



UNITED BREWERIES LIMITED

October 27, 2021

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 the Quarter ended September 30, 2021

In terms of Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are furnishing herewith Statement of Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and year to date period ended September 30, 2021 along with Independent Auditor's Review Report.

Time of commencement of Board Meeting: 01.00 p.m.

Time of conclusion of Board Meeting: 05.05 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: ubinvestor@ubmail.com Website: www.unitedbreweries.com

Rs. in Lakhs

Statement of unaudited standalone financial results for the quarter and year to date ended September 30, 2021

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty) (refer Note 7)	329,391	265,118	223,969	594,509	350,194	1,018,340
(b) Other income	455	609	3,260	1,064	3,401	5,020
Total income	329,846	265,727	227,229	595,573	353,595	1,023,360
2 EXPENSES						
(a) Cost of materials consumed	62,908	51,545	41,399	114,453	62,737	197,256
(b) Purchase of stock-in-trade	5,330	4,248	2,759	9,578	3,476	7,371
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	582	1,967	(1,163)	2,549	3,821	(995)
(d) Excise duty on sale of goods	186,772	153,316	133,906	340,088	209,443	594,267
(e) Employee benefits expense	13,407	11,346	10,985	24,753	22,495	48,229
(f) Finance costs	473	386	596	859	1,311	2,267
(g) Depreciation and amortisation expense	5,564	5,515	6,122	11,079	11,174	23,185
(h) Other expenses (refer Note 7)	43,832	33,154	32,040	76,986	53,745	134,262
Total expenses	318,868	261,477	226,644	580,345	368,202	1,005,842
3 Profit/(loss) before exceptional items and tax	10,978	4,250	585	15,228	(14,607)	17,518
4 Exceptional items (refer Note 8)	-	-	-	-	-	(722)
5 Profit/(loss) before tax	10,978	4,250	585	15,228	(14,607)	16,796
6 Tax expense						
(a) Current tax	3,442	1,159	-	4,601	-	6,733
(b) Deferred tax (credit)/charge	(529)	7	184	(522)	(3,579)	(1,222)
Total tax expense/(credit)	2,913	1,166	184	4,079	(3,579)	5,511
7 Profit/(loss) for the period/year	8,065	3,084	401	11,149	(11,028)	11,285
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	571	(234)	1,030	337	1,049	1,991
Income tax effect on above	(144)	59	(259)	(85)	(264)	(501)
Total other comprehensive income/(loss), net of taxes	427	(175)	771	252	785	1,490
9 Total comprehensive income/(loss) for the period/year	8,492	2,909	1,172	11,401	(10,243)	12,775
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						355,318
12 Earnings/(loss) per equity share in Rs. (nominal value per share Re. 1)*						
(a) Basic	3.05	1.17	0.15	4.22	(4.17)	4.27
(b) Diluted	3.05	1.17	0.15	4.22	(4.17)	4.27

*Not annualised for interim periods

Segment information (also refer Note 4)

Rs. in Lakhs

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment revenue						
Beer	328,497	264,430	223,313	592,927	348,823	1,015,449
Non-alcoholic beverages	894	688	656	1,582	1,371	2,891
Total revenue	329,391	265,118	223,969	594,509	350,194	1,018,340
2 Segment results						
Beer	19,315	11,379	5,466	30,694	(1,837)	50,114
Non-alcoholic beverages	(1,347)	(1,204)	(866)	(2,551)	(1,367)	(3,841)
Total segment results	17,968	10,175	4,600	28,143	(3,204)	46,273
Other income	455	609	3,260	1,064	3,401	5,020
Finance costs	(473)	(386)	(596)	(859)	(1,311)	(2,267)
Other unallocable expenses	(6,972)	(6,148)	(6,679)	(13,120)	(13,493)	(31,508)
Profit/(loss) before exceptional items and tax	10,978	4,250	585	15,228	(14,607)	17,518
Exceptional items (refer Note 8)	-	-	-	-	-	(722)
Profit/(loss) before tax	10,978	4,250	585	15,228	(14,607)	16,796

