



UNITED BREWERIES LIMITED

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Rs. in Lakhs

Statement of unaudited standalone financial results for the quarter and year to date ended December 31, 2021

Particulars	Quarter ended			Year to date ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty) (refer Note 7)	350,992	329,391	306,453	945,501	656,647	1,018,340
(b) Other income	604	455	462	1,668	3,863	5,020
Total income	351,596	329,846	306,915	947,169	660,510	1,023,360
2 EXPENSES						
(a) Cost of materials consumed	73,047	62,908	60,297	187,500	123,034	197,256
(b) Purchase of stock-in-trade	5,157	5,330	1,728	14,735	5,204	7,371
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	891	582	(2,532)	3,440	1,289	(995)
(d) Excise duty on sale of goods	192,906	186,772	177,479	532,994	386,922	594,267
(e) Employee benefits expense (refer Note 8)	14,670	13,407	12,413	39,423	34,908	48,229
(f) Finance costs	369	473	534	1,228	1,845	2,267
(g) Depreciation and amortisation expense	5,294	5,564	5,784	16,373	16,958	23,185
(h) Other expenses (refer Note 7)	46,964	43,832	39,723	123,950	93,468	134,262
Total expenses	339,298	318,868	295,426	919,643	663,628	1,005,842
3 Profit/(loss) before exceptional items and tax	12,298	10,978	11,489	27,526	(3,118)	17,518
4 Exceptional items (refer Note 9)	-	-	5,500	-	5,500	(722)
5 Profit before tax	12,298	10,978	16,989	27,526	2,382	16,796
6 Tax expense						
(a) Current tax	3,407	3,442	1,693	8,008	1,693	6,733
(b) Deferred tax (credit)/charge	(165)	(529)	2,659	(687)	(920)	(1,222)
Total tax expense	3,242	2,913	4,352	7,321	773	5,511
7 Profit for the period/year	9,056	8,065	12,637	20,205	1,609	11,285
8 Other comprehensive income/(loss) (OCI)						
Items that will not be reclassified to profit or loss in subsequent periods						
Re-measurement (losses)/gains on defined benefit plans	(135)	571	15	202	1,064	1,991
Income tax effect on above	34	(144)	(4)	(51)	(268)	(501)
Total other comprehensive income/(loss), net of taxes	(101)	427	11	151	796	1,490
9 Total comprehensive income for the period/year	8,955	8,492	12,648	20,356	2,405	12,775
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						355,318
12 Earnings per equity share in Rs. (nominal value per share Re. 1)*						
(a) Basic	3.42	3.05	4.78	7.64	0.61	4.27
(b) Diluted	3.42	3.05	4.78	7.64	0.61	4.27

*Not annualised for interim periods

Segment information (also refer Note 4)

Rs. in Lakhs

Particulars	Quarter ended			Year to date ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment revenue						
Beer	350,187	328,497	305,858	943,114	654,681	1,015,449
Non-alcoholic beverages	805	894	595	2,387	1,966	2,891
Total revenue	350,992	329,391	306,453	945,501	656,647	1,018,340
2 Segment results						
Beer	22,969	19,315	21,004	53,663	19,167	50,114
Non-alcoholic beverages	(2,431)	(1,347)	(1,326)	(4,982)	(2,693)	(3,841)
Total segment results	20,538	17,968	19,678	48,681	16,474	46,273
Other income	604	455	462	1,668	3,863	5,020
Finance costs	(369)	(473)	(534)	(1,228)	(1,845)	(2,267)
Other unallocable expenses	(8,475)	(6,972)	(8,117)	(21,595)	(21,610)	(31,508)
Profit/(loss) before exceptional items and tax	12,298	10,978	11,489	27,526	(3,118)	17,518
Exceptional items (refer Note 9)	-	-	5,500	-	5,500	(722)
Profit before tax	12,298	10,978	16,989	27,526	2,382	16,796

See accompanying notes to the standalone financial results

NOTES

1. The outbreak of Coronavirus (COVID-19) pandemic in India has caused significant disturbance and slowdown of economic activities. The business operations of United Breweries Limited ("the Company") have also been significantly impacted by way of interruption of production, supply chain, etc. During the start of the current financial year and again recently, there has been a surge in the spread of COVID-19 in India and various state governments imposed restrictions ranging from curfew / lockdown 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, right-of-use assets, intangible assets, investments, trade and other receivables, inventories and other financial statement captions. 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 of the Company for the quarter ended December 31, 2021 and the year to date period from April 1, 2021 to December 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on January 27, 2022 and January 28, 2022, respectively, 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. 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 and 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.

