



UNITED BREWERIES LIMITED

**November 07, 2019**

1. Department of Corporate Services,  
BSE Limited,  
Floor 25, P J Towers,  
Dalal Street,  
Mumbai - 400 001
2. National Stock Exchange of India Limited,  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051

Dear Sirs,

**Sub: Outcome of Board Meeting - Unaudited Financial Results for the Quarter ended September 30, 2019**

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In terms of Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are furnishing herewith Unaudited Financial Results of the Company for the quarter ended September 30, 2019.

Time of commencement of Board Meeting: 11:00 hrs

Time of conclusion of Board Meeting : 16:20 hrs

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: a/a

**UNITED BREWERIES LIMITED**

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

Phone: 080 - 39855000, 22272806/07 Fax: 080 - 22211964, 22229488

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

Rs. in Lakhs

**Statement of Standalone Assets and Liabilities**

Particulars	As at	As at
	September 30, 2019	March 31, 2019
	Unaudited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	174,577	172,525
(b) Capital work-in-progress	25,643	18,992
(c) Intangible assets	2,606	2,694
(d) Financial assets		
(i) Investments	2,568	2,568
(ii) Others	5,398	5,828
(e) Income tax assets (net)	21,298	17,493
(f) Deferred tax asset (net)	814	-
(g) Other non-current assets	15,360	17,786
	<b>248,264</b>	<b>237,886</b>
<b>Current assets</b>		
(a) Inventories	108,061	103,080
(b) Financial assets		
(i) Trade receivables	171,991	151,002
(ii) Cash and cash equivalents	160	1,898
(iii) Bank balances other than (ii) above	4,455	2,614
(iv) Others	70	71
(c) Other current assets	31,199	41,309
	315,936	299,974
(d) Assets held for sale	714	-
	<b>316,650</b>	<b>299,974</b>
<b>Total assets</b>	<b>564,914</b>	<b>537,860</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	2,644	2,644
(b) Other equity	335,497	315,545
	<b>338,141</b>	<b>318,189</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	8,078	7,543
(ii) Others	687	955
(b) Provisions	743	163
(c) Deferred tax liability (net)	-	1,147
	<b>9,508</b>	<b>9,808</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	31,466	600
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	2,639	4,426
- Total outstanding dues of creditors other than micro and small enterprises	38,625	54,568
(iii) Others	76,674	70,025
(b) Other current liabilities	59,262	72,151
(c) Provisions	8,599	8,093
	<b>217,265</b>	<b>209,863</b>
<b>Total equity and liabilities</b>	<b>564,914</b>	<b>537,860</b>





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Rs. in Lakhs

**Statement of unaudited standalone financial results for the quarter and year to date period ended September 30, 2019**

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 INCOME</b>						
(a) Revenue from operations (gross of excise duty) (refer Note 11)	358,777	470,720	333,184	829,497	748,974	1,413,682
(b) Other income	189	316	370	505	1,898	3,170
<b>Total income from operations</b>	<b>358,966</b>	<b>471,036</b>	<b>333,554</b>	<b>830,002</b>	<b>750,872</b>	<b>1,416,852</b>
<b>2 EXPENSES</b>						
(a) Cost of materials consumed	71,164	97,555	64,747	168,719	153,662	292,714
(b) Purchase of stock-in-trade	3,899	4,742	5,309	8,641	8,441	16,477
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	542	(582)	(2,312)	(40)	(8,721)	(7,447)
(d) Excise duty on sale of goods	200,920	265,867	180,589	466,787	409,788	766,439
(e) Employee benefits expense	12,338	12,310	10,264	24,648	20,946	44,386
(f) Finance costs	879	768	400	1,647	1,322	3,120
(g) Depreciation and amortisation expense	6,886	6,921	6,563	13,807	12,934	25,978
(h) Other expenses (refer Note 11)	50,668	57,934	42,763	108,602	92,993	187,337
<b>Total expenses</b>	<b>347,296</b>	<b>445,515</b>	<b>308,323</b>	<b>792,811</b>	<b>691,365</b>	<b>1,329,004</b>
<b>3 Profit before tax</b>	<b>11,670</b>	<b>25,521</b>	<b>25,231</b>	<b>37,191</b>	<b>59,507</b>	<b>87,848</b>
<b>4 Tax expense (refer Note 5)</b>						
(a) Current tax	1,310	9,858	9,233	11,168	21,747	32,234
(b) Deferred tax (credit)	(1,153)	(791)	(379)	(1,944)	(809)	(664)
<b>Total tax expense</b>	<b>157</b>	<b>9,067</b>	<b>8,854</b>	<b>9,224</b>	<b>20,938</b>	<b>31,570</b>
<b>5 Profit for the period/year</b>	<b>11,513</b>	<b>16,454</b>	<b>16,377</b>	<b>27,967</b>	<b>38,569</b>	<b>56,278</b>
<b>6 Other comprehensive income (OCI)</b>						
(a) Items that will not be reclassified to profit or loss in subsequent periods						
Re-measurement (losses)/gains on defined benefit plans	(25)	(43)	52	(68)	165	(293)
Income tax effect on above	2	15	(19)	17	(58)	102
(b) Items that will be reclassified to profit or loss in subsequent periods						
Net movement in cash flow hedges	-	-	-	-	25	261
Income tax effect on above	-	-	-	-	(9)	(85)
<b>Total other comprehensive income/(loss), net of taxes</b>	<b>(23)</b>	<b>(28)</b>	<b>33</b>	<b>(51)</b>	<b>123</b>	<b>(15)</b>
<b>7 Total comprehensive income</b>	<b>11,490</b>	<b>16,426</b>	<b>16,410</b>	<b>27,916</b>	<b>38,692</b>	<b>56,263</b>
<b>8 Paid up equity share capital (Face value of Re.1 each)</b>	<b>2,644</b>	<b>2,644</b>	<b>2,644</b>	<b>2,644</b>	<b>2,644</b>	<b>2,644</b>
<b>9 Other equity</b>						<b>315,545</b>
<b>10 Earnings per equity share in Rs. (nominal value per share Re.1)*</b>						
(a) Basic	4.36	6.22	6.20	10.58	14.59	21.29
(b) Diluted	4.36	6.22	6.20	10.58	14.59	21.29