See accompanying notes to the standalone financial results

**UNITED BREWERIES LIMITED**

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

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Rs. in Lakhs

Statement of standalone assets and liabilities

Particulars	As at	As at
	September 30, 2021	March 31, 2021
	Unaudited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	190,003	192,106
(b) Capital work-in-progress	10,302	12,799
(c) Intangible assets	1,835	2,098
(d) Financial assets		
(i) Investments	1,573	1,371
(ii) Others	4,379	4,260
(e) Income tax assets (net)	22,670	20,396
(f) Deferred tax asset (net)	3,929	3,492
(g) Other non-current assets	16,121	15,792
	250,812	252,314
Current assets		
(a) Inventories	106,084	113,529
(b) Financial assets		
(i) Trade receivables	115,492	139,482
(ii) Cash and cash equivalents	58,952	40,940
(iii) Bank balances other than (ii) above	5,907	5,865
(iv) Others	186	84
(c) Other current assets	20,379	31,751
	307,000	331,651
(d) Assets held for sale	488	488
	307,488	332,139
Total assets	558,300	584,453
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	365,397	355,318
	368,041	357,962
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	9,375	10,750
(iia) Lease liabilities	726	774
(ii) Others	810	1,109
(b) Provisions	2,078	160
	12,989	12,793
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	12,500	14,267
(ii) Lease liabilities	434	406
(iii) Trade payables		
- Total outstanding dues to micro and small enterprises	3,645	5,193
- Total outstanding dues of creditors other than micro and small enterprises	33,412	56,572
(iv) Others	59,173	53,454
(b) Other current liabilities	57,673	74,706
(c) Provisions	10,433	9,100
	177,270	213,698
Total equity and liabilities	558,300	584,453

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Unaudited standalone cash flow statement for the year to date ended September 30, 2021

Rs. in Lakhs

Particulars	Year to date ended	
	September 30, 2021	September 30, 2020
	Unaudited	Unaudited
A Cash flow from operating activities		
Profit/(loss) before tax	15,228	(14,607)
Adjustments for:		
Depreciation and amortisation expense	11,079	11,174
Bad debts/advances written off	263	-
Loss allowance for trade receivables	603	3,694
Provision for doubtful advances	154	32
Unrealised exchange differences (net)	16	(139)
Net loss/(gain) on sale of property, plant and equipment	11	(37)
Profit on sale of investments	(75)	-
Liabilities no longer required written back	(51)	(31)
Loss allowance for trade receivables, no longer required written back	(217)	(2,901)
Interest expense	853	1,299
Interest income	(532)	(97)
Dividend income	(23)	(23)
Operating profits/(losses) before working capital changes	27,309	(1,636)
Movement in working capital:		
(Increase)/decrease in Inventories	7,445	1,215
(Increase)/decrease in Trade receivables	23,346	36,257
(Increase)/decrease in Other financial assets	(38)	423
(Increase)/decrease in Other assets	11,156	11,600
Increase/(decrease) in Trade payables	(24,667)	(21,681)
Increase/(decrease) in Other financial liabilities	6,608	2,797
Increase/(decrease) in Other current liabilities and provisions	(13,445)	(7,714)
Cash generated from operations	37,714	21,261
Direct taxes paid (net of refund)	(6,875)	(469)
Net cash flow from operating activities (A)	30,839	20,792
B Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(7,693)	(9,549)
Proceeds from sale of property, plant and equipment	13	93
Investments in equity and debt securities	(251)	(272)
Proceeds from sale of investments	124	-
Investments in bank deposits (having original maturity of more than three months)	(20)	(17)
Redemption/maturity of bank deposits (having original maturity of more than three months)	-	3
Interest received	430	112
Dividend received from subsidiary company	23	23
Net cash (used in) investing activities (B)	(7,374)	(9,607)
C Cash flow from financing activities		
Proceeds from long-term borrowings	-	25,000
Repayment of long-term borrowings	(3,125)	(44)
Payment of lease liabilities	(247)	(422)
(Repayment of)/proceeds from short-term borrowings (net)	(17)	(16,015)
Interest paid	(742)	(1,712)
Dividend paid to equity shareholders*	(1,322)	(6,610)
Net cash (used in)/generated from financing activities (C)	(5,453)	197
Net increase in cash and cash equivalents (A+B+C)	18,012	11,382
Cash and cash equivalents at the beginning of the period	40,940	2,899
Cash and cash equivalents at the end of the period	58,952	14,281

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

NOTES

1. The outbreak of Coronavirus (COVID-19) pandemic in India has caused significant disturbance and slowdown of economic activities. The business operations of United Breweries Limited ("the Company") have also been significantly impacted by way of interruption of production, supply chain, etc. During the start of the current financial year, there was a surge in the spread of COVID-19 in India and various state governments imposed restrictions ranging from curfew / lockdown to contain the spread of COVID-19. The Company has taken various precautionary measures to protect its employees from COVID-19.