The Company received an order dated September 24, 2021 under Section 27 of the Competition Act, 2002 from the CCI ('the CCI Order'), wherein the CCI concluded that the Company and certain executives (including former executives) of the Company contravened the provisions of Section 3 of the Competition Act, 2002. The CCI levied a penalty of Rs. 75,183 Lakhs on the Company. On December 8, 2021, the Company filed an appeal against the aforesaid CCI Order before the National Company Law Appellate Tribunal ('NCLAT'). The NCLAT vide its order dated December 22, 2021 granted a stay of the CCI Order during the pendency of the appeal, including recovery of the penalty imposed by the CCI, subject to deposit of 10% of the penalty amount by the Company. The Company has accordingly deposited Rs. 7,518 Lakhs with the Registrar, NCLAT.

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

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. 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, the Company carried out an impairment assessment of these property, plant and equipment at Bihar and accordingly an impairment loss of Rs. 4,446 Lakhs was recognized during the year ended March 31, 2021. As at December 31, 2021, the carrying value of property, plant and equipment at Bihar is Rs. 10,392 Lakhs (net of impairment). No further impairment is considered necessary by the management as at December 31, 2021.

7. Revenue from operations for the quarters ended December 31, 2021, September 30, 2021 and December 31, 2020 is adjusted for reversals in variable consideration of Rs. 499 Lakhs, Rs. 407 Lakhs and Rs. 499 Lakhs, respectively, and that for the year to date period ended December 31, 2021, the year to date period ended December 31, 2020 and the year ended March 31, 2021 is adjusted for reversal of Rs. 594 Lakhs, Rs. 1,343 Lakhs and Rs. 1,528 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, 2021 is net of reversal of Rs. 356 Lakhs, and that for the year to date period ended December 31, 2021 and the year ended March 31, 2021 is net of reversal of Rs. 520 Lakhs and Rs. 331 Lakhs, respectively (excluding the amounts accrued and reversed within the said period/year).

8. Employee benefits expense for the quarter and year to date period ended December 31, 2021 includes severance pay of Rs. 1,748 Lakhs paid to certain employees of the Company on separation.

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

Rs. in Lakhs

	Quarter ended December 31, 2020	Year to date ended December 31, 2020	Year ended March 31, 2021
Impairment (loss) on property, plant and equipment, as discussed in Note 6 above	-	-	(4,446)
Impairment (loss) on investment in subsidiary company (see note (a) below)	-	-	(1,776)
Gain on transfer of rights and interest in a leasehold land (see note (b) below)	5,500	5,500	5,500
Total exceptional items before tax	5,500	5,500	(722)
Less: Tax expense on exceptional items	1,264	1,264	145
Net	4,236	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 was 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 was recognized during the 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.
10. 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.
11. The Company had received orders from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Company has been directed not to pay/release amounts that may be payable with respect to shares in the Company held by an erstwhile director (including his joint holdings) and certain other shareholders, without its prior permission. Accordingly, the Company has withheld payment of Rs. 2,099 Lakhs (net of taxes) 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.
12. The comparative figures have been regrouped / reclassified, where necessary, to confirm to current quarter's classification.
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 : January 28, 2022

Aditya Vikram
Bhauwala

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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 December 31, 2021 and the year to date from April 1, 2021 to December 31, 2021 (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. The Company's Management is responsible for the preparation of the Statement 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 and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. 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 December 31, 2021;

- (b) Note 5 which more fully describes the matter pertaining to the levy of a penalty of Rs 75,183 Lakhs on the Company, vide Order issued by the Competition Commission of India (CCI) for alleged contravention of the provisions of section 3 of the Competition Act, 2002. Based on advice of external legal experts, the Company is of the view that it has strong case on merits, there exists uncertainty relating to the final outcome in this matter, which is dependent on judicial proceedings; and that it is not in a position to reliably estimate the final obligation relating to penalties, if any. Accordingly, no provision has been recorded in the books of account; and
- (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

**Aditya Vikram
Bhauwala**

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per Aditya Vikram Bhauwala

Partner

Membership No.: 208382

Unique Document Identification Number (UDIN): 22208382AAAACZ2204

Bengaluru

January 28, 2022



UNITED BREWERIES LIMITED

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Rs. in Lakhs

Statement of unaudited consolidated financial results for the quarter and year to date ended December 31, 2021

