



UNITED BREWERIES LIMITED

July 27, 2022

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 Sirs,

Sub: Outcome of Board Meeting - Unaudited Financial Results for Quarter ended June 30, 2022.

In terms of Regulation 33 (and all other applicable provisions pertaining to disclosure requirements, if any) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are furnishing herewith Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2022, along with Independent Auditor's Review Report.

The Board Meeting commenced at 12:30 p.m. and concluded at 19:40 p.m.

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

A copy of the Press Release is enclosed.

Thanking you, we remain,

Yours faithfully,
For UNITED BREWERIES LIMITED

GOVIND IYENGAR
Senior Vice President - Legal &
Company Secretary

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: ublinvestor@ubmail.com Website: www.unitedbreweries.com				
				Rs. in Lakhs
Statement of unaudited standalone financial results for the quarter ended June 30, 2022				
Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited*	Unaudited	Audited
1 INCOME				
(a) Revenue from operations (gross of excise duty) (refer Note 6)	5,19,402	3,66,240	2,65,118	13,11,741
(b) Other income	1,036	1,298	609	2,966
Total income	5,20,438	3,67,538	2,65,727	13,14,707
2 EXPENSES				
(a) Cost of materials consumed	1,33,207	83,894	51,545	2,71,394
(b) Purchase of stock-in-trade	3,527	4,847	4,248	19,582
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(912)	(1,151)	1,967	2,289
(d) Excise duty on sale of goods	2,75,737	1,95,554	1,53,316	7,28,548
(e) Employee benefits expense (refer Note 7)	14,870	12,513	11,346	51,936
(f) Finance costs	83	250	386	1,478
(g) Depreciation and amortisation expense	5,753	5,318	5,515	21,691
(h) Other expenses (refer Note 6)	66,468	44,550	33,154	1,68,500
Total expenses	4,98,733	3,45,775	2,61,477	12,65,418
3 Profit before tax	21,705	21,763	4,250	49,289
4 Tax expense				
(a) Current tax	5,754	5,151	1,159	13,159
(b) Deferred tax (credit)/charge	(217)	316	7	(371)
Total tax expense	5,537	5,467	1,166	12,788
5 Profit for the period/year	16,168	16,296	3,084	36,501
6 Other comprehensive (loss)/income (OCI)				
Items that will not be reclassified to profit or loss in subsequent periods				
Re-measurement (losses)/gains on defined benefit plans	(1,067)	(122)	(234)	80
Income tax effect on above	269	31	59	(20)
Total other comprehensive (loss)/income, net of taxes	(798)	(91)	(175)	60
7 Total comprehensive income for the period/year	15,370	16,205	2,909	36,561
8 Paid up equity share capital (Face value of Re. 1 each)	2,644	2,644	2,644	2,644
9 Other equity				3,90,557
10 Earnings per equity share in Rs. (nominal value per share Re. 1)**				
(a) Basic	6.11	6.17	1.17	13.81
(b) Diluted	6.11	6.17	1.17	13.81

**Not annualised for interim periods

Segment information (also refer Note 3)

Segment information (also refer Note 3)				
				Rs. in Lakhs
Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited*	Unaudited	Audited
1 Segment revenue				
Beer	5,18,668	3,65,639	2,64,430	13,08,753
Non-alcoholic beverages	734	601	688	2,988
Total segment revenue	5,19,402	3,66,240	2,65,118	13,11,741
2 Segment results				
Beer	29,460	30,275	11,379	83,938
Non-alcoholic beverages	(860)	(1,528)	(1,204)	(6,510)
Total segment results	28,600	28,747	10,175	77,428
Other income	1,036	1,298	609	2,966
Finance costs	(83)	(250)	(386)	(1,478)
Other unallocable expenses	(7,848)	(8,032)	(6,148)	(29,627)
Profit before tax	21,705	21,763	4,250	49,289

*Refer Note 13

See accompanying notes to the standalone financial results

NOTES

1. The standalone financial results of United Breweries Limited (“the Company”) for the quarter ended June 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on July 26, 2022 and July 27, 2022, respectively, and have been subjected to limited review by the statutory auditors of the Company.
2. The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in 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 has accordingly deposited Rs. 7,518 Lakhs with the Registrar, NCLAT.