\*Not annualised for interim periods

**Segment information (also refer Note 3)**

Rs. in Lakhs

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Segment revenue</b>						
Beer	358,238	470,170	333,184	828,408	748,974	1,412,874
Non-alcoholic beverages	539	550	-	1,089	-	808
<b>Total revenue</b>	<b>358,777</b>	<b>470,720</b>	<b>333,184</b>	<b>829,497</b>	<b>748,974</b>	<b>1,413,682</b>
<b>2 Segment results</b>						
Beer	21,901	35,211	25,261	57,112	58,931	106,545
Non-alcoholic beverages	(1,078)	(2,019)	-	(3,097)	-	(2,298)
<b>Total segment results</b>	<b>20,823</b>	<b>33,192</b>	<b>25,261</b>	<b>54,015</b>	<b>58,931</b>	<b>104,247</b>
Other income	189	316	370	505	1,898	3,170
Finance costs	(879)	(768)	(400)	(1,647)	(1,322)	(3,120)
Other unallocable expenses	(8,463)	(7,219)	-	(15,682)	-	(16,449)
<b>Profit before tax</b>	<b>11,670</b>	<b>25,521</b>	<b>25,231</b>	<b>37,191</b>	<b>59,507</b>	<b>87,848</b>

See accompanying notes to the standalone financial results



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**Unaudited standalone cash flow statement for the year to date period ended September 30, 2019**

Rs. in Lakhs

Particulars	Year to date ended	
	September 30, 2019	September 30, 2018
	Unaudited	Unaudited*
<b>A Cash flow from operating activities</b>		
Profit before tax	37,191	59,507
<u>Adjustments for:</u>		
Depreciation and amortisation expense	13,807	12,934
Bad debts/advances written off	65	3
Loss allowance for trade receivables	-	424
Provision for doubtful advances	-	2
Net (gain) on sale of property, plant and equipment	(14)	(34)
Effect of adoption of new revenue recognition accounting standard Ind AS 115	-	(549)
Exchange differences (net)	150	51
Liabilities no longer required written back	(67)	(217)
Loss allowance for trade receivables, no longer required written back	(79)	(1,122)
Provision for doubtful advances, no longer required written back	(7)	-
Interest expense	1,605	1,295
Interest income	(155)	(425)
Dividend income	(23)	(23)
<b>Operating profits before working capital changes</b>	<b>52,473</b>	<b>71,846</b>
<b>Movement in working capital:</b>		
(Increase)/decrease in Inventories	(4,981)	(16,645)
(Increase)/decrease in Trade receivables	(20,937)	903
(Increase)/decrease in Other financial assets	405	(679)
(Increase)/decrease in Other assets	10,546	(3,671)
Increase/(decrease) in Trade payables	(17,820)	(18,370)
Increase/(decrease) in Other financial liabilities	4,127	5,325
Increase/(decrease) in Other current liabilities and provisions	(11,871)	11,117
<b>Cash generated from operations</b>	<b>11,942</b>	<b>49,826</b>
Direct taxes paid (net of refund)	(14,973)	(15,791)
<b>Net cash flow (used in)/from operating activities (A)</b>	<b>(3,031)</b>	<b>34,035</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(20,056)	(17,493)
Proceeds from sale of property, plant and equipment	46	46
Investments in equity shares	-	(12)
Investments in bank deposits (having original maturity of more than three months)	(183)	(149)
Redemption/maturity of bank deposits (having original maturity of more than three months)	80	63
Interest received	156	424
Dividend received from subsidiary company	23	23
<b>Net cash (used in) investing activities (B)</b>	<b>(19,934)</b>	<b>(17,098)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from long-term borrowings	-	52
Repayment of long-term borrowings	(256)	617
Proceeds from/(repayment of) short-term borrowings (net)	30,996	(4,678)
Interest paid	(1,549)	(1,300)
Dividend paid to equity shareholders**	(6,610)	(5,287)
Dividend distribution tax paid	(1,354)	(1,082)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>21,227</b>	<b>(11,678)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(1,738)</b>	<b>5,259</b>
Cash and cash equivalents at the beginning of the period	1,898	231
<b>Cash and cash equivalents at the end of the period</b>	<b>160</b>	<b>5,490</b>

