



UNITED BREWERIES LIMITED

October 19, 2023

1. Department of Corporate Services,
BSE Limited,
Floor 25, P J Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 532478

2. Department of Corporate Services,
National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051
Scrip Code: UBL

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on October 19, 2023.

This is further to our letter dated 11th October 2023, intimating the date of Board meeting for consideration of Statement of Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and year to date ended 30th September 2023.

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we would like to inform you that the Board of Directors in its meeting held today has approved the Statement of Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and year to date ended 30th September 2023.

We attach herewith a copy of the approved Statement of Unaudited Standalone and Consolidated Financial Results of the Company along with the Limited Review Report of the auditors.

The Board meeting commenced at 16.45 p.m. IST and concluded at 19:50 p.m. IST

These results will be published in the newspapers as per Regulation 47 of Listing Regulations.

Please take the above information on record.

Thanking you, we remain,
For UNITED BREWERIES LIMITED

**Amit
Khera**

Digitally signed by
Amit Khera
Date: 2023.10.19
20:02:21 +05'30'

AMIT KHERA
Company Secretary and Compliance Officer

Encl: As above

**UNITED BREWERIES LIMITED**

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

Phone: 080 - 45655000 Fax: 080 - 22211964, 22229488

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

Rs. in Lakhs

Statement of standalone assets and liabilities

Particulars	As at	As at
	September 30, 2023	March 31, 2023
	Unaudited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment (including right of use assets)	1,78,074	1,83,089
(b) Capital work-in-progress	13,401	7,708
(c) Intangible assets	1,027	1,223
(d) Financial assets		
(i) Investments	1,565	1,570
(ii) Other financial assets	4,083	4,078
(e) Income tax assets (net)	22,134	22,134
(f) Deferred tax asset (net)	4,452	4,496
(g) Other non-current assets	33,257	34,427
	2,57,993	2,58,725
Current assets		
(a) Inventories	1,46,219	1,42,597
(b) Financial assets		
(i) Trade receivables	1,42,741	1,40,707
(ii) Cash and cash equivalents	57,322	32,952
(iii) Bank balances other than (ii) above	7,891	6,543
(iv) Other financial assets	119	104
(c) Other current assets	23,524	45,009
	3,77,816	3,67,912
(d) Assets held for sale	486	486
	3,78,302	3,68,398
Total assets	6,36,295	6,27,123
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	3,98,410	3,93,482
	4,01,054	3,96,126
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	1,031	1,074
(ii) Other financial liabilities	1,401	1,845
(b) Provisions	264	417
	2,696	3,336
Current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	509	488
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	8,125	9,529
- Total outstanding dues of creditors other than micro and small enterprises	58,358	62,110
(iii) Other financial liabilities	86,233	77,821
(b) Other current liabilities	69,310	67,514
(c) Provisions	9,350	10,199
(d) Current tax liabilities (net)	660	-
	2,32,545	2,27,661
Total liabilities	2,35,241	2,30,997
Total equity and liabilities	6,36,295	6,27,123



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Rs. in Lakhs

Statement of standalone financial results for the quarter and year to date ended September 30, 2023

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty)	4,19,083	5,24,140	3,67,075	9,43,223	8,86,477	16,64,288
(b) Other income	1,223	1,032	1,431	2,255	2,467	4,927
Total income	4,20,306	5,25,172	3,68,506	9,45,478	8,88,944	16,69,215
2 EXPENSES						
(a) Cost of materials consumed	1,04,701	1,29,872	90,417	2,34,573	2,23,624	4,23,321
(b) Purchase of traded goods	2,571	3,375	1,578	5,946	5,105	9,247
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,551)	1,859	(2,410)	(692)	(3,322)	(5,140)
(d) Excise duty on sale of products	2,30,281	2,96,822	1,99,120	5,27,103	4,74,857	9,15,117
(e) Employee benefits expense	11,716	9,765	9,422	21,481	18,913	40,776
(f) Contract employee expense	4,732	4,934	4,462	9,666	9,841	18,368
(g) Finance costs	143	166	99	309	182	464
(h) Depreciation and amortisation expense	5,084	5,132	5,198	10,216	10,951	21,032
(i) Other expenses	49,174	55,235	42,575	1,04,409	1,09,043	2,01,173
Total expenses	4,05,851	5,07,160	3,50,461	9,13,011	8,49,194	16,24,358
3 Profit before exceptional items and tax	14,455	18,012	18,045	32,467	39,750	44,857
4 Exceptional items (refer Note 6)	-	-	-	-	-	(3,312)
5 Profit before tax	14,455	18,012	18,045	32,467	39,750	41,545
6 Tax expense						
(a) Current tax	3,695	4,488	4,336	8,183	10,090	11,967
(b) Deferred tax charge/(credit)	(2)	(84)	290	(86)	73	(768)
Total tax expense	3,693	4,404	4,626	8,097	10,163	11,199
7 Profit for the period/year	10,762	13,608	13,419	24,370	29,587	30,346
8 Other comprehensive income/(loss) (OCI)						
Items that will not be reclassified to profit or loss in subsequent periods						
Re-measurement gains/(losses) on defined benefit plans	548	(30)	1,142	518	75	457
Income tax effect on above	(138)	8	(288)	(130)	(19)	(115)
Total other comprehensive income/(loss), net of taxes	410	(22)	854	388	56	342
9 Total comprehensive income for the period/year	11,172	13,586	14,273	24,758	29,643	30,688
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						3,93,482
12 Earnings per equity share in Rs. (nominal value per share Re. 1)**						
(a) Basic	4.07	5.15	5.08	9.22	11.19	11.48
(b) Diluted	4.07	5.15	5.08	9.22	11.19	11.48