Based on the advice of the external legal experts, the Company is of the view that the Director General and the CCI 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, 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 carries 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. As at June 30, 2022, the carrying value of property, plant and equipment at Bihar is Rs. 9,667 Lakhs (net of impairment) and no further impairment is considered necessary by the management as at June 30, 2022.

6. Revenue from operations for the quarters ended June 30, 2022, March 31, 2022 and June 30, 2021 is adjusted for reversals in variable consideration of Rs. 509 Lakhs, Rs. 897 Lakhs and Rs. 196 Lakhs, respectively, and that for the year ended March 31, 2022 is adjusted for reversal of Rs. 753 Lakhs (excluding the amounts accrued and reversed within the said year).

Sales promotion expense and selling and distribution expense (included under other expenses) for the quarters ended March 31, 2022 and June 30, 2021 is net of reversal of Rs. 1,528 Lakhs and Rs. 392 Lakhs, respectively, and that for the year ended March 31, 2022 is net of reversal of Rs. 967 Lakhs (excluding the amounts accrued and reversed within the said year).

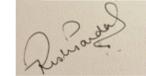
7. Employee benefits expense for the year ended March 31, 2022 includes severance pay of Rs. 1,748 Lakhs paid to certain employees of the Company on separation.
8. Based on an intimation received from a member of senior management of the Company, the majority shareholder with the co-operation of the Company has initiated a review of the justification and appropriateness of commercial terms with certain distributors and vendors. The above review is expected to be completed shortly. Pending conclusion of the review, no adjustments have been determined necessary to the unaudited standalone financial results of the Company for the quarter ended June 30, 2022.
9. As a result of an ongoing post integration review undertaken by Heineken, which acquired a majority equity stake in the Company in June 2021, the Company is implementing a change in its existing operating models in the states of Tamil Nadu and Andhra Pradesh. This resulted in the termination of its agency contracts in the aforementioned states. Whilst the change did not impact availability of the Company's brands and sales in these states during the quarter ended June 30, 2022, the Company continues to closely monitor the operations in these states.
10. 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. 2,099 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.

11. The Code on Social Security, 2020 (the "Code") relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the final rules/interpretation are yet to be issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact accordingly.
12. The Company has assessed the impact of Coronavirus (COVID-19) pandemic on its business operations and has considered all relevant internal and external information available upto the date of approval of these standalone financial results in determining the recoverability and carrying values of property, plant and equipment, right-of-use assets, intangible assets, investments, trade and other receivables, inventories and other financial statement captions. The Company continues to monitor the situation and any material changes to future economic conditions.
13. The figures of the last quarter ended March 31, 2022 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2022 and the unaudited published year-to-date figures up to December 31, 2021, being the date of the end of the third quarter of the financial year, which were subjected to limited review.
14. 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 27, 2022

By the authority of the Board

DocuSigned by:



Rishi Pardal 6C851542898245E...
Managing Director

Aditya Vikram
Bhauwala

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Bhauwala
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Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
United Breweries Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of United Breweries Limited (the "Company") for the quarter ended June 30, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We draw attention to Note 8 regarding the ongoing review by the majority shareholder with the co-operation of the Company of the justification and appropriateness of commercial terms with certain distributors and vendors. Pending conclusion of this review, we are unable to comment on its impact, if any, on the attached unaudited standalone financial results.
5. Based on our review conducted as above, except for the possible effects of our observation in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Emphasis of Matter

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

- (a) Note 4 which more fully describes the matter pertaining to the levy of a penalty of Rs. 75,183 Lakhs on the Company, vide Order issued by the Competition Commission of India (CCI) for alleged contravention of the provisions of Section 3 of the Competition Act, 2002. There exists uncertainty relating to the final outcome in this matter, which is dependent on judicial proceedings; and the Company is not in a position to reliably estimate the final obligation relating to penalties, if any. Based on advice of external legal experts, the Company is of the view that it has strong case on merits. Accordingly, no provision has been recorded in the books of account; and

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (b) Note 5 which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof.

