



UNITED BREWERIES LIMITED

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

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

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

Rs. in Lakhs

Statement of unaudited standalone financial results for the quarter and year to date period ended September 30, 2020

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty) (refer Note 7)	223,969	126,225	358,777	350,194	829,497	1,464,646
(b) Other income	3,260	141	189	3,401	505	911
Total income from operations	227,229	126,366	358,966	353,595	830,002	1,465,557
2 EXPENSES						
(a) Cost of materials consumed	41,399	21,338	71,164	62,737	168,719	297,486
(b) Purchase of stock-in-trade	2,759	717	3,899	3,476	8,641	19,497
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,163)	4,984	542	3,821	(40)	(955)
(d) Excise duty on sale of goods	133,906	75,537	200,920	209,443	466,787	814,191
(e) Employee benefits expense	10,985	11,510	12,338	22,495	24,648	49,977
(f) Finance costs	596	715	879	1,311	1,647	3,112
(g) Depreciation and amortisation expense	6,122	5,052	6,886	11,174	13,807	28,497
(h) Other expenses (refer Note 7)	32,040	21,705	50,668	53,745	108,602	197,010
Total expenses	226,644	141,558	347,296	368,202	792,811	1,408,815
3 Profit/(loss) before tax	585	(15,192)	11,670	(14,607)	37,191	56,742
4 Tax expense						
(a) Current tax	-	-	1,310	-	11,168	17,550
(b) Deferred tax charge/(credit)	184	(3,763)	(1,153)	(3,579)	(1,944)	(3,531)
Total tax expense/(credit)	184	(3,763)	157	(3,579)	9,224	14,019
5 Profit/(loss) for the period/year	401	(11,429)	11,513	(11,028)	27,967	42,723
6 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	1,030	19	(25)	1,049	(68)	(1,538)
Income tax effect on above	(259)	(5)	2	(264)	17	387
Total other comprehensive income/(loss), net of taxes	771	14	(23)	785	(51)	(1,151)
7 Total comprehensive income/(loss) for the period/year	1,172	(11,415)	11,490	(10,243)	27,916	41,572
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						349,153
10 Earnings/(loss) per equity share in Rs. (nominal value per share Re. 1)*						
(a) Basic	0.15	(4.32)	4.36	(4.17)	10.58	16.16
(b) Diluted	0.15	(4.32)	4.36	(4.17)	10.58	16.16

*Not annualised for interim periods

Segment information (also refer Note 4)

Rs. in Lakhs

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment revenue						
Beer	223,313	125,510	358,238	348,823	828,408	1,462,613
Non-alcoholic beverages	656	715	539	1,371	1,089	2,033
Total revenue	223,969	126,225	358,777	350,194	829,497	1,464,646
2 Segment results						
Beer	5,466	(7,303)	21,901	(1,837)	57,112	94,841
Non-alcoholic beverages	(866)	(501)	(1,078)	(1,367)	(3,097)	(4,838)
Total segment results	4,600	(7,804)	20,823	(3,204)	54,015	90,003
Other income	3,260	141	189	3,401	505	911
Finance costs	(596)	(715)	(879)	(1,311)	(1,647)	(3,112)
Other unallocable expenses	(6,679)	(6,814)	(8,463)	(13,493)	(15,682)	(31,060)
Profit/(loss) before tax	585	(15,192)	11,670	(14,607)	37,191	56,742