The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available 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 impact of COVID-19 pandemic on the overall economic environment continues to be uncertain and may affect the underlying assumptions / estimates used in preparation of these standalone financial results, whereby actual outcome may differ from those assumptions / estimates considered at the date of approval of these standalone financial results. The Company will continue to closely monitor the situation and any material changes to future economic conditions.

2. The standalone financial results of the Company for the quarter ended September 30, 2021 and the year to date period from April 1, 2021 to September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on October 26, 2021 and October 27, 2021, respectively, and have been subjected to limited review by the statutory auditors of the Company.
3. The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
4. As per Ind AS 108, operating segment is a component of the Company that engages in business activities, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Company has identified its operating segments, as below:
 - (a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands
 - (b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

Considering the seasonality of the business, the revenue and profits do not accrue evenly over the year in respect of aforesaid operating segments. The Company's CODM does not review assets and liabilities for each operating segment separately, hence segment disclosures relating to total assets and liabilities have not been furnished.

5. On October 10, 2018, certain officials from the Competition Commission of India ("CCI") had visited the Company for their investigation in relation to allegations of price-fixation and performed search of the premises and conducted inquiries with certain officials of the Company at its registered office. Pursuant to this, the Company made requisite filings and also certain officials of the Company appeared before the aforesaid authorities. The Director General, CCI submitted its investigation report to the CCI for consideration which was also communicated to the Company on March 19, 2020. On August 28, 2020, the Company filed its comments / objections to the aforesaid investigation report. The matter was heard before the CCI on February 11, 2021 and March 2, 2021, followed by post hearing submissions filed by the Company with the CCI on March 23, 2021.

The Company received an Order dated September 24, 2021 under section 27 of the Competition Act, 2002 from the CCI ('the 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 has levied a penalty of Rs 75,183 Lakhs on the Company. The Company is in the process of filing an appeal against the aforesaid Order before the National Company Law Appellate Tribunal ('NCLAT'). The Company has time period upto November 30, 2021 to file the appeal with the 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 for an appeal, 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.

6. 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. Considering uncertainty in the Government's plans in respect of policy towards alcoholic beverages and the Company's change in plan for use of these assets, the Company carried out an impairment assessment of these property, plant and equipment at Bihar and accordingly an impairment loss of Rs. 4,446 Lakhs was recognized during the year ended March 31, 2021. As at September 30, 2021, the carrying value of property, plant and equipment at Bihar is Rs. 10,762 Lakhs (net of impairment). No further impairment is considered necessary by the management as at September 30, 2021.

7. Revenue from operations for the quarters ended September 30, 2021, June 30, 2021 and September 30, 2020 is adjusted for reversals in variable consideration of Rs. 407 Lakhs, Rs. 196 Lakhs and Rs. 444 Lakhs, respectively, and that for the year to date period ended September 30, 2021, the year to date period ended September 30, 2020 and the year ended March 31, 2021 is adjusted for reversal of Rs. 375 Lakhs, Rs. 1,003 Lakhs and Rs. 1,528 Lakhs, respectively (excluding the amounts accrued and reversed within the said period/year).

Sales promotion expense and selling and distribution expense (included under other expenses) for the quarters ended September 30, 2021 and June 30, 2021 is net of reversal of Rs. 356 Lakhs and Rs. 392 Lakhs, respectively, and that for the year to date period ended September 30, 2021 and the year ended March 31, 2021 is net of reversal of Rs. 518 Lakhs and Rs. 331 Lakhs, respectively (excluding the amounts accrued and reversed within the said period/year).