\*Refer Note 1

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



## NOTES

1. The standalone financial results for the quarter ended September 30, 2019 and year to date period from April 1, 2019 to September 30, 2019 of United Breweries Limited (“the Company”) have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 6, 2019 and November 7, 2019, respectively, and have been subjected to limited review by the statutory auditors of the Company. The cash flow statement for the corresponding period from April 1, 2018 to September 30, 2018, as included in these unaudited standalone financial results have been approved by the Board of Directors of the Company, but have not been subjected to limited review by the statutory auditors of the Company.
2. The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of 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. Effective April 1, 2019, the Company has adopted Ind AS 116 which replaces Ind AS 17 on Leases. The Company has used the modified retrospective approach for transition to Ind AS 116 and consequently comparatives for previous period / year have not been restated. This has resulted in recognition of right-of-use assets and corresponding lease liabilities of Rs. 1,631 Lakhs as at April 1, 2019 (after giving effect to guidance issued by the Ind AS Technical Facilitation Group). The net impact of adopting this standard on the standalone financial results and earnings per share is not material.
5. As per the Taxation Laws (Amendment) Ordinance, 2019 published on September 20, 2019, the Company has opted for reduced corporate tax rate for the current financial year and accordingly, the tax expense for the quarter ended September 30, 2019 is net of reversal of Rs. 2,853 Lakhs relating to differential tax expense for the previous quarter.
6. 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 has made requisite filings and also certain officials of the Company have appeared before the aforesaid authorities. The Company has not received any demand order in respect of this matter and the investigation is ongoing, hence it is not practicable to state an estimate of its financial effect, if any. Management, along-with its legal advisors, are in the continuous process of evaluating this matter and believe that there are mitigating circumstances to counter presumptions made against the Company by the CCI as contained in the Competition Act, 2002.



7. The Bihar State Government ("the Government") vide its notification dated April 5, 2016 had imposed ban on trade and consumption of foreign liquor 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 and all its inventories lying with Bihar State Beverages Corporation Limited (BSBCL) were drained / destroyed. The matter is currently pending before the Supreme Court for final conclusion.

The financial impact on current assets arising from aforesaid matter was fully provided for. Also, during the financial year 2018-19, the Company commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment at Bihar which has carrying value of Rs. 18,521 Lakhs as at September 30, 2019. Management believes that the carrying amount of these property, plant and equipment do not exceed their recoverable amount and accordingly no provision has been considered necessary by the management in this regard.