See accompanying notes to the standalone financial results



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Rs. in Lakhs

Statement of standalone assets and liabilities

Particulars	As at September 30, 2020	As at March 31, 2020
	Unaudited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	179,319	187,682
(b) Capital work-in-progress	29,522	19,912
(c) Intangible assets	2,325	2,393
(d) Financial assets		
(i) Investments	2,840	2,568
(ii) Others	4,938	4,897
(e) Income tax assets (net)	19,414	18,945
(f) Deferred tax asset (net)	6,086	2,771
(g) Other non-current assets	15,761	19,706
	260,205	258,874
Current assets		
(a) Inventories	108,014	109,229
(b) Financial assets		
(i) Trade receivables	97,938	134,977
(ii) Cash and cash equivalents	14,281	2,899
(iii) Bank balances other than (ii) above	5,814	4,432
(iv) Others	65	366
(c) Other current assets	30,963	42,885
	257,075	294,788
(d) Assets held for sale	714	714
	257,789	295,502
Total assets	517,994	554,376
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	332,300	349,153
	334,944	351,797
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	20,995	890
(ii) Others	772	1,131
(b) Provisions	1,142	1,658
	22,909	3,679
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	16,015
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	2,430	5,387
- Total outstanding dues of creditors other than micro and small enterprises	30,391	49,076
(iii) Others	63,754	56,609
(b) Other current liabilities	54,933	62,835
(c) Provisions	8,633	8,978
	160,141	198,900
Total equity and liabilities	517,994	554,376



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Unaudited standalone cash flow statement for the year to date period ended September 30, 2020

Rs. in Lakhs

Particulars	Year to date ended	
	September 30,	September 30,
	2020	2019
	Unaudited	Unaudited
A Cash flow from operating activities		
(Loss)/profit before tax	(14,607)	37,191
Adjustments for:		
Depreciation and amortisation expense	11,174	13,807
Bad debts/advances written off	-	65
Loss allowance for trade receivables	3,694	-
Provision for doubtful advances	32	-
Unrealised exchange differences (net)	(139)	150
Net (gain) on sale of property, plant and equipment	(37)	(14)
Liabilities no longer required written back	(31)	(67)
Loss allowance for trade receivables, no longer required written back	(2,901)	(79)
Provision for doubtful advances, no longer required written back	-	(7)
Interest expense	1,299	1,605
Interest income	(97)	(155)
Dividend income	(23)	(23)
Operating (losses)/profits before working capital changes	(1,636)	52,473
Movement in working capital:		
(Increase)/decrease in Inventories	1,215	(4,981)
(Increase)/decrease in Trade receivables	36,257	(20,937)
(Increase)/decrease in Other financial assets	423	405
(Increase)/decrease in Other assets	11,600	10,546
Increase/(decrease) in Trade payables	(21,681)	(17,820)
Increase/(decrease) in Other financial liabilities	2,797	4,127
Increase/(decrease) in Other current liabilities and provisions	(7,714)	(11,871)
Cash generated from operations	21,261	11,942
Direct taxes paid (net of refund)	(469)	(14,973)
Net cash flow from/(used in) operating activities (A)	20,792	(3,031)
B Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(9,549)	(20,056)
Proceeds from sale of property, plant and equipment	93	46
Investments in equity shares	(272)	-
Investments in bank deposits (having original maturity of more than three months)	(17)	(183)
Redemption/maturity of bank deposits (having original maturity of more than three months)	3	80
Interest received	112	156
Dividend received from subsidiary company	23	23
Net cash (used in) investing activities (B)	(9,607)	(19,934)
C Cash flow from financing activities		
Proceeds from long-term borrowings	25,000	-
Repayment of long-term borrowings - lease liabilities	(422)	-
Repayment of long-term borrowings - others	(44)	(256)
(Repayment of)/proceeds from short-term borrowings (net)	(16,015)	30,996
Interest paid	(1,712)	(1,549)
Dividend paid to equity shareholders*	(6,610)	(6,610)
Dividend distribution tax paid	-	(1,354)
Net cash flow from financing activities (C)	197	21,227
Net increase/(decrease) in cash and cash equivalents (A+B+C)	11,382	(1,738)
Cash and cash equivalents at the beginning of the period	2,899	1,898
Cash and cash equivalents at the end of the period	14,281	160

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



NOTES

1. In March 2020, the World Health Organisation declared Coronavirus (COVID-19) to be a pandemic and consequently on March 24, 2020, the Government of India ordered a nationwide lockdown, which got extended in phases. The outbreak of COVID-19 pandemic in India has caused significant disturbance and slowdown of economic activities. The business operations of United Breweries Limited ("the Company") have been significantly impacted by way of interruption of production, supply chain, etc.

