

**UNITED BREWERIES LIMITED**

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

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

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

Rs. in Lakhs

Statement of audited standalone assets and liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
	Audited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment (including right of use assets)	1,83,089	1,88,838
(b) Capital work-in-progress	7,708	10,989
(c) Intangible assets	1,223	1,638
(d) Financial assets		
(i) Investments	1,570	1,600
(ii) Other financial assets	4,078	4,417
(e) Income tax assets (net)	22,134	20,195
(f) Deferred tax asset (net)	4,496	3,843
(g) Other non-current assets	34,427	25,012
	2,58,725	2,56,532
Current assets		
(a) Inventories	1,42,597	93,441
(b) Financial assets		
(i) Trade receivables	1,40,707	1,25,450
(ii) Cash and cash equivalents	32,952	86,238
(iii) Bank balances other than (ii) above	6,543	4,536
(iv) Other financial assets	104	115
(c) Other current assets	45,009	27,271
	3,67,912	3,37,051
(d) Assets held for sale	486	488
	3,68,398	3,37,539
Total assets	6,27,123	5,94,071
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	3,93,482	3,90,557
	3,96,126	3,93,201
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	1,074	606
(ii) Other financial liabilities	1,845	2,497
(b) Provisions	417	441
	3,336	3,544
Current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	488	368
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	9,529	9,144
- Total outstanding dues of creditors other than micro and small enterprises	62,110	54,625
(iii) Other financial liabilities	77,821	55,719
(b) Other current liabilities	67,514	67,256
(c) Provisions	10,199	10,214
	2,27,661	1,97,326
Total liabilities	2,30,997	2,00,870
Total equity and liabilities	6,27,123	5,94,071



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Rs. in Lakhs

Statement of standalone financial results for the quarter and year ended March 31, 2023

Particulars	Quarter ended			Year ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
	Unaudited*	Unaudited	Audited*	Audited	Audited
1 INCOME					
(a) Revenue from operations (gross of excise duty)	4,07,960	3,69,851	3,66,240	16,64,288	13,11,741
(b) Other income	1,163	1,297	1,298	4,927	2,966
Total income	4,09,123	3,71,148	3,67,538	16,69,215	13,14,707
2 EXPENSES					
(a) Cost of materials consumed	1,10,891	88,806	83,894	4,23,321	2,71,394
(b) Purchase of traded goods	994	3,148	4,847	9,247	19,582
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,559)	1,741	(1,151)	(5,140)	2,289
(d) Excise duty on sale of products	2,31,513	2,08,747	1,95,554	9,15,117	7,28,548
(e) Employee benefits expense (refer Note 6)	11,626	10,237	8,675	40,776	38,379
(f) Contract employee expense	4,296	4,231	3,838	18,368	13,557
(g) Finance costs	122	160	250	464	1,478
(h) Depreciation and amortisation expense	5,065	5,016	5,318	21,032	21,691
(i) Other expenses	46,854	45,276	44,550	2,01,173	1,68,500
Total expenses	4,07,802	3,67,362	3,45,775	16,24,358	12,65,418
3 Profit before exceptional items and tax	1,321	3,786	21,763	44,857	49,289
4 Exceptional items (refer Note 7)	-	(3,312)	-	(3,312)	-
5 Profit before tax	1,321	474	21,763	41,545	49,289
6 Tax expense					
(a) Current tax	76	1,801	5,151	11,967	13,159
(b) Deferred tax charge/(credit)	272	(1,113)	316	(768)	(371)
Total tax expense	348	688	5,467	11,199	12,788
7 Profit/(loss) for the period/year	973	(214)	16,296	30,346	36,501
8 Other comprehensive income/(loss) (OCI)					
Items that will not be reclassified to profit or loss in subsequent periods					
Re-measurement gains/(losses) on defined benefit plans	425	(43)	(122)	457	80
Income tax effect on above	(107)	11	31	(115)	(20)
Total other comprehensive income/(loss), net of taxes	318	(32)	(91)	342	60
9 Total comprehensive income/(loss) for the period/year	1,291	(246)	16,205	30,688	36,561
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				3,93,482	3,90,557
12 Earnings per equity share in Rs. (nominal value per share Re. 1)**					
(a) Basic	0.37	(0.08)	6.17	11.48	13.81
(b) Diluted	0.37	(0.08)	6.17	11.48	13.81

**Not annualised for interim periods

Segment information (also refer Note 3)

