



UNITED BREWERIES LIMITED

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Rs. in Lakhs

Statement of unaudited standalone results for the quarter and nine months period ended December 31, 2017

Particulars	Quarter ended			Year to date		Year ended
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty)	2,60,781	2,73,804	2,22,804	9,15,598	7,67,038	10,22,816
(b) Other income	77	120	3,295	823	4,735	5,160
Total income from operations	2,60,858	2,73,924	2,26,099	9,16,421	7,71,773	10,27,976
2 EXPENSES						
(a) Cost of materials consumed	54,274	53,774	48,436	1,81,220	1,65,032	2,20,626
(b) Purchase of stock-in-trade	2,112	4,192	-	9,585	280	825
(c) Decrease/(Increase) in inventories of finished goods, work-in-progress and stock-in-trade	601	607	(1,204)	4,006	(63)	(2,032)
(d) Excise duty on sale of goods	1,41,071	1,46,160	1,20,584	5,00,823	4,04,896	5,49,404
(e) Employee benefits expense (refer Note 5)	9,575	10,117	8,497	28,490	26,318	35,209
(f) Finance costs	934	1,271	1,528	3,625	4,421	5,865
(g) Depreciation and amortisation expense	6,496	6,504	6,975	19,485	20,364	28,695
(h) Other expenses (refer Note 5)	37,885	36,764	33,695	1,22,186	1,16,570	1,54,667
Total expenses	2,52,948	2,59,389	2,18,511	8,69,420	7,37,818	9,93,259
3 Profit before tax	7,910	14,535	7,588	47,001	33,955	34,717
4 Tax expenses						
(a) Current tax	4,097	5,865	3,175	19,163	13,330	13,254
(b) Deferred tax charge/(credit)	(925)	(714)	(436)	(2,473)	(1,635)	(1,470)
Total tax expenses	3,172	5,151	2,739	16,690	11,695	11,784
5 Profit for the period/year	4,738	9,384	4,849	30,311	22,260	22,933
6 Other comprehensive income (OCI)						
(a) Items that will not be reclassified to profit or loss in subsequent periods						
Re-measurement gains/(losses) on defined benefit plans	528	(879)	(100)	(175)	(580)	(387)
Income tax effect on above	(182)	304	35	61	201	134
(b) Items that will be reclassified to profit or loss in subsequent periods						
Net movement in cash flow hedges	29	339	(326)	231	(552)	(504)
Income tax effect on above	(10)	(117)	113	(80)	191	174
Total other comprehensive income, net of taxes	365	(353)	(278)	37	(740)	(583)
7 Total comprehensive income	5,103	9,031	4,571	30,348	21,520	22,350
8 Paid up equity share capital (Face value of Re.1 each)	2,644	2,644	2,644	2,644	2,644	2,644
9 Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year						2,30,608
10 Earnings per equity share in Rs. (nominal value per share Re.1)*						
(a) Basic	1.79	3.55	1.84	11.46	8.42	8.67
(b) Diluted	1.79	3.55	1.84	11.46	8.42	8.67

*Not annualised for quarters

See accompanying notes to the financial results

NOTES

1. The standalone financial results for the quarter ended December 31, 2017 and the year to date from April 1, 2017 to December 31, 2017 of United Breweries Limited (“the Company”) have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on February 1, 2018 and February 2, 2018, respectively, and have been subjected to limited review by the statutory auditors of the Company.
2. The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (“Ind AS”) prescribed under section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
3. The Company is engaged in the manufacture and sale of beer including licensing of brands which constitutes a single operating segment. Further, considering the seasonality of the business, the revenue and profits do not accrue evenly over the year.
4. The Bihar State Government (“the Government”) vide its notification dated April 5, 2016 imposed ban on trade and consumption of foreign liquor in the State of Bihar with immediate effect. The Company filed a writ petition with the Honourable High Court at Patna (“the High Court”), requesting remedies and compensation for losses incurred on account of such abrupt notification. The High Court vide its order dated September 30, 2016 (“the Order”) allowed the aforesaid writ petition, however, the Government preferred a special leave petition against the Order before the Honourable Supreme Court of India (“the Supreme Court”). As an interim measure, the Supreme Court directed stay of operation of the Order.