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. The impact of COVID-19 pandemic on the overall economic environment being uncertain, may affect the underlying assumptions and estimates used in preparation of these standalone financial results, whereby actual outcome may differ from those assumptions and 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. From May 2020, the Company has resumed its business activities in a phased manner in line with directives issued by the central and state governments.

2. The standalone financial results for the quarter ended September 30, 2020 and year to date period from April 1, 2020 to September 30, 2020 of the Company have been reviewed by the Audit Committee on November 5, 2020 and approved by the Board of Directors at their meeting held on November 6, 2020 and have been subjected to limited review 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 had submitted its updated investigation report to the CCI for consideration which was also communicated to the Company on March 19, 2020. On August 28, 2020, the Company has filed its comments / objections to the aforesaid investigation report. The CCI has scheduled a hearing on December 15, 2020 for this matter.

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 submitted in the comments / objections to the investigation report 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 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, 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 which has carrying value of Rs. 16,646 Lakhs as at September 30, 2020. 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.

7. Revenue from operations for the quarters ended September 30, 2020, June 30, 2020 and September 30, 2019 is adjusted for reversals in variable considerations of Rs. 444 Lakhs, Rs. 559 Lakhs and Rs. 832 Lakhs, respectively, and that for the year to date period ended September 30, 2020, the year to date period ended September 30, 2019 and the year ended March 31, 2020 is adjusted for such reversals of Rs. 1,003 Lakhs, Rs. 1,403 Lakhs and Rs. 1,702 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 quarter ended September 30, 2019 is net of reversal of Rs. 553 Lakhs and that for the year to date period ended September 30, 2019 and the year ended March 31, 2020 is net of such reversal of Rs. 302 Lakhs and Rs. 489 Lakhs, respectively (excluding the amounts accrued and reversed within the said period/year).

8. 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.

9. The Board of Directors of the Company at its meeting held on June 24, 2020 had proposed dividend of Rs. 2.50 per equity share of Re. 1 each amounting to Rs. 6,610 Lakhs for the year ended March 31, 2020, which was approved at the annual general meeting of the Company held on August 26, 2020.
10. The standalone financial results and notes are also available on the websites of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com and also on the website of the Company viz. www.unitedbreweries.com.

Place : Bengaluru
Date : November 6, 2020

By the authority of the Board

Rishi Pardal
Managing Director



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

Review Report to
The Board of Directors
United Breweries Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of United Breweries Limited (the "Company") for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. 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 value of assets as at September 30, 2020;
- (b) Note 5 which more fully describes the uncertainty relating to the future outcome of the investigation by the Competition Commission of India ("CCI"); and



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (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 conclusion is not modified in respect of aforesaid matters.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Aditya Vikram Bhauwala

