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 standalone financial results for the quarter and year to date ended December 31, 2023

	Particulars	Quarter ended			Year to date ended		Year ended
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**INCOME**						
	(a) Revenue from operations (gross of excise duty)	4,15,318	4,19,083	3,69,851	13,58,541	12,56,328	16,64,288
	(b) Other income	2,406	1,223	1,297	4,661	3,764	4,927
	Total income	**4,17,724**	**4,20,306**	**3,71,148**	**13,63,202**	**12,60,092**	**16,69,215**
2	**EXPENSES**						
	(a) Cost of materials consumed	1,00,959	1,04,701	88,806	3,35,532	3,12,430	4,23,321
	(b) Purchase of traded goods	3,316	2,571	3,148	9,262	8,253	9,247
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,193)	(2,551)	1,741	(2,885)	(1,581)	(5,140)
	(d) Excise duty on sale of products	2,33,052	2,30,281	2,08,747	7,60,155	6,83,604	9,15,117
	(e) Employee benefits expense	10,846	11,716	10,237	32,327	29,150	40,776
	(f) Contract employee expense	4,843	4,732	4,231	14,509	14,072	18,368
	(g) Finance costs	205	143	160	514	342	464
	(h) Depreciation and amortisation expense	5,177	5,084	5,016	15,393	15,967	21,032
	(i) Other expenses	49,938	49,174	45,276	1,54,347	1,54,319	2,01,173
	Total expenses	**4,06,143**	**4,05,851**	**3,67,362**	**13,19,154**	**12,16,556**	**16,24,358**
3	**Profit before exceptional items and tax**	**11,581**	**14,455**	**3,786**	**44,048**	**43,536**	**44,857**
4	Exceptional items (refer Note 6)	-	-	(3,312)	-	(3,312)	(3,312)
5	**Profit before tax**	**11,581**	**14,455**	**474**	**44,048**	**40,224**	**41,545**
6	**Tax expense**						
	(a) Current tax	3,425	3,695	1,801	11,608	11,891	11,967
	(b) Deferred tax charge/(credit)	(329)	(2)	(1,113)	(415)	(1,040)	(768)
	Total tax expense	**3,096**	**3,693**	**688**	**11,193**	**10,851**	**11,199**
7	**Profit/(loss) for the period/year**	**8,485**	**10,762**	**(214)**	**32,855**	**29,373**	**30,346**
8	**Other comprehensive income/(loss) (OCI)**						
	Items that will not be reclassified to profit or loss in subsequent periods						
	Re-measurement gains/(losses) on defined benefit plans	(100)	548	(43)	418	32	457
	Income tax effect on above	25	(138)	11	(105)	(8)	(115)
	Total other comprehensive income/(loss), net of taxes	**(75)**	**410**	**(32)**	**313**	**24**	**342**
9	**Total comprehensive income/(loss) for the period/year**	**8,410**	**11,172**	**(246)**	**33,168**	**29,397**	**30,688**
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**						3,93,482
12	**Earnings per equity share in Rs. (nominal value per share Re. 1)****						
	(a) Basic	3.21	4.07	(0.08)	12.43	11.11	11.48
	(b) Diluted	3.21	4.07	(0.08)	12.43	11.11	11.48

**Not annualised for interim periods

Segment information (also refer Note 3)

	Particulars	Quarter ended			Year to date ended		Year ended
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment revenue**						
	Beer	4,15,246	4,19,054	3,69,830	13,58,440	12,55,444	16,63,294
	Non-alcoholic beverages	72	29	21	101	884	994
	Total segment revenue	**4,15,318**	**4,19,083**	**3,69,851**	**13,58,541**	**12,56,328**	**16,64,288**
2	**Segment results**						
	Beer	20,090	24,204	12,555	70,350	66,129	75,839
	Non-alcoholic beverages	(784)	(103)	(2,201)	(2,451)	(3,468)	(3,734)
	Total segment results	**19,306**	**24,101**	**10,354**	**67,899**	**62,661**	**72,105**
	Other income	2,406	1,223	1,297	4,661	3,764	4,927
	Finance costs	(205)	(143)	(160)	(514)	(342)	(464)
	Other unallocable expenses	(9,926)	(10,726)	(7,705)	(27,998)	(22,547)	(31,711)
	Profit before exceptional items and tax	**11,581**	**14,455**	**3,786**	**44,048**	**43,536**	**44,857**
	Exceptional items (refer Note 6)	-	-	(3,312)	-	(3,312)	(3,312)
	Profit before tax	**11,581**	**14,455**	**474**	**44,048**	**40,224**	**41,545**

