

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

To
The Board of Directors of
United Breweries Limited

Report on the audit of the Standalone Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of United Breweries Limited (the "Company") for the quarter ended March 31, 2021 and for the year ended March 31, 2021 (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 (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2021 and for the year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

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

- (a) Note 1 which describes management's assessment of the impact of COVID-19 pandemic on the Company's operations and carrying values of assets as at March 31, 2021;
- (b) Note 5 which more fully describes the uncertainty relating to the future outcome of investigation by the Competition Commission of India ("CCI"); and
- (c) Note 6 which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof.

Our opinion is not modified in respect of aforesaid matters.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the standalone results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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): 21208382AAAABF5365

Bengaluru
April 27, 2021


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 audited standalone financial results for the quarter and year ended March 31, 2021

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	Audited*	Unaudited	Audited*	Audited	Audited
1 INCOME					
(a) Revenue from operations (gross of excise duty) (refer Note 7)	361,693	306,453	309,897	1,018,340	1,464,646
(b) Other income	1,157	462	61	5,020	911
Total income from operations	362,850	306,915	309,958	1,023,360	1,465,557
2 EXPENSES					
(a) Cost of materials consumed	74,222	60,297	65,385	197,256	297,486
(b) Purchase of stock-in-trade	2,167	1,728	5,592	7,371	19,497
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,284)	(2,532)	(1,041)	(995)	(955)
(d) Excise duty on sale of goods	207,345	177,479	167,480	594,267	814,191
(e) Employee benefits expense	13,321	12,413	12,787	48,229	49,977
(f) Finance costs	422	534	476	2,267	3,112
(g) Depreciation and amortisation expense	6,227	5,784	7,337	23,185	28,497
(h) Other expenses (refer Note 7)	40,794	39,723	46,469	134,262	197,010
Total expenses	342,214	295,426	304,485	1,005,842	1,408,815
3 Profit before exceptional items and tax	20,636	11,489	5,473	17,518	56,742
4 Exceptional items (refer Note 8)	(6,222)	5,500	-	(722)	-
5 Profit before tax	14,414	16,989	5,473	16,796	56,742
6 Tax expense					
(a) Current tax	5,040	1,693	2,563	6,733	17,550
(b) Deferred tax charge/(credit)	(302)	2,659	(1,209)	(1,222)	(3,531)
Total tax expense	4,738	4,352	1,354	5,511	14,019
7 Profit for the period/year	9,676	12,637	4,119	11,285	42,723
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	927	15	(1,428)	1,991	(1,538)
Income tax effect on above	(233)	(4)	359	(501)	387
Total other comprehensive income/(loss), net of taxes	694	11	(1,069)	1,490	(1,151)
9 Total comprehensive income for the period/year	10,370	12,648	3,050	12,775	41,572
10 Paid up equity share capital (Face value of Re. 1 each)	2,644	2,644	2,644	2,644	2,644
11 Other equity				355,318	349,153
12 Earnings per equity share in Rs. (nominal value per share Re. 1)**					
(a) Basic	3.66	4.78	1.56	4.27	16.16
(b) Diluted	3.66	4.78	1.56	4.27	16.16

**Not annualised for interim periods

Segment information (also refer Note 4)

Rs. in Lakhs

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	Audited*	Unaudited	Audited*	Audited	Audited
1 Segment revenue					
Beer	360,768	305,858	309,431	1,015,449	1,462,613
Non-alcoholic beverages	925	595	466	2,891	2,033
Total revenue	361,693	306,453	309,897	1,018,340	1,464,646
2 Segment results					
Beer	30,947	21,004	14,210	50,114	94,841
Non-alcoholic beverages	(1,148)	(1,326)	(892)	(3,841)	(4,838)
Total segment results	29,799	19,678	13,318	46,273	90,003
Other income	1,157	462	61	5,020	911
Finance costs	(422)	(534)	(476)	(2,267)	(3,112)
Other unallocable expenses	(9,898)	(8,117)	(7,430)	(31,508)	(31,060)
Profit before exceptional items and tax	20,636	11,489	5,473	17,518	56,742
Exceptional items (refer Note 8)	(6,222)	5,500	-	(722)	-
Profit before tax	14,414	16,989	5,473	16,796	56,742

