February 06, 2020

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

Dear Sir,

Sub: Outcome of Board Meeting – Unaudited Financial Results for the Quarter ended December 31, 2019

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 December 31, 2019.

Time of commencement of Board Meeting: 13:30 p.m.

Time of conclusion of Board Meeting: 19:30 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.

Yours faithfully,

For UNITED BREWERIES LIMITED

GOVIND IYENGAR
Senior Vice President – Legal & Company Secretary

Encl: As above.
# Statement of unaudited standalone financial results for the quarter and year to date period ended December 31, 2019

**Particulars** | **Quarter ended December 31, 2019** | **Year to date ended December 31, 2019** | **Year ended March 31, 2019**
---|---|---|---
1 **INCOME**
   (a) Revenue from operations (gross of excise duty)
      (refer Note 10)
   (b) Other income
   **Total income from operations**
2 **EXPENSES**
   (a) Cost of materials consumed
   (b) Purchase of stock-in-trade
   (c) Changes in inventories of finished goods, work-in-progress
   and stock-in-trade
   (d) Excise duty on sale of goods
   (e) Employee benefits expense
   (f) Finance costs
   (g) Depreciation and amortisation expense
   (h) Other expenses (refer Note 10)
   **Total expenses**
3 **Profit before tax**
4 **Tax expense (refer Note 5)**
   (a) Current tax
   (b) Deferred tax (credit)
   **Total tax expense**
5 **Profit for the period/year**
6 **Other comprehensive income (OCI)**
   (a) Items that will not be reclassified to profit or loss in subsequent periods
      Re-measurement (losses) on defined benefit plans
   (b) Items that will be reclassified to profit or loss in subsequent periods
      Net movement in cash flow hedges
   **Total other comprehensive income (loss), net of taxes**
7 **Total comprehensive income**
8 **Paid up equity share capital (Face value of Rs.1 each)**
9 **Other equity**
10 **Earnings per equity share in Rs. (nominal value per share Rs.1)**
   (a) Basic
   (b) Diluted

*Not annualised for interim periods*

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quarter ended</th>
<th>Year to date ended</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2019</td>
<td>September 30, 2019</td>
<td>December 31, 2018</td>
</tr>
<tr>
<td><strong>Segment revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beer</td>
<td>324,774</td>
<td>358,238</td>
<td>318,534</td>
</tr>
<tr>
<td>Non-alcoholic beverages</td>
<td>478</td>
<td>539</td>
<td>306</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>325,252</td>
<td>358,777</td>
<td>318,840</td>
</tr>
<tr>
<td><strong>Segment results</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beer</td>
<td>23,519</td>
<td>21,901</td>
<td>27,819</td>
</tr>
<tr>
<td>Non-alcoholic beverages</td>
<td>(849)</td>
<td>(1,078)</td>
<td>(1,473)</td>
</tr>
<tr>
<td><strong>Total segment results</strong></td>
<td>22,670</td>
<td>20,823</td>
<td>26,346</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>345</td>
<td>189</td>
<td>210</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>(989)</td>
<td>(879)</td>
<td>(626)</td>
</tr>
<tr>
<td><strong>Other unallocable expenses</strong></td>
<td>(7,948)</td>
<td>(8,463)</td>
<td>(8,214)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>14,078</td>
<td>11,670</td>
<td>17,724</td>
</tr>
</tbody>
</table>

See accompanying notes to the standalone financial results.
NOTES

1. The standalone financial results for the quarter ended December 31, 2019 and year to date period from April 1, 2019 to December 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 February 5, 2020 and February 6, 2020, respectively, and have been subjected to limited review by the statutory auditors of the Company.

2. The standalone 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.

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 profit 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. Effective April 1, 2019, the Company has adopted Ind AS 116 which replaces Ind AS 17 on Leases. The Company has used the modified retrospective approach for transition to Ind AS 116 and consequently comparatives for previous period / year have not been restated. This has resulted in recognition of right-of-use assets and corresponding lease liabilities of Rs. 1,631 Lakh as at April 1, 2019 (after giving effect to guidance issued by the Ind AS Technical Facilitation Group). The net impact of adopting this standard on the standalone financial results and earnings per share is not material.

5. As per the Taxation Laws (Amendment) Ordinance, 2019 published on September 20, 2019, the Company has opted for reduced corporate tax rate for the current financial year and accordingly, the tax expense for the quarter ended September 30, 2019 is net of reversal of Rs. 2,853 Lakh relating to differential tax expense for the quarter ended June 30, 2019.