Partner

Membership No.: 208382

Unique Document Identification Number (UDIN): 20208382AAAADA3716



Bengaluru

November 6, 2020


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	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty) (refer Note 7)	223,896	126,282	358,875	350,178	829,717	1,465,115
(b) Other income	3,244	148	175	3,392	500	930
Total income from operations	227,140	126,430	359,050	353,570	830,217	1,466,045
2 EXPENSES						
(a) Cost of materials consumed	41,191	21,290	70,971	62,481	168,264	296,605
(b) Purchase of stock-in-trade	2,759	717	3,899	3,476	8,641	19,497
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,152)	5,021	531	3,869	(38)	(989)
(d) Excise duty on sale of goods	133,906	75,537	200,920	209,443	466,787	814,191
(e) Employee benefits expense	11,045	11,555	12,443	22,600	24,876	50,412
(f) Finance costs	596	715	879	1,311	1,647	3,112
(g) Depreciation and amortisation expense	6,125	5,056	6,889	11,181	13,811	28,510
(h) Other expenses (refer Note 7)	32,125	21,752	50,889	53,877	109,058	197,815
Total expenses	226,595	141,643	347,421	368,238	793,046	1,409,153
3 Profit/(loss) before tax	545	(15,213)	11,629	(14,668)	37,171	56,892
4 Tax expense						
(a) Current tax	-	-	1,304	-	11,168	17,597
(b) Deferred tax charge/(credit)	184	(3,763)	(1,153)	(3,579)	(1,944)	(3,534)
Total tax expense/(credit)	184	(3,763)	151	(3,579)	9,224	14,063
5 Profit/(loss) for the period/year	361	(11,450)	11,478	(11,089)	27,947	42,829
6 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	1,030	19	(25)	1,049	(68)	(1,538)
Income tax effect on above	(259)	(5)	2	(264)	17	387
Total other comprehensive income/(loss), net of taxes	771	14	(23)	785	(51)	(1,151)
7 Total comprehensive income/(loss) for the period/year	1,132	(11,436)	11,455	(10,304)	27,896	41,678
8 Profit/(loss) for the period/year attributable to:						
Equity shareholders of the Holding Company	370	(11,440)	11,485	(11,070)	27,947	42,773
Non-controlling interest	(9)	(10)	(7)	(19)	-	56
	361	(11,450)	11,478	(11,089)	27,947	42,829
9 Total comprehensive income/(loss) for the period/year attributable to:						
Equity shareholders of the Holding Company	1,141	(11,426)	11,462	(10,285)	27,896	41,622
Non-controlling interest	(9)	(10)	(7)	(19)	-	56
	1,132	(11,436)	11,455	(10,304)	27,896	41,678
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						349,382
12 Earnings/(loss) per equity share in Rs. (nominal value per share Re. 1)*						
(a) Basic	0.14	(4.33)	4.34	(4.19)	10.57	16.18
(b) Diluted	0.14	(4.33)	4.34	(4.19)	10.57	16.18

*Not annualised for interim periods

Segment information (also refer Note 4)

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	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment revenue						
Beer	223,240	125,567	358,336	348,807	828,628	1,463,082
Non-alcoholic beverages	656	715	539	1,371	1,089	2,033
Total revenue	223,896	126,282	358,875	350,178	829,717	1,465,115
2 Segment results						
Beer	5,442	(7,331)	21,874	(1,889)	57,097	94,972
Non-alcoholic beverages	(866)	(501)	(1,078)	(1,367)	(3,097)	(4,838)
Total segment results	4,576	(7,832)	20,796	(3,256)	54,000	90,134
Other income	3,244	148	175	3,392	500	930
Finance costs	(596)	(715)	(879)	(1,311)	(1,647)	(3,112)
Other unallocable expenses	(6,679)	(6,814)	(8,463)	(13,493)	(15,682)	(31,060)
Profit/(loss) before tax	545	(15,213)	11,629	(14,668)	37,171	56,892

See accompanying notes to the consolidated financial results



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Statement of consolidated assets and liabilities

Particulars	As at September 30, 2020	As at March 31, 2020
	Unaudited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	179,426	187,794
(b) Capital work-in-progress	29,522	19,912
(c) Intangible assets	2,325	2,393
(d) Goodwill on consolidation	2,421	2,421
(e) Financial assets		
(i) Investments	299	27
(ii) Others	5,349	4,929
(f) Income tax assets (net)	19,424	18,946
(g) Deferred tax asset (net)	6,092	2,777
(h) Other non-current assets	15,795	19,739
	260,653	258,938
Current assets		
(a) Inventories	108,139	109,393
(b) Financial assets		
(i) Trade receivables	97,973	135,038
(ii) Cash and cash equivalents	14,290	2,936
(iii) Bank balances other than (ii) above	5,933	4,923
(iv) Others	65	366
(c) Other current assets	30,829	42,775
	257,229	295,431
(d) Assets held for sale	714	714
	257,943	296,145
Total assets	518,596	555,083
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	332,487	349,382
	335,131	352,026
Non-controlling interest	292	334
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	20,995	890
(ii) Others	772	1,131
(b) Provisions	1,142	1,658
	22,909	3,679
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	16,015
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	2,430	5,387
- Total outstanding dues of creditors other than micro and small enterprises	30,424	49,117
(iii) Others	63,830	56,699
(b) Other current liabilities	54,939	62,840
(c) Provisions	8,641	8,986
	160,264	199,044
Total equity and liabilities	518,596	555,083