8. Exceptional items presented in the standalone financial results comprise of the following:

Rs. in Lakhs

	Year ended March 31, 2021
Impairment (loss) on property, plant and equipment, as discussed in Note 6 above	(4,446)
Impairment (loss) on investment in subsidiary company (see note (a) below)	(1,776)
Gain on transfer of rights and interest in a leasehold land (see note (b) below)	5,500
Total exceptional items before tax	(722)
Less: Tax expense on exceptional items	145
Net	(867)

- (a) As at March 31, 2021, the Company carried out impairment assessment of its investment in a subsidiary company with carrying value of Rs. 2,541 Lakhs. The recoverable amount for this investment was determined by an external valuer to be Rs. 765 Lakhs based on a fair value less cost of disposal calculation and accordingly an impairment loss of Rs. 1,776 Lakhs was recognized during the year ended March 31, 2021.
- (b) The Company executed a deed for assignment cum transfer of its rights and interest in a leasehold land property and accordingly a profit of Rs. 5,500 Lakhs realised on such transfer was recognized during the year ended March 31, 2021.
9. 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 date on which the Code will come into effect is yet to be notified and 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.
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. The Company has accordingly withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.
11. The Board of Directors of the Company at its meeting held on April 27, 2021 had proposed dividend of Re. 0.50 per equity share of Re. 1 each amounting to Rs. 1,322 Lakhs for the year ended March 31, 2021, which was approved at the annual general meeting of the Company held on July 29, 2021.
12. The comparative figures have been regrouped / reclassified, where necessary, to confirm to current quarter's classification.
13. 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.

By the authority of the Board



Rishi Pardal
Managing Director

Place : Bengaluru
Date : October 27, 2021

Aditya Vikram
Bhauwala

Digitally signed by Aditya Vikram
Bhauwala
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Independent Auditor's Review Report on the Quarterly and Year to Date 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 September 30, 2021 and the year to date from April 1, 2021 to September 30, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. Emphasis of Matter

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

- (a) Note 1 which describes management's assessment of the impact of COVID-19 pandemic on the Company's operations and carrying value of assets as at September 30, 2021;

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (b) Note 5 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. Based on advice of external legal experts, the Company is of the view that it has strong grounds for an appeal, 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
- (c) Note 6 which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof.

Our conclusion is not modified in respect of aforesaid matters.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Aditya Vikram
Bhauwala

Digitally signed by Aditya Vikram
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per Aditya Vikram Bhauwala

Partner

Membership No.: 208382

Unique Document Identification Number (UDIN): 21208382AAAACZ2360

Bengaluru

October 27, 2021


UNITED BREWERIES LIMITED

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Rs. in Lakhs

Statement of unaudited consolidated financial results for the quarter and year to date ended September 30, 2021

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	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty) (refer Note 7)	329,473	265,263	223,896	594,736	350,178	1,018,576
(b) Other income	445	616	3,244	1,061	3,392	5,025
Total income	329,918	265,879	227,140	595,797	353,570	1,023,601
2 EXPENSES						
(a) Cost of materials consumed	62,737	51,454	41,191	114,191	62,481	196,516
(b) Purchase of stock-in-trade	5,330	4,248	2,759	9,578	3,476	7,371
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	587	1,976	(1,152)	2,563	3,869	(950)
(d) Excise duty on sale of goods	186,772	153,316	133,906	340,088	209,443	594,267
(e) Employee benefits expense	13,495	11,432	11,045	24,927	22,600	48,549
(f) Finance costs	473	386	596	859	1,311	2,267
(g) Depreciation and amortisation expense	5,568	5,524	6,125	11,092	11,181	23,201
(h) Other expenses (refer Note 7)	44,013	33,278	32,125	77,291	53,877	134,717
Total expenses	318,975	261,614	226,595	580,589	368,238	1,005,938
3 Profit/(loss) before exceptional items and tax	10,943	4,265	545	15,208	(14,668)	17,663
4 Exceptional items (refer Note 8)	-	-	-	-	-	(722)
5 Profit/(loss) before tax	10,943	4,265	545	15,208	(14,668)	16,941
6 Tax expense						
(a) Current tax	3,438	1,164	-	4,602	-	6,779
(b) Deferred tax (credit)/charge	(529)	7	184	(522)	(3,579)	(1,221)
Total tax expense/(credit)	2,909	1,171	184	4,080	(3,579)	5,558
7 Profit/(loss) for the period/year	8,034	3,094	361	11,128	(11,089)	11,383
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	571	(234)	1,030	337	1,049	1,991
Income tax effect on above	(144)	59	(259)	(85)	(264)	(501)
Total other comprehensive income/(loss), net of taxes	427	(175)	771	252	785	1,490
9 Total comprehensive income/(loss) for the period/year	8,461	2,919	1,132	11,380	(10,304)	12,873
10 Profit/(loss) for the period/year attributable to:						
Equity shareholders of the Holding Company	8,038	3,089	370	11,127	(11,070)	11,322
Non-controlling interest	(4)	5	(9)	1	(19)	61
	8,034	3,094	361	11,128	(11,089)	11,383
11 Other comprehensive income/(loss) (OCI) attributable to:						
Equity shareholders of the Holding Company	427	(175)	771	252	785	1,490
Non-controlling interest	-	-	-	-	-	-
	427	(175)	771	252	785	1,490
12 Total comprehensive income/(loss) for the period/year attributable to:						
Equity shareholders of the Holding Company	8,465	2,914	1,141	11,379	(10,285)	12,812
Non-controlling interest	(4)	5	(9)	1	(19)	61
	8,461	2,919	1,132	11,380	(10,304)	12,873
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						355,584
15 Earnings/(loss) per equity share in Rs. (nominal value per share Re. 1)*						
(a) Basic	3.04	1.17	0.14	4.21	(4.19)	4.28
(b) Diluted	3.04	1.17	0.14	4.21	(4.19)	4.28