Particulars	Quarter ended			Year to date ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty) (refer Note 7)	351,185	329,473	306,589	945,921	656,767	1,018,576
(b) Other income	613	445	467	1,674	3,859	5,025
Total income	351,798	329,918	307,056	947,595	660,626	1,023,601
2 EXPENSES						
(a) Cost of materials consumed	72,877	62,737	60,094	187,068	122,575	196,516
(b) Purchase of stock-in-trade	5,157	5,330	1,728	14,735	5,204	7,371
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	877	587	(2,540)	3,440	1,329	(950)
(d) Excise duty on sale of goods	192,906	186,772	177,479	532,994	386,922	594,267
(e) Employee benefits expense (refer Note 8)	14,766	13,495	12,518	39,693	35,118	48,549
(f) Finance costs	369	473	534	1,228	1,845	2,267
(g) Depreciation and amortisation expense	5,303	5,568	5,789	16,395	16,970	23,201
(h) Other expenses (refer Note 7)	47,185	44,013	39,866	124,476	93,743	134,717
Total expenses	339,440	318,975	295,468	920,029	663,706	1,005,938
3 Profit/(loss) before exceptional items and tax	12,358	10,943	11,588	27,566	(3,080)	17,663
4 Exceptional items (refer Note 9)	-	-	5,500	-	5,500	(722)
5 Profit before tax	12,358	10,943	17,088	27,566	2,420	16,941
6 Tax expense						
(a) Current tax	3,420	3,438	1,707	8,022	1,707	6,779
(b) Deferred tax (credit)/charge	(164)	(529)	2,662	(686)	(917)	(1,221)
Total tax expense	3,256	2,909	4,369	7,336	790	5,558
7 Profit for the period/year	9,102	8,034	12,719	20,230	1,630	11,383
8 Other comprehensive income/(loss) (OCI)						
Items that will not be reclassified to profit or loss in subsequent periods						
Re-measurement (losses)/gains on defined benefit plans	(135)	571	15	202	1,064	1,991
Income tax effect on above	34	(144)	(4)	(51)	(268)	(501)
Total other comprehensive income/(loss), net of taxes	(101)	427	11	151	796	1,490
9 Total comprehensive income for the period/year	9,001	8,461	12,730	20,381	2,426	12,873
10 Profit/(loss) for the period/year attributable to:						
Equity shareholders of the Holding Company	9,079	8,038	12,678	20,206	1,608	11,322
Non-controlling interest	23	(4)	41	24	22	61
	9,102	8,034	12,719	20,230	1,630	11,383
11 Other comprehensive income/(loss) (OCI) attributable to:						
Equity shareholders of the Holding Company	(101)	427	11	151	796	1,490
Non-controlling interest	-	-	-	-	-	-
	(101)	427	11	151	796	1,490
12 Total comprehensive income/(loss) for the period/year attributable to:						
Equity shareholders of the Holding Company	8,978	8,465	12,689	20,357	2,404	12,812
Non-controlling interest	23	(4)	41	24	22	61
	9,001	8,461	12,730	20,381	2,426	12,873
13 Paid up equity share capital (Face value of Re. 1 each)	2,644	2,644	2,644	2,644	2,644	2,644
14 Other equity						355,584
15 Earnings per equity share in Rs. (nominal value per share Re. 1)*						
(a) Basic	3.43	3.04	4.80	7.64	0.61	4.28
(b) Diluted	3.43	3.04	4.80	7.64	0.61	4.28

*Not annualised for interim periods

Segment information (also refer Note 4)

Rs. in Lakhs

Particulars	Quarter ended			Year to date ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment revenue						
Beer	350,380	328,579	305,994	943,534	654,801	1,015,685
Non-alcoholic beverages	805	894	595	2,387	1,966	2,891
Total revenue	351,185	329,473	306,589	945,921	656,767	1,018,576
2 Segment results						
Beer	23,020	19,290	21,098	53,697	19,209	50,254
Non-alcoholic beverages	(2,431)	(1,347)	(1,326)	(4,982)	(2,693)	(3,841)
Total segment results	20,589	17,943	19,772	48,715	16,516	46,413
Other income	613	445	467	1,674	3,859	5,025
Finance costs	(369)	(473)	(534)	(1,228)	(1,845)	(2,267)
Other unallocable expenses	(8,475)	(6,972)	(8,117)	(21,595)	(21,610)	(31,508)
Profit/(loss) before exceptional items and tax	12,358	10,943	11,588	27,566	(3,080)	17,663
Exceptional items (refer Note 9)	-	-	5,500	-	5,500	(722)
Profit before tax	12,358	10,943	17,088	27,566	2,420	16,941

See accompanying notes to the consolidated financial results

NOTES

1. The outbreak of Coronavirus (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 also been significantly impacted by way of interruption of production, supply chain, etc. During the start of the current financial year and again recently, there has been a surge in the spread of COVID-19 in India and various state governments imposed restrictions ranging from curfew/lockdown 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, right-of-use assets, 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 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 of the Group and its associate for the quarter ended December 31, 2021 and the year to date period from April 1, 2021 to December 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on January 27, 2022 and January 28, 2022, 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.
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. 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 and 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.

