



UNITED BREWERIES LIMITED

February 09, 2023

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

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

Dear Sirs,

Sub: Outcome of Board Meeting - Unaudited Financial Results for Quarter ended December 31, 2022

In terms of Regulation 33 (and all other provisions pertaining to disclosure requirements, if any) 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 December 31, 2022 along with Independent Auditor's Review Report.

The Board Meeting commenced at 12.30 p.m. and concluded at 05.45 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.

Copy of the Press Release is enclosed.

Thanking you, we remain,

Yours faithfully,

For UNITED BREWERIES LIMITED

RADOVAN Digitally signed by
RADOVAN SIKORSKY
SIKORSKY Date: 2023.02.09
17:44:47 +05'30'

RADOVAN SIKORSKY

Director and Chief Financial Officer

DIN: 09684447

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 and year to date ended December 31, 2022

Particulars	Quarter ended			Year to date ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty)	3,69,851	3,67,075	3,50,992	12,56,328	9,45,501	13,11,741
(b) Other income	1,297	1,431	604	3,764	1,668	2,966
Total income	3,71,148	3,68,506	3,51,596	12,60,092	9,47,169	13,14,707
2 EXPENSES						
(a) Cost of materials consumed	88,806	90,417	73,047	3,12,430	1,87,500	2,71,394
(b) Purchase of stock-in-trade	3,148	1,578	5,157	8,253	14,735	19,582
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,741	(2,410)	891	(1,581)	3,440	2,289
(d) Excise duty on sale of goods	2,08,747	1,99,120	1,92,906	6,83,604	5,32,994	7,28,548
(e) Employee benefits expense (refer Note 6)	10,237	9,422	10,947	29,150	29,704	38,379
(f) Contract employee expense	4,231	4,462	3,723	14,072	9,719	13,557
(g) Finance costs	160	99	369	342	1,228	1,478
(h) Depreciation and amortisation expense	5,016	5,198	5,294	15,967	16,373	21,691
(i) Other expenses	45,276	42,575	46,964	1,54,319	1,23,950	1,68,500
Total expenses	3,67,362	3,50,461	3,39,298	12,16,556	9,19,643	12,65,418
3 Profit before exceptional items and tax	3,786	18,045	12,298	43,536	27,526	49,289
4 Exceptional items (refer Note 8)	(3,312)	-	-	(3,312)	-	-
5 Profit/(loss) before tax	474	18,045	12,298	40,224	27,526	49,289
6 Tax expense						
(a) Current tax	1,801	4,336	3,407	11,891	8,008	13,159
(b) Deferred tax charge/(credit)	(1,113)	290	(165)	(1,040)	(687)	(371)
Total tax expense	688	4,626	3,242	10,851	7,321	12,788
7 Profit/(loss) for the period/year	(214)	13,419	9,056	29,373	20,205	36,501
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	(43)	1,142	(135)	32	202	80
Income tax effect on above	11	(288)	34	(8)	(51)	(20)
Total other comprehensive income/(loss), net of taxes	(32)	854	(101)	24	151	60
9 Total comprehensive income for the period/year	(246)	14,273	8,955	29,397	20,356	36,561
10 Paid up equity share capital (Face value of Re. 1 each)	2,644	2,644	2,644	2,644	2,644	2,644
11 Other equity						3,90,557
12 Earnings per equity share in Rs. (nominal value per share Re. 1)**						
(a) Basic	(0.08)	5.08	3.42	11.11	7.64	13.81
(b) Diluted	(0.08)	5.08	3.42	11.11	7.64	13.81

**Not annualised for interim periods

Segment information (also refer Note 3)

Rs. in Lakhs

Particulars	Quarter ended			Year to date ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment revenue						
Beer	3,69,830	3,66,946	3,50,187	12,55,444	9,43,114	13,08,753
Non-alcoholic beverages	21	129	805	884	2,387	2,988
Total segment revenue	3,69,851	3,67,075	3,50,992	12,56,328	9,45,501	13,11,741
2 Segment results						
Beer	12,555	24,114	22,969	66,129	53,663	83,938
Non-alcoholic beverages	(2,201)	(407)	(2,431)	(3,468)	(4,982)	(6,510)
Total segment results	10,354	23,707	20,538	62,661	48,681	77,428
Other income	1,297	1,431	604	3,764	1,668	2,966
Finance costs	(160)	(99)	(369)	(342)	(1,228)	(1,478)
Other unallocable expenses	(7,705)	(6,994)	(8,475)	(22,547)	(21,595)	(29,627)
Profit before exceptional items and tax	3,786	18,045	12,298	43,536	27,526	49,289
Exceptional items (refer Note 8)	(3,312)	-	-	(3,312)	-	-
Profit/(loss) before tax	474	18,045	12,298	40,224	27,526	49,289