*Not annualised for interim periods

Segment information (also refer Note 4)

Rs. in Lakhs

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment revenue						
Beer	328,579	264,575	223,240	593,154	348,807	1,015,685
Non-alcoholic beverages	894	688	656	1,582	1,371	2,891
Total revenue	329,473	265,263	223,896	594,736	350,178	1,018,576
2 Segment results						
Beer	19,290	11,387	5,442	30,677	(1,889)	50,254
Non-alcoholic beverages	(1,347)	(1,204)	(866)	(2,551)	(1,367)	(3,841)
Total segment results	17,943	10,183	4,576	28,126	(3,256)	46,413
Other income	445	616	3,244	1,061	3,392	5,025
Finance costs	(473)	(386)	(596)	(859)	(1,311)	(2,267)
Other unallocable expenses	(6,972)	(6,148)	(6,679)	(13,120)	(13,493)	(31,508)
Profit/(loss) before exceptional items and tax	10,943	4,265	545	15,208	(14,668)	17,663
Exceptional items (refer Note 8)	-	-	-	-	-	(722)
Profit/(loss) before tax	10,943	4,265	545	15,208	(14,668)	16,941

See accompanying notes to the consolidated financial results

**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

Particulars	As at	As at
	September 30, 2021	March 31, 2021
	Unaudited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	190,178	192,203
(b) Capital work-in-progress	10,302	12,879
(c) Intangible assets	1,835	2,098
(d) Goodwill on consolidation	645	645
(e) Financial assets		
(i) Investments	808	606
(ii) Others	4,769	4,711
(f) Income tax assets (net)	22,682	20,395
(g) Deferred tax asset (net)	3,934	3,497
(h) Other non-current assets	16,157	15,826
	251,310	252,860
Current assets		
(a) Inventories	106,223	113,668
(b) Financial assets		
(i) Trade receivables	115,506	139,499
(ii) Cash and cash equivalents	58,966	40,970
(iii) Bank balances other than (ii) above	6,074	5,958
(iv) Others	186	84
(c) Other current assets	20,246	31,689
	307,201	331,868
(d) Assets held for sale	488	488
	307,689	332,356
Total assets	558,999	585,216
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	365,641	355,584
Equity attributable to equity holders of parent company	368,285	358,228
Non-controlling interest	353	375
	368,638	358,603
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	9,375	10,750
(ii) Lease liabilities	726	774
(iii) Others	810	1,109
(b) Provisions	2,078	160
	12,989	12,793
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	12,500	14,267
(ii) Lease liabilities	434	406
(iii) Trade payables		
- Total outstanding dues to micro and small enterprises	3,646	5,205
- Total outstanding dues of creditors other than micro and small enterprises	33,447	56,603
(iv) Others	59,228	53,521
(b) Other current liabilities	57,676	74,710
(c) Provisions	10,441	9,108
	177,372	213,820
Total equity and liabilities	558,999	585,216