6. 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 its investigation report to the CCI for consideration which was also communicated to the Company on December 13, 2019 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.
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 financial year 2018-19, 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. 17,997 Lakhs as at December 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. The Company had received emails from certain persons raising allegations in relation to its export business including the services of an export management service provider. The Company has completed its internal review and issued a notice of termination to the aforesaid export management service provider as well as a letter reserving its rights to claims, if any.

9. The Company has received complaints against certain employees / suppliers, alleging involvement in irregularities in the procurement of packaging materials for which an investigation has been initiated, which is currently ongoing.

10. Revenue from operations for the quarters ended December 31, 2019, September 30, 2019 and December 31, 2018 is adjusted for reversals in variable considerations of Rs. 1,068 Lakhs, Rs. 832 Lakhs and Rs. 592 Lakhs, respectively, and that for the year to date period ended December 31, 2019, the year to date period ended December 31, 2018 and the year ended March 31, 2019 is adjusted for such reversals of Rs. 1,551 Lakhs, Rs. 1,899 Lakhs and Rs. 2,091 Lakhs, respectively (excluding the amounts accrued and reversed within the said period/year).

Sales promotion expense and selling and distribution expense (included under other expenses) for the quarters ended December 31, 2019, September 30, 2019 and December 31, 2018 are net of reversal of Rs. 1,244 Lakhs, Rs. 553 Lakhs and Rs. 1,004 Lakhs, respectively.

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. 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.

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.

By the authority of the Board

Shekhar Ramamurthy
Managing Director

Place : Bengaluru
Date : February 6, 2020
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 standalone financial results of United Breweries Limited (the “Company”) for the quarter ended December 31, 2019 and year to date period from April 1, 2019 to December 31, 2019 (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. We draw attention to below mentioned notes to the accompanying unaudited standalone financial results:

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

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

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

per Aditya Vikram Bhauwala
Partner
Membership No.: 208382
Unique Document Identification Number (UDIN): 20208382AAAAAF5708

Bengaluru
February 6, 2020
## UNITED BREWERIES LIMITED

Registered office: UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru - 560001  
Phone: 080 - 45656500 Fax: 080 - 33113964, 22295433  
CIN: L36909KA1989PLC025255 Email: uhlenvest@ubmail.com Website: www.unitedbreweries.com

Rs. in Lakhs

### Statement of unaudited consolidated financial results for the quarter and year to date period ended December 31, 2019

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quarter ended</th>
<th>Year to date ended</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2019</td>
<td>September 30, 2019</td>
<td>December 31, 2018</td>
</tr>
<tr>
<td><strong>1 INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Revenue from operations (gross of excise duty) (refer Note 10)</td>
<td>325,427</td>
<td>358,875</td>
<td>318,905</td>
</tr>
<tr>
<td>(b) Other income</td>
<td>354</td>
<td>175</td>
<td>227</td>
</tr>
<tr>
<td><strong>Total Income from operations</strong></td>
<td>325,781</td>
<td>359,050</td>
<td>321,132</td>
</tr>
<tr>
<td><strong>2 EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Cost of materials consumed</td>
<td>63,196</td>
<td>70,971</td>
<td>60,191</td>
</tr>
<tr>
<td>(b) Purchase of stock-in-trade</td>
<td>5,264</td>
<td>3,899</td>
<td>3,272</td>
</tr>
<tr>
<td>(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade</td>
<td>101</td>
<td>531</td>
<td>4,088</td>
</tr>
<tr>
<td>(d) Excise duty on sale of goods</td>
<td>179,934</td>
<td>200,920</td>
<td>173,723</td>
</tr>
<tr>
<td>(e) Employee benefits expense</td>
<td>12,671</td>
<td>12,443</td>
<td>11,209</td>
</tr>
<tr>
<td>(f) Finance costs</td>
<td>989</td>
<td>879</td>
<td>620</td>
</tr>
<tr>
<td>(g) Depreciation and amortisation expense</td>
<td>7,356</td>
<td>6,889</td>
<td>6,056</td>
</tr>
<tr>
<td>(h) Other expenses (refer Note 10)</td>
<td>42,058</td>
<td>50,900</td>
<td>41,090</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>331,509</td>
<td>342,421</td>
<td>309,377</td>
</tr>
<tr>
<td><strong>3 Profit before tax</strong></td>
<td>16,162</td>
<td>12,629</td>
<td>17,755</td>
</tr>
<tr>
<td><strong>4 Tax expense (Refer Note 5)</strong></td>
<td>3,840</td>
<td>3,304</td>
<td>2,322</td>
</tr>
<tr>
<td>(a) Current tax</td>
<td>(378)</td>
<td>(1,153)</td>
<td>(416)</td>
</tr>
<tr>
<td>(b) Deferred tax (credit)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total tax expense</strong></td>
<td>3,462</td>
<td>2,051</td>
<td>1,906</td>
</tr>
<tr>
<td><strong>5 Profit for the period/year</strong></td>
<td>10,700</td>
<td>9,578</td>
<td>18,849</td>
</tr>
<tr>
<td><strong>6 Other comprehensive income (OCI)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| (a) Items that will not be reclassified to profit or loss in subsequent periods  
Re-measurement (losses) on defined benefit plans | (42) | (25) | (410) | (110) | (245) | (293) |
| Income tax effect on above | | | | 11 | 2 | 164 |
| (b) Items that will be reclassified to profit or loss in subsequent periods  
Net movement in cash flow hedges | | | | 11 | 7 | 126 |
| Income tax effect on above | | | | | | |
| **Total other comprehensive loss, net of taxes** | (31) | (23) | (261) | (82) | (124) | (15) |
| **7 Total comprehensive income for the year** | 10,669 | 9,355 | 18,588 | 38,563 | 43,306 | 50,216 |
| **8 Profit for the period/year attributable to:** | | | | | | |
| Equity shareholders of the Holding Company | 10,668 | 11,485 | 10,932 | 38,615 | 43,453 | 56,294 |
| Non-controlling interest | 32 | (7) | 16 | 32 | (9) | 37 |
| **Total comprehensive income for the year attributable to:**  
Equity shareholders of the Holding Company | 10,700 | 11,478 | 10,948 | 38,647 | 44,444 | 56,331 |
| Non-controlling interest | 32 | (7) | 16 | 32 | (9) | 37 |
| **9 Total comprehensive income for the period/year attributable to:** | 10,732 | 11,462 | 10,964 | 38,663 | 44,453 | 56,368 |
| **10 Paid up equity share capital (Face value of Re.1 each)** | 2,644 | 2,644 | 2,644 | 2,644 | 2,644 | 2,644 |
| **11 Other equity** | | | | | | |
| **12 Earnings per equity share in Rs. (Nominal value per share Re.1)**  
(a) Basic | 4.05 | 4.34 | 4.14 | 14.62 | 18.70 | 21.30 |
| (b) Diluted | 4.05 | 4.34 | 4.14 | 14.62 | 18.70 | 21.30 |