*Refer Note 12

See accompanying notes to the standalone financial results

**UNITED BREWERIES LIMITED**

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Rs. in Lakhs

Statement of audited standalone assets and liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
	Audited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	192,106	187,682
(b) Capital work-in-progress	12,799	19,912
(c) Intangible assets	2,098	2,393
(d) Financial assets		
(i) Investments	1,371	2,568
(ii) Others	4,260	4,897
(e) Income tax assets (net)	20,396	18,945
(f) Deferred tax asset (net)	3,492	2,771
(g) Other non-current assets	15,792	19,706
	252,314	258,874
Current assets		
(a) Inventories	113,529	109,229
(b) Financial assets		
(i) Trade receivables	139,482	134,977
(ii) Cash and cash equivalents	40,940	2,899
(iii) Bank balances other than (ii) above	5,865	4,432
(iv) Others	84	366
(c) Other current assets	31,751	42,885
	331,651	294,788
(d) Assets held for sale	488	714
	332,139	295,502
Total assets	584,453	554,376
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	355,318	349,153
	357,962	351,797
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	11,524	890
(ii) Others	1,109	1,131
(b) Provisions	160	1,658
	12,793	3,679
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	17	16,015
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	5,193	5,387
- Total outstanding dues of creditors other than micro and small enterprises	56,572	49,076
(iii) Others	68,110	56,609
(b) Other current liabilities	74,706	62,835
(c) Provisions	9,100	8,978
	213,698	198,900
Total equity and liabilities	584,453	554,376



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Audited standalone cash flow statement for the year ended March 31, 2021

Rs. in Lakhs

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Audited	Audited
A Cash flow from operating activities		
Profit before tax	16,796	56,742
<u>Adjustments for:</u>		
Depreciation and amortisation expense	23,185	28,497
Bad debts/advances written off	28	68
Loss allowance for trade receivables	479	3,468
Provision for doubtful advances	966	6
Impairment loss on property, plant and equipment	4,446	-
Impairment loss on investment in subsidiary company	1,776	-
Unrealised exchange differences (net)	(33)	305
Net (gain) on sale of property, plant and equipment	(4)	(12)
(Gain) on sale of property, plant and equipment shown under exceptional items	(5,500)	-
Liabilities no longer required written back	(205)	(88)
Loss allowance for trade receivables, no longer required written back	(3,380)	(179)
Provision for doubtful advances, no longer required written back	-	(7)
Interest expense	2,244	3,047
Interest income	(434)	(203)
Dividend income	(23)	(23)
Operating profits before working capital changes	40,341	91,621
Movement in working capital:		
(Increase)/decrease in Inventories	(4,300)	(6,149)
(Increase)/decrease in Trade receivables	(1,614)	12,780
(Increase)/decrease in Other financial assets	862	923
(Increase)/decrease in Other assets	9,247	(4,651)
Increase/(decrease) in Trade payables	7,540	(4,613)
Increase/(decrease) in Other financial liabilities	4,782	(11,773)
Increase/(decrease) in Other current liabilities and provisions	13,243	(8,474)
Cash generated from operations	70,101	69,664
Direct taxes paid (net of refund)	(8,184)	(19,002)
Net cash flow from operating activities (A)	61,917	50,662
B Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(19,986)	(40,338)
Proceeds from sale of property, plant and equipment	5,091	57
Investments in equity and debt securities	(579)	-
Investments in bank deposits (having original maturity of more than three months)	(47)	(148)
Redemption/maturity of bank deposits (having original maturity of more than three months)	9	39
Interest received	430	194
Dividend received from subsidiary company	23	23
Net cash (used in) investing activities (B)	(15,059)	(40,173)
C Cash flow from financing activities		
Proceeds from long-term borrowings	25,000	-
Repayment of long-term borrowings - lease liabilities	(853)	(761)
Repayment of long-term borrowings - others	(7,543)	(13,006)
(Repayment of)/proceeds from short-term borrowings (net)	(15,998)	14,918
Interest paid	(2,813)	(2,675)
Dividend paid to equity shareholders*	(6,610)	(6,610)
Dividend distribution tax paid	-	(1,354)
Net cash (used in) financing activities (C)	(8,817)	(9,488)
Net increase in cash and cash equivalents (A+B+C)	38,041	1,001
Cash and cash equivalents at the beginning of the year	2,899	1,898
Cash and cash equivalents at the end of the year	40,940	2,899

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

NOTES

1. In March 2020, the World Health Organisation had declared Coronavirus (COVID-19) to be a pandemic and consequently on March 24, 2020, the Government of India had ordered a nationwide lockdown, which got extended in phases. From May 2020, United Breweries Limited ("the Company") resumed its business activities in a phased manner in line with directives issued by the central and state governments. The outbreak of COVID-19 pandemic in India had caused significant disturbance and slowdown of economic activities. The business operations of the Company have also been significantly impacted by way of interruption of production, supply chain, etc. Recently, there has been a surge in the spread of COVID-19 in India and various state governments have imposed restrictions ranging from night/weekend curfew including closure of malls, restaurants and other public places to contain the spread of COVID-19. The Company has taken various precautionary measures to protect its employees from COVID-19.