Rs. in Lakhs

Particulars	Quarter ended			Year ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
	Unaudited*	Unaudited	Audited*	Audited	Audited
1 Segment revenue					
Beer	4,07,850	3,69,830	3,65,639	16,63,294	13,08,753
Non-alcoholic beverages	110	21	601	994	2,988
Total segment revenue	4,07,960	3,69,851	3,66,240	16,64,288	13,11,741
2 Segment results					
Beer	9,710	12,555	30,275	75,839	83,938
Non-alcoholic beverages	(266)	(2,201)	(1,528)	(3,734)	(6,510)
Total segment results	9,444	10,354	28,747	72,105	77,428
Other income	1,163	1,297	1,298	4,927	2,966
Finance costs	(122)	(160)	(250)	(464)	(1,478)
Other unallocable expenses	(9,164)	(7,705)	(8,032)	(31,711)	(29,627)
Profit before exceptional items and tax	1,321	3,786	21,763	44,857	49,289
Exceptional items (refer Note 7)	-	(3,312)	-	(3,312)	-
Profit before tax	1,321	474	21,763	41,545	49,289

See accompanying notes to the standalone financial results

*Refer note 11



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Rs. in Lakhs

Audited standalone statement of cash flows for the year ended March 31, 2023

Particulars	Year to date ended	
	March 31, 2023	March 31, 2022
	Audited	Audited
A Cash flow from operating activities		
Profit before tax	41,545	49,289
<u>Adjustments for:</u>		
Depreciation and amortisation expense	21,032	21,691
Bad debts/advances written off	-	301
Loss allowance for trade receivables	818	1,720
Provision for doubtful advances/deposits	181	620
Unrealised exchange differences (net)	(148)	48
Net (gain)/loss on sale of property, plant and equipment	(146)	(11)
Profit on sale of investments	-	(54)
Liabilities no longer required written back	(297)	(479)
Loss allowance for trade receivables, no longer required written back	(4)	(217)
Impairment loss on property, plant and equipment (included under exceptional items)	3,312	-
Interest expense	443	1,464
Interest income	(3,312)	(1,499)
Dividend income	(23)	(23)
Operating profits before working capital changes	63,401	72,850
Changes in working capital:		
(Increase)/decrease in Inventories	(49,156)	20,088
(Increase)/decrease in Trade receivables	(16,143)	12,188
(Increase)/decrease in Other financial assets	307	(77)
(Increase)/decrease in Other assets	(27,565)	(4,510)
Increase/(decrease) in Trade payables	8,361	1,689
Increase/(decrease) in Other financial liabilities	21,960	6,612
Increase/(decrease) in Other current liabilities and provisions	676	(5,975)
Cash generated from operations	1,841	1,02,865
Direct taxes paid (net of refund)	(13,906)	(12,958)
Net cash from/(used in) operating activities (A)	(12,065)	89,907
B Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(15,614)	(17,333)
Proceeds from sale of property, plant and equipment	203	79
Investments in equity and debt securities	-	(300)
Proceeds from sale of investments	30	125
Investments in bank deposits (having original maturity of more than three months)	(56)	(150)
Redemption/maturity of bank deposits (having original maturity of more than three months)	46	122
Interest received	3,323	1,468
Dividend received from subsidiary company	23	23
Net cash used in investing activities (B)	(12,045)	(15,966)
C Cash flow from financing activities		
Repayment of long-term borrowings	-	(25,000)
Payment of lease liabilities	(998)	(492)
Repayment of short-term borrowings (net)	-	(17)
Interest paid	(415)	(1,812)
Dividend paid to equity shareholders*	(27,763)	(1,322)
Net cash used in financing activities (C)	(29,176)	(28,643)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(53,286)	45,298
Cash and cash equivalents at the beginning of the year	86,238	40,940
Cash and cash equivalents at the end of the year	32,952	86,238

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



NOTES

1. The standalone financial results of the United Breweries Limited ("the Company") for the quarter and year ended March 31, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 04, 2023. The standalone financial results for the quarter and year ended March 31, 2022 were audited by S.R. Batliboi & Associates LLP, Chartered Accountants, the predecessor auditors who have expressed an unqualified audit opinion.
2. 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.
3. As per Ind AS 108, operating segment is a component of the Company that engages in business activities, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Company has identified its operating segments, as below:
 - (a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands
 - (b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