Our conclusion is not modified in respect of aforesaid matters.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**Aditya Vikram
Bhauwala**

Digitally signed by Aditya Vikram
Bhauwala
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c=N, o=Personal,
email=aditya.bhauwala@srb.in
Date: 2022.07.27 19:42:39 +05'30'

per Aditya Vikram Bhauwala

Partner

Membership No.: 208382

Unique Document Identification Number (UDIN): 22208382ANSUYJ9029

Bengaluru

July 27, 2022

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 unaudited consolidated financial results for the quarter ended June 30, 2022				
Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited*	Unaudited	Audited
1 INCOME				
(a) Revenue from operations (gross of excise duty) (refer Note 6)	5,19,608	3,66,471	2,65,263	13,12,392
(b) Other income	1,043	1,305	616	2,979
Total income	5,20,651	3,67,776	2,65,879	13,15,371
2 EXPENSES				
(a) Cost of materials consumed	1,32,924	83,661	51,454	2,70,729
(b) Purchase of stock-in-trade	3,527	4,847	4,248	19,582
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(896)	(1,139)	1,976	2,301
(d) Excise duty on sale of goods	2,75,737	1,95,554	1,53,316	7,28,548
(e) Employee benefits expense (refer Note 7)	14,977	12,619	11,432	52,312
(f) Finance costs	83	250	386	1,478
(g) Depreciation and amortisation expense	5,760	5,324	5,524	21,719
(h) Other expenses (refer Note 6)	66,725	44,782	33,278	1,69,258
Total expenses	4,98,837	3,45,898	2,61,614	12,65,927
3 Profit before tax	21,814	21,878	4,265	49,444
4 Tax expense				
(a) Current tax	5,782	5,181	1,164	13,203
(b) Deferred tax (credit)/charge	(218)	319	7	(367)
Total tax expense	5,564	5,500	1,171	12,836
5 Profit for the period/year	16,250	16,378	3,094	36,608
6 Other comprehensive (loss)/income (OCI)				
Items that will not be reclassified to profit or loss in subsequent periods				
Re-measurement (losses)/gains on defined benefit plans	(1,067)	(122)	(234)	80
Income tax effect on above	269	31	59	(20)
Total other comprehensive (loss)/income, net of taxes	(798)	(91)	(175)	60
7 Total comprehensive income for the period/year	15,452	16,287	2,919	36,668
8 Profit for the period/year attributable to:				
Equity shareholders of the Holding Company	16,209	16,340	3,089	36,546
Non-controlling interest	41	38	5	62
	16,250	16,378	3,094	36,608
9 Other comprehensive (loss)/income (OCI) attributable to:				
Equity shareholders of the Holding Company	(798)	(91)	(175)	60
Non-controlling interest	-	-	-	-
	(798)	(91)	(175)	60
10 Total comprehensive income for the period/year attributable to:				
Equity shareholders of the Holding Company	15,411	16,249	2,914	36,606
Non-controlling interest	41	38	5	62
	15,452	16,287	2,919	36,668
11 Paid up equity share capital (Face value of Re. 1 each)	2,644	2,644	2,644	2,644
12 Other equity				3,90,868
13 Earnings per equity share in Rs. (nominal value per share Re. 1)**				
(a) Basic	6.13	6.18	1.17	13.82
(b) Diluted	6.13	6.18	1.17	13.82

**Not annualised for interim periods

Segment information (also refer Note 3)

