



UNITED BREWERIES LIMITED

July 28, 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 28th July 2023.

This is further to our letter dated 13th July 2023, intimating the date of Board Meeting for consideration of Statement of Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended 30th June 2023.

Pursuant to Regulation 30 of the 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 ended 30th June 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 02.00 p.m. and concluded at 06.35 p.m.

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: 2023.07.28
18:36:23 +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 financial results for the quarter ended June 30, 2023

Particulars	Quarter ended			Year ended
	June 30, 2023	March 31, 2023*	June 30, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Audited
1 INCOME				
(a) Revenue from operations (gross of excise duty)	5,24,140	4,07,960	5,19,402	16,64,288
(b) Other income	1,032	1,163	1,036	4,927
Total income	5,25,172	4,09,123	5,20,438	16,69,215
2 EXPENSES				
(a) Cost of materials consumed	1,29,872	1,10,891	1,33,207	4,23,321
(b) Purchase of traded goods	3,375	994	3,527	9,247
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,859	(3,559)	(912)	(5,140)
(d) Excise duty on sale of products	2,96,822	2,31,513	2,75,737	9,15,117
(e) Employee benefits expense	9,765	11,626	9,491	40,776
(f) Contract employee expense	4,934	4,296	5,379	18,368
(g) Finance costs	166	122	83	464
(h) Depreciation and amortisation expense	5,132	5,065	5,753	21,032
(i) Other expenses	55,235	46,854	66,468	2,01,173
Total expenses	5,07,160	4,07,802	4,98,733	16,24,358
3 Profit before exceptional items and tax	18,012	1,321	21,705	44,857
4 Exceptional items (refer Note 6)	-	-	-	(3,312)
5 Profit before tax	18,012	1,321	21,705	41,545
6 Tax expense				
(a) Current tax	4,488	76	5,754	11,967
(b) Deferred tax charge/(credit)	(84)	272	(217)	(768)
Total tax expense	4,404	348	5,537	11,199
7 Profit for the period/year	13,608	973	16,168	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	(30)	425	(1,067)	457
Income tax effect on above	8	(107)	269	(115)
Total other comprehensive income/(loss), net of taxes	(22)	318	(798)	342
9 Total comprehensive income for the period/year	13,586	1,291	15,370	30,688
10 Paid up equity share capital (Face value of Re. 1 each)	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	5.15	0.37	6.11	11.48
(b) Diluted	5.15	0.37	6.11	11.48

**Not annualised for interim periods

Segment information (also refer Note 3)

Particulars	Quarter ended			Year ended
	June 30, 2023	March 31, 2023*	June 30, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Audited
1 Segment revenue				
Beer	5,24,140	4,07,850	5,18,668	16,63,294
Non-alcoholic beverages	-	110	734	994
Total segment revenue	5,24,140	4,07,960	5,19,402	16,64,288
2 Segment results				
Beer	26,056	9,710	29,460	75,839
Non-alcoholic beverages	(1,564)	(266)	(860)	(3,734)
Total segment results	24,492	9,444	28,600	72,105
Other income	1,032	1,163	1,036	4,927
Finance costs	(166)	(122)	(83)	(464)
Other unallocable expenses	(7,346)	(9,164)	(7,848)	(31,711)
Profit before exceptional items and tax	18,012	1,321	21,705	44,857
Exceptional items (refer Note 6)	-	-	-	(3,312)
Profit before tax	18,012	1,321	21,705	41,545

See accompanying notes to the standalone financial results

*Refer note 10



NOTES

1. The standalone financial results of the United Breweries Limited (“the Company”) for the quarter ended June 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on July 28, 2023. The standalone financial results for the quarter ended June 30, 2022 were reviewed by S.R. Batliboi & Associates LLP, Chartered Accountants, the predecessor auditors.
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. The matter is pending with the High Court.