8. The Supreme Court of India in a judgement on Provident Fund dated February 28, 2019 addressed the principle for determining salary components that form part of Basic Salary for individuals below a prescribed salary threshold. It is however unclear as to whether the clarified definition of Basic Salary would be applicable prospectively or retrospectively. The Company has complied with the aforesaid judgement on a prospective basis from the date of the judgement and is in the process of obtaining clarity on the judgement relating to retrospective adjustment, if applicable.
9. The Company had received emails from certain persons raising allegations in relation to its export business including the services of an export management service provider. The Company's preliminary view is that the transactions have been undertaken as per approved policies and there is no financial impact on the Company. However, management is conducting a detailed investigation in this matter which is currently in progress and would take such necessary action as deemed appropriate. In the meantime, the Company has issued a notice of termination to the aforesaid export management service provider.
10. During the year ended March 31, 2019, the Company had received e-mails / letter whereby allegations were raised against an employee of the Company relating to his involvement in certain irregularities in the procurement of packing materials from certain select vendors. Based on an initial inquiry on this matter, the service of the said employee was terminated. The Company has received similar allegations against certain employees / suppliers in the current quarter. The Company is conducting a detailed investigation on these matters which is currently in progress. Management is of the view that although the actual financial impact, if any, which may arise from these matters can be ascertained only after completion of the investigation, the amount involved is not expected to be material, considering the profitability of the Company.
11. Revenue from operations for the quarters ended September 30, 2019, June 30, 2019 and September 30, 2018 is adjusted for reversals in variable considerations of Rs. 832 Lakhs, Rs. 789 Lakhs and Rs. 835 Lakhs, respectively, and that for the year to date period ended September 30, 2019, the year to date period ended September 30, 2018 and the year ended March 31, 2019 is adjusted for such reversals of Rs. 1,403 Lakhs, Rs. 1,421 Lakhs and Rs. 2,091 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, 2019 and September 30, 2018 are net of reversal of Rs. 553 Lakhs and Rs. 1,067 Lakhs, respectively.



12. The Company had received an order dated September 30, 2015 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 United Breweries (Holdings) Limited, without its prior permission. Accordingly, the Company has withheld payment of Rs. 1,534 Lakhs (net of payment of Rs. 784 Lakhs to the official liquidator of United Breweries (Holdings) Limited) 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 of the Company. 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.

13. The Board of Directors of the Company at its meeting held on May 20, 2019 had proposed dividend of Rs. 2.50 per equity share of Re. 1 each amounting to Rs. 7,964 Lakhs (inclusive of dividend distribution tax) for the year ended March 31, 2019, which was approved at the annual general meeting held on August 22, 2019.

14. The standalone financial results and notes are also available on the websites of the Stock Exchanges viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also on the website of the Company viz. [www.unitedbreweries.com](http://www.unitedbreweries.com).

By the authority of the Board



Shekhar Ramamurthy  
Managing Director

Place : Bengaluru  
Date : November 7, 2019



**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, 2019 and year to date period from April 1, 2019 to September 30, 2019 (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"). Attention is drawn to the fact that the cash flow statement for the corresponding period from April 1, 2018 to September 30, 2018, as reported in these unaudited standalone financial results have been approved by the Board of Directors of the Company, but have not been subjected to review.
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.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

5. We draw attention to below mentioned notes to the accompanying unaudited standalone financial results:
- (a) Note 6 which more fully describes the uncertainty relating to the future outcome of ongoing investigation by the Competition Commission of India ("CCI"); and
  - (b) Note 7 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



per Aditya Vikram Bhauwala

Partner

Membership No.: 208382

Unique Document Identification Number (UDIN): 19208382AAAADE6852



Bengaluru

November 7, 2019

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Rs. in Lakhs

**Statement of Consolidated Assets and Liabilities**

Particulars	As at	As at
	September 30, 2019	March 31, 2019
	Unaudited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	174,648	172,599
(b) Capital work-in-progress	25,643	18,992
(c) Intangible assets	2,606	2,694
(d) Goodwill on consolidation	2,421	2,421
(e) Financial assets		
(i) Investments	27	27
(ii) Others	5,428	6,231
(f) Income tax assets (net)	21,332	17,516
(g) Deferred tax asset (net)	817	-
(h) Other non-current assets	15,401	17,824
	<b>248,323</b>	<b>238,304</b>
<b>Current assets</b>		
(a) Inventories	108,182	103,246
(b) Financial assets		
(i) Trade receivables	172,029	151,099
(ii) Cash and cash equivalents	195	1,920
(iii) Bank balances other than (ii) above	4,929	2,697
(iv) Others	70	71
(c) Other current assets	31,001	41,104
	316,406	300,137
(d) Assets held for sale	714	-
	<b>317,120</b>	<b>300,137</b>
<b>Total assets</b>	<b>565,443</b>	<b>538,441</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	2,644	2,644
(b) Other equity	335,656	315,733
	<b>338,300</b>	<b>318,377</b>
<b>Non-controlling interest</b>	<b>278</b>	<b>304</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	8,078	7,543
(ii) Others	687	955
(b) Provisions	743	163
(c) Deferred tax liability (net)	-	1,144
	<b>9,508</b>	<b>9,805</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	31,466	600
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	2,639	4,426
- Total outstanding dues of creditors other than micro and small enterprises	38,646	54,596
(iii) Others	76,738	70,079
(b) Other current liabilities	59,266	72,157
(c) Provisions	8,602	8,097
	<b>217,357</b>	<b>209,955</b>
<b>Total equity and liabilities</b>	<b>565,443</b>	<b>538,441</b>