See accompanying notes to the standalone financial results



NOTES

1. The standalone financial results of United Breweries Limited ("the Company") for the quarter ended December 31, 2022 and the year to date period from April 1, 2022 to December 31, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on February 8, 2023 and February 9, 2023, respectively, and have been subjected to limited review by the statutory auditors of the Company. The standalone financial results for the quarter and year to date ended December 31, 2021 and year ended March 31, 2022 were reviewed/audited by previous auditors who had expressed an unqualified review conclusion/ audit opinion.
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 in the form of Fixed Deposit Receipt (FDR) with the Registrar, NCLAT which is presented under "Other non-current assets". The FDR was valid till December 24, 2022 and as per NCLAT order dated December 8, 2022 the FDR aggregating to Rs7,793 Lakhs was renewed for another period of six months. On December 23, 2022 NCLAT passed its judgment and dismissed the appeals filed by the Company and other appellants. The Company has filed appeal against NCLAT order dated December 23, 2022 before the Supreme Court of India on January 30, 2023 under Section 53T of the Competition Act, 2002.

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



5. The Bihar State Government ("the Government") vide its notification dated April 5, 2016 had imposed ban on trade and consumption of alcoholic beverages in the State of Bihar. The Company had filed a writ petition with the High Court at Patna, requesting remedies and compensation for losses incurred on account of such abrupt notification, which was allowed by Patna High Court and against which the Government preferred a special leave petition before the Supreme Court of India. Further, the Government did not renew brewery licenses for the financial year 2017-18 onwards and consequently the Company discontinued production of beer at Bihar. The matter is currently pending before the Supreme Court for final conclusion.

During the financial year 2018-19, in order to maintain the assets in running condition, the Company commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment. The Company carried out an impairment assessment of its property, plant and equipment and the recoverable amount for these property, plant and equipment is determined by an external valuer based on a fair value less cost of disposal calculation.

Effective May 1, 2022, the Company has closed its manufacturing operations from Bihar unit and has made alternative arrangement for manufacturing non-alcoholic beverages on contract basis with a third-party contractor, considering the economies of scale of operations for non-alcoholic beverages. The Company has received a show cause notice dated June 25, 2022 from Bihar Industrial Area Development Authority (BIADA) for cancellation of its land lease at Bihar considering non-operation of the manufacturing unit. The Company, based on legal advice, has filed its response to the said show-cause notice stating that there has been no violation of the BIADA Act and the notice to the Company is not maintainable. BIADA thereafter, issued another show cause notice dated November 2, 2022 to start production within 30 days failing which the allotment of land would be cancelled forfeiting the allotment money. The Company sought six months' time to commence production as per the Amnesty Scheme of BIADA. However, BIADA cancelled allotment of land to the Company vide order dated December 16, 2022 against which the Company has filed a writ before the High Court of Patna. The High Court vide order dated January 25, 2023 has directed to maintain status quo and also directed the Company to file undertaking that it will commence commercial production in the unit. The Management is planning to restart production of non-alcoholic beverages in the unit. As at December 31, 2022, the carrying value of property, plant and equipment at Bihar is Rs. 9,110 Lakhs (net of impairment) based on fair value less cost of disposal calculation after considering contractual rights available to the Company under the BIADA Act.