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Unaudited consolidated cash flow statement for the year to date ended September 30, 2021

Rs. in Lakhs

Particulars	Year to date ended	
	September 30, 2021	September 30, 2020
	Unaudited	Unaudited
A Cash flow from operating activities		
Profit/(loss) before tax	15,208	(14,668)
<u>Adjustments for:</u>		
Depreciation and amortisation expense	11,092	11,181
Bad debts/advances written off	263	-
Loss allowance for trade receivables	603	3,694
Provision for doubtful advances	154	32
Unrealised exchange differences (net)	16	(139)
Net loss/(gain) on sale of property, plant and equipment	11	(37)
Profit on sale of investments	(75)	-
Liabilities no longer required written back	(51)	(31)
Loss allowance for trade receivables, no longer required written back	(217)	(2,901)
Interest expense	853	1,299
Interest income	(546)	(111)
Operating profits/(losses) before working capital changes	27,311	(1,681)
Movement in working capital:		
(Increase)/decrease in Inventories	7,445	1,254
(Increase)/decrease in Trade receivables	23,349	36,283
(Increase)/decrease in Other financial assets	(36)	425
(Increase)/decrease in Other assets	11,225	11,623
Increase/(decrease) in Trade payables	(24,675)	(21,690)
Increase/(decrease) in Other financial liabilities	6,593	2,783
Increase/(decrease) in Other current liabilities and provisions	(13,446)	(7,713)
Cash generated from operations	37,766	21,284
Direct taxes paid (net of refund)	(6,889)	(478)
Net cash flow from operating activities (A)	30,877	20,806
B Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(7,705)	(9,551)
Proceeds from sale of property, plant and equipment	14	93
Investments in equity and debt securities	(251)	(272)
Proceeds from sale of equity and debt securities	124	-
Investments in bank deposits (having original maturity of more than three months)	(115)	(316)
Redemption/maturity of bank deposits (having original maturity of more than three months)	83	293
Interest received	444	126
Net cash (used in) investing activities (B)	(7,406)	(9,627)
C Cash flow from financing activities		
Proceeds from long-term borrowings	-	25,000
Repayment of long-term borrowings	(3,125)	(44)
Payment of lease liabilities	(247)	(422)
(Repayment of)/proceeds from short-term borrowings (net)	(17)	(16,015)
Interest paid	(742)	(1,712)
Dividend paid*	(1,344)	(6,632)
Net cash (used in)/generated from financing activities (C)	(5,475)	175
Net increase in cash and cash equivalents (A+B+C)	17,996	11,354
Cash and cash equivalents at the beginning of the period	40,970	2,936
Cash and cash equivalents at the end of the period	58,966	14,290

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

NOTES

1. The outbreak of Coronavirus (COVID-19) pandemic in India has caused significant disturbance and slowdown of economic activities. The business operations of United Breweries Limited ("the Holding Company") and its subsidiary (together referred to as "the Group") have also been significantly impacted by way of interruption of production, supply chain, etc. During the start of the current financial year, there was a surge in the spread of COVID-19 in India and various state governments imposed restrictions ranging from curfew/lockdown to contain the spread of COVID-19. The Group has taken various precautionary measures to protect its employees from COVID-19.

The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available 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 impact of COVID-19 pandemic on the overall economic environment continues to be uncertain and may affect the underlying assumptions / estimates used in preparation of these consolidated financial results, whereby actual outcome may differ from those assumptions / estimates considered at the date of approval of these consolidated financial results. The Group will continue to closely monitor the situation and any material changes to future economic conditions.

2. The consolidated financial results of the Group and its associate for the quarter ended September 30, 2021 and the year to date period from April 1, 2021 to September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on October 26, 2021 and October 27, 2021, 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.
3. The consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
4. As per Ind AS 108, operating segment is a component of the Group that engages in business activities, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Group has identified its operating segments, as below:
 - (a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands
 - (b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

Considering the seasonality of the business, the revenue and profits do not accrue evenly over the year in respect of aforesaid operating segments. The Group's CODM does not review assets and liabilities for each operating segment separately, hence segment disclosures relating to total assets and liabilities have not been furnished.