See accompanying notes to the standalone financial results

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UNITED BREWERIES LIMITED BANGALORE

NOTES

1. The standalone financial results of the United Breweries Limited ("the Company") for the quarter and year to date ended December 31, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on February 8, 2024 and have been subjected to limited review by the statutory auditors of the Company.

2. The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

3. As per Ind AS 108, operating segment is a component of the Company that engages in business activities, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Company has identified its operating segments, as below:

   (a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands.
   (b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages.

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

4. The Company received an order dated September 24, 2021 under Section 27 of the Competition Act, 2002 from the Competition Commission of India ("CCI") ('the CCI Order'), wherein the CCI concluded that the Company and certain executives (including former executives) of the Company contravened the provisions of Section 3 of the Competition Act, 2002. The CCI levied a penalty of Rs. 75,183 Lakhs on the Company. On December 8, 2021, the Company filed an appeal against the aforesaid CCI Order before the National Company Law Appellate Tribunal ('NCLAT'). The NCLAT vide its order dated December 22, 2021 granted a stay of the CCI Order during the pendency of the appeal, including recovery of the penalty imposed by the CCI, subject to deposit of 10% of the penalty amount by the Company. On December 23, 2022, NCLAT passed its judgment and dismissed the appeals filed by the Company and other appellants. The Company filed appeal against NCLAT order dated December 23, 2022 before the Supreme Court of India on January 30, 2023 under Section 53T of the Competition Act, 2002. On February 17, 2023, after hearing the arguments of the counsel for the Company and the CCI, the Supreme Court admitted the appeal and stayed the NCLAT Order (and consequently, the CCI Order and the recovery proceeding initiated by the CCI), subject to a deposit of additional 10% of the total penalty amount, over and above the amount already deposited. The total amount aggregating to Rs.15,767 Lakhs (including interest of Rs. 730 Lakhs) is deposited in the form of Fixed Deposit Receipts with the Registrar, NCLAT and is presented under "Other non-current assets".

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

5. The Bihar State Government ("the Government") vide its notification dated April 5, 2016 had imposed ban on trade and consumption of alcoholic beverages in the State of Bihar. The Company had filed a writ petition with the High Court at Patna, requesting remedies and compensation for losses incurred on

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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, which is currently pending 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. 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 the Bihar unit, 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 in Bihar considering the non-operation of the manufacturing unit. The Company, based on legal advice, 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 the allotment of land to the Company vide order dated December 16, 2022, against which the Company filed a writ before the High Court of Patna. The High Court vide order dated January 25, 2023, directed to maintain the status quo and also directed the Company to file an undertaking that it will commence commercial production in the unit. The Company has filed undertaking in the High Court that it will start commercial production in the unit after BIADA recalls the order of cancellation. On February 8, 2023, the High Court directed BIADA to take a policy decision to deal with the situation arising out of the action of BIADA in the present petition and identical matters. On August 10,2023 BIADA has notified two policies for availing options by the allottees to either (i) surrender the land; or (ii) sell/transfer the land; and on October 5, 2023 BIADA notified another policy also to continue manufacturing activities over the allotted land.

On October 30, 2023, the Company filed an application to amend the aforementioned writ to include additional matters related to setting aside the policy related to the continuance of the manufacturing activities over the allotted land which has stringent conditions or alternatively direct BIADA to extend the time period to six months to avail the option to sell/transfer the land. The matter is pending with the High Court.

As at December 31, 2023, the carrying value of property, plant and equipment at Bihar is Rs. 7,695 Lakhs (net of impairment). Recoverable value is determined based on the higher of value in use and fair value less cost of disposal. In determining the fair value less cost of disposal, the Company evaluated and concluded its right to transfer the leasehold land after considering contractual rights available to the Company under the BIADA Act.

