



UNITED BREWERIES LIMITED

June 24, 2020

- | | |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| 1. Department of Corporate Services,
BSE Limited,
Floor 25, P J Towers,
Dalal Street,
Mumbai - 400 001 | 2. National Stock Exchange of India Limited,
Exchange Plaza
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051 |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|

Dear Sirs,

Sub: Annual Audited Financial Results for the Financial Year ended March 31, 2020

In terms of Regulation 30 and 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are furnishing herewith Annual Audited Financial Results (Standalone & Consolidated) of the Company for the quarter and year ended March 31, 2020, along with Statement of Assets and Liabilities (Standalone & Consolidated) as at March 31, 2020 (Audited) and Auditor's Report.

The Auditors have issued their Report with unmodified (unqualified) opinion on the Financial Statements (Standalone and Consolidated) for the year ended March 31, 2020. For emphasis of matter please refer to Note nos. 1,6 and 7 of the Notes accompanying the financial results.

The Board of Directors of the Company at its meeting held today has recommended payment of Dividend @ 250% i.e. Rs. 2.50 per equity share of Re.1/- for the Financial Year ended March 31, 2020 which shall be paid on or before September 25, 2020 post its declaration at the Annual General Meeting proposed to be held on Wednesday, August 26, 2020.

The Board Meeting commenced at 1:30 p.m. and concluded at 8.15 p.m.

The Results will be published in an English Daily and also in a local Newspaper in Kannada, being the regional language where the Registered Office of the Company is situated.

A copy of the Press Release is enclosed.

Thanking you, we remain,

Yours faithfully,
For UNITED BREWERIES LIMITED

GOVIND IYENGAR
Senior Vice President – Legal &
Company Secretary

Encl: As above

Registered & Corporate Office: UB Tower, UB City, #24, Vittal Mallya Road, Bengaluru – 560 001, INDIA
Tel: (91-80) 45655000, 22272807, 22293333, Fax: (91-80) 22211964, 22229488

Corporate Identity Number: L36999KA1999PLC025195, Web Site: www.unitedbreweries.com, Email: ublcorporate@ubmal.com



UNITED BREWERIES LIMITED

Registered office: UB Tower, UB City, 74, Vittal Mallya Road, Bengaluru - 560001

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

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Rs. in Lakhs

Statement of audited standalone financial results for the quarter and year ended March 31, 2020

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited*	Unaudited	Audited*	Audited	Audited
1 INCOME					
(a) Revenue from operations (gross of excise duty) (refer Note 9)	309,897	325,252	345,868	1,464,646	1,413,682
(b) Other income	61	345	1,062	911	3,170
Total Income from operations	309,958	325,597	346,930	1,465,557	1,416,852
2 EXPENSES					
(a) Cost of materials consumed	65,385	63,382	78,629	297,486	292,714
(b) Purchase of stock-in-trade	5,592	5,264	4,764	19,497	16,477
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,041)	126	(2,756)	(955)	(7,447)
(d) Excise duty on sale of goods	167,480	179,924	182,928	814,191	766,439
(e) Employee benefits expense	12,787	12,542	12,352	49,977	44,386
(f) Finance costs	476	989	1,178	3,112	3,120
(g) Depreciation and amortisation expense	7,337	7,353	6,390	28,497	25,978
(h) Other expenses (refer Note 9)	46,469	41,939	52,828	197,010	187,337
Total expenses	304,485	311,519	336,313	1,408,815	1,329,004
3 Profit before tax	5,473	14,078	10,617	56,742	87,848
4 Tax expense					
(a) Current tax	2,563	3,819	3,264	17,550	32,234
(b) Deferred tax (credit)/charge	(1,209)	(378)	561	(3,531)	(664)
Total tax expense	1,354	3,441	3,825	14,019	31,570
5 Profit for the period/year	4,119	10,637	6,792	42,723	56,278
6 Other comprehensive income (OCI)					
(a) Items that will not be reclassified to profit or loss in subsequent periods					
Re-measurement (losses) on defined benefit plans	(1,428)	(42)	(48)	(1,538)	(293)
Income tax effect on above	359	11	16	387	102
(b) Items that will be reclassified to profit or loss in subsequent periods					
Net movement in cash flow hedges	-	-	229	-	261
Income tax effect on above	-	-	(74)	-	(85)
Total other comprehensive income/(loss), net of taxes	(1,069)	(31)	123	(1,151)	(15)
7 Total comprehensive income for the period/year	3,050	10,606	6,915	41,572	56,263
8 Paid up equity share capital (Face value of Re. 1 each)	2,644	2,644	2,644	2,644	2,644
9 Other equity				349,153	315,545
10 Earnings per equity share in Rs.(nominal value per share Re. 1)**					
(a) Basic	1.56	4.02	2.57	16.16	21.29
(b) Diluted	1.56	4.02	2.57	16.16	21.29