Rs. in Lakhs				
Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited*	Unaudited	Audited
1 Segment revenue				
Beer	5,18,874	3,65,870	2,64,575	13,09,404
Non-alcoholic beverages	734	601	688	2,988
Total segment revenue	5,19,608	3,66,471	2,65,263	13,12,392
2 Segment results				
Beer	29,396	30,383	11,387	84,080
Non-alcoholic beverages	(860)	(1,528)	(1,204)	(6,510)
Total segment results	28,536	28,855	10,183	77,570
Other income	1,043	1,305	616	2,979
Finance costs	83	(250)	(386)	(1,478)
Other unallocable expenses	(7,848)	(8,032)	(6,148)	(29,627)
Profit before tax	21,814	21,878	4,265	49,444

*Refer Note 13

See accompanying notes to the consolidated financial results

NOTES

1. The consolidated financial results of United Breweries Limited (“the Holding Company”) and its subsidiary (together referred to as “the Group”) and its associate for the quarter ended June 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on July 26, 2022 and July 27, 2022, respectively, and have been subjected to limited review by the statutory auditors of the Holding Company. The consolidated financial results does not include the Holding Company’s share of net profit/loss in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group.
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 has accordingly deposited Rs. 7,518 Lakhs with the Registrar, NCLAT.

Based on the advice of the external legal experts, the Holding Company is of the view that the Director General and the CCI 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, 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 carries 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. As at June 30, 2022, the carrying value of property, plant and equipment at Bihar is Rs. 9,667 Lakhs (net of impairment) and no further impairment is considered necessary by the management as at June 30, 2022.

6. Revenue from operations for the quarters ended June 30, 2022, March 31, 2022 and June 30, 2021 is adjusted for reversals in variable consideration of Rs. 509 Lakhs, Rs. 897 Lakhs and Rs. 196 Lakhs, respectively, and that for the year ended March 31, 2022 is adjusted for reversal of Rs. 753 Lakhs (excluding the amounts accrued and reversed within the said year).

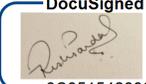
Sales promotion expense and selling and distribution expense (included under other expenses) for the quarters ended March 31, 2022 and June 30, 2021 is net of reversal of Rs. 1,528 Lakhs and Rs. 392 Lakhs, respectively, and that for the year ended March 31, 2022 is net of reversal of Rs. 967 Lakhs (excluding the amounts accrued and reversed within the said year).

7. Employee benefits expense for the year ended March 31, 2022 includes severance pay of Rs. 1,748 Lakhs paid to certain employees of the Holding Company on separation.
8. Based on an intimation received from a member of senior management of the Holding Company, the majority shareholder with the co-operation of the Holding Company has initiated a review of the justification and appropriateness of commercial terms with certain distributors and vendors. The above review is expected to be completed shortly. Pending conclusion of the review, no adjustments have been determined necessary to the unaudited consolidated financial results of the Holding Company for the quarter ended June 30, 2022.
9. As a result of an ongoing post integration review undertaken by Heineken, which acquired a majority equity stake in the Holding Company in June 2021, the Holding Company is implementing a change in its existing operating models in the states of Tamil Nadu and Andhra Pradesh. This resulted in the termination of its agency contracts in the aforementioned states. Whilst the change did not impact availability of the Holding Company’s brands and sales in these states during the quarter ended June 30, 2022, the Holding Company continues to closely monitor the operations in these states.

10. 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. 2,099 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.
11. The Code on Social Security, 2020 (the "Code") relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the final rules/interpretation are yet to be issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact accordingly.
12. The Group has assessed the impact of Coronavirus (COVID-19) pandemic on its business operations and has considered all relevant internal and external information available upto the date of approval of these consolidated financial results in determining the recoverability and carrying values of property, plant and equipment, right-of-use assets, intangible assets (including goodwill), trade and other receivables, inventories and other financial statement captions. The Group continues to monitor the situation and any material changes to future economic conditions.
13. The figures of the last quarter ended March 31, 2022 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2022 and the unaudited published year-to-date figures up to December 31, 2021, being the date of the end of the third quarter of the financial year, which were subjected to limited review.
14. 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 27, 2022

By the authority of the Board

DocuSigned by:

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Rishi Pardal
Managing Director