6. Employee benefits expense for the year ended March 31, 2022 and December 31, 2022 includes severance pay of Rs. 1,748 Lakhs and Rs. 409 Lakhs respectively, paid/payable to certain employees of the Company on separation.
7. Based on an intimation received from a member of senior management of the Company during the quarter ended June 30, 2022, the majority shareholder with the co-operation of the Company initiated a review of the justification and appropriateness of commercial terms with certain distributors and vendors in certain states. During the quarter ended December 31, 2022, the review was concluded and based on the outcome of the review, no adjustments have been determined necessary to the unaudited standalone financial results of the Company for the quarter and for the nine months period ended December 31, 2022, on this account.
8. The change in the operating models in the states of Tamil Nadu and Andhra Pradesh, has seen recent volumes decline in these states inter alia on account of the post integration review undertaken by Heineken. This resulted in lower cash inflows due to reduction in revenue, which triggered an impairment review being performed across property, plant and equipment of the breweries in the two states. As a result, the impacted assets were reviewed for impairment on an asset-by-asset basis and an impairment of Rs 3,312 Lakhs was recorded on the property, plant and equipment for the two states. Management is reviewing opportunities to restore volumes in the states and, as such whilst there is no plan of restructuring as on date, potential risks of the company incurring additional costs remain.
9. The Company had received orders from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Company has been directed not to pay/release amounts that may be payable with respect to shares in the Company held by an erstwhile director (including his joint holdings) and certain other shareholders, without its prior permission; accordingly, the Company has withheld payment of Rs. 3,812



Lakhs (net of taxes) relating to dividend on aforesaid shares. Further, the Company had received various orders from tax and provident fund authorities prohibiting the Company from making any payment to an erstwhile director; accordingly the Company has withheld payment of Rs. 45 Lakhs (net of TDS) relating to director commission and sitting fees payable to the aforesaid erstwhile director.

10. The Code on Social Security, 2020 ("the Code) which would impact the contributions by the Company towards Provident Fund and Gratuity, has received Presidential assent in September 2020. The Code have been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its standalone financial results in the period in which the Code becomes effective and the related rules are published.
11. Previous year/periods figures have been regrouped/reclassified to confirm with the classification adopted in these standalone financial results.
12. 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 : February 9, 2023

By the authority of the Board



Rishi Pardal
Managing Director



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

TO THE BOARD OF DIRECTORS OF UNITED BREWERIES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **United Breweries Limited** ("the Company"), for the quarter and nine months ended December 31, 2022 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to below mentioned notes to the accompanying unaudited standalone financial results:
 - a. As described in Note 4, during the quarter, the NCLAT dismissed the appeals filed by the Company and other appellants contesting Competition Commission of India (CCI) Order relating to contravention of Section 3 of the Competition Act and levy of penalty of Rs. 75,183 Lakhs. The Company has filed an appeal against the NCLAT order before the Supreme Court of India on January 30, 2023. The Management of the Company has represented that the Company has a strong case on merits supported by external legal advice. Pending outcome of the matter, the Company is not in position to reliably estimate, the obligation relating to penalties, if any. Accordingly, no provision has been recorded in the books of account and amount is disclosed as contingent liability.

Deloitte Haskins & Sells

- b. As described in Note 5, the Company has evaluated the carrying value of the property, plant and equipment aggregating to INR 9,110 lakhs based on fair value less cost of disposal after considering its contractual rights under the BIADA Act, pending the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India.

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

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



Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDDK4858

Place: Bengaluru
Date: February 09, 2023



UNITED BREWERIES LIMITED

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

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

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

Rs. in Lakhs

Statement of unaudited consolidated financial results for the quarter and year to date ended December 31, 2022