**Not annualised for interim periods

Segment information (also refer Note 4)

Rs. in Lakhs

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited*	Unaudited	Audited*	Audited	Audited
1 Segment revenue					
Beer	309,431	324,774	345,366	1,462,613	1,412,874
Non-alcoholic beverages	466	478	502	2,033	808
Total revenue	309,897	325,252	345,868	1,464,646	1,413,682
2 Segment results					
Beer	14,210	23,519	19,795	94,841	106,545
Non-alcoholic beverages	(892)	(849)	(827)	(4,838)	(2,298)
Total segment results	13,318	22,670	18,968	90,003	104,247
Other income	61	345	1,062	911	3,170
Finance costs	(476)	(989)	(1,178)	(3,112)	(3,120)
Other unallocable expenses	(7,430)	(7,948)	(8,235)	(31,060)	(16,449)
Profit before tax	5,473	14,078	10,617	56,742	87,848

*Refer Note 12

See accompanying notes to the standalone financial results



**UNITED BREWERIES LIMITED**

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

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Rs. in Lakhs

Statement of standalone assets and liabilities		
Particulars	As at March 31, 2020	As at March 31, 2019
	Audited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	187,682	172,525
(b) Capital work-in-progress	19,912	18,992
(c) Intangible assets	2,393	2,694
(d) Financial assets		
(i) Investments	2,568	2,568
(ii) Others	4,897	5,828
(e) Income tax assets (net)	18,945	17,493
(f) Deferred tax asset (net)	2,771	-
(g) Other non-current assets	19,706	17,786
	258,874	237,886
Current assets		
(a) Inventories	109,229	103,080
(b) Financial assets		
(i) Trade receivables	134,977	151,002
(ii) Cash and cash equivalents	2,899	1,898
(iii) Bank balances other than (ii) above	4,432	2,614
(iv) Others	366	71
(c) Other current assets	42,885	41,309
	294,788	299,974
(d) Assets held for sale	714	-
	295,502	299,974
Total assets	554,376	537,860
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	349,153	315,545
	351,797	318,189
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	890	7,543
(ii) Others	1,131	955
(b) Provisions	1,658	163
(c) Deferred tax liability (net)	-	1,147
	3,679	9,808
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	16,015	600
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	5,387	4,426
- Total outstanding dues of creditors other than micro and small enterprises	49,076	54,568
(iii) Others	56,609	70,025
(b) Other current liabilities	62,835	72,151
(c) Provisions	8,978	8,093
	198,900	209,863
Total equity and liabilities	554,376	537,860



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Audited standalone cash flow statement for the year ended March 31, 2020