**Not annualised for interim periods

Segment information (also refer Note 3)

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment revenue						
Beer	4,19,054	5,24,140	3,66,946	9,43,194	8,85,614	16,63,294
Non-alcoholic beverages	29	-	129	29	863	994
Total segment revenue	4,19,083	5,24,140	3,67,075	9,43,223	8,86,477	16,64,288
2 Segment results						
Beer	24,204	26,056	24,114	50,260	53,574	75,839
Non-alcoholic beverages	(103)	(1,564)	(407)	(1,667)	(1,267)	(3,734)
Total segment results	24,101	24,492	23,707	48,593	52,307	72,105
Other income	1,223	1,032	1,431	2,255	2,467	4,927
Finance costs	(143)	(166)	(99)	(309)	(182)	(464)
Other unallocable expenses	(10,726)	(7,346)	(6,994)	(18,072)	(14,842)	(31,711)
Profit before exceptional items and tax	14,455	18,012	18,045	32,467	39,750	44,857
Exceptional items (refer Note 6)	-	-	-	-	-	(3,312)
Profit before tax	14,455	18,012	18,045	32,467	39,750	41,545

See accompanying notes to the standalone financial results

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Rs. in Lakhs

Particulars	Year to date ended	
	September 30, 2023	September 30, 2022
	Unaudited	Unaudited
A Cash flow from operating activities		
Profit before tax	32,467	39,750
<u>Adjustments for:</u>		
Depreciation and amortisation expense	10,216	10,951
Loss allowance for trade receivables	91	333
Provision for doubtful advances/deposits	221	14
Unrealised exchange differences (net)	76	104
Net (gain)/loss on sale of property, plant and equipment	(35)	(21)
Liabilities no longer required written back	-	(13)
Loss allowance for trade receivables, no longer required written back	(50)	(4)
Interest expense	299	171
Interest income	(1,814)	(1,305)
Dividend income	(23)	(23)
Operating profits before working capital changes	41,448	49,957
Changes in working capital:		
(Increase)/decrease in Inventories	(3,622)	(23,045)
(Increase)/decrease in Trade receivables	(2,122)	(710)
(Increase)/decrease in Other financial assets	36	379
(Increase)/decrease in Other assets	21,845	2,835
Increase/(decrease) in Trade payables	(5,423)	(9,646)
Increase/(decrease) in Other financial liabilities	5,813	16,917
Increase/(decrease) in Other current liabilities and provisions	1,312	(7,679)
Cash generated from operations	59,287	29,008
Direct taxes paid (net of refund)	(7,523)	(7,736)
Net cash from/(used in) operating activities (A)	51,764	21,272
B Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(9,081)	(9,092)
Proceeds from sale of property, plant and equipment	62	44
Proceeds from sale of investments	5	19
Investments in bank deposits (having original maturity of more than three months)	(184)	(145)
Redemption/maturity of bank deposits (having original maturity of more than three months)	175	160
Interest received	1,799	1,321
Dividend received from subsidiary company	23	23
Net cash used in investing activities (B)	(7,201)	(7,670)
C Cash flow from financing activities		
Payment of lease liabilities	(302)	(757)
Interest paid	(61)	(37)
Dividend paid to equity shareholders*	(19,830)	(27,763)
Net cash used in financing activities (C)	(20,193)	(28,557)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	24,370	(14,955)
Cash and cash equivalents at the beginning of the period	32,952	86,238
Cash and cash equivalents at the end of the period	57,322	71,283

*Includes amount transferred to separate bank accounts earmarked for unpaid dividend