Particulars	Quarter ended			Year to date ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty)	3,70,049	3,67,351	3,51,185	12,57,008	9,45,921	13,12,392
(b) Other income	1,305	1,416	613	3,764	1,674	2,979
Total income	3,71,354	3,68,767	3,51,798	12,60,772	9,47,595	13,15,371
2 EXPENSES						
(a) Cost of materials consumed	88,632	90,246	72,877	3,11,802	1,87,068	2,70,729
(b) Purchase of stock-in-trade	3,148	1,578	5,157	8,253	14,735	19,582
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,718	(2,461)	877	(1,639)	3,440	2,301
(d) Excise duty on sale of goods	2,08,747	1,99,120	1,92,906	6,83,604	5,32,994	7,28,548
(e) Employee benefits expense (refer Note 6)	10,335	9,521	11,043	29,454	29,974	38,755
(f) Contract employee expense	4,231	4,462	3,723	14,072	9,719	13,557
(g) Finance costs	160	99	369	342	1,228	1,478
(h) Depreciation and amortisation expense	5,023	5,204	5,303	15,987	16,395	21,719
(i) Other expenses	45,534	42,943	47,185	1,55,202	1,24,476	1,69,258
Total expenses	3,67,528	3,50,712	3,39,440	12,17,077	9,20,029	12,65,927
3 Profit before exceptional items and tax	3,826	18,055	12,358	43,695	27,566	49,444
4 Exceptional items (refer Note 8)	(3,312)	-	-	(3,312)	-	-
5 Profit/(loss) before tax	514	18,055	12,358	40,383	27,566	49,444
6 Tax expense						
(a) Current tax	1,810	4,353	3,420	11,945	8,022	13,203
(b) Deferred tax charge/(credit)	(1,115)	290	(164)	(1,043)	(686)	(367)
Total tax expense	695	4,643	3,256	10,902	7,336	12,836
7 Profit/(loss) for the period/year	(181)	13,412	9,102	29,481	20,230	36,608
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	(43)	1,142	(135)	32	202	80
Income tax effect on above	11	(288)	34	(8)	(51)	(20)
Total other comprehensive income/(loss), net of taxes	(32)	854	(101)	24	151	60
9 Total comprehensive income for the period/year	(213)	14,266	9,001	29,505	20,381	36,668
10 Profit/(loss) for the period/year attributable to:						
Equity shareholders of the Holding Company	(197)	13,405	9,079	29,417	20,206	36,546
Non-controlling interest	16	7	23	64	24	62
	(181)	13,412	9,102	29,481	20,230	36,608
11 Other comprehensive income/(loss) (OCI) attributable to:						
Equity shareholders of the Holding Company	(32)	854	(101)	24	151	60
Non-controlling interest	-	-	-	-	-	-
	(32)	854	(101)	24	151	60
12 Total comprehensive income/(loss) for the period/year attributable to:						
Equity shareholders of the Holding Company	(229)	14,259	8,978	29,441	20,357	36,606
Non-controlling interest	16	7	23	64	24	62
	(213)	14,266	9,001	29,505	20,381	36,668
13 Paid up equity share capital (Face value of Re. 1 each)	2,644	2,644	2,644	2,644	2,644	2,644
14 Other equity						3,90,868
15 Earnings per equity share in Rs. (nominal value per share Re. 1)**						
(a) Basic	(0.07)	5.07	3.43	11.13	7.64	13.82
(b) Diluted	(0.07)	5.07	3.43	11.13	7.64	13.82

**Not annualised for interim periods

Segment information (also refer Note 3)

Rs. in Lakhs

Particulars	Quarter ended			Year to date ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment revenue						
Beer	3,70,028	3,67,222	3,50,380	12,56,124	9,43,534	13,09,404
Non-alcoholic beverages	21	129	805	884	2,387	2,988
Total segment revenue	3,70,049	3,67,351	3,51,185	12,57,008	9,45,921	13,12,392
2 Segment results						
Beer	12,587	24,139	23,020	66,288	53,697	84,080
Non-alcoholic beverages	(2,201)	(407)	(2,431)	(3,468)	(4,982)	(6,510)
Total segment results	10,386	23,732	20,589	62,820	48,715	77,570
Other income	1,305	1,416	613	3,764	1,674	2,979
Finance costs	(160)	(99)	(369)	(342)	(1,228)	(1,478)
Other unallocable expenses	(7,705)	(6,994)	(8,475)	(22,547)	(21,595)	(29,627)
Profit before exceptional items and tax	3,826	18,055	12,358	43,695	27,566	49,444
Exceptional items (refer Note 8)	(3,312)	-	-	(3,312)	-	-
Profit/(loss) before tax	514	18,055	12,358	40,383	27,566	49,444

See accompanying notes to the consolidated financial results



NOTES

1. The consolidated financial results of United Breweries Limited (“the Company” or “the Holding Company”) and its subsidiary (together referred to as “the Group”) together with its share of profit/ (loss) of its associate for the quarter ended December 31, 2022 and the year to date period from April 1, 2022 to December 31, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on February 8, 2023 and February 9, 2023, respectively, and have been subjected to limited review by the statutory auditors of the Holding Company. The consolidated financial results does not include the Holding Company’s share of net profit/(loss) in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group. The consolidated financial results for the quarter and year to date ended December 31, 2021 and year ended March 31, 2022 were reviewed/audited by previous auditors who had expressed an unqualified review conclusion/ audit opinion.
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 in the form of Fixed Deposit Receipt (FDR) with the Registrar, NCLAT which is presented under “Other non-current assets”. The FDR was valid till December 24, 2022 and as per NCLAT order dated December 8 , 2022 the FDR aggregating to Rs.7,793 Lakhs was renewed for another period of six months. On December 23, 2022 NCLAT passed its judgment and dismissed the appeals filed by the Holding Company and other appellants. The Holding Company has filed appeal against NCLAT order dated December 23, 2022 before the Supreme Court of India on January 30, 2023 under Section 53T of the Competition Act, 2002.