Rs. in Lakhs

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Audited	Audited
A Cash flow from operating activities		
Profit before tax	56,742	87,848
<u>Adjustments for:</u>		
Depreciation and amortisation expense	28,497	25,978
Bad debts/advances written off	68	334
Loss allowance for trade receivables	3,468	392
Provision for doubtful advances	6	54
Effect of adoption of new revenue recognition accounting standard Ind AS 115	-	(549)
Unrealised exchange differences (net)	305	91
Net (gain) on sale of property, plant and equipment	(12)	(28)
Liabilities no longer required written back	(88)	(340)
Loss allowance for trade receivables, no longer required written back	(179)	(1,894)
Provision for doubtful advances, no longer required written back	(7)	(14)
Interest expense	3,047	3,063
Interest income	(203)	(686)
Dividend income	(23)	(23)
Operating profits before working capital changes	91,621	114,226
Movement in working capital:		
(Increase)/decrease in Inventories	(6,149)	(22,436)
(Increase)/decrease in Trade receivables	12,780	49
(Increase)/decrease in Other financial assets	923	683
(Increase)/decrease in Other assets	(4,651)	(14,793)
Increase/(decrease) in Trade payables	(4,613)	7,214
Increase/(decrease) in Other financial liabilities	(11,773)	5,734
Increase/(decrease) in Other current liabilities and provisions	(8,474)	12,660
Cash generated from operations	69,664	103,337
Direct taxes paid (net of refund)	(19,002)	(38,899)
Net cash flow from operating activities (A)	50,662	64,438
B Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(40,338)	(43,766)
Proceeds from sale of property, plant and equipment	57	130
Investments in equity shares	-	(11)
Investments in bank deposits (having original maturity of more than three months)	(148)	(528)
Redemption/maturity of bank deposits (having original maturity of more than three months)	39	495
Interest received	194	687
Dividend received from subsidiary company	23	23
Net cash (used in) investing activities (B)	(40,173)	(42,970)
C Cash flow from financing activities		
Proceeds from long-term borrowings	-	49
Repayment of long-term borrowings - lease liabilities	(761)	-
Repayment of long-term borrowings - others	(13,006)	(5,671)
Proceeds from/(repayment of) short-term borrowings (net)	14,918	(4,678)
Interest paid	(2,675)	(3,131)
Dividend paid to equity shareholders*	(6,610)	(5,288)
Dividend distribution tax paid	(1,354)	(1,082)
Net cash flow (used in) financing activities (C)	(9,488)	(19,801)
Net increase in cash and cash equivalents (A+B+C)	1,001	1,667
Cash and cash equivalents at the beginning of the year	1,898	231
Cash and cash equivalents at the end of the year	2,899	1,898

*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 Company's business operations 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 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 financial results, which may differ from those considered at the date of approval of these financial results. The Company will continue to closely monitor the situation and any material changes to future economic conditions. During 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 and the year ended March 31, 2020 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 June 24, 2020 and have been audited by the statutory auditors of the Company.
3. The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
4. As per Ind AS 108, operating segment is a component of the Company that engages in business activities, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Company has identified its operating segments, as below:
 - (a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands
 - (b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

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

5. 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.



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 made requisite filings and also certain officials of the Company appeared before the aforesaid authorities. The Director General, CCI has submitted the investigation report to the CCI for consideration which was also communicated to the Company on December 13, 2019, followed with an updated report on March 19, 2020 for filing its suggestion / objections, if any. The Company has not received any demand order in respect of this matter, hence management is of the view that it is not practicable to state an estimate of its financial effect, if any. Management, along-with its legal advisors, are reviewing the aforesaid report and 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, 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. 17,411 Lakhs as at March 31, 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.

8. 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 has completed its internal review and issued a notice of termination to the aforesaid export management service provider as well as a letter reserving its rights to claims, if any.
9. Revenue from operations for the quarters ended March 31, 2020, December 31, 2019 and March 31, 2019 is adjusted for reversals in variable considerations of Rs. 992 Lakhs, Rs. 1,068 Lakhs and Rs. 1,806 Lakhs, respectively, and that for the years ended March 31, 2020 and March 31, 2019 is adjusted for such reversals of Rs. 1,702 Lakhs and Rs. 2,091 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

Sales promotion expense and selling and distribution expense (included under other expenses) for the quarters ended March 31, 2020, December 31, 2019 and March 31, 2019 are net of reversal of Rs. 1,005 Lakhs, Rs. 1,244 Lakhs and Rs. 912 Lakhs, respectively, and that for the years ended March 31, 2020 and March 31, 2019 are net of such reversals of Rs. 489 Lakhs and Rs. 609 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).



10. The Company had received an order dated September 30, 2015 from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Company has been directed not to pay/release amounts that may be payable with respect to shares in the Company held by an erstwhile director (including his joint holdings) and United Breweries (Holdings) Limited, without its prior permission. Accordingly, the Company has withheld payment of Rs. 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. The Company has accordingly withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.