**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

Unaudited consolidated cash flow statement for the year to date period ended September 30, 2020

Rs. in Lakhs

Particulars	Year to date ended	
	September 30, 2020	September 30, 2019
	Unaudited	Unaudited
A Cash flow from operating activities		
(Loss)/profit before tax	(14,668)	37,171
<u>Adjustments for:</u>		
Depreciation and amortisation expense	11,181	13,811
Bad debts/advances written off	-	65
Loss allowance for trade receivables	3,694	-
Provision for doubtful advances	32	-
Unrealised exchange differences (net)	(139)	150
Net (gain) on sale of property, plant and equipment	(37)	(14)
Liabilities no longer required written back	(31)	(67)
Loss allowance for trade receivables, no longer required written back	(2,901)	(79)
Provision for doubtful advances, no longer required written back	-	(7)
Interest expense	1,299	1,605
Interest income	(111)	(173)
Operating (losses)/profits before working capital changes	(1,681)	52,462
Movement in working capital:		
(Increase)/decrease in Inventories	1,254	(4,936)
(Increase)/decrease in Trade receivables	36,283	(20,878)
(Increase)/decrease in Other financial assets	425	405
(Increase)/decrease in Other assets	11,623	10,536
Increase/(decrease) in Trade payables	(21,690)	(17,827)
Increase/(decrease) in Other financial liabilities	2,783	4,137
Increase/(decrease) in Other current liabilities and provisions	(7,713)	(11,874)
Cash generated from operations	21,284	12,025
Direct taxes paid (net of refund)	(478)	(14,984)
Net cash flow from/(used in) operating activities (A)	20,806	(2,959)
B Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(9,551)	(20,057)
Proceeds from sale of property, plant and equipment	93	46
Investments in equity shares	(272)	-
Investments in bank deposits (having original maturity of more than three months)	(316)	(283)
Redemption/maturity of bank deposits (having original maturity of more than three months)	293	162
Interest received	126	174
Net cash (used in) investing activities (B)	(9,627)	(19,958)
C Cash flow from financing activities		
Proceeds from long-term borrowings	25,000	-
Repayment of long-term borrowings - lease liabilities	(422)	-
Repayment of long-term borrowings - others	(44)	(256)
(Repayment of)/proceeds from short-term borrowings (net)	(16,015)	30,996
Interest paid	(1,712)	(1,549)
Dividend paid*	(6,632)	(6,636)
Dividend distribution tax paid	-	(1,363)
Net cash flow from financing activities (C)	175	21,192
Net increase/(decrease) in cash and cash equivalents (A+B+C)	11,354	(1,725)
Cash and cash equivalents at the beginning of the period	2,936	1,920
Cash and cash equivalents at the end of the period	14,290	195

*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 declared Coronavirus (COVID-19) to be a pandemic and consequently on March 24, 2020, the Government of India ordered a nationwide lockdown, which got extended in phases. The outbreak of COVID-19 pandemic in India has caused significant disturbance and slowdown of economic activities. The business operations of United Breweries Limited ("the Holding Company") and its subsidiary (together referred to as "the Group") have been significantly impacted by way of interruption of production, supply chain, etc.

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. The impact of COVID-19 pandemic on the overall economic environment being uncertain, may affect the underlying assumptions and estimates used in preparation of these consolidated financial results, whereby actual outcome may differ from those assumptions and 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. From May 2020, the Group has resumed its business activities in a phased manner in line with directives issued by the central and state governments.