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

4. The Company received an order dated September 24, 2021 under Section 27 of the Competition Act, 2002 from the Competition Commission of India ("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 accordingly deposited Rs. 7,518 Lakhs in the form of Fixed Deposit Receipt (FDR) with the Registrar, NCLAT which is presented under "Other non-current assets". The FDR was valid till December 24, 2022 and as per NCLAT order dated December 8, 2022 the FDR aggregating to Rs. 7,793 Lakhs was renewed for another period of six months. On December 23, 2022 NCLAT passed its judgment and dismissed the appeals filed by the Company and other appellants. The Company filed appeal against NCLAT order dated December 23, 2022 before the Supreme Court of India on January 30, 2023 under Section 53T of the Competition Act, 2002. On February 17, 2023, after hearing the arguments of the counsel for the Company and the CCI, the Supreme Court admitted the appeal and stayed the NCLAT Order (and consequently, the CCI Order and the recovery proceeding initiated by the CCI), subject to a deposit of additional 10% of the total penalty amount, over and above the amount already deposited by way of the First FDR before the Registrar, NCLAT. The Company has accordingly deposited additionally Rs. 7,518 Lakhs in the form of FDR with the Registrar, NCLAT which is presented under "Other non-current assets" in all aggregating to Rs. 15,311 Lakhs.

Based on the advice of the external legal experts, the Company is of the view that the Director General, the CCI and the NCLAT 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.

5. 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, which was allowed by Patna High Court and 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. The Company carried out an impairment assessment of its property, plant and equipment and the recoverable amount for these property, plant and equipment is determined by an external valuer based on a fair value less cost of disposal calculation.

Effective May 1, 2022, the Company has closed its manufacturing operations from Bihar unit and has made alternative arrangement for manufacturing non-alcoholic beverages on contract basis with a third-party contractor, considering the economies of scale of operations for non-alcoholic beverages. The Company has received a show cause notice dated June 25, 2022 from Bihar Industrial Area Development Authority (BIADA) for cancellation of its land lease at Bihar considering non-operation of the manufacturing unit. The Company, based on legal advice, has filed its response to the said show-cause notice stating that there has been no violation of the BIADA Act and the notice to the Company is not maintainable. BIADA thereafter, issued another show cause notice dated November 2, 2022 to start production within 30 days failing which the allotment of land would be cancelled forfeiting the allotment money. The Company sought six months' time to commence production as per the Amnesty Scheme of BIADA. However, BIADA cancelled allotment of land to the Company vide order dated December 16, 2022 against which the Company filed a writ before the High Court of Patna. The High Court vide order dated January 25, 2023 has directed to maintain status quo and also directed the Company to file undertaking that it will commence commercial production in the unit. The Company has filed undertaking in High Court that it will start commercial production in the unit after BIADA recalls the order of cancellation. Subsequently, on February 08, 2023, the High Court directed BIADA to take a policy decision to deal with the situation arising out of the action of BIADA in present petition and identical matters. The matter is pending with the High Court.

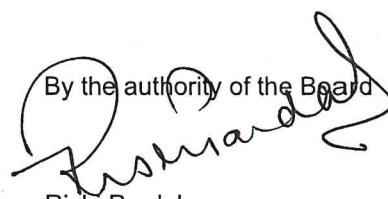
The Management is planning to restart production of non-alcoholic beverages in the unit. As at March 31, 2023, the carrying value of property, plant and equipment at Bihar is Rs. 8,797 Lakhs (net of impairment). Recoverable value is determined based on the higher of value in use and fair value less cost of disposal. In determining the fair value less cost of disposal, the Company evaluated and concluded its right to transfer the leasehold land after considering contractual rights available to the Company under the BIADA Act.

6. Employee benefits expense for the year ended March 31, 2022 and March 31, 2023 includes severance pay of Rs. 1,748 Lakhs and Rs. 409 Lakhs respectively, paid/payable to certain employees of the Company on separation.
7. The change in the operating models in the states of Tamil Nadu and Andhra Pradesh, has seen recent volumes decline in these states inter alia on account of the post integration review undertaken by Heineken. This resulted in lower cash inflows due to reduction in revenue, which triggered an impairment review being performed across property, plant and equipment of the breweries in the two states. As a result, the impacted assets were reviewed for impairment on an asset-by-asset basis and an impairment of Rs 3,312 Lakhs was recorded on the property, plant and equipment for the two states and presented as an exceptional item in the standalone financial results. Management is reviewing opportunities to restore volumes in the states and, as such whilst there is no plan of restructuring as on date, potential risks of the company incurring additional costs remain.