The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available upto the date of approval of these standalone financial results in determining the recoverability and carrying values of property, plant and equipment, intangible assets, investments, trade and other receivables, inventories and other financial statement captions. Considering the recent surge in the spread of COVID-19, the impact of COVID-19 pandemic on the overall economic environment continues to be uncertain and may affect the underlying assumptions / estimates used in preparation of these standalone financial results, whereby actual outcome may differ from those assumptions / estimates considered at the date of approval of these standalone financial results. The Company will continue to closely monitor the situation and any material changes to future economic conditions.

2. The standalone financial results for the quarter and year ended March 31, 2021 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on April 26, 2021 and April 27, 2021, respectively, and have been audited by the statutory auditors of the Company.
3. The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
4. As per Ind AS 108, operating segment is a component of the Company that engages in business activities, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Company has identified its operating segments, as below:
 - (a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands
 - (b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

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

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

Management, along-with its legal advisors, believe that there are mitigating factors to counter presumptions made against the Company by the CCI under the Competition Act, 2002, which have also been highlighted in the comments / objections to the investigation report and during hearing submissions filed by the Company. Pending conclusion of this matter by the CCI, the management is of view that it is not practicable to state an estimate of its financial effect, if any.

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

During the financial year 2018-19, in order to maintain the assets in running condition, the Company commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment at Bihar. As at March 31, 2021, the Company carried out an impairment assessment of its property, plant and equipment at Bihar with carrying value of Rs. 15,944 Lakhs. The recoverable amount for these property, plant and equipment is determined by an external valuer to be about Rs. 11,498 Lakhs based on a fair value less cost of disposal calculation, considering uncertainty in the Government’s plans in respect of policy towards alcoholic beverages and the Company’s change in plan for use of these assets. Accordingly, an impairment loss of Rs. 4,446 Lakhs is recognized during the quarter and year ended March 31, 2021.

7. Revenue from operations for the quarters ended March 31, 2021, December 31, 2020 and March 31, 2020 is adjusted for reversals in variable consideration of Rs. 515 Lakhs, Rs. 499 Lakhs and Rs. 992 Lakhs, respectively, and that for the years ended March 31, 2021 and March 31, 2020 is adjusted for reversals of Rs. 1,528 Lakhs and Rs. 1,702 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

Sales promotion expense and selling and distribution expense (included under other expenses) for the quarters ended March 31, 2021 and March 31, 2020 is net of reversal of Rs. 516 Lakhs and Rs. 1,005 Lakhs, respectively, and that for the years ended March 31, 2021 and March 31, 2020 is net of reversal of Rs. 331 Lakhs and Rs. 489 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

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

Rs. in Lakhs

	Quarter ended March 31, 2021	Quarter ended December 31, 2020	Year ended March 31, 2021
Impairment (loss) on property, plant and equipment as discussed in Note 6 above	(4,446)	-	(4,446)
Impairment (loss) on investment in subsidiary company (see note (a) below)	(1,776)	-	(1,776)
Gain on transfer of rights and interest in a leasehold land (see note (b) below)	-	5,500	5,500
Total exceptional items before tax	(6,222)	5,500	(722)
Less: Tax (credit)/expense on exceptional items	(1,119)	1,264	145
Net	(5,103)	4,236	(867)

- (a) As at March 31, 2021, the Company carried out impairment assessment of its investment in a subsidiary company with carrying value of Rs. 2,541 Lakhs. The recoverable amount for this investment is determined by an external valuer to be Rs. 765 Lakhs based on a fair value less cost of disposal calculation and accordingly an impairment loss of Rs. 1,776 Lakhs is recognized during the quarter and year ended March 31, 2021.