Aditya Vikram
Bhauwala

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

Review Report to
The Board of Directors
United Breweries Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of United Breweries Limited (the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate for the quarter ended June 30, 2022 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. The Statement includes the results of the Holding Company and its subsidiary i.e. Maltex Malsters Limited.
5. We draw attention to Note 8 regarding the ongoing review by the majority shareholder with the co-operation of the Holding Company of the justification and appropriateness of commercial terms with certain distributors and vendors. Pending conclusion of this review, we are unable to comment on its impact, if any, on the attached unaudited consolidated financial results.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditors referred to in paragraph 8 below, except for the possible effects of our observation in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Emphasis of Matter

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

- (a) Note 4 which more fully describes the matter pertaining to the levy of a penalty of Rs. 75,183 Lakhs on the Holding Company, vide Order issued by the Competition Commission of India (CCI) for alleged contravention of the provisions of Section 3 of the Competition Act, 2002. There exists uncertainty relating to the final outcome in this matter, which is dependent on judicial proceedings; and the Holding Company is not in a position to reliably estimate the final obligation relating to penalties, if any. Based on advice of external legal experts, the Holding Company is of the view that it has strong case on merits. Accordingly, no provision has been recorded in the books of account; and
- (b) Note 5 which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof.

Our conclusion is not modified in respect of aforesaid matters.

8. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of a subsidiary whose unaudited interim financial results include total revenue of Rs. 489 Lakhs, total net profit after tax of Rs. 85 Lakhs and total comprehensive income of Rs. 85 Lakhs for the quarter ended June 30, 2022, as considered in the Statement, which have been reviewed by the independent auditors of the subsidiary.

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

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

9. The accompanying unaudited consolidated financial results does not include the Holding Company's share of net profit/loss for the quarter ended June 30, 2022 in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**Aditya Vikram
Bhauwala**

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per Aditya Vikram Bhauwala

Partner

Membership No.: 208382

Unique Document Identification Number (UDIN): 22208382ANSVZK8736

Bengaluru

July 27, 2022



United Breweries Ltd

PERFORMANCE HIGHLIGHTS FOR THE QUARTER ENDED JUNE 2022

- **Q1 VOLUMES MORE THAN DOUBLED COMPARED TO COVID IMPACTED PRIOR YEAR**
- **RECORD MONTHS IN SALES WITH VOLUME GROWTH OF 8% COMPARED TO 2019**
- **QUARTERLY EBIT, RS. 218 CR, UP FROM 46 CR LAST YEAR**
- **STRONG LIQUIDITY POSITON, DEBT FREE WITH BANK BALANCES OF RS. 860 CR**

The quarter witnessed a more than doubling of volumes, in addition to a sequential growth of 42% resulting in an 8% growth over corresponding pre-covid quarter 2019. The premium segment recorded growth ahead of the total portfolio.

All regions recorded growth in the quarter compared to both 2021 and 2019, except for South which recorded growth versus 2021 but recorded a marginal drop against 2019 impacted by the change in policy in AP. The record volumes were achieved despite a number of supply chain restrictions in the peak season.

Gross margin during the quarter was lower by 408 bps as compared to the corresponding quarter of the previous financial year due to inflationary pressures witnessed in the prices of barley, packaging materials and crude oil. Although commodity prices remain elevated, there are some indications that spot prices are softening. UBL has focused on security of supply given the peak season and volatile commodity markets. A combination of cost & efficiency measures and fixed cost leverage resulted in EBIT margin of 8.9%, up 480 bps versus the prior year quarter.

Price increase have been realized in multiple states, including Haryana, Karnataka, Maharashtra, MP, Orissa, Rajasthan, Telangana and UP. The Company continues to pursue options of further price increases, where possible.

Capex during the quarter was Rs. 44 Cr with the volume growth during the quarter resulting in an on-going review of capacity plans to meet future demand.

In light of the strong demand witnessed in the peak season post earlier Covid impacted results, UBL remains optimistic about the long-term growth drivers of the industry on the basis of GDP growth, urbanization and evolving consumer trends. UBL is well positioned to leverage and drive these opportunities.

Bangalore, July 27, 2022