8. 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. 3,812 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; accordingly the Company has withheld payment of Rs. 45 Lakhs (net of TDS) relating to director commission and sitting fees payable to the aforesaid erstwhile director.
9. The Code on Social Security, 2020 ("the Code") which would impact the contributions by the Company towards Provident Fund and Gratuity, has received Presidential assent in September 2020. The Code have been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its standalone financial results in the period in which the Code becomes effective and the related rules are published.
10. The Board of Directors of the Company has proposed dividend of Rs.7.50 per equity share of Re. 1 each amounting to Rs. 19,830 Lakhs for the year ended March 31, 2023. 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 the year end.
11. The standalone financial results for the year ended March 31, 2023 have been audited and for the quarter ended March 31, 2023 have been reviewed by the statutory auditors of the Company. The figures of the last quarter ended March 31, 2023 / 2022 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2023 / 2022 and the unaudited published year-to-date figures up to December 31, 2022 / 2021, being the date of the end of the third quarter of the respective financial year, which were subjected to limited review.
12. Previous year/periods figures have been regrouped/reclassified to confirm with the classification adopted in these standalone financial results.
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.

Place : Bengaluru
Date : May 04, 2023

By the authority of the Board

Rishi Pardal
Managing Director



**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

TO THE BOARD OF DIRECTORS OF UNITED BREWERIES LIMITED

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2023 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2023 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2023." of **United Breweries Limited** ("the Company"), ("the Statement"), 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").

(a) Opinion on Annual Standalone Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2023:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2023

With respect to the Standalone Financial Results for the quarter ended March 31, 2023, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2023, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2023

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2023 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

- a) As described in Note 5, the Company has evaluated the carrying value of the property, plant and equipment aggregating to INR 8,797 lakhs based on fair value less cost of disposal after considering its contractual rights under the BIADA Act, pending the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India.
- b) As described in Note 4, the NCLAT dismissed the appeals filed by the Company and the appellants contesting Competition Commission of India (CCI) Order relating to contravention of Section 3 of the Competition Act and levy of penalty of Rs. 75,183 Lakhs. The Company filed an appeal against the NCLAT order before the Supreme Court of India on January 30, 2023. The Supreme Court issued an order on February 17, 2023 and granted stay on the recovery proceedings. The Management of the Company has represented that the Company has a strong case on merits supported by external legal advice. Pending outcome of the matter, the Company is not in position to reliably estimate, the obligation relating to penalties, if any. Accordingly, no provision has been recorded in the books of account and amount is disclosed as contingent liability.

Our report is not modified in respect of these matters.

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2023 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2023 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian 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 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 Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, 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 financial reporting process of the Company.



Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2023

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2023 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 this Standalone Financial Results.

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 Annual Standalone Financial Results, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- 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 Company 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial



Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

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.

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2023

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2023 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 ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 SAs specified under Section 143(10) of the Act 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.

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2023 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDEU9143

Place: Bengaluru
Date: May 04, 2023

**UNITED BREWERIES LIMITED**

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

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

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

Rs. in Lakhs

Statement of audited consolidated assets and liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
	Audited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment (including right of use assets)	1,83,235	1,89,008
(b) Capital work-in-progress	7,713	10,989
(c) Intangible assets	1,223	1,638
(d) Goodwill on consolidation	645	645
(e) Financial assets		
(i) Investments	805	835
(ii) Other financial assets	4,676	4,816
(f) Income tax assets (net)	22,138	20,199
(g) Deferred tax asset (net)	4,501	3,844
(h) Other non-current assets	34,458	25,044
	2,59,394	2,57,018
Current assets		
(a) Inventories	1,42,781	93,581
(b) Financial assets		
(i) Trade receivables	1,40,732	1,25,486
(ii) Cash and cash equivalents	32,986	86,260
(iii) Bank balances other than (ii) above	6,543	4,708
(iv) Other financial assets	104	115
(c) Other current assets	45,013	27,275
	3,68,159	3,37,425
(d) Assets held for sale	486	488
	3,68,645	3,37,913
Total assets	6,28,039	5,94,931
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	3,93,845	3,90,868
Equity attributable to equity holders of holding company	3,96,489	3,93,512
Non-controlling interest	461	414
	3,96,950	3,93,926
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	1,074	606
(ii) Other financial liabilities	1,845	2,497
(b) Provisions	424	441
	3,343	3,544
Current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	488	368
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	9,530	9,158
- Total outstanding dues of creditors other than micro and small enterprises	62,168	54,642
(iii) Other financial liabilities	77,835	55,810
(b) Other current liabilities	67,518	67,261
(c) Provisions	10,207	10,222
	2,27,746	1,97,461
Total liabilities	2,31,089	2,01,005
Total equity and liabilities	6,28,039	5,94,931



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Rs. in Lakhs

Statement of consolidated financial results for the quarter and year ended March 31, 2023