- (b) The Company executed a deed for assignment cum transfer of its rights and interest in a leasehold land property and accordingly a profit of Rs. 5,500 Lakhs realised on such transfer was recognized during the quarter ended December 31, 2020.
9. The Code on Social Security, 2020 (the "Code") relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect is yet to be notified and the final rules/interpretation are yet to be issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact accordingly.
10. The Company had received 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. 2,016 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. The Company has accordingly withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.
11. The Board of Directors of the Company has proposed dividend of Re. 0.50 per equity share of Re. 1 each amounting to Rs. 1,322 Lakhs for the year ended March 31, 2021. The proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and accordingly has not been recognised as a liability as at year end.
12. The figures of the last quarter ended March 31, 2021 / 2020 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2021 / 2020 and the unaudited published year-to-date figures up to December 31, 2020 / 2019 being the date of the end of the third quarter of the financial year, which were subjected to limited review.
13. The standalone financial results and notes are also available on the websites of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com and also on the website of the Company viz. www.unitedbreweries.com.

By the authority of the Board



Rishi Pardal
Managing Director

Place : Bengaluru
Date : April 27, 2021

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

To
The Board of Directors of
United Breweries Limited

Report on the audit of the Consolidated Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of United Breweries Limited ("Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate for the quarter ended March 31, 2021 and for the year ended March 31, 2021 (the "Statement"), attached herewith, 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 ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate audited financial statements of the subsidiary, the Statement:

- i. includes the results of the Holding Company and its subsidiary i.e. Maltex Malsters Limited;
- ii. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2021 and for the year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their report referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

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

- (a) Note 1 which describes management's assessment of the impact of COVID-19 pandemic on the Group's operations and carrying values of assets as at March 31, 2021;
- (b) Note 5 which more fully describes the uncertainty relating to the future outcome of investigation by the Competition Commission of India ("CCI"); and

- (c) Note 6 which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof.

Our opinion is not modified in respect of aforesaid matters.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its associate in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

The accompanying Statement includes the audited financial results and other financial information, in respect of a subsidiary, whose financial results include total assets of Rs. 957 Lakhs as at March 31, 2021, total revenues of Rs. 397 Lakhs and Rs. 1,090 Lakhs, total net profit after tax of Rs. 86 Lakhs and Rs. 130 Lakhs, total comprehensive income of Rs. 86 Lakhs and Rs. 130 Lakhs, for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 7 Lakhs for the year ended March 31, 2021, as considered in the Statement which have been audited by the independent auditors of the subsidiary. The independent auditor's report on the financial statements of this subsidiary have been furnished to us by the Management and our opinion 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 such auditors and the procedures performed by us as stated in paragraph above.

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

The accompanying consolidated financial results does not include the Holding Company's share of net profit/loss for the quarter and the year ended March 31, 2021 in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group.

The Statement includes the consolidated results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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): 21208382AAAABG3143

Bengaluru
April 27, 2021


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 audited consolidated financial results for the quarter and year ended March 31, 2021