**UNITED BREWERIES LIMITED**

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 Phone: 080 - 39855000, 22272806/07 Fax: 080 - 22211964, 22229488  
 CIN: L36999KA1999PLC025195 Email: ubinvestor@ubmail.com Website: www.unitedbreweries.com

Rs. in Lakhs

**Statement of unaudited consolidated financial results for the quarter and year to date period ended September 30, 2019**

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	Unaudited	Unaudited	Unaudited*	Unaudited	Unaudited*	Audited
<b>1 INCOME</b>						
(a) Revenue from operations (gross of excise duty) (refer Note 11)	358,875	470,842	333,244	829,717	749,104	1,413,982
(b) Other income	175	325	341	500	1,898	3,201
<b>Total income from operations</b>	<b>359,050</b>	<b>471,167</b>	<b>333,585</b>	<b>830,217</b>	<b>751,002</b>	<b>1,417,183</b>
<b>2 EXPENSES</b>						
(a) Cost of materials consumed	70,971	97,293	64,546	168,264	153,197	291,731
(b) Purchase of stock-in-trade	3,899	4,742	5,309	8,641	8,441	16,477
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	531	(569)	(2,321)	(38)	(8,730)	(7,442)
(d) Excise duty on sale of goods	200,920	265,867	180,589	466,787	409,788	766,439
(e) Employee benefits expense	12,443	12,433	10,381	24,876	21,186	44,843
(f) Finance costs	879	768	400	1,647	1,322	3,120
(g) Depreciation and amortisation expense	6,889	6,922	6,564	13,811	12,936	25,986
(h) Other expenses (refer Note 11)	50,889	58,169	43,028	109,058	93,428	188,098
<b>Total expenses</b>	<b>347,421</b>	<b>445,625</b>	<b>308,496</b>	<b>793,046</b>	<b>691,568</b>	<b>1,329,252</b>
<b>3 Profit before tax</b>	<b>11,629</b>	<b>25,542</b>	<b>25,089</b>	<b>37,171</b>	<b>59,434</b>	<b>87,931</b>
<b>4 Tax expense (refer Note 5)</b>						
(a) Current tax	1,304	9,864	9,211	11,168	21,747	32,261
(b) Deferred tax (credit)	(1,153)	(791)	(379)	(1,944)	(809)	(661)
<b>Total tax expense</b>	<b>151</b>	<b>9,073</b>	<b>8,832</b>	<b>9,224</b>	<b>20,938</b>	<b>31,600</b>
<b>5 Profit for the period/year</b>	<b>11,478</b>	<b>16,469</b>	<b>16,257</b>	<b>27,947</b>	<b>38,496</b>	<b>56,331</b>
<b>6 Other comprehensive income (OCI)</b>						
(a) Items that will not be reclassified to profit or loss in subsequent periods						
Re-measurement (losses)/gains on defined benefit plans	(25)	(43)	52	(68)	165	(293)
Income tax effect on above	2	15	(19)	17	(58)	102
(b) Items that will be reclassified to profit or loss in subsequent periods						
Net movement in cash flow hedges	-	-	-	-	25	261
Income tax effect on above	-	-	-	-	(9)	(85)
<b>Total other comprehensive income/(loss), net of taxes</b>	<b>(23)</b>	<b>(28)</b>	<b>33</b>	<b>(51)</b>	<b>123</b>	<b>(15)</b>
<b>7 Total comprehensive income for the year</b>	<b>11,455</b>	<b>16,441</b>	<b>16,290</b>	<b>27,896</b>	<b>38,619</b>	<b>56,316</b>
<b>8 Profit for the period/year attributable to:</b>						
Equity shareholders of the Holding Company	11,485	16,462	16,305	27,947	38,521	56,294
Non-controlling interest	(7)	7	(48)	-	(25)	37
	<b>11,478</b>	<b>16,469</b>	<b>16,257</b>	<b>27,947</b>	<b>38,496</b>	<b>56,331</b>
<b>9 Total comprehensive income for the period/year attributable to:</b>						
Equity shareholders of the Holding Company	11,462	16,434	16,338	27,896	38,644	56,279
Non-controlling interest	(7)	7	(48)	-	(25)	37
	<b>11,455</b>	<b>16,441</b>	<b>16,290</b>	<b>27,896</b>	<b>38,619</b>	<b>56,316</b>
<b>10 Paid up equity share capital (Face value of Re.1 each)</b>	<b>2,644</b>	<b>2,644</b>	<b>2,644</b>	<b>2,644</b>	<b>2,644</b>	<b>2,644</b>
<b>11 Other equity</b>						<b>315,733</b>
<b>12 Earnings per equity share in Rs. (nominal value per share Re.1)**</b>						
(a) Basic	4.34	6.23	6.15	10.57	14.56	21.30
(b) Diluted	4.34	6.23	6.15	10.57	14.56	21.30