Particulars	Quarter ended			Year ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
	Unaudited*	Unaudited	Audited*	Audited	Audited
1 INCOME					
(a) Revenue from operations (gross of excise duty)	4,08,101	3,70,049	3,66,471	16,65,109	13,12,392
(b) Other income	1,179	1,305	1,305	4,943	2,979
Total income	4,09,280	3,71,354	3,67,776	16,70,052	13,15,371
2 EXPENSES					
(a) Cost of materials consumed	1,10,674	88,632	83,661	4,22,476	2,70,729
(b) Purchase of traded goods	994	3,148	4,847	9,247	19,582
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,548)	1,718	(1,139)	(5,187)	2,301
(d) Excise duty on sale of products	2,31,513	2,08,747	1,95,554	9,15,117	7,28,548
(e) Employee benefits expense (refer Note 6)	11,729	10,335	8,781	41,183	38,755
(f) Contract employee expense	4,296	4,231	3,838	18,368	13,557
(g) Finance costs	122	160	250	464	1,478
(h) Depreciation and amortisation expense	5,072	5,023	5,324	21,059	21,719
(i) Other expenses	47,080	45,534	44,782	2,02,282	1,69,258
Total expenses	4,07,932	3,67,528	3,45,898	16,25,009	12,65,927
3 Profit before exceptional items and tax	1,348	3,826	21,878	45,043	49,444
4 Exceptional items (refer Note 7)	-	(3,312)	-	(3,312)	-
5 Profit before tax	1,348	514	21,878	41,731	49,444
6 Tax expense					
(a) Current tax	90	1,810	5,181	12,035	13,203
(b) Deferred tax charge/(credit)	271	(1,115)	319	(772)	(367)
Total tax expense	361	695	5,500	11,263	12,836
7 Profit/(loss) for the period/year	987	(181)	16,378	30,468	36,608
8 Other comprehensive income/(loss) (OCI)					
Items that will not be reclassified to profit or loss in subsequent periods					
Re-measurement gains/(losses) on defined benefit plans	425	(43)	(122)	457	80
Income tax effect on above	(107)	11	31	(115)	(20)
Total other comprehensive income/(loss), net of taxes	318	(32)	(91)	342	60
9 Total comprehensive income/(loss) for the period/year	1,305	(213)	16,287	30,810	36,668
10 Profit/(loss) for the period/year attributable to:					
Equity shareholders of the Holding Company	981	(197)	16,340	30,398	36,546
Non-controlling interest	6	16	38	70	62
	987	(181)	16,378	30,468	36,608
11 Other comprehensive income/(loss) (OCI) attributable to:					
Equity shareholders of the Holding Company	318	(32)	(91)	342	60
Non-controlling interest	-	-	-	-	-
	318	(32)	(91)	342	60
12 Total comprehensive income/(loss) for the period/year attributable to:					
Equity shareholders of the Holding Company	1,299	(229)	16,249	30,740	36,606
Non-controlling interest	6	16	38	70	62
	1,305	(213)	16,287	30,810	36,668
13 Paid up equity share capital (Face value of Re. 1 each)	2,644	2,644	2,644	2,644	2,644
14 Other equity				3,93,845	3,90,868
15 Earnings per equity share in Rs. (nominal value per share Re. 1)**					
(a) Basic	0.37	(0.07)	6.18	11.50	13.82
(b) Diluted	0.37	(0.07)	6.18	11.50	13.82

**Not annualised for interim periods

Segment information (also refer Note 3)

Rs. in Lakhs

Particulars	Quarter ended			Year ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
	Unaudited*	Unaudited	Audited*	Audited	Audited
1 Segment revenue					
Beer	4,07,991	3,70,028	3,65,870	16,64,115	13,09,404
Non-alcoholic beverages	110	21	601	994	2,988
Total segment revenue	4,08,101	3,70,049	3,66,471	16,65,109	13,12,392
2 Segment results					
Beer	9,721	12,587	30,383	76,009	84,080
Non-alcoholic beverages	(266)	(2,201)	(1,528)	(3,734)	(6,510)
Total segment results	9,455	10,386	28,855	72,275	77,570
Other income	1,179	1,305	1,305	4,943	2,979
Finance costs	(122)	(160)	(250)	(464)	(1,478)
Other unallocable expenses	(9,164)	(7,705)	(8,032)	(31,711)	(29,627)
Profit before exceptional items and tax	1,348	3,826	21,878	45,043	49,444
Exceptional items (refer Note 7)	-	(3,312)	-	(3,312)	-
Profit before tax	1,348	514	21,878	41,731	49,444