6. The change in the operating models in the states of Tamil Nadu and Andhra Pradesh, resulted in volumes decline in these states inter alia on account of the post integration review undertaken by Heineken. This resulted in lower cash inflows due to reduction in revenue, which triggered an impairment review being performed across property, plant and equipment of the breweries in the two states. As a result, the impacted assets were reviewed for impairment on an asset-by-asset basis and an impairment of Rs 3,312 Lakhs was recorded on the property, plant and equipment for the two states and presented as an exceptional item in the standalone financial results of year ended March 31, 2023. Whilst the state of Tamil Nadu has seen increase in volumes during the last three quarters, the Management is reviewing opportunities to further recover volumes in the states, and as such there is no plan of restructuring as on date.

7. The Company had received orders from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Company has been directed not to pay/release amounts that may be payable with respect to shares in the Company held by an erstwhile director (including his joint holdings) and certain other shareholders, without its prior permission; accordingly, the Company has withheld payment of Rs. 5,226 Lakhs (net of taxes) relating to dividend on aforesaid shares. Further, the Company had received various

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

8. The standalone financial results and notes are also available on the websites of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com and also on the website of the Company viz. www.unitedbreweries.com.

By the authority of the Board

UNITED BREWERIES LIMITED * BANGALORE *

Vivek Gupta
Managing Director

Place : Bengaluru
Date : February 8, 2024

DELOITTE HASKINS & SELLS * BENGALURU * CHARTERED ACCOUNTANTS

Deloitte Haskins & Sells

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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, 2023 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted 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, the Company filed an appeal against the NCLAT order before the Supreme Court of India on January 30, 2023. The Supreme Court issued an order on February 17, 2023, and granted stay on the recovery proceedings. The Management of the Company has represented that the Company has a strong case on merits supported by external legal advice. Pending outcome of the matter, the Company is not in position to reliably estimate, the obligation relating to the penalties, if any. Accordingly, no provision has been recorded in the books of account and amount is disclosed as contingent liability.

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b. As described in Note 5, the Company has evaluated the carrying value of the property, plant and equipment aggregating Rs. 7,695 Lakhs based on fair value less cost of disposal after considering its contractual rights under the BIADA Act (including its options relating to the policies announced by BIADA which are subject to the outcome before the Honourable High Court of Patna), 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: 24110128BKBGVX3670

Place: Mumbai
Date: February 8, 2024

UNITED BREWERIES LIMITED
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Rs. in Lakhs

Statement of consolidated financial results for the quarter and year to date ended December 31, 2023