5. On October 10, 2018, certain officials from the Competition Commission of India ("CCI") had visited the Holding Company for their investigation in relation to allegations of price-fixation and performed search of the premises and conducted inquiries with certain officials of the Holding Company at its registered office. Pursuant to this, the Holding Company made requisite filings and also certain officials of the Holding Company appeared before the aforesaid authorities. The Director General, CCI submitted its investigation report to the CCI for consideration which was also communicated to the Holding Company on March 19, 2020. On August 28, 2020, the Holding Company filed its comments / objections to the aforesaid investigation report. The matter was heard before the CCI on February 11, 2021 and March 2, 2021, followed by post hearing submissions filed by the Holding Company with the CCI on March 23, 2021.

The Holding Company received an Order dated September 24, 2021 under section 27 of the Competition Act, 2002 from the CCI ('the 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 has levied a penalty of Rs 75,183 Lakhs on the Holding Company. The Holding Company is in the process of filing an appeal against the aforesaid Order before the National Company Law Appellate Tribunal ('NCLAT'). The Holding Company has time period upto November 30, 2021 to file the appeal with the 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 for an appeal, 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.

6. 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. Considering uncertainty in the Government's plans in respect of policy towards alcoholic beverages and the Holding Company's change in plan for use of these assets, the Holding Company carried out an impairment assessment of these property, plant and equipment at Bihar and accordingly an impairment loss of Rs. 4,446 Lakhs was recognized during the year ended March 31, 2021. As at September 30, 2021, the carrying value of property, plant and equipment at Bihar is Rs. 10,762 Lakhs (net of impairment). No further impairment is considered necessary by the management as at September 30, 2021.

7. Revenue from operations for the quarters ended September 30, 2021, June 30, 2021 and September 30, 2020 is adjusted for reversals in variable consideration of Rs. 407 Lakhs, Rs. 196 Lakhs and Rs. 444 Lakhs, respectively, and that for the year to date period ended September 30, 2021, the year to date period ended September 30, 2020 and the year ended March 31, 2021 is adjusted for reversal of Rs. 375 Lakhs, Rs. 1,003 Lakhs and Rs. 1,528 Lakhs, respectively (excluding the amounts accrued and reversed within the said period/year).

Sales promotion expense and selling and distribution expense (included under other expenses) for the quarters ended September 30, 2021 and June 30, 2021 is net of reversal of Rs. 356 Lakhs and Rs. 392 Lakhs, respectively, and that for the year to date period ended September 30, 2021 and the year ended March 31, 2021 is net of reversal of Rs. 518 Lakhs and Rs. 331 Lakhs, respectively (excluding the amounts accrued and reversed within the said period/year).

8. Exceptional items presented in the consolidated financial results comprise of the following:

	Rs. in Lakhs
	Year ended March 31, 2021
Impairment (loss) on property, plant and equipment, as discussed in Note 6 above	(4,446)
Impairment (loss) on goodwill (see note (a) below)	(1,776)
Gain on transfer of rights and interest in a leasehold land (see note (b) below)	5,500
Total exceptional items before tax	(722)
Less: Tax expense on exceptional items	145
Net	(867)

- (a) As at March 31, 2021, the Holding Company carried out impairment assessment of goodwill with carrying value of Rs. 2,421 Lakhs arising from consolidation of a subsidiary company. The recoverable amount of the underlying assets of the subsidiary company was determined by an external valuer to be Rs. 645 Lakhs based on a fair value less cost of disposal calculation and accordingly an impairment loss of Rs. 1,776 Lakhs was recognized in respect of goodwill attributed to such subsidiary company during the year ended March 31, 2021.
- (b) The Holding Company executed a deed for assignment cum transfer of its rights and interest in a leasehold land property and accordingly a profit of Rs. 5,500 Lakhs realised on such transfer was recognized during the year ended March 31, 2021.
9. 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 date on which the Code will come into effect is yet to be notified and 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.
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. The Holding Company has accordingly withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.
11. The Board of Directors of the Holding Company at its meeting held on April 27, 2021 had proposed dividend of Re. 0.50 per equity share of Re. 1 each amounting to Rs. 1,322 Lakhs for the year ended March 31, 2021, which was approved at the annual general meeting of the Holding Company held on July 29, 2021.
12. The comparative figures have been regrouped / reclassified, where necessary, to confirm to current quarter's classification.
13. 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.