See accompanying notes to the consolidated financial results

*Refer note 11



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Rs. in Lakhs

Audited consolidated statement of cash flows for the year ended March 31, 2023

Particulars	Year ended	
	March 31, 2023	March 31, 2022
	Audited	Audited
A Cash flow from operating activities		
Profit before tax	41,731	49,444
<u>Adjustments for:</u>		
Depreciation and amortisation expense	21,059	21,719
Bad debts/advances written off	-	301
Loss allowance for trade receivables	818	1,720
Provision for doubtful advances/deposits	181	620
Unrealised exchange differences (net)	(148)	48
Net (gain)/loss on sale of property, plant and equipment	(135)	(8)
Profit on sale of investments	-	(54)
Liabilities no longer required written back	(297)	(479)
Loss allowance for trade receivables, no longer required written back	(4)	(217)
Impairment loss on property, plant and equipment (included under exceptional items)	3,312	-
Interest expense	443	1,464
Interest income	(3,341)	(1,528)
Operating profits before working capital changes	63,619	73,030
Changes in working capital:		
(Increase)/decrease in Inventories	(49,200)	20,087
(Increase)/decrease in Trade receivables	(16,132)	12,169
(Increase)/decrease in Other financial assets	300	(76)
(Increase)/decrease in Other assets	(27,564)	(4,574)
Increase/(decrease) in Trade payables	8,425	1,676
Increase/(decrease) in Other financial liabilities	21,887	6,631
Increase/(decrease) in Other current liabilities and provisions	682	(5,974)
Cash generated from operations	2,017	1,02,969
Direct taxes paid (net of refund)	(13,974)	(13,007)
Net cash from/(used in) operating activities (A)	(11,957)	89,962
B Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances	(15,628)	(17,355)
Proceeds from sale of property, plant and equipment	198	77
Investments in equity and debt securities	-	(300)
Proceeds from sale of equity and debt securities	30	125
Investments in bank deposits (having original maturity of more than three months)	(616)	(173)
Redemption/maturity of bank deposits (having original maturity of more than three months)	581	122
Interest received	3,352	1,497
Net cash used in investing activities (B)	(12,083)	(16,007)
C Cash flow from financing activities		
Repayment of long-term borrowings	-	(25,000)
Payment of lease liabilities	(998)	(492)
Repayment of short-term borrowings (net)	-	(17)
Interest paid	(451)	(1,812)
Dividend paid*	(27,785)	(1,344)
Net cash used in financing activities (C)	(29,234)	(28,665)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(53,274)	45,290
Cash and cash equivalents at the beginning of the year	86,260	40,970
Cash and cash equivalents at the end of the year	32,986	86,260

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



NOTES

1. The consolidated financial results of United Breweries Limited ("the Holding Company") and its subsidiary (together referred to as "the Group") for the quarter and year ended March 31, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on May 04, 2023. 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 financial results for the quarter and year ended March 31, 2022 were audited by previous auditors who had expressed an unqualified audit opinion.
2. 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.
3. As per Ind AS 108, operating segment is a component of the Group that engages in business activities, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Group has identified its operating segments, as below:
 - (a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands
 - (b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

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

4. The Holding Company received an order dated September 24, 2021 under Section 27 of the Competition Act, 2002 from the Competition Commission of India ("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 accordingly deposited Rs. 7,518 Lakhs in the form of Fixed Deposit Receipt (FDR) with the Registrar, NCLAT which is presented under "Other non-current assets". The FDR was valid till December 24, 2022 and as per NCLAT order dated December 8, 2022 the FDR aggregating to Rs.7,793 Lakhs was renewed for another period of six months. On December 23, 2022 NCLAT passed its judgment and dismissed the appeals filed by the Holding Company and other appellants. The Holding Company filed appeal against NCLAT order dated December 23, 2022 before the Supreme Court of India on January 30, 2023 under Section 53T of the Competition Act, 2002. On February 17, 2023, after hearing the arguments of the counsel for the Holding Company and the CCI, the Supreme Court admitted the appeal and stayed the NCLAT Order (and consequently, the CCI Order and the recovery proceeding initiated by the CCI), subject to a deposit of additional 10% of the total penalty amount, over and above the amount already deposited by way of the First FDR before the Registrar, NCLAT. The Holding Company has accordingly deposited additionally Rs. 7,518 Lakhs in the form of FDR with the Registrar, NCLAT which is presented under "Other non-current assets" in all aggregating to Rs. 15,311 Lakhs.