**Not annualised for interim periods**

### Segment information (also refer Note 3)

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<thead>
<tr>
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</tr>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beer</td>
<td>324,929</td>
<td>358,336</td>
<td>318,509</td>
</tr>
<tr>
<td>Non-alcoholic beverages</td>
<td>478</td>
<td>539</td>
<td>306</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>325,407</td>
<td>358,875</td>
<td>318,905</td>
</tr>
<tr>
<td><strong>2 Segment results</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beer</td>
<td>23,594</td>
<td>24,874</td>
<td>27,832</td>
</tr>
<tr>
<td>Non-alcoholic beverages</td>
<td>(489)</td>
<td>(1,070)</td>
<td>(1,672)</td>
</tr>
<tr>
<td><strong>Total segment results</strong></td>
<td>22,105</td>
<td>26,796</td>
<td>26,160</td>
</tr>
<tr>
<td>Other income</td>
<td>354</td>
<td>175</td>
<td>227</td>
</tr>
<tr>
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<td>(8,214)</td>
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<td><strong>Profit before tax</strong></td>
<td>14,162</td>
<td>31,623</td>
<td>17,755</td>
</tr>
</tbody>
</table>

*Refer Note 1  
See accompanying notes to the consolidated financial results*
NOTES

1. The consolidated financial results for the quarter ended December 31, 2019 and year to date period from April 1, 2019 to December 31, 2019 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 February 5, 2020 and February 6, 2020, respectively, 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. The consolidated figures for the corresponding quarter ended December 31, 2018 and year to date period from April 1, 2018 to December 31, 2018, as included in the consolidated financial results, have been approved by the Holding Company’s Board of Directors, but have not been subjected to limited review by the statutory auditors of the Holding Company.

2. The consolidated 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.

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. Effective April 1, 2019, the Group has adopted Ind AS 116 which replaces Ind AS 17 on Leases. The Group has used the modified retrospective approach for transition to Ind AS 116 and consequently comparatives for previous period / year have not been restated. This has resulted in recognition of right-of-use assets and corresponding lease liabilities of Rs. 1,631 Lakhs as at April 1, 2019 (after giving effect to guidance issued by the Ind AS Technical Facilitation Group). The net impact of adopting this standard on the consolidated financial results and consolidated earnings per share is not material.