NOTES

1. The standalone financial results of the United Breweries Limited (“the Company”) for the quarter and year to date ended September 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on October 19, 2023 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 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.
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. The Company received an order dated September 24, 2021 under Section 27 of the Competition Act, 2002 from the Competition Commission of India (“CCI”) (‘the CCI Order’), wherein the CCI concluded that the Company and certain executives (including former executives) of the Company contravened the provisions of Section 3 of the Competition Act, 2002. The CCI levied a penalty of Rs. 75,183 Lakhs on the Company. On December 8, 2021, the Company filed an appeal against the aforesaid CCI Order before the National Company Law Appellate Tribunal (‘NCLAT’). The NCLAT vide its order dated December 22, 2021 granted a stay of the CCI Order during the pendency of the appeal, including recovery of the penalty imposed by the CCI, subject to deposit of 10% of the penalty amount by the Company. The Company accordingly deposited Rs. 7,518 Lakhs in the form of Fixed Deposit Receipt (FDR) with the Registrar, NCLAT. The FDR is renewed on a periodical basis along with interest which now aggregates to Rs. 8,009 Lakhs. On December 23, 2022, NCLAT passed its judgment and dismissed the appeals filed by the Company and other appellants. The Company filed appeal against NCLAT order dated December 23, 2022 before the Supreme Court of India on January 30, 2023 under Section 53T of the Competition Act, 2002. On February 17, 2023, after hearing the arguments of the counsel for the Company and the CCI, the Supreme Court admitted the appeal and stayed the NCLAT Order (and consequently, the CCI Order and the recovery proceeding initiated by the CCI), subject to a deposit of additional 10% of the total penalty amount, over and above the amount already deposited by way of the First FDR before the Registrar, NCLAT aggregating Rs.7,518 Lakhs, total amount aggregating to Rs.15,527 Lakhs is presented under “Other non-current assets”.

Based on the advice of the external legal experts, the Company is of the view that the Director General, the CCI and the NCLAT has not considered all aspects of its submissions particularly considering the nature of the regulations governing the manufacture, distribution and sale of beer in India. As advised by the Company’s external legal experts, the Company has a strong case on merits, there exists uncertainty relating to the final outcome in this matter, which is dependent on judicial proceedings; and that it is not in a position to reliably estimate the final obligation relating to penalties, if any. Accordingly, no provision has been recorded in the books of account and the same has been considered as a contingent liability in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.

5. The Bihar State Government (“the Government”) vide its notification dated April 5, 2016 had imposed ban on trade and consumption of alcoholic beverages 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, which was allowed by Patna High Court and 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. The matter is currently pending before the Supreme Court for final conclusion.

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. The Company carried out an impairment assessment of its property, plant and equipment and the recoverable amount for these property, plant and equipment is determined by an external valuer based on a fair value less cost of disposal calculation.

Effective May 1, 2022, the Company has closed its manufacturing operations from Bihar unit and has made alternative arrangement for manufacturing non-alcoholic beverages on contract basis with a third-party contractor, considering the economies of scale of operations for non-alcoholic beverages. The Company has received a show cause notice dated June 25, 2022 from Bihar Industrial Area Development Authority (BIADA) for cancellation of its land lease at Bihar considering non-operation of the manufacturing unit. The Company, based on legal advice, has filed its response to the said show-cause notice stating that there has been no violation of the BIADA Act and the notice to the Company is not maintainable. BIADA thereafter, issued another show cause notice dated November 2, 2022 to start production within 30 days failing which the allotment of land would be cancelled forfeiting the allotment money. The Company sought six months’ time to commence production as per the Amnesty Scheme of BIADA. However, BIADA cancelled allotment of land to the Company vide order dated December 16, 2022 against which the Company filed a writ before the High Court of Patna. The High Court vide order dated January 25, 2023 has directed to maintain status quo and also directed the Company to file undertaking that it will commence commercial production in the unit. The Company has filed undertaking in High Court that it will start commercial production in the unit after BIADA recalls the order of cancellation. Subsequently, on February 08, 2023, the High Court directed BIADA to take a policy decision to deal with the situation arising out of the action of BIADA in present petition and identical matters. BIADA has notified three policies for availing options by the allottees to either (i) surrender the land; or (ii) transfer the land; or (iii) continue manufacturing activities over the allotted land. BIADA has filed these policies in High Court and served a copy to the Company on October 11, 2023. These policies are optional, and the Company is in the process of evaluating the options that best suits the Company’s interests. The matter is pending with the High Court.

As at September 30 2023, the carrying value of property, plant and equipment at Bihar is Rs. 8,067 Lakhs (net of impairment). Recoverable value is determined based on the higher of value in use and fair value less cost of disposal. In determining the fair value less cost of disposal, the Company evaluated and concluded its right to transfer the leasehold land after considering contractual rights available to the Company under the BIADA Act.