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



5. The Bihar State Government ("the Government") vide its notification dated April 5, 2016 had imposed ban on trade and consumption of alcoholic beverages in the State of Bihar. The Holding Company had filed a writ petition with the High Court at Patna, requesting remedies and compensation for losses incurred on account of such abrupt notification, which was allowed by Patna High Court and against which the Government preferred a special leave petition before the Supreme Court of India. Further, the Government did not renew brewery licenses for the financial year 2017-18 onwards and consequently the Holding Company discontinued production of beer at Bihar. The matter is currently pending before the Supreme Court for final conclusion.

During the financial year 2018-19, in order to maintain the assets in running condition, the Holding Company commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment. The Holding Company carried out an impairment assessment of its property, plant and equipment and the recoverable amount for these property, plant and equipment is determined by an external valuer based on a fair value less cost of disposal calculation.

Effective May 1, 2022, the Holding Company has closed its manufacturing operations from Bihar unit and has made alternative arrangement for manufacturing non-alcoholic beverages on contract basis with a third-party contractor, considering the economies of scale of operations for non-alcoholic beverages. The Holding Company has received a show cause notice dated June 25, 2022 from Bihar Industrial Area Development Authority (BIADA) for cancellation of its land lease at Bihar considering non-operation of the manufacturing unit. The Holding Company, based on legal advice, has filed its response to the said show-cause notice stating that there has been no violation of the BIADA Act and the notice to the Holding Company is not maintainable. BIADA thereafter, issued another show cause notice dated November 2, 2022 to start production within 30 days failing which the allotment of land would be cancelled forfeiting the allotment money. The Holding Company sought six months' time to commence production as per the Amnesty Scheme of BIADA. However, BIADA cancelled allotment of land to the Holding Company vide order dated December 16, 2022 against which the Holding Company has filed a writ before the High Court of Patna. The High Court vide order dated January 25, 2023 has directed to maintain status quo and also directed the Holding Company to file undertaking that it will commence commercial production in the unit. The Management is planning to restart production of non-alcoholic beverages in the unit. As at December 31, 2022, the carrying value of property, plant and equipment at Bihar is Rs. 9,110 Lakhs (net of impairment) based on fair value less cost of disposal calculation after considering contractual rights available to the Holding Company under the BIADA Act.

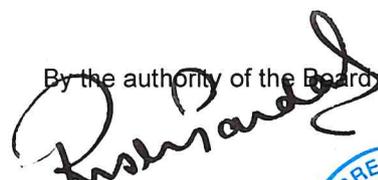
6. Employee benefits expense for the year ended March 31, 2022 and December 31, 2022 includes severance pay of Rs. 1,748 Lakhs and Rs. 409 Lakhs respectively, paid/payable to certain employees of the Holding Company on separation.
7. Based on an intimation received from a member of senior management of the Holding Company during the quarter ended June 30, 2022, the majority shareholder with the co-operation of the Holding Company initiated a review of the justification and appropriateness of commercial terms with certain distributors and vendors in certain states. During the quarter ended December 31, 2022, the review was concluded and based on the outcome of the review, no adjustments have been determined necessary to the unaudited consolidated financial results of the Holding Company for the quarter and for the nine months period ended December 31, 2022, on this account.
8. The change in the operating models in the states of Tamil Nadu and Andhra Pradesh, has seen recent volumes decline in these states inter alia on account of the post integration review undertaken by Heineken. This resulted in lower cash inflows due to reduction in revenue, which triggered an impairment review being performed across property, plant and equipment of the breweries in the two states. As a result, the impacted assets were reviewed for impairment on an asset-by-asset basis and an impairment of Rs 3,312 Lakhs was recorded on the property, plant and equipment for the two States. Management is reviewing opportunities to restore volumes in the states and, as such whilst there is no plan of restructuring as on date, potential risks of the Holding Company incurring additional costs remain.



