



UNITED BREWERIES LIMITED

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

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

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

Rs. in Lakhs

Statement of Standalone Assets and Liabilities

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



**UNITED BREWERIES LIMITED**

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

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

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

Rs. in Lakhs

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

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

*Not annualised for interim periods

Segment information (also refer Note 3)

Rs. in Lakhs

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

See accompanying notes to the standalone financial results



**UNITED BREWERIES LIMITED**

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

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

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

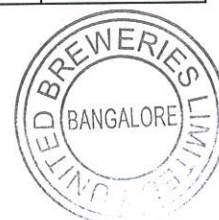
Unaudited standalone cash flow statement for the year to date period ended September 30, 2019

Rs. in Lakhs

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

*Refer Note 1

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



NOTES

1. The standalone financial results for the quarter ended September 30, 2019 and year to date period from April 1, 2019 to September 30, 2019 of United Breweries Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 6, 2019 and November 7, 2019, respectively, and have been subjected to limited review by the statutory auditors of the Company. The cash flow statement for the corresponding period from April 1, 2018 to September 30, 2018, as included in these unaudited standalone financial results have been approved by the Board of Directors of the Company, but have not been subjected to limited review by the statutory auditors of the Company.
2. The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
3. As per Ind AS 108, operating segment is a component of the Company that engages in business activities, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Company has identified its operating segments, as below:
 - (a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands
 - (b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

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

4. Effective April 1, 2019, the Company has adopted Ind AS 116 which replaces Ind AS 17 on Leases. The Company has used the modified retrospective approach for transition to Ind AS 116 and consequently comparatives for previous period / year have not been restated. This has resulted in recognition of right-of-use assets and corresponding lease liabilities of Rs. 1,631 Lakhs as at April 1, 2019 (after giving effect to guidance issued by the Ind AS Technical Facilitation Group). The net impact of adopting this standard on the standalone financial results and earnings per share is not material.
5. As per the Taxation Laws (Amendment) Ordinance, 2019 published on September 20, 2019, the Company has opted for reduced corporate tax rate for the current financial year and accordingly, the tax expense for the quarter ended September 30, 2019 is net of reversal of Rs. 2,853 Lakhs relating to differential tax expense for the previous quarter.
6. On October 10, 2018, certain officials from the Competition Commission of India ("CCI") had visited the Company for their investigation in relation to allegations of price-fixation and performed search of the premises and conducted inquiries with certain officials of the Company at its registered office. Pursuant to this, the Company has made requisite filings and also certain officials of the Company have appeared before the aforesaid authorities. The Company has not received any demand order in respect of this matter and the investigation is ongoing, hence it is not practicable to state an estimate of its financial effect, if any. Management, along-with its legal advisors, are in the continuous process of evaluating this matter and believe that there are mitigating circumstances to counter presumptions made against the Company by the CCI as contained in the Competition Act, 2002.



7. The Bihar State Government ("the Government") vide its notification dated April 5, 2016 had imposed ban on trade and consumption of foreign liquor in the State of Bihar. The Company had filed a writ petition with the High Court at Patna, requesting remedies and compensation for losses incurred on account of such abrupt notification, against which the Government preferred a special leave petition before the Supreme Court of India. Further, the Government did not renew brewery licenses for the financial year 2017-18 onwards and consequently the Company discontinued production of beer at Bihar and all its inventories lying with Bihar State Beverages Corporation Limited (BSBCL) were drained / destroyed. The matter is currently pending before the Supreme Court for final conclusion.

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

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

Sales promotion expense and selling and distribution expense (included under other expenses) for the quarters ended September 30, 2019 and September 30, 2018 are net of reversal of Rs. 553 Lakhs and Rs. 1,067 Lakhs, respectively.



12. The Company had received an order dated September 30, 2015 from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Company has been directed not to pay/release amounts that may be payable with respect to shares in the Company held by an erstwhile director (including his joint holdings) and United Breweries (Holdings) Limited, without its prior permission. Accordingly, the Company has withheld payment of Rs. 1,534 Lakhs (net of payment of Rs. 784 Lakhs to the official liquidator of United Breweries (Holdings) Limited) relating to dividend on aforesaid shares.

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

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

By the authority of the Board


Shekhar Ramamurthy
Managing Director

Place : Bengaluru
Date : November 7, 2019



**UNITED BREWERIES LIMITED**

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

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

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

Rs. in Lakhs

Statement of Consolidated Assets and Liabilities

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



**UNITED BREWERIES LIMITED**

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

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

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

Rs. in Lakhs

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

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

**Not annualised for interim periods

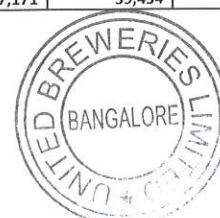
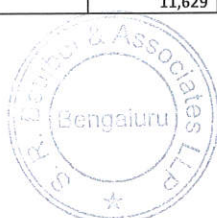
Segment information (also refer Note 3)