Particulars	Quarter ended			Year to date ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 **INCOME**						
(a) Revenue from operations (gross of excise duty)	4,15,498	4,19,286	3,70,049	13,59,085	12,57,008	16,65,109
(b) Other income	2,477	1,209	1,305	4,728	3,764	4,943
Total income	**4,17,975**	**4,20,495**	**3,71,354**	**13,63,813**	**12,60,772**	**16,70,052**
2 **EXPENSES**						
(a) Cost of materials consumed	1,00,768	1,04,541	88,632	3,34,970	3,11,802	4,22,476
(b) Purchase of traded goods	3,316	2,571	3,148	9,262	8,253	9,247
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,223)	(2,548)	1,718	(2,927)	(1,639)	(5,187)
(d) Excise duty on sale of products	2,33,052	2,30,281	2,08,747	7,60,155	6,83,604	9,15,117
(e) Employee benefits expense	10,963	11,824	10,335	32,653	29,454	41,183
(f) Contract employee expense	4,843	4,732	4,231	14,509	14,072	18,368
(g) Finance costs	205	143	160	514	342	464
(h) Depreciation and amortisation expense	5,184	5,092	5,023	15,414	15,987	21,059
(i) Other expenses	50,179	49,456	45,534	1,55,125	1,55,202	2,02,282
Total expenses	**4,06,287**	**4,06,092**	**3,67,528**	**13,19,675**	**12,17,077**	**16,25,009**
3 **Profit before exceptional items and tax**	**11,688**	**14,403**	**3,826**	**44,138**	**43,695**	**45,043**
4 Exceptional items (refer Note 6)	-	-	(3,312)	-	(3,312)	(3,312)
5 **Profit before tax**	**11,688**	**14,403**	**514**	**44,138**	**40,383**	**41,731**
6 **Tax expense**						
(a) Current tax	3,437	3,688	1,810	11,622	11,945	12,035
(b) Deferred tax charge/(credit)	(329)	(2)	(1,115)	(415)	(1,043)	(772)
Total tax expense	**3,108**	**3,686**	**695**	**11,207**	**10,902**	**11,263**
7 **Profit/(loss) for the period/year**	**8,580**	**10,717**	**(181)**	**32,931**	**29,481**	**30,468**
8 **Other comprehensive income/(loss) (OCI)**						
Items that will not be reclassified to profit or loss in subsequent periods						
Re-measurement gains/(losses) on defined benefit plans	(100)	548	(43)	418	32	457
Income tax effect on above	25	(138)	11	(105)	(8)	(115)
Total other comprehensive income/(loss), net of taxes	**(75)**	**410**	**(32)**	**313**	**24**	**342**
9 **Total comprehensive income/(loss) for the period/year**	**8,505**	**11,127**	**(213)**	**33,244**	**29,505**	**30,810**
10 **Profit/(loss) for the period/year attributable to:**						
Equity shareholders of the Holding Company	8,534	10,728	(197)	32,883	29,417	30,398
Non-controlling interest	46	(11)	16	48	64	70
	8,580	**10,717**	**(181)**	**32,931**	**29,481**	**30,468**
11 **Other comprehensive income/(loss) (OCI) attributable to:**						
Equity shareholders of the Holding Company	(75)	410	(32)	313	24	342
Non-controlling interest	-	-	-	-	-	-
	(75)	**410**	**(32)**	**313**	**24**	**342**
12 **Total comprehensive income/(loss) for the period/year attributable to:**						
Equity shareholders of the Holding Company	8,459	11,138	(229)	33,196	29,441	30,740
Non-controlling interest	46	(11)	16	48	64	70
	8,505	**11,127**	**(213)**	**33,244**	**29,505**	**30,810**
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**						3,93,845
15 **Earnings per equity share in Rs. (nominal value per share Re. 1)****						
(a) Basic	3.23	4.06	(0.07)	12.44	11.13	11.50
(b) Diluted	3.23	4.06	(0.07)	12.44	11.13	11.50

**Not annualised for interim periods

Segment information (also refer Note 3)

Particulars	Quarter ended			Year to date ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 **Segment revenue**						
Beer	4,15,426	4,19,257	3,70,028	13,58,984	12,56,124	16,64,115
Non-alcoholic beverages	72	29	21	101	884	994
Total segment revenue	**4,15,498**	**4,19,286**	**3,70,049**	**13,59,085**	**12,57,008**	**16,65,109**
2 **Segment results**						
Beer	20,126	24,166	12,587	70,373	66,288	76,009
Non-alcoholic beverages	(784)	(103)	(2,201)	(2,451)	(3,468)	(3,734)
Total segment results	**19,342**	**24,063**	**10,386**	**67,922**	**62,820**	**72,275**
Other income	2,477	1,209	1,305	4,728	3,764	4,943
Finance costs	(205)	(143)	(160)	(514)	(342)	(464)
Other unallocable expenses	(9,926)	(10,726)	(7,705)	(27,998)	(22,547)	(31,711)
Profit before exceptional items and tax	**11,688**	**14,403**	**3,826**	**44,138**	**43,695**	**45,043**
Exceptional items (refer Note 6)	-	-	(3,312)	-	(3,312)	(3,312)
Profit before tax	**11,688**	**14,403**	**514**	**44,138**	**40,383**	**41,731**

See accompanying notes to the consolidated financial results

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

UNITED BREWERIES LIMITED BANGALORE

NOTES

1. The consolidated financial results of United Breweries Limited ("the Holding Company") and its subsidiary (together referred to as "the Group") for the quarter and year to date ended December 31, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on February 08, 2024 and have been subjected to limited review by the statutory auditors of the Holding Company. The consolidated financial results does not include the Holding Company's share of net profit/loss in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group.