11. The Board of Directors of the Company has proposed dividend of Rs. 2.50 per equity share of Re. 1 each amounting to Rs. 6,610 Lakhs for the year ended March 31, 2020. The proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and accordingly has not been recognised as a liability as at year end.
12. The figures of the last quarter ended March 31, 2020 / 2019 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 / 2019 and the unaudited published year-to-date figures up to December 31, 2019 / 2018 being the date of the end of the third quarter of the financial year, which were subjected to limited review.
13. The standalone financial results and notes are also available on the websites of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com and also on the website of the Company viz. www.unitedbreweries.com.

By the authority of the Board



Shekhar Ramamurthy
Managing Director

Place : Bengaluru
Date : June 24, 2020



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

To
The Board of Directors of
United Breweries Limited

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of United Breweries Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

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

Emphasis of Matter

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

- (a) Note 1 which describes management's assessment of the impact of COVID-19 pandemic on these standalone financial results.
- (b) Note 6 which more fully describes the uncertainty relating to the future outcome of ongoing investigation by the Competition Commission of India ("CCI"); and
- (c) Note 7 which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof.

Our opinion is not modified in respect of aforesaid matters.



Management's Responsibilities for the Standalone Financial Results

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

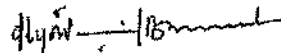
Other Matter

The Statement includes the standalone results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Aditya Vikram Bhauwala

Partner

Membership No.: 208382

Unique Document Identification Number (UDIN): 20208382AAAABD3613



Bengaluru

June 24, 2020



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: ubinvestor@ubmail.com Website: www.unitedbreweries.com

Rs. in Lakhs

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	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited*	Unaudited	Unaudited*	Audited	Audited
1 INCOME					
(a) Revenue from operations (gross of excise duty) (refer Note 9)	309,991	325,407	345,973	1,465,115	1,413,982
(b) Other income	76	354	1,076	930	3,201
Total income from operations	310,067	325,761	347,049	1,466,045	1,417,183
2 EXPENSES					
(a) Cost of materials consumed	65,145	63,196	78,343	296,605	291,731
(b) Purchase of stock-in-trade	5,592	5,264	4,764	19,497	16,477
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,052)	101	(2,720)	(989)	(7,442)
(d) Excise duty on sale of goods	167,480	179,924	182,928	814,191	766,439
(e) Employee benefits expense	12,865	12,671	12,448	50,412	44,843
(f) Finance costs	476	989	1,178	3,112	3,120
(g) Depreciation and amortisation expense	7,343	7,356	6,394	28,510	25,986
(h) Other expenses (refer Note 9)	46,659	42,098	52,972	197,815	188,098
Total expenses	304,508	311,599	336,307	1,409,153	1,329,252
3 Profit before tax	5,559	14,162	10,742	56,892	87,931
4 Tax expense					
(a) Current tax	2,589	3,840	3,291	17,597	32,261
(b) Deferred tax (credit)/charge	(1,212)	(378)	564	(3,534)	(661)
Total tax expense	1,377	3,462	3,855	14,063	31,600
5 Profit for the period/year	4,182	10,700	6,887	42,829	56,331
6 Other comprehensive income (OCI)					
(a) Items that will not be reclassified to profit or loss in subsequent periods					
Re-measurement (losses) on defined benefit plans	(1,428)	(42)	(48)	(1,538)	(293)
Income tax effect on above	359	11	16	387	102
(b) Items that will be reclassified to profit or loss in subsequent periods					
Net movement in cash flow hedges	-	-	229	-	261
Income tax effect on above	-	-	(74)	-	(85)
Total other comprehensive income/(loss), net of taxes	(1,069)	(31)	123	(1,151)	(15)
7 Total comprehensive income for the period/year	3,113	10,669	7,010	41,678	56,316
8 Profit for the period/year attributable to:					
Equity shareholders of the Holding Company	4,158	10,668	6,841	42,773	56,294
Non-controlling Interest	24	32	46	56	37
	4,182	10,700	6,887	42,829	56,331
9 Total comprehensive income for the period/year attributable to:					
Equity shareholders of the Holding Company	3,089	10,637	6,954	41,622	56,279
Non-controlling Interest	24	32	46	56	37
	3,113	10,669	7,010	41,678	56,316
10 Paid up equity share capital (Face value of Re. 1 each)	2,644	2,644	2,644	2,644	2,644
11 Other equity				349,382	315,733
12 Earnings per equity share in Rs. (nominal value per share Re. 1)**					
(a) Basic	1.56	4.05	2.59	16.18	21.30
(b) Diluted	1.56	4.05	2.59	16.18	21.30

