commission of India ("CCI") had visited the Holding 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 Holding Company at its registered office. Pursuant to this, the Holding Company made requisite filings and also certain officials of the Holding Company appeared before the aforesaid authorities. The Director General, CCI has submitted the investigation report to the CCI for consideration which was also communicated to the Holding Company on December 13, 2019, followed with an updated report on March 19, 2020 for filing its suggestion / objections, if any. The Holding Company has not received any demand order in respect of this matter, hence management is of the view that it is not practicable to state an estimate of its financial effect. If any, Management, along-with its legal advisors, are reviewing the aforesaid report and evaluating this matter; and believe that there are mitigating circumstances to counter presumptions made against the Holding Company by the CCI as contained in the Competition Act, 2002.

6. 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 Holding 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 Holding 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 financial year 2018-19, in order to maintain the assets in running condition, the Holding Company commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment at Bihar which has carrying value of Rs. 17,034 Lakhs as at June 30, 2020. 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.

7. Revenue from operations for the quarters ended June 30, 2020, March 31, 2020 and June 30, 2019 is adjusted for reversals in variable considerations of Rs. 559 Lakhs, Rs. 992 Lakhs and Rs. 789 Lakhs, respectively, and that for the year ended March 31, 2020 is adjusted for such reversals of Rs. 1,702 Lakhs (excluding the amounts accrued and reversed within the said year).

Sales promotion expense and selling and distribution expense (included under other expenses) for the quarter ended March 31, 2020 is net of reversal of Rs. 1,005 Lakhs and that for the year ended March 31, 2020 is net of such reversal of Rs. 489 Lakhs (excluding the amounts accrued and reversed within the said year).

8. The Holding Company had received an order dated September 30, 2015 from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Holding Company has been directed not to pay/release amounts that may be payable with respect to shares in the Holding Company held by an erstwhile director (including his joint holdings) and United Breweries (Holdings) Limited, without its prior permission. Accordingly, the Holding Company has withheld payment of Rs. 1,534 Lakhs (net of payment of Rs. 784 Lakhs to the official liquidator of United Breweries (Holdings) Limited) relating to dividend on aforesaid shares. The Holding Company would also withhold payment of proposed dividend for the year ended March 31, 2020 on aforesaid shares, which is subject to approval by the shareholders at the ensuing annual general meeting.

Further, the Holding Company had received various orders from tax and provident fund authorities prohibiting the Holding Company from making any payment to an erstwhile director. The Holding 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.
9. The figures of the last quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 and the unaudited published year-to-date figures up to December 31, 2019 being the date of the end of the third quarter of the financial year, which were subjected to limited review.


Place : Bengaluru
Date : August 14, 2020
Independent Auditor’s Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
United Breweries Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of United Breweries Limited (the “Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”) and its associate for the quarter ended June 30, 2020 (the “Statement”) attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”).

2. This Statement, which is the responsibility of the Holding Company’s Management and approved by the Holding Company’s Board of Directors, has 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 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the Holding Company and its subsidiary i.e. Maltex Malsters Limited.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards (Ind AS’) specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Emphasis of Matter

We draw attention to the following notes to the accompanying consolidated financial statements:

(a) Note 1 which describes management’s assessment of the impact of COVID-19 pandemic on the Group’s operations and carrying value of assets as at June 30, 2020;

(b) Note 5 which more fully describes the uncertainty relating to the future outcome of ongoing investigation by the Competition Commission of India (“CCI”); and

(c) Note 6 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 conclusion is not modified in respect of aforesaid matters.

7. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of a subsidiary whose unaudited interim financial results include total revenues of Rs. 105 Lakhs, total net loss after tax of Rs. 21 Lakhs, total comprehensive loss of Rs. 21 Lakhs for the quarter ended June 30, 2020, as considered in the Statement which have been reviewed by their respective independent auditors.

The independent auditor’s report on interim financial results of this subsidiary have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of this subsidiary is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement in respect of matter stated above is not modified with respect to our reliance on the work done and the report of the other auditors.

8. The accompanying unaudited consolidated financial results does not include the Holding Company’s share of net profit/loss for the quarter ended June 30, 2020 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 Aditya Vikram Bhawala
Partner
Membership No.: 208382
Unique Document Identification Number (UDIN): 20208382AAAABX1443

Bengaluru
August 14, 2020
PERFORMANCE HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2020

- PEAK SEASON ADVERSELY AFFECTED BY THE PANDEMIC
- GRADUAL BUSINESS RESUMPTION SEEN SINCE LOCK DOWN, OUTLOOK REMAINS VOLATILE
- COMPANY HAS PROACTIVELY MANAGED COSTS AND CASH POSITION TO MITIGATE IMPACT

Covid-19 lockdown led to complete closure of all outlets for the period March 24 up to May 4. There has been since a gradual and phased re-opening of business, yet parts of the trade remained closed for the full quarter including on premise outlets. Demand and business operations will continue to be impacted directly & indirectly by the pandemic and related State and/or local restrictions from time to time. A number of states have increased taxation levels as a result of the pandemic, yet encouragingly a number of these increases have been reduced since.

UBL commenced the year with no supplies for almost half the first quarter. The primary volumes for the quarter in comparison to the corresponding quarter of the previous year were down 77%, with June ‘20 volumes progressively improving being 57% down in comparison to the previous year.

The volume impact on Strong beer was higher when compared to Mild beer. The UP market was the least impacted with a decline of 46%, the decline in the markets of North, South and West was close to the National volume decline while the markets in the East declined 90% impacted by States of West Bengal and Orissa.

Since the start of pandemic, UBL has proactively focused on health & safety measures for its employees and stakeholders, business continuity, business impact mitigations and cash management. The Company has and will continue to manage all elements of costs and capital investments in light of the uncertain demand.

While UBL maintains high level of liquidity, low gearing and is backed by sufficient unutilized banking lines, better working capital management has resulted in reduced interest costs when compared to the corresponding quarter of the previous year. UBL’s net debt was up Rs. 120 Cr. when compared to end March 2020, used primarily to fund the cash loss and minimal capex incurred in the quarter.

UBL is well positioned to navigate the current circumstances with a leading market position, strong brand portfolio and robust balance sheet. The company continues to be optimistic about the long term growth drivers of the industry and is committed to strengthen its market position while leveraging newly emerging opportunities such as home delivery.

Bangalore, August 14, 2020