6. The change in the operating models in the states of Tamil Nadu and Andhra Pradesh, resulted in volumes decline in these states inter alia on account of the post integration review undertaken by Heineken. This resulted in lower cash inflows due to reduction in revenue, which triggered an impairment review being performed across property, plant and equipment of the breweries in the two states. As a result, the impacted assets were reviewed for impairment on an asset-by-asset basis and an impairment of Rs 3,312 Lakhs was recorded on the property, plant and equipment for the two states and presented as an exceptional item in the standalone financial results of year ended March 31, 2023. Whilst the state of Tamil Nadu has seen increase in volumes during the last two quarters, the Management is reviewing opportunities to further recover volumes in the states, and as such there is no plan of restructuring as on date.
7. The Company had received orders 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 certain other shareholders, without its prior permission; accordingly, the Company has withheld payment of Rs. 5,226

Lakhs (net of taxes) 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; accordingly the Company has withheld payment of Rs. 45 Lakhs (net of TDS) relating to director commission and sitting fees payable to the aforesaid erstwhile director.

8. The Board of Directors of the Company proposed dividend of Rs.7.50 per equity share of Re. 1 each amounting to Rs. 19,830 Lakhs for the year ended March 31, 2023, which was approved at the annual general meeting of the Company held on August 10, 2023. The aforesaid dividend was paid during the quarter resulting in a cash outflow of Rs.19,830 Lakhs.
9. The standalone financial results and notes are also available on the websites of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com and also on the website of the Company viz. www.unitedbreweries.com.

Place : Amsterdam
Date : October 19, 2023

By the authority of the Board

VIVEK
GUPTA

Digitally signed by
VIVEK GUPTA
Date: 2023.10.19
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Vivek Gupta
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF UNITED BREWERIES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **United Breweries Limited** ("the Company"), for the quarter and year to date ended September 30, 2023 ("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.
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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 specified under Section 143(10) of the Companies Act, 2013 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 stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, 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. As described in Note 4, the Company filed an appeal against the NCLAT order before the Supreme Court of India on January 30, 2023. The Supreme Court issued an order on February 17, 2023 and granted stay on the recovery proceedings. The Management of the Company has represented that the Company has a strong case on merits supported by external legal advice. Pending outcome of the matter, the Company is not in position to reliably estimate, the obligation relating to the penalties, if any. Accordingly, no provision has been recorded in the books of account and amount is disclosed as contingent liability.

Deloitte Haskins & Sells

- b. As described in Note 5, the Company has evaluated the carrying value of the property, plant and equipment aggregating Rs. 8,067 Lakhs based on fair value less cost of disposal after considering its contractual rights under the BIADA Act (including its options relating to the policies announced by BIADA which is under evaluation and is subject to the outcome before the Honourable High Court of Patna), pending the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India.

Our conclusion on the Statement is not modified in respect of the aforesaid matters.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Gurvinder
Singh Roop
Singh Matta

Digitally signed by
Gurvinder Singh Roop
Singh Matta
Date: 2023.10.19
19:42:13 +05'30'

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDHV5733

Place: Bengaluru
Date: October 19, 2023



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	September 30, 2023	March 31, 2023
	Unaudited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment (including right of use assets)	1,78,231	1,83,235
(b) Capital work-in-progress	13,406	7,713
(c) Intangible assets	1,027	1,223
(d) Goodwill on consolidation	645	645
(e) Financial assets		
(i) Investments	800	805
(ii) Other financial assets	4,652	4,676
(f) Income tax assets (net)	22,152	22,138
(g) Deferred tax asset (net)	4,457	4,501
(h) Other non-current assets	33,286	34,458
	2,58,656	2,59,394
Current assets		
(a) Inventories	1,46,418	1,42,781
(b) Financial assets		
(i) Trade receivables	1,42,786	1,40,732
(ii) Cash and cash equivalents	57,336	32,986
(iii) Bank balances other than (ii) above	7,891	6,543
(iv) Other financial assets	119	104
(c) Other current assets	23,527	45,013
	3,78,077	3,68,159
(d) Assets held for sale	486	486
	3,78,563	3,68,645
Total assets	6,37,219	6,28,039
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	3,98,751	3,93,845
Equity attributable to equity holders of holding company	4,01,395	3,96,489
Non-controlling interest	441	461
	4,01,836	3,96,950
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	1,031	1,074
(ii) Other financial liabilities	1,401	1,845
(b) Provisions	270	424
	2,702	3,343
Current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	509	488
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	8,130	9,530
- Total outstanding dues of creditors other than micro and small enterprises	58,460	62,168
(iii) Other financial liabilities	86,245	77,835
(b) Other current liabilities	69,320	67,518
(c) Provisions	9,357	10,207
(d) Current tax liabilities (net)	660	-
	2,32,681	2,27,746
Total liabilities	2,35,383	2,31,089
Total equity and liabilities	6,37,219	6,28,039