**Not annualised for interim periods

Segment Information (also refer Note 4)

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited*	Unaudited	Unaudited*	Audited	Audited
1 Segment revenue					
Beer	309,525	324,929	345,471	1,463,082	1,413,174
Non-alcoholic beverages	466	478	502	2,033	808
Total revenue	309,991	325,407	345,973	1,465,115	1,413,982
2 Segment results					
Beer	14,281	23,594	19,906	94,972	106,597
Non-alcoholic beverages	(892)	(849)	(827)	(4,838)	(2,298)
Total segment results	13,389	22,745	19,079	90,134	104,299
Other income	76	354	1,076	930	3,201
Finance costs	(476)	(989)	(1,178)	(3,112)	(3,120)
Other unallocable expenses	(7,430)	(7,948)	(8,235)	(31,060)	(16,449)
Profit before tax	5,559	14,162	10,742	56,892	87,931

*Refer Note 2 and 12

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 - 45655000 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 March 31, 2020	As at March 31, 2019
	Audited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	187,794	172,599
(b) Capital work-in-progress	19,912	18,992
(c) Intangible assets	2,393	2,694
(d) Goodwill on consolidation	2,421	2,421
(e) Financial assets		
(i) Investments	27	27
(ii) Others	4,929	6,231
(f) Income tax assets (net)	18,946	17,516
(g) Deferred tax asset (net)	2,777	-
(h) Other non-current assets	19,739	17,824
	258,938	238,304
Current assets		
(a) Inventories	109,393	103,246
(b) Financial assets		
(i) Trade receivables	135,038	151,099
(ii) Cash and cash equivalents	2,936	1,920
(iii) Bank balances other than (ii) above	4,923	2,697
(iv) Others	366	71
(c) Other current assets	42,775	41,104
	295,431	300,137
(d) Assets held for sale	714	-
	296,145	300,137
Total assets	555,083	538,441
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	349,382	315,733
	352,026	318,377
Non-controlling interest	334	304
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	890	7,543
(ii) Others	1,131	955
(b) Provisions	1,658	163
(c) Deferred tax liability (net)	-	1,144
	3,679	9,805
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	16,015	600
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	5,387	4,426
- Total outstanding dues of creditors other than micro and small enterprises	49,117	54,596
(iii) Others	56,699	70,079
(b) Other current liabilities	62,840	72,157
(c) Provisions	8,936	8,097
	199,044	209,955
Total equity and liabilities	555,083	538,441



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Audited consolidated cash flow statement for the year ended March 31, 2020

Rs. in Lakhs

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Audited	Audited
A Cash flow from operating activities		
Profit before tax	56,892	87,931
<u>Adjustments for:</u>		
Depreciation and amortisation expense	28,510	25,986
Bad debts/advances written off	68	338
Loss allowance for trade receivables	3,468	392
Provision for doubtful advances	6	54
Effect of adoption of new revenue recognition accounting standard Ind AS 115	-	(549)
Unrealised exchange differences (net)	305	91
Net (gain) on sale of property, plant and equipment	(12)	(28)
Liabilities no longer required written back	(88)	(348)
Loss allowance for trade receivables, no longer required written back	(179)	(1,894)
Provision for doubtful advances, no longer required written back	(7)	(14)
Interest expense	3,047	3,063
Interest income	(241)	(731)
Operating profits before working capital changes	91,769	114,291
<u>Movement in working capital:</u>		
(Increase)/decrease in Inventories	(6,147)	(22,446)
(Increase)/decrease in Trade receivables	12,816	260
(Increase)/decrease in Other financial assets	921	440
(Increase)/decrease in Other assets	(4,741)	(14,997)
Increase/(decrease) in Trade payables	(4,604)	7,348
Increase/(decrease) in Other financial liabilities	(11,737)	5,730
Increase/(decrease) in Other current liabilities and provisions	(8,471)	12,660
Cash generated from operations	69,806	103,286
Direct taxes paid (net of refund)	(19,027)	(38,982)
Net cash flow from operating activities (A)	50,779	64,304
B Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(40,391)	(43,793)
Proceeds from sale of property, plant and equipment	59	130
Investments in equity shares	-	(11)
Investments in bank deposits (having original maturity of more than three months)	(183)	(984)
Redemption/maturity of bank deposits (having original maturity of more than three months)	39	888
Interest received	232	732
Net cash (used in) investing activities (B)	(40,244)	(43,038)
C Cash flow from financing activities		
Proceeds from long-term borrowings	-	49
Repayment of long-term borrowings - lease liabilities	(761)	-
Repayment of long-term borrowings - others	(13,006)	(5,428)
Proceeds from/(repayment of) short-term borrowings (net)	14,918	(4,678)
Interest paid	(2,675)	(3,131)
Dividend paid*	(6,632)	(5,313)
Dividend distribution tax paid	(1,363)	(1,091)
Net cash flow (used in) financing activities (C)	(9,519)	(19,592)
Net increase in cash and cash equivalents (A+B+C)	1,016	1,674
Cash and cash equivalents at the beginning of the year	1,920	246
Cash and cash equivalents at the end of the year	2,936	1,920