The Management is planning to restart production of non-alcoholic beverages in the unit. As at June 30 2023, the carrying value of property, plant and equipment at Bihar is Rs. 8,360 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, has seen recent 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 some increase in volumes during the quarter, the Management is further reviewing opportunities to restore 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. 3,812 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 Code on Social Security, 2020 ("the Code) which would impact the contributions by the Company towards Provident Fund and Gratuity, has received Presidential assent in September 2020. The Code have been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its standalone financial results in the period in which the Code becomes effective and the related rules are published.
9. The Board of Directors of the Company has 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. The proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and accordingly has not been recognised as a liability as at the year end March 31, 2023.
10. The standalone financial results for the quarter ended June 30, 2023 have been reviewed by the statutory auditors of the Company. The figures of the last quarter ended March 31, 2023 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2023 and the unaudited published year-to-date figures up to December 31, 2022 being the date of the end of the third quarter of the respective financial year, which were subjected to limited review.
11. 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 : Bengaluru
Date : July 28, 2023



By the authority of the Board

Radovan Sikorsky
Director & Chief Financial Officer

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 ended June 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 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 to Rs. 8,360 Lakhs based on fair value less cost of disposal after considering its contractual rights under the BIADA Act, pending the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India.

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

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



Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDGM3290

Place: Bengaluru
Date: July 28, 2023



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: ublinvestor@ubmail.com Website: www.unitedbreweries.com

Rs. in Lakhs

Statement of consolidated financial results for the quarter ended June 30, 2023

Particulars	Quarter ended			Year ended
	June 30, 2023	March 31, 2023*	June 30, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Audited
1 INCOME				
(a) Revenue from operations (gross of excise duty)	5,24,301	4,08,101	5,19,608	16,65,109
(b) Other income	1,042	1,179	1,043	4,943
Total income	5,25,343	4,09,280	5,20,651	16,70,052
2 EXPENSES				
(a) Cost of materials consumed	1,29,661	1,10,674	1,32,924	4,22,476
(b) Purchase of traded goods	3,375	994	3,527	9,247
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,844	(3,548)	(896)	(5,187)
(d) Excise duty on sale of products	2,96,822	2,31,513	2,75,737	9,15,117
(e) Employee benefits expense	9,866	11,729	9,598	41,183
(f) Contract employee expense	4,934	4,296	5,379	18,368
(g) Finance costs	166	122	83	464
(h) Depreciation and amortisation expense	5,138	5,072	5,760	21,059
(i) Other expenses	55,490	47,080	66,725	2,02,282
Total expenses	5,07,296	4,07,932	4,98,837	16,25,009
3 Profit before exceptional items and tax	18,047	1,348	21,814	45,043
4 Exceptional items (refer Note 6)	-	-	-	(3,312)
5 Profit before tax	18,047	1,348	21,814	41,731
6 Tax expense				
(a) Current tax	4,497	90	5,782	12,035
(b) Deferred tax charge/(credit)	(84)	271	(218)	(772)
Total tax expense	4,413	361	5,564	11,263
7 Profit for the period/year	13,634	987	16,250	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	(30)	425	(1,067)	457
Income tax effect on above	8	(107)	269	(115)
Total other comprehensive income/(loss), net of taxes	(22)	318	(798)	342
9 Total comprehensive income for the period/year	13,612	1,305	15,452	30,810
10 Profit for the period/year attributable to:				
Equity shareholders of the Holding Company	13,621	981	16,209	30,398
Non-controlling interest	13	6	41	70
	13,634	987	16,250	30,468
11 Other comprehensive income/(loss) (OCI) attributable to:				
Equity shareholders of the Holding Company	(22)	318	(798)	342
Non-controlling interest	-	-	-	-
	(22)	318	(798)	342
12 Total comprehensive income for the period/year attributable to:				
Equity shareholders of the Holding Company	13,599	1,299	15,411	30,740
Non-controlling interest	13	6	41	70
	13,612	1,305	15,452	30,810
13 Paid up equity share capital (Face value of Re. 1 each)	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	5.15	0.37	6.13	11.50
(b) Diluted	5.15	0.37	6.13	11.50

**Not annualised for interim periods

Segment information (also refer Note 3)