2. The consolidated financial results for the quarter ended September 30, 2020 and year to date period from April 1, 2020 to September 30, 2020 of the Group and its associate have been reviewed by the Audit Committee on November 5, 2020 and approved by the Board of Directors at their meeting held on November 6, 2020 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.
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 had submitted its updated 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 has filed its comments / objections to the aforesaid investigation report. The CCI has scheduled a hearing on December 15, 2020 for this matter.

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 submitted in the comments / objections to the investigation report 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 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, 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 which has carrying value of Rs. 16,646 Lakhs as at September 30, 2020. 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.

7. Revenue from operations for the quarters ended September 30, 2020, June 30, 2020 and September 30, 2019 is adjusted for reversals in variable considerations of Rs. 444 Lakhs, Rs. 559 Lakhs and Rs. 832 Lakhs, respectively, and that for the year to date period ended September 30, 2020, the year to date period ended September 30, 2019 and the year ended March 31, 2020 is adjusted for such reversals of Rs. 1,003 Lakhs, Rs. 1,403 Lakhs and Rs. 1,702 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 quarter ended September 30, 2019 is net of reversal of Rs. 553 Lakhs and that for the year to date period ended September 30, 2019 and the year ended March 31, 2020 is net of such reversal of Rs. 302 Lakhs and Rs. 489 Lakhs, respectively (excluding the amounts accrued and reversed within the said period/year).

8. 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.

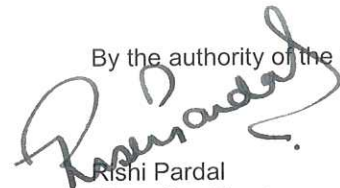


Further, the Holding Company had received various orders from tax and provident fund authorities prohibiting the Holding Company from making any payment to an erstwhile director. The Holding Company has accordingly withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting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

9. The Board of Directors of the Holding Company at its meeting held on June 24, 2020 had proposed dividend of Rs. 2.50 per equity share of Re. 1 each amounting to Rs. 6,610 Lakhs for the year ended March 31, 2020, which was approved at the annual general meeting of the Holding Company held on August 26, 2020.
10. The consolidated financial results and notes are also available on the websites of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com and also on the website of the Holding Company viz. www.unitedbreweries.com.

Place : Bengaluru
Date : November 6, 2020

By the authority of the Board


Rishi Pardal
Managing Director



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

Review Report to
The Board of Directors
United Breweries Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of United Breweries Limited (the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.
4. The Statement includes the results of the Holding Company and its subsidiary i.e. Maltex Malsters Limited.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6. 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 value of assets as at September 30, 2020;
- (b) Note 5 which more fully describes the uncertainty relating to the future outcome of the 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 conclusion is not modified in respect of aforesaid matters.

7. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of a subsidiary whose unaudited interim financial results include total assets of Rs. 862 Lakhs as at September 30, 2020, total revenues of Rs. 249 Lakhs and Rs. 354 Lakhs, total net loss after tax of Rs. 18 Lakhs and Rs. 39 Lakhs, total comprehensive loss of Rs. 18 Lakhs and Rs. 39 Lakhs, for the quarter ended September 30, 2020 and for the period from April 1, 2020 to September 30, 2020, respectively, and net cash outflows of Rs. 28 Lakhs for the period from April 1, 2020 to September 30, 2020, as considered in the Statement, which have been reviewed by the independent auditors of the subsidiary.

The independent auditor's report on interim financial results of this subsidiary have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of this subsidiary is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

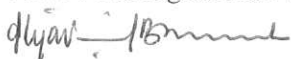
Our conclusion on the Statement in respect of matter stated above is not modified with respect to our reliance on the work done and the report of the other auditors.

8. The accompanying unaudited consolidated financial results does not include the Holding Company's share of net profit/loss for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Aditya Vikram Bhauwala

Partner

Membership No.: 208382

Unique Document Identification Number (UDIN): 20208382AAAADB3684



Bengaluru

November 6, 2020