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Phone: 080 - 45655000 Fax: 080 - 22211964, 22229488

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

Rs. in Lakhs

Statement of consolidated financial results for the quarter and year to date ended September 30, 2023

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty)	4,19,286	5,24,301	3,67,351	9,43,587	8,86,959	16,65,109
(b) Other income	1,209	1,042	1,416	2,251	2,459	4,943
Total income	4,20,495	5,25,343	3,68,767	9,45,838	8,89,418	16,70,052
2 EXPENSES						
(a) Cost of materials consumed	1,04,541	1,29,661	90,246	2,34,202	2,23,170	4,22,476
(b) Purchase of traded goods	2,571	3,375	1,578	5,946	5,105	9,247
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,548)	1,844	(2,461)	(704)	(3,357)	(5,187)
(d) Excise duty on sale of products	2,30,281	2,96,822	1,99,120	5,27,103	4,74,857	9,15,117
(e) Employee benefits expense	11,824	9,866	9,521	21,690	19,119	41,183
(f) Contract employee expense	4,732	4,934	4,462	9,666	9,841	18,368
(g) Finance costs	143	166	99	309	182	464
(h) Depreciation and amortisation expense	5,092	5,138	5,204	10,230	10,964	21,059
(i) Other expenses	49,456	55,490	42,943	1,04,946	1,09,668	2,02,282
Total expenses	4,06,092	5,07,296	3,50,712	9,13,388	8,49,549	16,25,009
3 Profit before exceptional items and tax	14,403	18,047	18,055	32,450	39,869	45,043
4 Exceptional items (refer Note 6)	-	-	-	-	-	(3,312)
5 Profit before tax	14,403	18,047	18,055	32,450	39,869	41,731
6 Tax expense						
(a) Current tax	3,688	4,497	4,353	8,185	10,135	12,035
(b) Deferred tax charge/(credit)	(2)	(84)	290	(86)	72	(772)
Total tax expense	3,686	4,413	4,643	8,099	10,207	11,263
7 Profit for the period/year	10,717	13,634	13,412	24,351	29,662	30,468
8 Other comprehensive income/(loss) (OCI)						
Items that will not be reclassified to profit or loss in subsequent periods						
Re-measurement gains/(losses) on defined benefit plans	548	(30)	1,142	518	75	457
Income tax effect on above	(138)	8	(288)	(130)	(19)	(115)
Total other comprehensive income/(loss), net of taxes	410	(22)	854	388	56	342
9 Total comprehensive income for the period/year	11,127	13,612	14,266	24,739	29,718	30,810
10 Profit for the period/year attributable to:						
Equity shareholders of the Holding Company	10,728	13,621	13,405	24,349	29,614	30,398
Non-controlling interest	(11)	13	7	2	48	70
	10,717	13,634	13,412	24,351	29,662	30,468
11 Other comprehensive income/(loss) (OCI) attributable to:						
Equity shareholders of the Holding Company	410	(22)	854	388	56	342
Non-controlling interest	-	-	-	-	-	-
	410	(22)	854	388	56	342
12 Total comprehensive income for the period/year attributable to:						
Equity shareholders of the Holding Company	11,138	13,599	14,259	24,737	29,670	30,740
Non-controlling interest	(11)	13	7	2	48	70
	11,127	13,612	14,266	24,739	29,718	30,810
13 Paid up equity share capital (Face value of Re. 1 each)	2,644	2,644	2,644	2,644	2,644	2,644
14 Other equity						3,93,845
15 Earnings per equity share in Rs. (nominal value per share Re. 1)**						
(a) Basic	4.06	5.15	5.07	9.21	11.20	11.50
(b) Diluted	4.06	5.15	5.07	9.21	11.20	11.50

**Not annualised for interim periods

Segment information (also refer Note 3)

