



## UNITED BREWERIES LIMITED

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

Phone: 080 - 39855000, 22272806/07 Fax: 080 - 22211964, 22229488

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

Rs. in Lakhs

### Statement of unaudited standalone Ind AS results for the quarter ended June 30, 2018

| Particulars   | Quarter ended    |                   |                  | Year ended        |
|---|------------------|-------------------|------------------|-------------------|
|   | June 30,<br>2018 | March 31,<br>2018 | June 30,<br>2017 | March 31,<br>2018 |
|   | Unaudited        | Audited*          | Unaudited        | Audited           |
| <b>1 INCOME</b>   |                  |                   |                  |                   |
| (a) Revenue from operations (gross of excise duty) (refer Note 4)                             | 4,15,790         | 3,27,310          | 3,81,392         | 12,43,831         |
| (b) Other income  | 1,528            | 475               | 626              | 1,298             |
| <b>Total income from operations</b>   | <b>4,17,318</b>  | <b>3,27,785</b>   | <b>3,82,018</b>  | <b>12,45,129</b>  |
| <b>2 EXPENSES</b>   |                  |                   |                  |                   |
| (a) Cost of materials consumed  | 88,915           | 69,514            | 73,551           | 2,51,657          |
| (b) Purchase of stock-in-trade  | 3,132            | 1,758             | 3,281            | 11,343            |
| (c) (Increase)/Decrease in inventories of finished goods, work-in-progress and stock-in-trade | (6,409)          | (1,720)           | 2,798            | 2,286             |
| (d) Excise duty on sale of goods  | 2,29,199         | 1,80,135          | 2,13,592         | 6,80,958          |
| (e) Employee benefits expense (refer Note 6)  | 10,682           | 10,973            | 8,798            | 39,463            |
| (f) Finance costs   | 922              | 1,140             | 1,420            | 4,765             |
| (g) Depreciation and amortisation expense   | 6,371            | 6,475             | 6,485            | 25,960            |
| (h) Other expenses (refer Note 6)   | 50,230           | 45,828            | 47,537           | 1,68,014          |
| <b>Total expenses</b>   | <b>3,83,042</b>  | <b>3,14,103</b>   | <b>3,57,462</b>  | <b>11,84,446</b>  |
| <b>3 Profit before tax</b>  | <b>34,276</b>    | <b>13,682</b>     | <b>24,556</b>    | <b>60,683</b>     |
| <b>4 Tax expenses</b>   |                  |                   |                  |                   |
| (a) Current tax   | 12,514           | 4,915             | 9,201            | 24,078            |
| (b) Deferred tax credit   | (430)            | (321)             | (834)            | (2,794)           |
| <b>Total tax expenses</b>   | <b>12,084</b>    | <b>4,594</b>      | <b>8,367</b>     | <b>21,284</b>     |
| <b>5 Profit for the period/year</b>   | <b>22,192</b>    | <b>9,088</b>      | <b>16,189</b>    | <b>39,399</b>     |
| <b>6 Other comprehensive income (OCI)</b>   |                  |                   |                  |                   |
| (a) Items that will not be reclassified to profit or loss in subsequent periods               |                  |                   |                  |                   |
| Re-measurement gains/(losses) on defined benefit plans  | 113              | (294)             | 176              | (469)             |
| Income tax effect on above  | (39)             | 103               | (61)             | 164               |
| (b) Items that will be reclassified to profit or loss in subsequent periods                   |                  |                   |                  |                   |
| Net movement in cash flow hedges  | 25               | 5                 | (137)            | 236               |
| Income tax effect on above  | (9)              | (2)               | 47               | (82)              |
| <b>Total other comprehensive income, net of taxes</b>   | <b>90</b>        | <b>(188)</b>      | <b>25</b>        | <b>(151)</b>      |
| <b>7 Total comprehensive income</b>   | <b>22,282</b>    | <b>8,900</b>      | <b>16,214</b>    | <b>39,248</b>     |
| <b>8 Paid up equity share capital (Face value of Re.1 each)</b>                               | 2,644            | 2,644             | 2,644            | 2,644             |
| <b>9 Other equity</b>   |                  |                   |                  | 2,66,201          |
| <b>10 Earnings per equity share in Rs. (nominal value per share Re.1)**</b>                   |                  |                   |                  |                   |
| (a) Basic   | 8.39             | 3.44              | 6.12             | 14.90             |
| (b) Diluted   | 8.39             | 3.44              | 6.12             | 14.90             |