By the authority of the Board



Rishi Pardal
Managing Director

Place : Bengaluru
Date : October 27, 2021

Aditya Vikram
Bhauwala

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Independent Auditor's Review Report on the Quarterly and Year to Date 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 September 30, 2021 and the year to date from April 1, 2021 to September 30, 2021 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

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

- (a) Note 1 which describes management's assessment of the impact of COVID-19 pandemic on the Group's operations and carrying value of assets as at September 30, 2021;

- (b) Note 5 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. Based on advice of external legal experts, the Holding Company is of the view that it has strong grounds for an appeal, 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
- (c) Note 6 which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof.

Our conclusion is not modified in respect of aforesaid matters.

7. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of a subsidiary whose unaudited interim financial results include total assets Rs. 963 Lakhs as at September 30, 2021, total revenues of Rs. 253 Lakhs and Rs. 489 Lakhs, total net loss after tax of Rs. 10 Lakhs and profit after tax of Rs. 2 Lakhs and total comprehensive loss of Rs. 10 Lakhs and total comprehensive income Rs. 2 Lakhs for the quarter ended September 30, 2021 and the year to date from April 1, 2021 to September 30, 2021, respectively, and net cash outflows of Rs. 13 Lakhs for the year to date from April 1, 2021 to September 30, 2021, as considered in the Statement, which have been reviewed by the independent auditors of the subsidiary.

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

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

8. The accompanying unaudited consolidated financial results does not include the Holding Company's share of net profit/loss for the quarter ended September 30, 2021 and the year to date from April 1, 2021 to September 30, 2021 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

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Bhauwala

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per Aditya Vikram Bhauwala

Partner

Membership No.: 208382

Unique Document Identification Number (UDIN): 21208382AAAADA4991

Bengaluru

October 27, 2021



PERFORMANCE HIGHLIGHTS FOR THE HALF YEAR ENDING SEPTEMBER 2021

- **Q2 VOLUME GROWTH OF 49% AND AT 78% OF PRE-COVID LEVELS**
- **Q2 EBITDA AT RS. 170 CR WITH AN IMPROVEMENT OF 382 BPS**
- **HALF-YEAR EBITDA, RS. 272 CR, UP FROM A RS 21 CR NEGATIVE LAST YEAR**
- **STRONG LIQUIDITY POSITION WITH ABOUT RS 600 CR BANK BALANCES**

The second quarter witnessed volumes picking up and stabilizing with a number of markets achieving volumes comparable or ahead of Pre-Covid levels by September. The recovery across markets was not even due to different phasing of local restrictions.

Primary volumes during the second quarter were up 49%, with the Eastern markets faring exceptionally well. Recovery was uneven across the regions with the North almost clocking Pre-Covid levels, while the East and West were at 80% and the South lower at 70%. The growth in the Southern markets was affected because of higher end consumer prices in Telangana and the new policies in Andhra Pradesh, despite Karnataka volumes recovering to almost Pre-Covid levels in the quarter. Mild beer grew faster in the quarter as compared to the growth in the corresponding quarter of the last financial year.

Gross margin during the quarter was up by 341 bps vs Q1 due to and lower by 52 bps as compared to the corresponding quarter of the previous financial year due to net impact of inflationary pressures.

Free operating cash flows were robust at Rs. 227 CR year to date, up from Rs. 95 CR prior year. Capex plans continue to be optimized with a focus on the completion of key ongoing projects for the coming season with the outlay limited to about Rs. 200 Cr for the year.

The Company has received a CCI Order with the imposition of Rs. 751.8 Cr as penalty. The Company is in the process of preparing the grounds of appeal and the appeal will be filed within the time frame of 2 months from the date of the order. Basis legal advice the Company believes that it has a strong case on merits for successful appeal on this matter. Accordingly, no provision is considered necessary.

Although the trajectory and impact of the pandemic remains uncertain, the Company has adopted its operations accordingly and will continue to manage the business with agility.

The Company is 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 with its leading market position, portfolio of brands and healthy balance sheet.

Bangalore, October 27, 2021