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	Audited*	Unaudited	Audited*	Audited	Audited
1 INCOME					
(a) Revenue from operations (gross of excise duty) (refer Note 7)	361,809	306,589	309,991	1,018,576	1,465,115
(b) Other income	1,166	467	76	5,025	930
Total income from operations	362,975	307,056	310,067	1,023,601	1,466,045
2 EXPENSES					
(a) Cost of materials consumed	73,941	60,094	65,145	196,516	296,605
(b) Purchase of stock-in-trade	2,167	1,728	5,592	7,371	19,497
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,279)	(2,540)	(1,052)	(950)	(989)
(d) Excise duty on sale of goods	207,345	177,479	167,480	594,267	814,191
(e) Employee benefits expense	13,431	12,518	12,865	48,549	50,412
(f) Finance costs	422	534	476	2,267	3,112
(g) Depreciation and amortisation expense	6,231	5,789	7,343	23,201	28,510
(h) Other expenses (refer Note 7)	40,974	39,866	46,659	134,717	197,815
Total expenses	342,232	295,468	304,508	1,005,938	1,409,153
3 Profit before exceptional items and tax	20,743	11,588	5,559	17,663	56,892
4 Exceptional items (refer Note 8)	(6,222)	5,500	-	(722)	-
5 Profit before tax	14,521	17,088	5,559	16,941	56,892
6 Tax expense					
(a) Current tax	5,072	1,707	2,589	6,779	17,597
(b) Deferred tax charge/(credit)	(304)	2,662	(1,212)	(1,221)	(3,534)
Total tax expense	4,768	4,369	1,377	5,558	14,063
7 Profit for the period/year	9,753	12,719	4,182	11,383	42,829
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	927	15	(1,428)	1,991	(1,538)
Income tax effect on above	(233)	(4)	359	(501)	387
Total other comprehensive income/(loss), net of taxes	694	11	(1,069)	1,490	(1,151)
9 Total comprehensive income for the period/year	10,447	12,730	3,113	12,873	41,678
10 Profit for the period/year attributable to:					
Equity shareholders of the Holding Company	9,714	12,678	4,158	11,322	42,773
Non-controlling interest	39	41	24	61	56
	9,753	12,719	4,182	11,383	42,829
11 Other comprehensive income/(loss) (OCI) attributable to:					
Equity shareholders of the Holding Company	694	11	(1,069)	1,490	(1,151)
Non-controlling interest	-	-	-	-	-
	694	11	(1,069)	1,490	(1,151)
12 Total comprehensive income for the period/year attributable to:					
Equity shareholders of the Holding Company	10,408	12,689	3,089	12,812	41,622
Non-controlling interest	39	41	24	61	56
	10,447	12,730	3,113	12,873	41,678
13 Paid up equity share capital (Face value of Re. 1 each)	2,644	2,644	2,644	2,644	2,644
14 Other equity				355,584	349,382
15 Earnings per equity share in Rs. (nominal value per share Re. 1)**					
(a) Basic	3.67	4.80	1.56	4.28	16.18
(b) Diluted	3.67	4.80	1.56	4.28	16.18

**Not annualised for interim periods

Segment information (also refer Note 4)

Rs. in Lakhs

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	Audited*	Unaudited	Audited*	Audited	Audited
1 Segment revenue					
Beer	360,884	305,994	309,525	1,015,685	1,463,082
Non-alcoholic beverages	925	595	466	2,891	2,033
Total revenue	361,809	306,589	309,991	1,018,576	1,465,115
2 Segment results					
Beer	31,045	21,098	14,281	50,254	94,972
Non-alcoholic beverages	(1,148)	(1,326)	(892)	(3,841)	(4,838)
Total segment results	29,897	19,772	13,389	46,413	90,134
Other income	1,166	467	76	5,025	930
Finance costs	(422)	(534)	(476)	(2,267)	(3,112)
Other unallocable expenses	(9,898)	(8,117)	(7,430)	(31,508)	(31,060)
Profit before exceptional items and tax	20,743	11,588	5,559	17,663	56,892
Exceptional items (refer Note 8)	(6,222)	5,500	-	(722)	-
Profit before tax	14,521	17,088	5,559	16,941	56,892

*Refer Note 12

See accompanying notes to the consolidated financial results

**UNITED BREWERIES LIMITED**

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Rs. in Lakhs

Statement of audited consolidated assets and liabilities

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	Audited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	192,203	187,794
(b) Capital work-in-progress	12,879	19,912
(c) Intangible assets	2,098	2,393
(d) Goodwill on consolidation	645	2,421
(e) Financial assets		
(i) Investments	606	27
(ii) Others	4,711	4,929
(f) Income tax assets (net)	20,395	18,946
(g) Deferred tax asset (net)	3,497	2,777
(h) Other non-current assets	15,826	19,739
	252,860	258,938
Current assets		
(a) Inventories	113,668	109,393
(b) Financial assets		
(i) Trade receivables	139,499	135,038
(ii) Cash and cash equivalents	40,970	2,936
(iii) Bank balances other than (ii) above	5,958	4,923
(iv) Others	84	366
(c) Other current assets	31,689	42,775
	331,868	295,431
(d) Assets held for sale	488	714
	332,356	296,145
Total assets	585,216	555,083
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	355,584	349,382
	358,228	352,026
Non-controlling interest	375	334
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	11,524	890
(ii) Others	1,109	1,131
(b) Provisions	160	1,658
	12,793	3,679
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	17	16,015
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	5,205	5,387
- Total outstanding dues of creditors other than micro and small enterprises	56,603	49,117
(iii) Others	68,177	56,699
(b) Other current liabilities	74,710	62,840
(c) Provisions	9,108	8,986
	213,820	199,044
Total equity and liabilities	585,216	555,083

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Audited consolidated cash flow statement for the year ended March 31, 2021