*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 Group's business operations 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, which may differ from those 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. During 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 and the year ended March 31, 2020 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 June 24, 2020 and have been audited by the statutory auditors of the Holding Company. The consolidated financial results does not include the Holding Company's share of net profit/loss in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group. The consolidated figures for the corresponding quarter ended March 31, 2019, as included in the consolidated financial results, have been approved by the Holding Company's Board of Directors, but have not been audited or subjected to limited review by the statutory auditors of the Holding Company.
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. 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.
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 made requisite filings and also certain officials of the Holding Company appeared before the aforesaid authorities. The Director General, CCI has submitted the investigation report to the CCI for consideration which was also communicated to the Holding Company on December 13, 2019, followed with an updated report on March 19, 2020 for filing its suggestion / objections, if any. The Holding Company has not received any demand order in respect of this matter, hence management is of the view that it is not practicable to state an estimate of its financial effect, if any. Management, along-with its legal advisors, are reviewing the aforesaid report and 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, 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. 17,411 Lakhs as at March 31, 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.
8. 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 has completed its internal review and issued a notice of termination to the aforesaid export management service provider as well as a letter reserving its rights to claims, if any.
9. Revenue from operations for the quarters ended March 31, 2020, December 31, 2019 and March 31, 2019 is adjusted for reversals in variable considerations of Rs. 992 Lakhs, Rs. 1,068 Lakhs and Rs. 1,806 Lakhs, respectively, and that for the years ended March 31, 2020 and March 31, 2019 is adjusted for such reversals of Rs. 1,702 Lakhs and Rs. 2,091 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

Sales promotion expense and selling and distribution expense (included under other expenses) for the quarters ended March 31, 2020, December 31, 2019 and March 31, 2019 are net of reversal of Rs. 1,005 Lakhs, Rs. 1,244 Lakhs and Rs. 912 Lakhs, respectively, and that for the years ended March 31, 2020 and March 31, 2019 are net of such reversals of Rs. 489 Lakhs and Rs. 609 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).



10. The Holding Company had received an order dated September 30, 2015 from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Holding Company has been directed not to pay/release amounts that may be payable with respect to shares in the Holding Company held by an erstwhile director (including his joint holdings) and United Breweries (Holdings) Limited, without its prior permission. Accordingly, the Holding Company has withheld payment of Rs. 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. The Holding Company has accordingly withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.

11. The Board of Directors of the Holding Company has proposed dividend of Rs. 2.50 per equity share of Re. 1 each amounting to Rs. 6,610 Lakhs for the year ended March 31, 2020. The proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and accordingly has not been recognised as a liability as at year end.
12. The figures of the last quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 and the unaudited published year-to-date figures up to December 31, 2019 being the date of the end of the third quarter of the financial year, which were subjected to limited review.
13. The consolidated financial results and notes are also available on the websites of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com and also on the website of the Holding Company viz. www.unitedbreweries.com.

By the authority of the Board


Shekhar Ramamurthy
Managing Director

Place : Bengaluru
Date : June 24, 2020



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

To
The Board of Directors of
United Breweries Limited

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of United Breweries Limited ("Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate for the quarter ended March 31, 2020 and for the year ended March 31, 2020 (the "Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended March 31, 2019, as reported in these consolidated financial results have been approved by the Holding Company's Board of Directors, but have not been subjected to audit/review.