Particulars	Quarter ended			Year ended
	June 30, 2023	March 31, 2023*	June 30, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Audited
1 Segment revenue				
Beer	5,24,301	4,07,991	5,18,874	16,64,115
Non-alcoholic beverages	-	110	734	994
Total segment revenue	5,24,301	4,08,101	5,19,608	16,65,109
2 Segment results				
Beer	25,749	9,721	29,396	76,009
Non-alcoholic beverages	(1,564)	(266)	(860)	(3,734)
Total segment results	24,185	9,455	28,536	72,275
Other income	1,042	1,179	1,043	4,943
Finance costs	166	(122)	83	(464)
Other unallocable expenses	(7,346)	(9,164)	(7,848)	(31,711)
Profit before exceptional items and tax	18,047	1,348	21,814	45,043
Exceptional items (refer Note 6)	-	-	-	(3,312)
Profit before tax	18,047	1,348	21,814	41,731

See accompanying notes to the consolidated financial results

*Refer note 10



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 ended June 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on July 28, 2023. 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 financial results for the quarter ended June 30, 2022 were reviewed by S.R. Batliboi & Associates LLP, Chartered Accountants, the predecessor auditors.
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. The matter is pending with the High Court.

The Management is planning to restart production of non-alcoholic beverages in the unit. As at June 30, 2023, the carrying value of property, plant and equipment at Bihar is Rs. 8,360 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, has seen recent 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 some increase in volumes during the quarter, the Management is further reviewing opportunities to restore 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. 3,812 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 Code on Social Security, 2020 ("the Code) which would impact the contributions by the Group towards Provident Fund and Gratuity, has received Presidential assent in September 2020. The Code have been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Group will complete its evaluation and will give appropriate impact in its consolidated financial results in the period in which the Code becomes effective and the related rules are published.
9. The Board of Directors of the Holding Company has 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. The proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and accordingly has not been recognised as a liability as at the year end March 31, 2023.
10. The consolidated financial results for the quarter ended June 30, 2023 have been reviewed by the statutory auditors of the Holding Company. The figures of the last quarter ended March 31, 2023 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2023 and the unaudited published year-to-date figures up to December 31, 2022, being the date of the end of the third quarter of the respective financial year, which were subjected to limited review.
11. 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 : Bengaluru
Date : July 28,2023



By the authority of the Board


Radovan Sikorsky
Director & Chief Financial Officer

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 ended June 30, 2023 ("the Statement") being submitted by the Parent 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.



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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 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 to Rs. 8,360 Lakhs based on fair value less cost of disposal after considering its contractual rights under the BIADA Act, pending the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India.

Our conclusion 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 revenues of Rs. 372 Lakhs, total net profit after tax of Rs. 26 Lakhs and total comprehensive income of Rs. 26 Lakhs for the quarter ended June 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
Partner
(Membership No. 110128)
UDIN: 23110128BGRDGN5682

Place: Bengaluru
Date: July 28, 2023



United Breweries Ltd

PERFORMANCE HIGHLIGHTS FOR THE QUARTER ENDED JUNE 2023

- Q1 VOLUMES IMPACTED BY RTM CHANGES, SUPPLY CHALLENGES & LOWER INTER-STATE SALES
- Q1 VOLUMES DOWN 12% WITH STRONG RECOVERY AT QUARTER END
- QUARTERLY EBITDA, RS. 233 CR, DOWN 15% VS PY
- QUARTERLY EBIT MARGIN 8.0%, SLIGHTLY DOWN VS PY (-95 BPS), UP VS PREVIOUS QUARTER (+718 BPS) GIVEN INCREASED FOCUS ON PROFITABLE GROWTH ACROSS OUR FOOTPRINT

Volume in the quarter decreased 4% excl RTM changes predominantly driven by Telangana & Haryana. In Telangana, we were facing capacity constraints during peak season given the continued strong growth of the industry.

The premium segment decreased 21% in the quarter whereas volumes were flat excl RTM changes. Within the segment we see mid-teens growth for Kingfisher Ultra Max & promising results for Heineken® Silver in focus states. Heineken® Silver is now contributing c.30% to the Heineken® franchise.

Gross margin during the quarter was lower as compared to PY (-369 bps) and improved vs previous quarter (+196 bps) driven by revenue management & cost initiatives.

Capex during the quarter was Rs. 45 Cr, primarily in supply chain initiatives.

Inflationary pressure on our cost base is expected to soften in the near term but 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, July 28, 2023