Rs. in Lakhs

Particulars	Year ended	
	March 31, 2021	March 31, 2020
	Audited	Audited
A Cash flow from operating activities		
Profit before tax	16,941	56,892
<u>Adjustments for:</u>		
Depreciation and amortisation expense	23,201	28,510
Bad debts/advances written off	28	68
Loss allowance for trade receivables	479	3,468
Provision for doubtful advances	966	6
Impairment loss on property, plant and equipment	4,446	-
Impairment loss on goodwill	1,776	-
Unrealised exchange differences (net)	(33)	305
Net (gain) on sale of property, plant and equipment	(4)	(12)
(Gain) on sale of property, plant and equipment shown under exceptional items	(5,500)	-
Liabilities no longer required written back	(205)	(88)
Loss allowance for trade receivables, no longer required written back	(3,380)	(179)
Provision for doubtful advances, no longer required written back	-	(7)
Interest expense	2,244	3,047
Interest income	(462)	(241)
Operating profits before working capital changes	40,497	91,769
Movement in working capital:		
(Increase)/decrease in Inventories	(4,275)	(6,147)
(Increase)/decrease in Trade receivables	(1,570)	12,816
(Increase)/decrease in Other financial assets	862	921
(Increase)/decrease in Other assets	9,198	(4,741)
Increase/(decrease) in Trade payables	7,546	(4,604)
Increase/(decrease) in Other financial liabilities	4,756	(11,737)
Increase/(decrease) in Other current liabilities and provisions	13,242	(8,471)
Cash generated from operations	70,256	69,806
Direct taxes paid (net of refund)	(8,228)	(19,027)
Net cash flow from operating activities (A)	62,028	50,779
B Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(20,066)	(40,391)
Proceeds from sale of property, plant and equipment	5,091	59
Investments in equity and debt securities	(579)	-
Investments in bank deposits (having original maturity of more than three months)	(394)	(183)
Redemption/maturity of bank deposits (having original maturity of more than three months)	335	39
Interest received	458	232
Net cash (used in) investing activities (B)	(15,155)	(40,244)
C Cash flow from financing activities		
Proceeds from long-term borrowings	25,000	-
Repayment of long-term borrowings - lease liabilities	(853)	(761)
Repayment of long-term borrowings - others	(7,543)	(13,006)
(Repayment of)/proceeds from short-term borrowings (net)	(15,998)	14,918
Interest paid	(2,813)	(2,675)
Dividend paid*	(6,632)	(6,632)
Dividend distribution tax paid	-	(1,363)
Net cash (used in) financing activities (C)	(8,839)	(9,519)
Net increase in cash and cash equivalents (A+B+C)	38,034	1,016
Cash and cash equivalents at the beginning of the year	2,936	1,920
Cash and cash equivalents at the end of the year	40,970	2,936

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

NOTES

1. In March 2020, the World Health Organisation had declared Coronavirus (COVID-19) to be a pandemic and consequently on March 24, 2020, the Government of India had ordered a nationwide lockdown, which got extended in phases. From May 2020, United Breweries Limited ("the Holding Company") and its subsidiary (together referred to as "the Group") resumed its business activities in a phased manner in line with directives issued by the central and state governments. The outbreak of COVID-19 pandemic in India had caused significant disturbance and slowdown of economic activities. The business operations of the Group have also been significantly impacted by way of interruption of production, supply chain, etc. Recently, there has been a surge in the spread of COVID-19 in India and various state governments have imposed restrictions ranging from night/weekend curfew including closure of malls, restaurants and other public places to contain the spread of COVID-19. The Group has taken various precautionary measures to protect its employees from COVID-19.

The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available upto the date of approval of these consolidated financial results in determining the recoverability and carrying values of property, plant and equipment, intangible assets (including goodwill), trade and other receivables, inventories and other financial statement captions. Considering the recent surge in the spread of COVID-19, the impact of COVID-19 pandemic on the overall economic environment continues to be uncertain and may affect the underlying assumptions / estimates used in preparation of these consolidated financial results, whereby actual outcome may differ from those assumptions / estimates considered at the date of approval of these consolidated financial results. The Group will continue to closely monitor the situation and any material changes to future economic conditions.