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

- i. includes the results of the Holding Company and its subsidiary i.e. Maltex Malsters Limited;
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive loss and other financial information of the Group for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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 these consolidated financial results.
- (b) Note 6 which more fully describes the uncertainty relating to the future outcome of ongoing investigation by the Competition Commission of India ("CCI"); and
- (c) Note 7 which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof.

Our opinion is not modified in respect of aforesaid matters.

Management's Responsibilities for the Consolidated Financial Results

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

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

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

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

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



S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Other Matters

The accompanying Statement includes the audited financial results and other financial information, in respect of a subsidiary, whose financial results include total assets of Rs. 939 Lakhs as at March 31, 2020, total revenues of Rs. 334 Lakhs and Rs. 1,350 Lakhs, total net profit after tax of Rs. 49 Lakhs and Rs. 115 Lakhs, total comprehensive income of Rs. 49 Lakhs and Rs. 115 Lakhs, for the quarter and the year ended on that date respectively, and net cash inflows of Rs. 15 Lakhs for the year ended March 31, 2020, as considered in the Statement which have been audited by the independent auditors of the subsidiary. The independent auditor's report on the financial results of this subsidiary have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of such auditors and the procedures performed by us as stated in paragraph above.

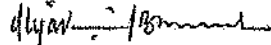
Our opinion on the Statement is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditors.

The accompanying consolidated financial results does not include the Holding Company's share of net profit/loss for the quarter and the year ended March 31, 2020 in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group.

The Statement includes the consolidated results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. Batliboi & Associates LLP
Chartered Accountants

ICAI Firm Registration Number: 101049W/E30000



per Aditya Vikram Bhauwala
Partner

Membership No.: 208382

Unique Document Identification Number (UDIN): 20208382AAAABE7320



Bengaluru
June 24, 2020



United Breweries Ltd

PERFORMANCE HIGHLIGHTS FOR FULL YEAR & QUARTER ENDED MARCH 2020

- **GROSS REVENUE UP 3%, DESPITE INDUSTRY DECLINE DURING THE YEAR**
- **DUE TO PANDEMIC, Q4 VOLUMES & REVENUES NEGATIVELY IMPACTED**

Covid 19 impacted performance in the March Quarter 2020. The full year performance was negatively impacted by elections in Q1, overall economic slowdown, unfavorable policy changes in Andhra Pradesh and input cost increases.

The price increases taken by the Company in the markets of Karnataka, Maharashtra, Rajasthan and Goa helped partially offset increased input prices of barley and new glass bottles resulting in less than 2% reduction in gross margin. In Q4 gross margin increased marginally due to a combination of positive price/mix and more stable input costs.

The Company launched Kingfisher Ultra Witbier, Kingfisher Ultra Draught and UB Export Cans. The response to Ultra Witbier and Ultra Draught has been very encouraging and the Company will expand to more markets in the coming months.

The continued efforts in premiumization was met with success in a challenging year with premium brands like Amstel growing more than fourfold to become a millionaire brand. Other premium brands like Kingfisher Storm and Kingfisher Ultra Max registered double digit growth.

The Company has put in place all recommended Covid 19 health & safety measures to protect staff & stakeholders. At the date of this release, all company breweries have received authorizations to operate except for one.

Regional performances for the year ended March 2020:

- In the North, UBL saw volume growth in Delhi, UP and Punjab while the volumes declined marginally in Rajasthan.
- In the South, UBL registered volume growth in TN. The volumes in Andhra Pradesh declined sharply in H2FY20 consequent to the new excise policy.
- Growth in the East was driven by West Bengal and Jharkhand while volumes in Orissa remained flat.
- All the key markets in the West remained sluggish with Rest of Maharashtra showing signs of recovery in Q2 & Q3 of FY20.

Interest costs remained flat and the net debt stood at Rs. 217 Cr. The focus on working capital management and the conservation of cash helped in funding the entire capex program of Rs. 402 Cr, out of internal accruals without resorting to any term borrowing.

Bangalore, June 24, 2020