\*\*Not annualised for interim periods

**Segment information (also refer Note 3)**

Rs. in Lakhs

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	Unaudited	Unaudited	Unaudited*	Unaudited	Unaudited*	Audited
<b>1 Segment revenue</b>						
Beer	358,336	470,292	333,244	828,628	749,104	1,413,174
Non-alcoholic beverages	539	550	-	1,089	-	808
<b>Total revenue</b>	<b>358,875</b>	<b>470,842</b>	<b>333,244</b>	<b>829,717</b>	<b>749,104</b>	<b>1,413,982</b>
<b>2 Segment results</b>						
Beer	21,874	35,223	25,148	57,097	58,858	106,597
Non-alcoholic beverages	(1,078)	(2,019)	-	(3,097)	-	(2,298)
<b>Total segment results</b>	<b>20,796</b>	<b>33,204</b>	<b>25,148</b>	<b>54,000</b>	<b>58,858</b>	<b>104,299</b>
Other income	175	325	341	500	1,898	3,201
Finance costs	(879)	(768)	(400)	(1,647)	(1,322)	(3,120)
Other unallocable expenses	(8,463)	(7,219)	-	(15,682)	-	(16,449)
<b>Profit before tax</b>	<b>11,629</b>	<b>25,542</b>	<b>25,089</b>	<b>37,171</b>	<b>59,434</b>	<b>87,931</b>

\*Refer Note 1

See accompanying notes to the consolidated financial results



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**Unaudited consolidated cash flow statement for the year to date period ended September 30, 2019**

Rs. in Lakhs

Particulars	Year to date ended	
	September 30, 2019	September 30, 2018
	Unaudited	Unaudited*
<b>A Cash flow from operating activities</b>		
Profit before tax	37,171	59,434
<u>Adjustments for:</u>		
Depreciation and amortisation expense	13,811	12,936
Bad debts/advances written off	65	3
Loss allowance for trade receivables	-	424
Provision for doubtful advances	-	2
Net (gain) on sale of property, plant and equipment	(14)	(34)
Effect of adoption of new revenue recognition accounting standard Ind AS 115	-	(549)
Exchange differences (net)	150	51
Liabilities no longer required written back	(67)	(217)
Loss allowance for trade receivables, no longer required written back	(79)	(1,122)
Provision for doubtful advances, no longer required written back	(7)	-
Interest expense	1,605	1,295
Interest income	(173)	(448)
<b>Operating profits before working capital changes</b>	<b>52,462</b>	<b>71,775</b>
<b>Movement in working capital:</b>		
(Increase)/decrease in Inventories	(4,936)	(16,646)
(Increase)/decrease in Trade receivables	(20,878)	886
(Increase)/decrease in Other financial assets	405	(679)
(Increase)/decrease in Other assets	10,536	(3,602)
Increase/(decrease) in Trade payables	(17,827)	(18,249)
Increase/(decrease) in Other financial liabilities	4,137	5,338
Increase/(decrease) in Other current liabilities and provisions	(11,874)	11,118
<b>Cash generated from operations</b>	<b>12,025</b>	<b>49,941</b>
Direct taxes paid (net of refund)	(14,984)	(15,865)
<b>Net cash flow (used in)/from operating activities (A)</b>	<b>(2,959)</b>	<b>34,076</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(20,057)	(17,513)
Proceeds from sale of property, plant and equipment	46	46
Investments in equity shares	-	(12)
Investments in bank deposits (having original maturity of more than three months)	(283)	(165)
Redemption/maturity of bank deposits (having original maturity of more than three months)	162	63
Interest received	174	447
<b>Net cash (used in) investing activities (B)</b>	<b>(19,958)</b>	<b>(17,134)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from long-term borrowings	(256)	52
Repayment of long-term borrowings	-	617
Proceeds from/(repayment of) short-term borrowings (net)	30,996	(4,678)
Interest paid	(1,549)	(1,300)
Dividend paid **	(6,636)	(5,287)
Dividend distribution tax paid	(1,363)	(1,091)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>21,192</b>	<b>(11,687)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(1,725)</b>	<b>5,255</b>
Cash and cash equivalents at the beginning of the period	1,920	246
<b>Cash and cash equivalents at the end of the period</b>	<b>195</b>	<b>5,501</b>