5. As per the Taxation Laws (Amendment) Ordinance, 2019 published on September 20, 2019, the Group has opted for reduced corporate tax rate for the current financial year and accordingly, the consolidated tax expense for the quarter ended September 30, 2019 is net of reversal of Rs. 2,853 Lakhs relating to differential tax expense for the quarter ended June 30, 2019.
6. 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 its investigation report to the CCI for consideration which was also communicated to the Holding Company on December 13, 2019 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.

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 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, 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. 17,997 Lakhs as at December 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. The Holding Company had received emails from certain persons raising allegations in relation to its export business including the services of an export management service provider. The Holding Company has completed its internal review and issued a notice of termination to the aforesaid export management service provider as well as a letter reserving its rights to claims, if any.

9. The Holding Company has received complaints against certain employees / suppliers, alleging involvement in irregularities in the procurement of packaging materials for which an investigation has been initiated, which is currently ongoing.

10. Revenue from operations for the quarters ended December 31, 2019, September 30, 2019 and December 31, 2018 is adjusted for reversals in variable considerations of Rs. 1,068 Lakhs, Rs. 832 Lakhs and Rs. 592 Lakhs, respectively, and that for the year to date period ended December 31, 2019, the year to date period ended December 31, 2018 and the year ended March 31, 2019 is adjusted for such reversals of Rs. 1,551 Lakhs, Rs. 1,899 Lakhs and Rs. 2,091 Lakhs, respectively (excluding the amounts accrued and reversed within the said period/year).

Sales promotion expense and selling and distribution expense (included under other expenses) for the quarters ended December 31, 2019, September 30, 2019 and December 31, 2018 are net of reversal of Rs. 1,244 Lakhs, Rs. 553 Lakhs and Rs. 1,004 Lakhs, respectively.
11. 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.

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 of the Holding Company. 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.


By the authority of the Board

Place : Bengaluru
Date : February 6, 2020

Shriram Ramamurthy
Managing Director
Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results 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 December 31, 2019 and year to date period from April 1, 2019 to December 31, 2019 (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"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended December 31, 2018 and year to date period from April 1, 2018 to December 31, 2018, as reported in these unaudited consolidated financial results have been approved by the Holding Company's Board of Directors, but have not been subjected to review.

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. We draw attention to below mentioned notes to the accompanying unaudited consolidated financial results:

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

7. The accompanying Statement includes unaudited interim financial results and other unaudited financial information of a subsidiary, whose interim financial results reflect total revenues of Rs. 341 Lakhs and Rs. 1,016 Lakhs, net profit after tax of Rs. 65 Lakhs and Rs. 66 Lakhs, total comprehensive income of Rs. 65 Lakhs and Rs. 66 Lakhs, for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 2019, respectively, as considered in the Statement, which have been reviewed by the independent auditors of the subsidiary. 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 December 31, 2019 and year to date period from April 1, 2019 to December 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 Aditya Vikram Bhauwala
Partner
Membership No.: 208382
Unique Document Identification Number (UDIN): 20208382AAAAAG2889

Bengaluru
February 6, 2020
PERFORMANCE HIGHLIGHTS FOR NINE MONTHS ENDED DECEMBER 2019

- YTD VOLUMES AND NET REVENUES UP 2% AND 5% RESPECTIVELY
- ELECTIONS AND AN OVERALL ECONOMIC SLOWDOWN ADVERSELY AFFECTED OUR INDUSTRY.
- THE NEW EXCISE POLICY IN ANDHRA PRADESH, WHICH CAME INTO EFFECT IN OCTOBER HAS HAD A SIGNIFICANT NEGATIVE IMPACT ON THE INDUSTRY AND THE COMPANY.

Key premium brands such as Kingfisher Ultra Max and Kingfisher Storm reported double digit volume growth, while Amstel grew five-fold to become a millionaire brand with the addition of new markets and volume gains in existing markets.

The Company launched Kingfisher Ultra Witbier, Kingfisher Ultra draught and UB Export cans. KF Ultra Witbier has been initially introduced in Karnataka and Goa and has received a very encouraging response from consumers. It will be spread to other markets in a phased manner.

Year to date, the Company took price increases in key markets such as Karnataka, Maharashtra, Rajasthan and Goa. These price increases have helped off-set part of the impact of input cost increases, especially in new glass and barley.

In Q3 net sales remained flat, EBITDA declined 10%, while PAT was down 3%.

The Company continues to invest in select manufacturing sites and Capex outflows for the year to date period is in the region of Rs.300 cr and has been funded through internal accruals. Interest costs were higher due to delayed payments from State Corporations, largely Andhra Pradesh, and duty advance demands from various States resulting in an increase in working capital. UBL’s net debt stood at Rs.268 cr.

Bangalore, February 6, 2020