2. The consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

3. As per Ind AS 108, operating segment is a component of the Group that engages in business activities, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Group has identified its operating segments, as below:

   (a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands.
   (b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages.

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

4. The Holding Company received an order dated September 24, 2021 under Section 27 of the Competition Act, 2002 from the Competition Commission of India ("CCI") ('the CCI Order'), wherein the CCI concluded that the Holding Company and certain executives (including former executives) of the Holding Company contravened the provisions of Section 3 of the Competition Act, 2002. The CCI levied a penalty of Rs. 75,183 Lakhs on the Holding Company. On December 8, 2021, the Holding Company filed an appeal against the aforesaid CCI Order before the National Company Law Appellate Tribunal ('NCLAT'). The NCLAT vide its order dated December 22, 2021 granted a stay of the CCI Order during the pendency of the appeal, including recovery of the penalty imposed by the CCI, subject to deposit of 10% of the penalty amount by the Holding Company. On December 23, 2022 NCLAT passed its judgment and dismissed the appeals filed by the Holding Company and other appellants. The Holding Company filed appeal against NCLAT order dated December 23, 2022 before the Supreme Court of India on January 30, 2023 under Section 53T of the Competition Act, 2002. On February 17, 2023, after hearing the arguments of the counsel for the Holding Company and the CCI, the Supreme Court admitted the appeal and stayed the NCLAT Order (and consequently, the CCI Order and the recovery proceeding initiated by the CCI), subject to a deposit of additional 10% of the total penalty amount, over and above the amount already deposited. The total amount aggregating to Rs.15,767 Lakhs (including interest of Rs. 730 Lakhs) is deposited in the form of Fixed Deposit Receipts with the Registrar, NCLAT and is presented under "Other non-current assets".

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

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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, which is currently pending 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. 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 the Bihar unit, 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 in Bihar considering the non-operation of the manufacturing unit. The Holding Company, based on legal advice, 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 the allotment of land to the Holding Company vide order dated December 16, 2022, against which the Holding Company filed a writ before the High Court of Patna. The High Court vide order dated January 25, 2023, directed to maintain the status quo and also directed the Holding Company to file an undertaking that it will commence commercial production in the unit. The Holding Company has filed undertaking in the High Court that it will start commercial production in the unit after BIADA recalls the order of cancellation. On February 8, 2023, the High Court directed BIADA to take a policy decision to deal with the situation arising out of the action of BIADA in the present petition and identical matters. On August 10,2023 BIADA has notified two policies for availing options by the allottees to either (i) surrender the land; or (ii) sell/transfer the land; and on October 5, 2023 BIADA notified another policy also to continue manufacturing activities over the allotted land.

   On October 30, 2023, the Holding Company filed an application to amend the aforementioned writ to include additional matters related to setting aside the policy related to the continuance of the manufacturing activities over the allotted land which has stringent conditions or alternatively direct BIADA to extend the time period to six months to avail the option to sell/transfer the land. The matter is pending with the High Court.

   As at December 31, 2023, the carrying value of property, plant and equipment at Bihar is Rs. 7,695 Lakhs (net of impairment). Recoverable value is determined based on the higher of value in use and fair value less cost of disposal. In determining the fair value less cost of disposal, the Holding Company evaluated and concluded its right to transfer the leasehold land after considering contractual rights available to the Holding Company under the BIADA Act.

6. The change in the operating models in the states of Tamil Nadu and Andhra Pradesh, resulted in volumes decline in these states inter alia on account of the post integration review undertaken by Heineken. This resulted in lower cash inflows due to reduction in revenue, which triggered an impairment review being performed across property, plant and equipment of the breweries in the two states. As a result, the impacted assets were reviewed for impairment on an asset-by-asset basis and an impairment of Rs 3,312 Lakhs was recorded on the property, plant and equipment for the two states and presented as an exceptional item in the consolidated financial results of year ended March 31, 2023. Whilst the state of Tamil Nadu has seen increase in volumes during the last three quarters, the Management is reviewing opportunities to further recover volumes in the states, and as such there is no plan of restructuring as on date.