\*Refer Note 1

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



## NOTES

1. The consolidated financial results for the quarter ended September 30, 2019 and year to date period from April 1, 2019 to September 30, 2019 of United Breweries Limited ("the Holding Company"), its subsidiary (together referred to as "the Group") and its associate have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 6, 2019 and November 7, 2019, 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 figures for the corresponding quarter ended September 30, 2018 and year to date period from April 1, 2018 to September 30, 2018, as included in the consolidated financial results, have been approved by the Holding Company's Board of Directors, but have not been subjected to limited review by the statutory auditors of the Holding Company.
2. The consolidated financial results have 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, read with Rule 3 of 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. Effective April 1, 2019, the Group has adopted Ind AS 116 which replaces Ind AS 17 on Leases. The Group has used the modified retrospective approach for transition to Ind AS 116 and consequently comparatives for previous period / year have not been restated. This has resulted in recognition of right-of-use assets and corresponding lease liabilities of Rs. 1,631 Lakhs as at April 1, 2019 (after giving effect to guidance issued by the Ind AS Technical Facilitation Group). The net impact of adopting this standard on the consolidated financial results and consolidated earnings per share is not material.
5. As per the Taxation Laws (Amendment) Ordinance, 2019 published on September 20, 2019, the Group has opted for reduced corporate tax rate for the current financial year and accordingly, the consolidated tax expense for the quarter ended September 30, 2019 is net of reversal of Rs. 2,853 Lakhs relating to differential tax expense for previous quarter.



6. 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 has made requisite filings and also certain officials of the Holding Company have appeared before the aforesaid authorities. The Holding Company has not received any demand order in respect of this matter and the investigation is ongoing, hence it is not practicable to state an estimate of its financial effect, if any. Management, along-with its legal advisors, are in the continuous process of evaluating this matter and believe that there are mitigating circumstances to counter presumptions made against the Holding Company by the CCI as contained in the Competition Act, 2002.
7. The Bihar State Government (“the Government”) vide its notification dated April 5, 2016 had imposed ban on trade and consumption of foreign liquor 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 and all its inventories lying with Bihar State Beverages Corporation Limited (BSBCL) were drained / destroyed. The matter is currently pending before the Supreme Court for final conclusion.

The financial impact on current assets arising from aforesaid matter was fully provided for. Also, during the financial year 2018-19, the Holding Company commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment at Bihar which has carrying value of Rs. 18,521 Lakhs as at September 30, 2019. Management believes that the carrying amount of these property, plant and equipment do not exceed their recoverable amount and accordingly no provision has been considered necessary by the management in this regard.

8. The Supreme Court of India in a judgement on Provident Fund dated February 28, 2019 addressed the principle for determining salary components that form part of Basic Salary for individuals below a prescribed salary threshold. It is however unclear as to whether the clarified definition of Basic Salary would be applicable prospectively or retrospectively. The Group has complied with the aforesaid judgement on a prospective basis from the date of the judgement and is in the process of obtaining clarity on the judgement relating to retrospective adjustment, if applicable.
9. The Holding Company had received emails from certain persons raising allegations in relation to its export business including the services of an export management service provider. The Holding Company’s preliminary view is that the transactions have been undertaken as per approved policies and there is no financial impact on the Holding Company. However, management is conducting a detailed investigation in this matter which is currently in progress and would take such necessary action as deemed appropriate. In the meantime, the Holding Company has issued a notice of termination to the aforesaid export management service provider.
10. During the year ended March 31, 2019, the Holding Company had received e-mails / letter whereby allegations were raised against an employee of the Holding Company relating to his involvement in certain irregularities in the procurement of packing materials from certain select vendors. Based on an initial inquiry on this matter, the service of the said employee was terminated. The Holding Company has received similar allegations against certain employees / suppliers in the current quarter. The Holding Company is conducting a detailed investigation on these matters which is currently in progress. Management is of the view that although the actual financial impact, if any, which may arise from these matters can be ascertained only after completion of the investigation, the amount involved is not expected to be material, considering the profitability of the Group.