\*Refer Note 8

\*\*Not annualised for quarters

See accompanying notes to the standalone Ind AS financial results

## NOTES

1. The standalone Ind AS financial results for the quarter ended June 30, 2018 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 August 9, 2018 and August 10, 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 Indian Accounting Standard 34 (Ind AS 34), “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 as per Ind AS 108 and hence separate segment disclosures have not been made. Further, considering the seasonality of the business, the revenue and profits do not accrue evenly over the year.
4. Ind AS 115 “Revenue from Contracts with Customers”, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The application of Ind AS 115 has impacted the Company’s accounting for revenue from sale of products with consequential impact on expenses and taxes. The Company has applied the modified retrospective approach and debited retained earnings as at April 1, 2018 by Rs. 549 Lakhs, net of tax effect. Due to the application of Ind AS 115, revenue and expense for the quarter ended June 30, 2018 is lower by Rs. 3,975 Lakhs and Rs. 3,280 Lakhs, respectively, tax expense is lower by Rs. 243 Lakhs and profit after tax is lower by Rs. 452 Lakhs, vis-à-vis the amounts if replaced standards were applicable. The basic / diluted earnings per share for the quarter ended June 30, 2018 is Rs. 8.39 per share instead of Rs. 8.56 per share.
5. 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 with immediate effect. The Company had 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. Further, 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’). 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 June 30, 2018, the Company has property, plant and equipment (net) of Rs. 20,687 Lakhs at its unit in Bihar. Management believes that the carrying amount of these property, plant and equipment do not exceed their recoverable amount and is confident of utilization of these assets either for the new product line relating to non-alcoholic beverages in Bihar or for manufacturing units in other states. Accordingly, no provision 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 review report on the standalone financial results.

6. Employee benefits expense for the quarter ended June 30, 2017 and the year ended March 31, 2018 is net of reversal of Rs. 632 Lakhs.

Sales promotion expense (included under other expenses) for the quarters ended June 30, 2018, March 31, 2018 and June 30, 2017 is net of reversal of Rs. 1,384 Lakhs, Rs. 841 Lakhs and Rs. 290 Lakhs, respectively, and that for the year ended March 31, 2018 is net of reversal of Rs. 851 Lakhs (excluding the amounts accrued and reversed within the said year).

Selling and distribution expense (included under other expenses) for the quarters ended March 31, 2018 and June 30, 2017 is net of reversal of Rs. 744 Lakhs and Rs. 318 Lakhs, respectively and that for the year ended March 31, 2018 is net of reversal of Rs. 981 Lakhs (excluding the amounts accrued and reversed within the said year).

7. 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. 1,127 Lakhs relating to dividend on aforesaid shares and the Company would also withhold payment of proposed dividend for year ended March 31, 2018 on shares held by the aforesaid parties, which is subject to approval by the shareholders at the ensuing annual general meeting.

Further, the Company had received various orders from tax and provident fund authorities prohibiting the Company from making any payment to an erstwhile director of the Company. 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.

8. The figures of the last quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2018 and the unaudited published year-to-date figures up to December 31, 2017 being the date of the end of the third quarter of the financial year which were subjected to limited review.
9. The previous period/year's figures have been regrouped where necessary to confirm to this period's classification.
10. The standalone financial results and notes are also available on the websites of the Stock Exchanges viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also on the website of the Company viz. [www.unitedbreweries.com](http://www.unitedbreweries.com).

By the authority of the Board



Shekhar Ramamurthy  
Managing Director

Place : Bengaluru  
Date : August 10, 2018