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment revenue						
Beer	4,19,257	5,24,301	3,67,222	9,43,558	8,86,096	16,64,115
Non-alcoholic beverages	29	-	129	29	863	994
Total segment revenue	4,19,286	5,24,301	3,67,351	9,43,587	8,86,959	16,65,109
2 Segment results						
Beer	23,880	25,749	24,305	50,247	53,701	76,009
Non-alcoholic beverages	(103)	(1,564)	(407)	(1,667)	(1,267)	(3,734)
Total segment results	23,777	24,185	23,898	48,580	52,434	72,275
Other income	1,209	1,042	1,416	2,251	2,459	4,943
Finance costs	143	166	(265)	(309)	(182)	(464)
Other unallocable expenses	(10,726)	(7,346)	(6,994)	(18,072)	(14,842)	(31,711)
Profit before exceptional items and tax	14,403	18,047	18,055	32,450	39,869	45,043
Exceptional items (refer Note 6)	-	-	-	-	-	(3,312)
Profit before tax	14,403	18,047	18,055	32,450	39,869	41,731

See accompanying notes to the consolidated financial results



UNITED BREWERIES LIMITED

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Rs. in Lakhs

Unaudited consolidated statement of cash flows for the year to date ended September 30, 2023

Particulars	Year ended	
	September 30, 2023	September 30, 2022
	Unaudited	Unaudited
A Cash flow from operating activities		
Profit before tax	32,450	39,869
<u>Adjustments for:</u>		
Depreciation and amortisation expense	10,230	10,964
Loss allowance for trade receivables	91	333
Provision for doubtful advances/deposits	221	14
Unrealised exchange differences (net)	76	104
Net (gain)/loss on sale of property, plant and equipment	(35)	(16)
Liabilities no longer required written back	-	(13)
Loss allowance for trade receivables, no longer required written back	(50)	(4)
Interest expense	299	171
Interest income	(1,833)	(1,320)
Operating profits before working capital changes	41,449	50,102
Changes in working capital:		
(Increase)/decrease in Inventories	(3,637)	(23,069)
(Increase)/decrease in Trade receivables	(2,142)	(690)
(Increase)/decrease in Other financial assets	37	380
(Increase)/decrease in Other assets	21,848	2,837
Increase/(decrease) in Trade payables	(5,375)	(9,226)
Increase/(decrease) in Other financial liabilities	5,811	16,936
Increase/(decrease) in Other current liabilities and provisions	1,316	(7,679)
Cash generated from operations	59,307	29,591
Direct taxes paid (net of refund)	(7,539)	(7,761)
Net cash from/(used in) operating activities (A)	51,768	21,830
B Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(9,106)	(9,095)
Proceeds from sale of property, plant and equipment	62	39
Proceeds from sale of equity and debt securities	5	19
Investments in bank deposits (having original maturity of more than three months)	(201)	(326)
Redemption/maturity of bank deposits (having original maturity of more than three months)	220	327
Interest received	1,818	1,336
Net cash used in investing activities (B)	(7,202)	(7,700)
C Cash flow from financing activities		
Payment of lease liabilities	(302)	(757)
Interest paid	(61)	(519)
Dividend paid*	(19,852)	(27,785)
Net cash used in financing activities (C)	(20,216)	(29,061)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	24,350	(14,931)
Cash and cash equivalents at the beginning of the period	32,986	86,260
Cash and cash equivalents at the end of the period	57,336	71,329

*Includes amount transferred to separate bank accounts earmarked for unpaid dividend and also includes dividend paid for non-controlling interest

NOTES

1. The consolidated financial results of United Breweries Limited (“the Holding Company”) and its subsidiary (together referred to as “the Group”) for the quarter and year to date ended September 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on October 19, 2023 and have been subjected to limited review by the statutory auditors of the 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.
2. 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.
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. The Holding Company received an order dated September 24, 2021 under Section 27 of the Competition Act, 2002 from the Competition Commission of India (“CCI”) (‘the CCI Order’), wherein the CCI concluded that the Holding Company and certain executives (including former executives) of the Holding Company contravened the provisions of Section 3 of the Competition Act, 2002. The CCI levied a penalty of Rs. 75,183 Lakhs on the Holding Company. On December 8, 2021, the Holding Company filed an appeal against the aforesaid CCI Order before the National Company Law Appellate Tribunal (‘NCLAT’). The NCLAT vide its order dated December 22, 2021 granted a stay of the CCI Order during the pendency of the appeal, including recovery of the penalty imposed by the CCI, subject to deposit of 10% of the penalty amount by the Holding Company. The Holding Company accordingly deposited Rs. 7,518 Lakhs in the form of Fixed Deposit Receipt (FDR) with the Registrar, NCLAT. The FDR is renewed on a periodical basis along with interest which now aggregates to Rs. 8,009 Lakhs. On December 23, 2022 NCLAT passed its judgment and dismissed the appeals filed by the Holding Company and other appellants. The Holding Company filed appeal against NCLAT order dated December 23, 2022 before the Supreme Court of India on January 30, 2023 under Section 53T of the Competition Act, 2002. On February 17, 2023, after hearing the arguments of the counsel for the Holding Company and the CCI, the Supreme Court admitted the appeal and stayed the NCLAT Order (and consequently, the CCI Order and the recovery proceeding initiated by the CCI), subject to a deposit of additional 10% of the total penalty amount, over and above the amount already deposited by way of the First FDR before the Registrar, NCLAT aggregating Rs.7,518 Lakhs, total amount aggregating to Rs.15,527 Lakhs is presented under “Other non-current assets”.