11. Revenue from operations for the quarters ended September 30, 2019, June 30, 2019 and September 30, 2018 is adjusted for reversals in variable considerations of Rs. 832 Lakhs, Rs. 789 Lakhs and Rs. 835 Lakhs, respectively, and that for the year to date period ended September 30, 2019, the year to date period ended September 30, 2018 and the year ended March 31, 2019 is adjusted for such reversals of Rs. 1,403 Lakhs, Rs. 1,421 Lakhs and Rs. 2,091 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, 2019 and September 30, 2018 are net of reversal of Rs. 553 Lakhs and Rs. 1,067 Lakhs, respectively.

12. The Holding Company had received an order dated September 30, 2015 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 United Breweries (Holdings) Limited, without its prior permission. Accordingly, the Holding Company has withheld payment of Rs. 1,534 Lakhs (net of payment of Rs. 784 Lakhs to the official liquidator of United Breweries (Holdings) Limited) 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 of the Holding Company. 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.

13. The Board of Directors of the Holding Company at its meeting held on May 20, 2019 had proposed dividend of Rs. 2.50 per equity share of Re. 1 each amounting to Rs. 7,964 Lakhs (inclusive of dividend distribution tax) for the year ended March 31, 2019, which was approved at the annual general meeting held on August 22, 2019.
14. The consolidated financial results and notes are also available on the websites of the Stock Exchanges viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also on the website of the Holding Company viz. [www.unitedbreweries.com](http://www.unitedbreweries.com).

By the authority of the Board



Shekhar Ramamurthy  
Managing Director

Place : Bengaluru  
Date : November 7, 2019



**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results 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, 2019 and year to date period from April 1, 2019 to September 30, 2019 (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"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended September 30, 2018 and year to date period from April 1, 2018 to September 30, 2018, as reported in these unaudited consolidated financial results have been approved by the Holding Company's Board of Directors, but have not been subjected to review.
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.



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6. We draw attention to below mentioned notes to the accompanying unaudited consolidated financial results:
- (a) Note 6 which more fully describes the uncertainty relating to the future outcome of ongoing investigation by the Competition Commission of India (“CCI”); and
  - (b) Note 7 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 unaudited interim financial results and other unaudited financial information of a subsidiary, whose interim financial results reflect total assets of Rs. 881 Lakhs as at September 30, 2019, and total revenues of Rs. 290 Lakhs and Rs. 675 Lakhs, net loss after tax of Rs. 15 Lakhs and net profit after tax of Rs. 1 Lakh, total comprehensive loss of Rs. 15 Lakhs and total comprehensive income Rs. 1 Lakh, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and net cash inflows of Rs. 12 Lakhs for the period from April 1, 2019 to September 30, 2019, 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, 2019 and year to date period from April 1, 2019 to September 30, 2019 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



per Aditya Vikram Bhauwala  
Partner

Membership No.: 208382

Unique Document Identification Number (UDIN): 19208382AAAA DF8842



Bengaluru  
November 7, 2019



**United Breweries Ltd**

## PERFORMANCE HIGHLIGHTS FOR THE HALF YEAR ENDING SEPTEMBER 2019

- **DOMESTIC VOLUMES AND NET REVENUES GREW BY 6%**
- **INDUSTRY AFFECTED BY ELECTIONS, SEVERE MONSOONS, COST PRESSURES AND AN OVERALL SLOWDOWN IN THE ECONOMY**

The 1<sup>st</sup> quarter industry was impacted by national elections and the 2<sup>nd</sup> quarter by unprecedented and excessive monsoons across most parts of the country. This coupled with an overall slackness in the market especially in the key states of Karnataka and Maharashtra and the hardening of input prices, resulted in a decline in gross margins. The Company has already initiated measures to mitigate cost push.

UBL's volume growth was consistent across both the quarters. Strong beer volumes grew in high single digit and mild beer volume growth was flat. West Bengal saw a robust growth in volumes on the back of a strategic price correction.

Volume growth of the premium brands continued to be ahead of the total portfolio.

- In the North, UBL saw significant volume growth in Punjab, Rajasthan and Delhi.
- Growth in the South was driven by large markets such as Andhra Pradesh, TN and Kerala, while Karnataka and Telangana witnessed a decline in volumes.
- Growth in the East was driven by West Bengal and Jharkhand, as volumes almost doubled, while Orissa volumes remained flat.
- In the West, markets continued to be sluggish recording a decline in volumes.

While working capital showed a healthy trend in the first quarter, delayed payments from State Corporations and duty advance demands in various States resulted in an increase in working capital during the second quarter. As a result, interest costs were higher by 25% for the first half. UBL's net debt stood at Rs.478 Cr. levels and the capex cash outflows were Rs.200 Cr. during the first half of this financial year.

*Bangalore, November 7, 2019*