Meanwhile, vide notification dated April 9, 2016, the Government had allowed production of beer in the state of Bihar for export to outside states. However, pursuant to notification dated January 24, 2017, the Government did not renew existing brewery licenses for the financial year 2017-18 and consequently the Company was required to destroy or drain all its inventories of finished goods lying at Bihar, including those at warehouses of Bihar State Beverages Corporation Limited (‘BSBCL’), for which the Supreme Court had extended time till July 31, 2017. Accordingly, effective April 1, 2017, the Company discontinued production of beer at Bihar and had given its consent to BSBCL to destroy / drain all its inventories lying with them, without prejudice to remedies and compensation available from its representation pending before the Supreme Court. The Company has obtained permission from authorities for manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar and has initiated necessary steps towards commencement of operations for the new product line.

As at December 31, 2017, the Company has property, plant and equipment (net) of Rs. 21,887 Lakhs, inventories (gross) of Rs. 287 Lakhs, trade receivables (gross) of Rs. 2,448 Lakhs and deposits/advances of Rs. 406 Lakhs at its units in Bihar. Management believes that the carrying amount of the aforesaid property, plant and equipment do not exceed their recoverable amount and is confident of utilization of aforesaid assets either for the new product line relating to non-alcoholic beverages in Bihar or for manufacturing units in other states. Provision aggregating to Rs. 1,001 Lakhs have been made against aforesaid inventories and trade receivable balances and no other adjustment has been considered necessary by the management in this regard.

The statutory auditors of the Company have drawn an Emphasis of Matter in this regard, in their limited review report on the standalone financial results.

5. Employee benefits expense for the year to date period ended December 31, 2017 is net of reversal of Rs. 632 Lakhs.

Sales promotion expense (included under other expenses) for the quarter ended December 31, 2017 is net of reversal of Rs. 1,618 Lakhs and that for the year to date period ended December 31, 2017 is net of reversal of Rs. 702 Lakhs (excluding the amounts accrued and reversed within the said year to date period).

Selling and distribution expense (included under other expenses) for the quarters ended December 31, 2017, September 30, 2017 and December 31, 2016 is net of reversal of Rs. 390 Lakhs, Rs. 465 Lakhs and Rs. 144 Lakhs, respectively and that for the year to date period ended December 31, 2017, the year to date period ended December 31, 2016 and the year ended March 31, 2017 is net of reversal of Rs. 521 Lakhs, Rs. 904 Lakhs and Rs. 1,126 Lakhs, respectively.

6. The Company 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. 1,127 Lakhs relating to dividend on aforesaid shares.

The Company received an order dated March 11, 2016 from the Deputy Commissioner of Income Tax (International Taxation), Bangalore, requesting the Company to create a charge in favour of the Central Government on any amount due or likely to be due to an erstwhile director of the Company, to the extent of Rs. 67,980 Lakhs relating to tax demands on Kingfisher Airlines Limited. The Company also received an order dated June 28, 2016 from the Commissioner of Income Tax (TDS), prohibiting the Company from making any payment in the nature of salary, remuneration, allowances, etc. to an erstwhile director of the Company. Further, the Company received an order dated September 19, 2017 from the Assistant Provident Fund Commissioner & Recovery Officer, whereby the Company has been directed to remit to the authorities amount to the extent of Rs. 874 Lakhs from any amount payable or that may accrue in future 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.

7. The previous period/year's figures have been regrouped where necessary to confirm to this period's classification.
8. 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

Place : Bengaluru
Date : February 2, 2018

Shekhar Ramamurthy
Managing Director