9. The Holding Company had received orders from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Holding Company has been directed not to pay/release amounts that may be payable with respect to shares in the Holding Company held by an erstwhile director (including his joint holdings) and certain other shareholders, without its prior permission; accordingly, the Holding Company has withheld payment of Rs. 3,812 Lakhs (net of taxes) relating to dividend on aforesaid shares. Further, the Holding Company had received various orders from tax and provident fund authorities prohibiting the Holding Company from making any payment to an erstwhile director; accordingly the Holding Company has withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.
10. The Code on Social Security, 2020 ("the Code) which would impact the contributions by the Group towards Provident Fund and Gratuity, has received Presidential assent in September 2020. The Code have been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Group will complete its evaluation and will give appropriate impact in its consolidated financial results in the period in which the Code becomes effective and the related rules are published.
11. Previous year/periods figures have been regrouped/reclassified to confirm with the classification adopted in these consolidated financial results.
12. 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 : February 9, 2023

By the authority of the Board



Rishi Pardal
Managing Director



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

TO THE BOARD OF DIRECTORS OF UNITED BREWERIES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **United Breweries Limited** ("the Company" or "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the quarter and nine months ended December 31, 2022 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Holding Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the Holding Company and its Subsidiary i.e., Maltex Malsters Limited.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditor referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Deloitte Haskins & Sells

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

- a. As described in Note 4, during the quarter, the NCLAT dismissed the appeals filed by the Company and other appellants contesting Competition Commission of India (CCI) Order relating to contravention of Section 3 of the Competition Act and levy of penalty of Rs. 75,183 Lakhs. The Company has filed an appeal against the NCLAT order before the Supreme Court of India on January 30, 2023. The Management of the Company has represented that the Company has a strong case on merits supported by external legal advice. Pending outcome of the matter, the Company is not in position to reliably estimate, the obligation relating to penalties if any. Accordingly, no provision has been recorded in the books of account and amount is disclosed as contingent liability.
- b. As described in Note 5, the Company has evaluated the carrying value of the property, plant and equipment aggregating to INR 9,110 lakhs based on fair value less cost of disposal after considering its contractual rights under the BIADA Act, pending the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India.

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

7. We did not review the interim financial results of one subsidiary included in the unaudited consolidated financial results, whose interim financial results reflect total revenues of Rs. 371 Lakhs and Rs. 1,308 Lakhs for the quarter and nine months ended December 31, 2022 respectively, total net profit after tax of Rs. 33 Lakhs and Rs. 131 Lakhs for the quarter and nine months ended December 31, 2022 respectively and total comprehensive income of Rs. 33 Lakhs and Rs. 131 Lakhs for the quarter and nine months ended December 31, 2022 respectively, as considered in the Statement.

These interim financial results have been reviewed by other auditor whose report have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

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

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

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDDL4031

Place: Bengaluru
Date: February 09, 2023



United Breweries Ltd

PERFORMANCE HIGHLIGHTS FOR Q3 & THE NINE MONTHS ENDED DECEMBER 2022

- **VOLUME GROWTH IN THE QUARTER AND YEAR TO DATE SIGNALLING CONTINUING CATEGORY GROWTH**
- **Q3 VOLUMES UP 4%, UP 5% VS 2019**
- **YEAR TO DATE VOLUMES UP 43%, VS 2019 VOLUMES UP 3%**
- **YEAR TO DATE EBITDA, RS. 598 CR, UP 33% FROM 451 CR VS 2021**

Volume growth of 4% in the quarter vs prior year, primarily driven by Telangana, Rajasthan and Karnataka. YTD Volume growth was 43% driven by Rajasthan, West Bengal, Telangana and Maharashtra.

The premium segment recorded growth ahead of the total portfolio, growing 13% in the quarter with a strong 75% growth YTD, driven by Heineken and Kingfisher Ultra & Max.

Gross margin during the quarter was lower by 813 bps as compared to 2021 due to continued inflationary pressures on costs, particularly on prices of barley and packaging material.

Strong revenue growth of 39% combined with cost control resulted in YTD OP margin growth of 69 bps.

Price increases have been taken in a multiple of states and the Company continues to pursue options of further price increases to mitigate gross margin erosion.

Capex YTD was a spend of Rs.113 Cr, and with continued volume growth, Capex investments are planned to meet the expected volume expansion.

Inflationary pressure on costs is seen to continue in the near term. The Company will seek to take appropriate actions to further mitigate the impact as far as possible. UBL continues to remain optimistic on the long-term growth of the industry, driven by rising prosperity, youthful population and evolving consumer trends driving premiumization.

Bangalore, February 9, 2023