Based on the advice of the external legal experts, the Holding Company is of the view that the Director General, the CCI and the NCLAT has not considered all aspects of its submissions particularly considering the nature of the regulations governing the manufacture, distribution and sale of beer in India. As advised by the Holding Company’s external legal experts, the Holding Company has a strong case on merits, there exists uncertainty relating to the final outcome in this matter, which is dependent on judicial proceedings; and that it is not in a position to reliably estimate the final obligation relating to penalties, if any. Accordingly, no provision has been recorded in the books of account and the same has been considered as a contingent liability in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.

5. The Bihar State Government (“the Government”) vide its notification dated April 5, 2016 had imposed ban on trade and consumption of alcoholic beverages 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, which was allowed by Patna High Court and 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. The matter is currently pending before the Supreme Court for final conclusion.

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. The Holding Company carried out an impairment assessment of its property, plant and equipment and the recoverable amount for these property, plant and equipment is determined by an external valuer based on a fair value less cost of disposal calculation.

Effective May 1, 2022, the Holding Company has closed its manufacturing operations from Bihar unit and has made alternative arrangement for manufacturing non-alcoholic beverages on contract basis with a third-party contractor, considering the economies of scale of operations for non-alcoholic beverages. The Holding Company has received a show cause notice dated June 25, 2022 from Bihar Industrial Area Development Authority (BIADA) for cancellation of its land lease at Bihar considering non-operation of the manufacturing unit. The Holding Company, based on legal advice, has filed its response to the said show-cause notice stating that there has been no violation of the BIADA Act and the notice to the Holding Company is not maintainable. BIADA thereafter, issued another show cause notice dated November 2, 2022 to start production within 30 days failing which the allotment of land would be cancelled forfeiting the allotment money. The Holding Company sought six months’ time to commence production as per the Amnesty Scheme of BIADA. However, BIADA cancelled allotment of land to the Holding Company vide order dated December 16, 2022 against which the Holding Company filed a writ before the High Court of Patna. The High Court vide order dated January 25, 2023 has directed to maintain status quo and also directed the Holding Company to file undertaking that it will commence commercial production in the unit. The Holding Company has filed undertaking in High Court that it will start commercial production in the unit after BIADA recalls the order of cancellation. Subsequently, on February 08, 2023 the High Court directed BIADA to take a policy decision to deal with the situation arising out of the action of BIADA in present petition and identical matters. BIADA has notified three policies for availing options by the allottees to either (i) surrender the land; or (ii) transfer the land; or (iii) continue manufacturing activities over the allotted land. BIADA has filed these policies in High Court and served a copy to the Holding Company on October 11, 2023. These policies are optional, and the Holding Company is in the process of evaluating the options that best suits the Holding Company’s interests. The matter is pending with the High Court.

As at September 30, 2023, the carrying value of property, plant and equipment at Bihar is Rs. 8,067 Lakhs (net of impairment). Recoverable value is determined based on the higher of value in use and fair value less cost of disposal. In determining the fair value less cost of disposal, the Holding Company evaluated and concluded its right to transfer the leasehold land after considering contractual rights available to the Holding Company under the BIADA Act.

6. The change in the operating models in the states of Tamil Nadu and Andhra Pradesh, resulted in volumes decline in these states inter alia on account of the post integration review undertaken by Heineken. This resulted in lower cash inflows due to reduction in revenue, which triggered an impairment review being performed across property, plant and equipment of the breweries in the two states. As a result, the impacted assets were reviewed for impairment on an asset-by-asset basis and an impairment of Rs 3,312 Lakhs was recorded on the property, plant and equipment for the two states and presented as an exceptional item in the consolidated financial results of year ended March 31, 2023. Whilst the state of Tamil Nadu has seen increase in volumes during the last two quarters, the Management is reviewing opportunities to further recover volumes in the states, and as such there is no plan of restructuring as on date.
7. The Holding Company had received orders 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 certain other shareholders, without its prior permission; accordingly, the Holding Company has withheld payment of Rs. 5,226 Lakhs (net of taxes) 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; accordingly the Holding Company has withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.