The Holding Company received an order dated September 24, 2021 under Section 27 of the Competition Act, 2002 from the CCI ("the CCI Order"), wherein the CCI concluded that the Holding Company and certain executives (including former executives) of the Holding Company contravened the provisions of Section 3 of the Competition Act, 2002. The CCI levied a penalty of Rs 75,183 Lakhs on the Holding Company. On December 8, 2021, the Holding Company filed an appeal against the aforesaid CCI Order before the National Company Law Appellate Tribunal ("NCLAT"). The NCLAT vide its order dated December 22, 2021 granted a stay of the CCI Order during the pendency of the appeal, including recovery of the penalty imposed by the CCI, subject to deposit of 10% of the penalty amount by the Holding Company. The Holding Company has accordingly deposited Rs. 7,518 Lakhs with the Registrar, NCLAT.

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

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. 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, the Holding Company carried out an impairment assessment of these property, plant and equipment at Bihar and accordingly an impairment loss of Rs. 4,446 Lakhs was recognized during the year ended March 31, 2021. As at December 31, 2021, the carrying value of property, plant and equipment at Bihar is Rs. 10,392 Lakhs (net of impairment). No further impairment is considered necessary by the management as at December 31, 2021.

7. Revenue from operations for the quarters ended December 31, 2021, September 30, 2021 and December 31, 2020 is adjusted for reversals in variable consideration of Rs. 499 Lakhs, Rs. 407 Lakhs and Rs. 499 Lakhs, respectively, and that for the year to date period ended December 31, 2021, the year to date period ended December 31, 2020 and the year ended March 31, 2021 is adjusted for reversal of Rs. 594 Lakhs, Rs. 1,343 Lakhs and Rs. 1,528 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, 2021 is net of reversal of Rs. 356 Lakhs, and that for the year to date period ended December 31, 2021 and the year ended March 31, 2021 is net of reversal of Rs. 520 Lakhs and Rs. 331 Lakhs, respectively (excluding the amounts accrued and reversed within the said period/year).

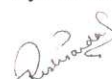
8. Employee benefits expense for the quarter and year to date period ended December 31, 2021 includes severance pay of Rs. 1,748 Lakhs paid to certain employees of the Holding Company on separation.

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

	Rs. in Lakhs		
	Quarter ended December 31, 2020	Year to date ended December 31, 2020	Year ended March 31, 2021
Impairment (loss) on property, plant and equipment, as discussed in Note 6 above	-	-	(4,446)
Impairment (loss) on goodwill (see note (a) below)	-	-	(1,776)
Gain on transfer of rights and interest in a leasehold land (see note (b) below)	5,500	5,500	5,500
Total exceptional items before tax	5,500	5,500	(722)
Less: Tax expense on exceptional items	1,264	1,264	145
Net	4,236	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 was 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 was recognized in respect of goodwill attributed to such subsidiary company during the 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.
10. 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.
11. The Holding Company had received orders from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Holding Company has been directed not to pay/release amounts that may be payable with respect to shares in the Holding Company held by an erstwhile director (including his joint holdings) and certain other shareholders, without its prior permission. Accordingly, the Holding Company has withheld payment of Rs. 2,099 Lakhs (net of taxes) relating to dividend on aforesaid shares.
- Further, the Holding Company had received various orders from tax and provident fund authorities prohibiting the Holding Company from making any payment to an erstwhile director. 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.
12. The comparative figures have been regrouped / reclassified, where necessary, to confirm to current quarter's classification.
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 : January 28, 2022

Aditya Vikram
Bhauwala

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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 December 31, 2021 and the year to date from April 1, 2021 to December 31, 2021 (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. The Holding Company's Management is responsible for the preparation of the Statement 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 and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. 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.
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 December 31, 2021;

- (b) Note 5 which more fully describes the matter pertaining to the levy of a penalty of Rs 75,183 Lakhs on the Holding Company, vide Order issued by the Competition Commission of India (CCI) for alleged contravention of the provisions of section 3 of the Competition Act, 2002. Based on advice of external legal experts, the Holding Company is of the view that it has strong case on merits, there exists uncertainty relating to the final outcome in this matter, which is dependent on judicial proceedings; and that it is not in a position to reliably estimate the final obligation relating to penalties, if any. Accordingly, no provision has been recorded in the books of account; and
- (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, in respect of a subsidiary whose unaudited interim financial results include total revenues of Rs. 362 Lakhs and Rs. 851 Lakhs, total net profit after tax of Rs. 45 Lakhs and Rs. 47 Lakhs and total comprehensive income of Rs. 45 Lakhs and Rs. 47 Lakhs for the quarter ended December 31, 2021 and the year to date from April 1, 2021 to December 31, 2021, respectively, as considered in the Statement, which have been reviewed by the independent auditors of the subsidiary.

The independent auditor's review 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 December 31, 2021 and the year to date from April 1, 2021 to December 31, 2021 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

**Aditya Vikram
Bhauwala**

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per Aditya Vikram Bhauwala

Partner

Membership No.: 208382

Unique Document Identification Number (UDIN): 22208382AAAADA9005

Bengaluru

January 28, 2022