Based on the advice of the external legal experts, the Holding Company is of the view that the Director General, the CCI and the NCLAT 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.

5. 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, which was allowed by Patna High Court and 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. The Holding Company carried out an impairment assessment of its property, plant and equipment and the recoverable amount for these property, plant and equipment is determined by an external valuer based on a fair value less cost of disposal calculation.

Effective May 1, 2022, the Holding Company has closed its manufacturing operations from Bihar unit and has made alternative arrangement for manufacturing non-alcoholic beverages on contract basis with a third-party contractor, considering the economies of scale of operations for non-alcoholic beverages. The Holding Company has received a show cause notice dated June 25, 2022 from Bihar Industrial Area Development Authority (BIADA) for cancellation of its land lease at Bihar considering non-operation of the manufacturing unit. The Holding Company, based on legal advice, has filed its response to the said show-cause notice stating that there has been no violation of the BIADA Act and the notice to the Holding Company is not maintainable. BIADA thereafter, issued another show cause notice dated November 2, 2022 to start production within 30 days failing which the allotment of land would be cancelled forfeiting the allotment money. The Holding Company sought six months' time to commence production as per the Amnesty Scheme of BIADA. However, BIADA cancelled allotment of land to the Holding Company vide order dated December 16, 2022 against which the Holding Company filed a writ before the High Court of Patna. The High Court vide order dated January 25, 2023 has directed to maintain status quo and also directed the Holding Company to file undertaking that it will commence commercial production in the unit after BIADA recalls the order of cancellation. Subsequently, on February 08, 2023 the High Court directed BIADA to take a policy decision to deal with the situation arising out of the action of BIADA in present petition and identical matters. The matter is pending with the High Court.

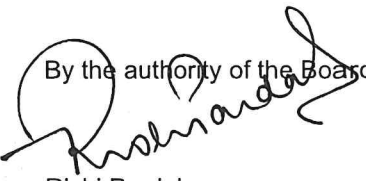
The Management is planning to restart production of non-alcoholic beverages in the unit. As at March 31, 2023, the carrying value of property, plant and equipment at Bihar is Rs. 8,797 Lakhs (net of impairment). Recoverable value is determined based on the higher of value in use and fair value less cost of disposal. In determining the fair value less cost of disposal, the Company evaluated and concluded its right to transfer the leasehold land after considering contractual rights available to the Company under the BIADA Act.

6. Employee benefits expense for the year ended March 31, 2022 and March 31, 2023 includes severance pay of Rs. 1,748 Lakhs and Rs. 409 Lakhs respectively, paid/payable to certain employees of the Holding Company on separation.



7. The change in the operating models in the states of Tamil Nadu and Andhra Pradesh, has seen recent volumes decline in these states inter alia on account of the post integration review undertaken by Heineken. This resulted in lower cash inflows due to reduction in revenue, which triggered an impairment review being performed across property, plant and equipment of the breweries in the two states. As a result, the impacted assets were reviewed for impairment on an asset-by-asset basis and an impairment of Rs 3,312 Lakhs was recorded on the property, plant and equipment for the two states and presented as an exceptional item in the consolidated financial results. Management is reviewing opportunities to restore volumes in the states and, as such whilst there is no plan of restructuring as on date, potential risks of the Holding company incurring additional costs remain.
8. 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. 3,812 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; accordingly the Holding Company has withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.
9. The Board of Directors of the Holding Company has proposed dividend of Rs.7.50 per equity share of Re. 1 each amounting to Rs. 19,830 Lakhs for the year ended March 31, 2023. 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 the year end.
10. The Code on Social Security, 2020 ("the Code") which would impact the contributions by the Group towards Provident Fund and Gratuity, has received Presidential assent in September 2020. The Code have been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Group will complete its evaluation and will give appropriate impact in its consolidated financial results in the period in which the Code becomes effective and the related rules are published.
11. The consolidated financial results for the year ended March 31, 2023 have been audited and for the quarter ended March 31, 2023 have been reviewed by the statutory auditors of the Company. The figures of the last quarter ended March 31, 2023 / 2022 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2023 / 2022 and the unaudited published year-to-date figures up to December 31, 2022 / 2021, being the date of the end of the third quarter of the respective financial year, which were subjected to limited review.
12. Previous year/periods figures have been regrouped/reclassified to confirm with the classification adopted in these consolidated financial results.
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.

Place : Bengaluru
Date : May 04,2023

By the authority of the Board

Rishi Pardal
Managing Director



**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
UNITED BREWERIES LIMITED**

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2023 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2023 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2023." of **United Breweries Limited** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), ("the Statement") 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").