8. The Board of Directors of the Holding Company proposed dividend of Rs.7.50 per equity share of Re. 1 each amounting to Rs. 19,830 Lakhs for the year ended March 31, 2023, which was approved at the annual general meeting of the Holding Company held on August 10, 2023. The aforesaid dividend was paid during the quarter resulting in a cash outflow of Rs.19,830 Lakhs.
9. The consolidated financial results and notes are also available on the websites of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com and also on the website of the Holding Company viz. www.unitedbreweries.com.

Place : Amsterdam
Date : October 19, 2023

By the authority of the Board
VIVEK
GUPTA
Vivek Gupta
Managing Director

Digitally signed by
VIVEK GUPTA
Date: 2023.10.19
19:26:11 +05'30'

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF UNITED BREWERIES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **United Breweries Limited** ("the Company" or "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the quarter and year to date ended September 30, 2023 ("the Statement") being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of Holding Company's personnel 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 specified under Section 143(10) of the Companies Act, 2013 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 issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, 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 as stated in paragraph 3 above and based on the consideration of the review report of the other auditor referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Deloitte Haskins & Sells

6. We draw attention to below mentioned notes to the accompanying unaudited consolidated financial results:
- a. As described in Note 4, the Company filed an appeal against the NCLAT order before the Supreme Court of India on January 30, 2023. The Supreme Court issued an order on February 17, 2023 and granted stay on the recovery proceedings. The Management of the Company has represented that the Company has a strong case on merits supported by external legal advice. Pending outcome of the matter, the Company is not in position to reliably estimate, the obligation relating to the penalties, if any. Accordingly, no provision has been recorded in the books of account and amount is disclosed as contingent liability.
 - b. As described in Note 5, the Company has evaluated the carrying value of the property, plant and equipment aggregating Rs. 8,067 Lakhs based on fair value less cost of disposal after considering its contractual rights under the BIADA Act (including its options relating to the policies announced by BIADA which is under evaluation and is subject to the outcome before the Honourable High Court of Patna), pending the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India.

Our conclusion on the Statement is not modified in respect to the aforesaid matters.

7. We did not review the interim financial results of one subsidiary included in the unaudited consolidated financial results, whose interim financial results reflect total assets of Rs. 1,163 Lakhs as at September 30, 2023, total revenues of Rs. 363 Lakhs and Rs. 735 Lakhs for the quarter and year to date ended September 30, 2023 respectively, total net profit/(loss) after tax of Rs. (21) Lakhs and Rs. 5 Lakhs for the quarter and year to date ended September 30, 2023 respectively, and total comprehensive income/(loss) of Rs. (21) Lakhs and Rs. 5 Lakhs for the quarter and year to date ended September 30, 2023 respectively, and net cash outflows of Rs. 20 Lakhs for the year to date ended September 30, 2023, as considered in the Statement.

These interim financial results have been reviewed by other auditor whose report 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 included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the aforesaid matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Gurvinder Singh
Roop Singh Matta

Digitally signed by Gurvinder
Singh Roop Singh Matta
Date: 2023.10.19 19:44:14
+05'30'

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDHW8891

Place: Bengaluru
Date: October 19, 2023



United Breweries Ltd

PERFORMANCE HIGHLIGHTS FOR THE QUARTER AND HALF YEAR ENDING SEPTEMBER 2023

- **STRONG VOLUME RECOVERY DURING QUARTER 2 WITH VOLUMES UP 7% AND PREMIUM GROWING AHEAD OF THE TOTAL PORTFOLIO**
- **NET SALES IN QUARTER 2 UP 12% VS PY DRIVEN BY VOLUME & REVENUE MANAGEMENT INITIATIVES**
- **GROSS PROFIT MARGIN IN QUARTER 2 AT 44.5%, FURTHER IMPROVING VS QUARTER 1 (+396 BPS)**
- **YEAR TO DATE EBITDA, RS. 430 CR**

Volume in Q2 increased 7% (+9% *excl RTM changes*) predominantly driven by Telangana, Orissa & Rajasthan, partially off-set by a decline in Delhi.

The premium segment grew by 10% in the quarter. Within the segment, we see double digit growth for the Kingfisher Ultra family & more than 20% contribution for Heineken® Silver to the Heineken® franchise.

Gross profit margin on a year-to-date basis was lower as compared to PY (-287 bps) though with further improvements vs the previous quarter (+396 bps) driven by continued revenue management & cost initiatives.

Investments in capex during the first half of the year was Rs. 91 Cr, primarily in supply chain initiatives to cater for future growth.

Despite some inflationary softening seen in Q2, volatility will remain. UBL continues to remain optimistic about the long-term growth potential of the industry, driven by increasing disposable income, favorable demographics & premiumization.

Bangalore, October 19, 2023