Rs. in Lakhs

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

*Refer Note 1

See accompanying notes to the consolidated financial results



**UNITED BREWERIES LIMITED**

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

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

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

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

Rs. in Lakhs

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

*Refer Note 1

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



NOTES

1. The consolidated financial results for the quarter ended September 30, 2019 and year to date period from April 1, 2019 to September 30, 2019 of United Breweries Limited ("the Holding Company"), its subsidiary (together referred to as "the Group") and its associate have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 6, 2019 and November 7, 2019, respectively, and have been subjected to limited review by the statutory auditors of the Holding Company. The consolidated financial results does not include the Holding Company's share of net profit/loss in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group. The consolidated figures for the corresponding quarter ended September 30, 2018 and year to date period from April 1, 2018 to September 30, 2018, as included in the consolidated financial results, have been approved by the Holding Company's Board of Directors, but have not been subjected to limited review by the statutory auditors of the Holding Company.
2. The consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
3. As per Ind AS 108, operating segment is a component of the Group that engages in business activities, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Group has identified its operating segments, as below:
 - (a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands
 - (b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

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

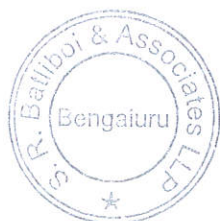
4. Effective April 1, 2019, the Group has adopted Ind AS 116 which replaces Ind AS 17 on Leases. The Group has used the modified retrospective approach for transition to Ind AS 116 and consequently comparatives for previous period / year have not been restated. This has resulted in recognition of right-of-use assets and corresponding lease liabilities of Rs. 1,631 Lakhs as at April 1, 2019 (after giving effect to guidance issued by the Ind AS Technical Facilitation Group). The net impact of adopting this standard on the consolidated financial results and consolidated earnings per share is not material.
5. As per the Taxation Laws (Amendment) Ordinance, 2019 published on September 20, 2019, the Group has opted for reduced corporate tax rate for the current financial year and accordingly, the consolidated tax expense for the quarter ended September 30, 2019 is net of reversal of Rs. 2,853 Lakhs relating to differential tax expense for previous quarter.



6. On October 10, 2018, certain officials from the Competition Commission of India ("CCI") had visited the Holding Company for their investigation in relation to allegations of price-fixation and performed search of the premises and conducted inquiries with certain officials of the Holding Company at its registered office. Pursuant to this, the Holding Company has made requisite filings and also certain officials of the Holding Company have appeared before the aforesaid authorities. The Holding Company has not received any demand order in respect of this matter and the investigation is ongoing, hence it is not practicable to state an estimate of its financial effect, if any. Management, along-with its legal advisors, are in the continuous process of evaluating this matter and believe that there are mitigating circumstances to counter presumptions made against the Holding Company by the CCI as contained in the Competition Act, 2002.
7. The Bihar State Government ("the Government") vide its notification dated April 5, 2016 had imposed ban on trade and consumption of foreign liquor in the State of Bihar. The Holding Company had filed a writ petition with the High Court at Patna, requesting remedies and compensation for losses incurred on account of such abrupt notification, against which the Government preferred a special leave petition before the Supreme Court of India. Further, the Government did not renew brewery licenses for the financial year 2017-18 onwards and consequently the Holding Company discontinued production of beer at Bihar and all its inventories lying with Bihar State Beverages Corporation Limited (BSBCL) were drained / destroyed. The matter is currently pending before the Supreme Court for final conclusion.

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

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



11. Revenue from operations for the quarters ended September 30, 2019, June 30, 2019 and September 30, 2018 is adjusted for reversals in variable considerations of Rs. 832 Lakhs, Rs. 789 Lakhs and Rs. 835 Lakhs, respectively, and that for the year to date period ended September 30, 2019, the year to date period ended September 30, 2018 and the year ended March 31, 2019 is adjusted for such reversals of Rs. 1,403 Lakhs, Rs. 1,421 Lakhs and Rs. 2,091 Lakhs, respectively (excluding the amounts accrued and reversed within the said period/year).

Sales promotion expense and selling and distribution expense (included under other expenses) for the quarters ended September 30, 2019 and September 30, 2018 are net of reversal of Rs. 553 Lakhs and Rs. 1,067 Lakhs, respectively.

12. The Holding Company had received an order dated September 30, 2015 from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Holding Company has been directed not to pay/release amounts that may be payable with respect to shares in the Holding Company held by an erstwhile director (including his joint holdings) and United Breweries (Holdings) Limited, without its prior permission. Accordingly, the Holding Company has withheld payment of Rs. 1,534 Lakhs (net of payment of Rs. 784 Lakhs to the official liquidator of United Breweries (Holdings) Limited) relating to dividend on aforesaid shares.

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

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

By the authority of the Board



Shekhar Ramamurthy
Managing Director

Place : Bengaluru
Date : November 7, 2019