(a) Opinion on Annual Consolidated Financial Results

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 audit report of the other auditor on separate financial statements of a subsidiary referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2023:

- (i) includes the results of the following entities:
 - 1. United Breweries Limited (Holding Company); and
 - 2. Maltex Malsters Limited (Subsidiary of Holding Company);
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2023.

(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2023

With respect to the Consolidated Financial Results for the quarter ended March 31, 2023, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the review report of the other auditor referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2023, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2023

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2023 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

- a. As described in Note 5, the Holding Company has evaluated the carrying value of the property, plant and equipment aggregating to INR 8,797 lakhs based on fair value less cost of disposal after considering its contractual rights under the BIADA Act, pending the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India.
- b. As described in Note 4, the NCLAT dismissed the appeals filed by the Holding Company and the appellants contesting Competition Commission of India (CCI) Order relating to contravention of Section 3 of the Competition Act and levy of penalty of Rs. 75,183 Lakhs. The Holding Company has filed an appeal against the NCLAT order before the Supreme Court of India on January 30, 2023. The Supreme Court issued an order on February 17, 2023 and granted stay on the recovery proceedings. The Management of the Holding Company has represented the Company has a strong case on merits supported by external legal advice. Pending outcome of the matter, the Holding Company is not in position to reliably estimate, the obligation relating to penalties, if any. Accordingly, no provision has been recorded in the books of account and amount is disclosed as contingent liability.

Our report is not modified in respect of these matters.

Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Holding Company's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2023, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2023 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian 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 are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 respective financial results 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 this Consolidated Financial Results by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities 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 their respective entities 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 are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2023

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2023 as a whole are 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 this Consolidated Financial Results.

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 Annual Consolidated Financial Results, 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, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.



- 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 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 Consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Information of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entity included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the 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.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

We communicate with those charged with governance of the Holding Company 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.

(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2023

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2023 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 ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 SAs specified under Section 143(10) of the Act 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.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2023 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- We did not audit the financial statements of a subsidiary included in the consolidated financial results, whose financial statements reflect total assets of Rs. 1,161 Lakhs as at March 31, 2023 and total revenues of Rs. 343 Lakhs and Rs. 1,666 Lakhs for the quarter and year ended March 31, 2023 respectively, total net profit after tax of Rs. 11 Lakhs and Rs. 142 Lakhs for the quarter and year ended March 31, 2023 respectively and total comprehensive income of Rs. 11 and Rs. 142 for the quarter and year ended March 31, 2023 respectively and net cash flows (net) of Rs. 12 Lakhs for the year ended March 31, 2023, as considered in the Statement. These financial statements have been audited/ reviewed, as applicable, by other auditor whose report has been furnished to us by the Management and our opinion and conclusion 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 the other auditor and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDEV7872

Place: Bengaluru
Date: May 04, 2023



United Breweries Ltd

PERFORMANCE HIGHLIGHTS FOR Q4 & YEAR ENDED March 2023

- **ALL-TIME HIGH FULL YEAR VOLUMES SIGNALLING CONTINUED CATEGORY GROWTH**
- **YEAR TO DATE VOLUMES UP 31% VS PY**
- **YEAR TO DATE EBITDA, RS. 664 CR, DOWN 8% VS PY, IMPACTED BY INFLATIONARY PRESSURE**
- **Q4 VOLUMES UP 3% VS PY, MUTED BY ROUTE TO MARKET HEADWINDS**

YTD Volume growth of 31% driven by Telangana, Rajasthan, Maharashtra & West Bengal. Volume growth of 3% in the quarter, primarily driven by Telangana, West Bengal, Uttar Pradesh & Rajasthan.

The premium segment recorded growth ahead of the total portfolio, growing 19% in the quarter with a strong 58% growth YTD, driven by Heineken®, Kingfisher Ultra & Kingfisher Ultra Max.

Gross margin during the quarter was lower as compared to PY due to continued inflationary pressures on our cost base, particularly on prices of barley and packaging materials.

Price increases have been taken across multiple states with continued commitment in driving further revenue management initiatives.

YTD Capex spend was Rs.156 Cr. With volume growth expected to continue, Capex investments are needed to meet future growth.

Inflationary pressure on our cost base is expected to continue in the near term. The Company will seek appropriate action to further mitigate the impact. UBL continues to remain optimistic on the long-term growth potential of the industry, driven by increasing disposable income, favorable demographics & premiumization.

Bangalore, May 5, 2023