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7. The Holding Company had received orders from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Holding Company has been directed not to pay/release amounts that may be payable with respect to shares in the Holding Company held by an erstwhile director (including his joint holdings) and certain other shareholders, without its prior permission; accordingly, the Holding Company has withheld payment of Rs. 5,226 Lakhs (net of taxes) relating to dividend on aforesaid shares. Further, the Holding Company had received various orders from tax and provident fund authorities prohibiting the Holding Company from making any payment to an erstwhile director; accordingly the Holding Company has withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.

8. The consolidated financial results and notes are also available on the websites of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com and also on the website of the Holding Company viz. www.unitedbreweries.com.

By the authority of the Board

UNITED BREWERIES LIMITED * BANGALORE *

Vivek Gupta
Managing Director

Place : Bengaluru
Date : February 8, 2024

DELOITTE HASKINS & SELLS
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BENGALURU

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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, 2023 ("the Statement") being submitted by the Holding 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 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.

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

   a. As described in Note 4, the Company filed an appeal against the NCLAT order before the Supreme Court of India on January 30, 2023. The Supreme Court issued an order on February 17, 2023 and granted stay on the recovery proceedings. The Management of the Company has represented that the Company has a strong case on merits supported by external legal advice. Pending outcome of the matter, the Company is not in position to reliably estimate, the obligation relating to the penalties, if any. Accordingly, no provision has been recorded in the books of account and amount is disclosed as contingent liability.

   a. As described in Note 5, the Company has evaluated the carrying value of the property, plant and equipment aggregating Rs. 7,695 Lakhs based on fair value less cost of disposal after considering its contractual rights under the BIADA Act (including its options relating to the policies announced by BIADA which are subject to the outcome before the Honourable High Court of Patna), 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. 378 Lakhs and Rs. 1,113 Lakhs for the quarter and nine months ended December 31, 2023 respectively, total net profit after tax of Rs. 94 Lakhs and Rs. 98 Lakhs for the quarter and nine months ended December 31, 2023 respectively and total comprehensive income of Rs. 94 Lakhs and Rs. 98 Lakhs for the quarter and nine months ended December 31, 2023 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: 24110128BKBGVY8448

Place: Mumbai
Date: February 8, 2024

United Breweries Ltd

PERFORMANCE HIGHLIGHTS FOR THE QUARTER AND 9 MONTHS ENDING DECEMBER 2023

- **CONTINUED VOLUME RECOVERY DURING Q3 WITH VOLUMES UP 8% AND PREMIUM GROWING AHEAD OF THE TOTAL PORTFOLIO**
- **NET SALES IN Q3 UP 13% VS PY DRIVEN BY VOLUME & REVENUE MANAGEMENT INITIATIVES**
- **GROSS PROFIT MARGIN IN Q3 AT 44.0%, FURTHER IMPROVING VS PY (+215 BPS)**
- **YEAR TO DATE EBITDA, RS. 600 CR**

Volume in Q3 increased 8% predominantly driven by South and East regions partially offset by North.

The premium segment grew by 14% in the quarter. Within the segment, we see strong double-digit growth for Kingfisher Ultra Max & we continue to drive premium volume growth. In November, Heineken Silver draught beer was unveiled in Maharashtra, delivering a smooth and refreshing experience for discerning beer lovers.

Gross profit margin on a year-to-date basis was lower as compared to PY (-142 bps) albeit in Q3 an improvement of 215 bps vs PY. We continue to invest behind our brands to drive topline growth and further improve margins by revenue management and cost initiatives.

Investments in capex during the first 9 months of the year were Rs. 134 Cr, primarily in supply chain initiatives to cater for future growth.

Despite some inflationary softening as seen from Q2, volatility will remain. We remain optimistic about the long-term growth potential of the industry, driven by increasing disposable income, favorable demographics & premiumization.

Bangalore, February 8, 2024