2. The consolidated financial results for the quarter and year ended March 31, 2021 of the Group and its associate have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on April 26, 2021 and April 27, 2021, respectively, and have been audited by the statutory auditors of the Holding Company. The consolidated financial results does not include the Holding Company's share of net profit/loss in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group.
3. The consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
4. As per Ind AS 108, operating segment is a component of the Group that engages in business activities, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Group has identified its operating segments, as below:
 - (a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands
 - (b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

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

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

Management, along-with its legal advisors, believe that there are mitigating factors to counter presumptions made against the Holding Company by the CCI under the Competition Act, 2002, which have also been highlighted in the comments / objections to the investigation report and during hearing submissions filed by the Holding Company. Pending conclusion of this matter by the CCI, the management is of view that it is not practicable to state an estimate of its financial effect, if any.

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

During the financial year 2018-19, in order to maintain the assets in running condition, the Holding Company commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment at Bihar. As at March 31, 2021, the Holding Company carried out an impairment assessment of its property, plant and equipment at Bihar with carrying value of Rs. 15,944 Lakhs. The recoverable amount for these property, plant and equipment is determined by an external valuer to be about Rs. 11,498 Lakhs based on a fair value less cost of disposal calculation, considering uncertainty in the Government’s plans in respect of policy towards alcoholic beverages and the Holding Company’s change in plan for use of these assets. Accordingly, an impairment loss of Rs. 4,446 Lakhs is recognized during the quarter and year ended March 31, 2021.

7. Revenue from operations for the quarters ended March 31, 2021, December 31, 2020 and March 31, 2020 is adjusted for reversals in variable considerations of Rs. 515 Lakhs, Rs. 499 Lakhs and Rs. 992 Lakhs, respectively, and that for the years ended March 31, 2021 and March 31, 2020 is adjusted for reversals of Rs. 1,528 Lakhs and Rs. 1,702 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

Sales promotion expense and selling and distribution expense (included under other expenses) for the quarters ended March 31, 2021 and March 31, 2020 is net of reversal of Rs. 516 Lakhs and Rs. 1,005 Lakhs, respectively, and that for the years ended March 31, 2021 and March 31, 2020 is net of reversal of Rs. 331 Lakhs and Rs. 489 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

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

	Rs. in Lakhs		
	Quarter ended March 31, 2021	Quarter ended December 31, 2020	Year ended March 31, 2021
Impairment (loss) on property, plant and equipment as discussed in Note 6 above	(4,446)	-	(4,446)
Impairment (loss) on goodwill (see note (a) below)	(1,776)	-	(1,776)
Gain on transfer of rights and interest in a leasehold land (see note (b) below)	-	5,500	5,500
Total exceptional items before tax	(6,222)	5,500	(722)
Less: Tax (credit)/expense on exceptional items	(1,119)	1,264	145
Net	(5,103)	4,236	(867)

- (a) As at March 31, 2021, the Holding Company carried out impairment assessment of goodwill with carrying value of Rs. 2,421 Lakhs arising from consolidation of a subsidiary company. The recoverable amount of the underlying assets of the subsidiary company is determined by an external valuer to be Rs. 645 Lakhs based on a fair value less cost of disposal calculation and accordingly an impairment loss of Rs. 1,776 Lakhs is recognized in respect of goodwill attributed to such subsidiary company during the quarter and year ended March 31, 2021.
- (b) The Holding Company executed a deed for assignment cum transfer of its rights and interest in a leasehold land property and accordingly a profit of Rs. 5,500 Lakhs realised on such transfer was recognized during the quarter ended December 31, 2020.

9. The Code on Social Security, 2020 (the "Code") relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect is yet to be notified and the final rules/interpretation are yet to be issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact accordingly.
10. The Holding Company had received 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. 2,016 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. The Holding Company has accordingly withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.
11. The Board of Directors of the Holding Company has proposed dividend of Re. 0.50 per equity share of Re. 1 each amounting to Rs. 1,322 Lakhs for the year ended March 31, 2021. The proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and accordingly has not been recognised as a liability as at year end.
12. The figures of the last quarter ended March 31, 2021 / 2020 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2021 / 2020 and the unaudited published year-to-date figures up to December 31, 2020 / 2019 being the date of the end of the third quarter of the financial year, which were subjected to limited review.
13. The consolidated financial results and notes are also available on the websites of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com and also on the website of the Holding Company viz. www.unitedbreweries.com.

By the authority of the Board



Rishi Pardal
Managing Director

Place : Bengaluru
Date : April 27, 2021






Results

Final Audit Report

2021-04-27

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