


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

Rs. in Lakhs

Statement of unaudited standalone results for the quarter and half-year ended September 30, 2017

Particulars	Quarter ended			Half-year ended		Year ended
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty)	2,73,804	3,81,013	2,19,949	6,54,817	5,44,234	10,22,816
(b) Other income	120	626	79	746	1,440	5,160
Total income from operations	2,73,924	3,81,639	2,20,028	6,55,563	5,45,674	10,27,976
2 EXPENSES						
(a) Cost of materials consumed	53,774	73,172	46,338	1,26,946	1,16,596	2,20,626
(b) Purchase of stock-in-trade	4,192	3,281	226	7,473	280	825
(c) Decrease/(Increase) in inventories of finished goods, work-in-progress and stock-in-trade	607	2,798	933	3,405	1,141	(2,032)
(d) Excise duty on sale of goods	1,46,160	2,13,592	1,16,269	3,59,752	2,84,312	5,49,404
(e) Employee benefits expense (refer Note 5)	10,117	8,798	8,847	18,915	17,821	35,209
(f) Finance costs	1,271	1,420	1,411	2,691	2,893	5,865
(g) Depreciation and amortisation expense	6,504	6,485	7,021	12,989	13,389	28,695
(h) Other expenses (refer Note 5)	36,764	47,537	35,220	84,301	82,875	1,54,667
Total expenses	2,59,389	3,57,083	2,16,265	6,16,472	5,19,307	9,93,259
3 Profit before tax	14,535	24,556	3,763	39,091	26,367	34,717
4 Tax expenses						
(a) Current tax	5,865	9,201	2,193	15,066	10,155	13,254
(b) Deferred tax charge/(credit)	(714)	(834)	(1,135)	(1,548)	(1,199)	(1,470)
Total tax expenses	5,151	8,367	1,058	13,518	8,956	11,784
5 Profit for the period/year	9,384	16,189	2,705	25,573	17,411	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	(879)	176	(600)	(703)	(480)	(387)
Income tax effect on above	304	(61)	208	243	166	134
(b) Items that will be reclassified to profit or loss in subsequent periods						
Net movement in cash flow hedges	339	(137)	(169)	202	(226)	(504)
Income tax effect on above	(117)	47	58	(70)	78	174
Total other comprehensive income, net of taxes	(353)	25	(503)	(328)	(462)	(583)
7 Total comprehensive income	9,031	16,214	2,202	25,245	16,949	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	3.55	6.12	1.02	9.67	6.58	8.67
(b) Diluted	3.55	6.12	1.02	9.67	6.58	8.67

*Not annualised for quarters

See accompanying notes to the financial results

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Rs. in Lakhs

Statement of Standalone Assets and Liabilities

	As at September 30, 2017	As at March 31, 2017
	Unaudited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	1,70,889	1,69,603
(b) Capital work-in-progress	4,262	13,718
(c) Intangible assets	2,738	2,952
(d) Financial assets		
(i) Investments	2,557	2,550
(ii) Others	5,629	5,371
(e) Income tax assets (net)	1,320	9,598
(f) Other non-current assets	9,770	7,450
	1,97,165	2,11,242
Current assets		
(a) Inventories	71,054	75,014
(b) Financial assets		
(i) Trade receivables	1,44,837	1,29,535
(ii) Cash and cash equivalents	8,005	1,255
(iii) Bank balances other than (ii) above	498	900
(iv) Others	2,814	4,482
(c) Other current assets	26,373	24,969
	2,53,581	2,36,155
Total assets	4,50,746	4,47,397
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	2,52,198	2,30,608
	2,54,842	2,33,252
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	18,441	18,403
(ii) Others	481	773
(b) Provisions	986	-
(c) Deferred tax liability (net)	2,983	4,704
	22,891	23,880
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	26,000	21,190
(ii) Trade payables	28,940	45,988
(iii) Other financial liabilities	67,794	66,646
(b) Other current liabilities	41,988	48,544
(c) Provisions	8,291	7,897
	1,73,013	1,90,265
Total equity and liabilities	4,50,746	4,47,397

NOTES

1. The standalone financial results for the quarter ended September 30, 2017 and the year to date from April 1, 2017 to September 30, 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 November 7, 2017 and November 8, 2017, 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 also 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 September 30, 2017, the Company has property, plant and equipment (net) of Rs. 22,437 Lakhs, inventories (gross) of Rs. 295 Lakhs, trade receivables (gross) of Rs. 2,448 Lakhs and advances of Rs. 604 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 quarter ended June 30, 2017 and the year to date period ended September 30, 2017 is net of reversal of Rs. 632 Lakhs.

Selling and distribution expense (included under other expenses) for the quarters ended September 30, 2017, June 30, 2017 and September 30, 2016 is net of reversal of Rs. 465 Lakhs, Rs. 318 Lakhs and Rs. 439 Lakhs, respectively and that for the year to date period ended September 30, 2017, the year to date period ended September 30, 2016 and the year ended March 31, 2017 is net of reversal of Rs. 320 Lakhs, Rs. 812 Lakhs and Rs. 1,126 Lakhs, respectively.

6. The Board of Directors of the Company at its meeting held on May 17, 2017 had proposed dividend of Rs.1.15 per equity share of Re. 1 each amounting to Rs. 3,655 Lakhs (inclusive of dividend distribution tax) for the year ended March 31, 2017, which was approved at the ensuing annual general meeting held on September 23, 2017.
7. 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.

8. The Securities and Exchange Board of India vide its order dated January 25, 2017 restrained Dr. Vijay Mallya from holding position as Director or Key Managerial Person of any listed company.

Pursuant to the decision of the Board at its meeting held on July 4, 2017, the Company had communicated on July 6, 2017 to Dr. Mallya and his associate companies (promoters of the Company) to nominate a director on the Board in his place in terms of the Articles of Association of the Company. Further, pursuant to the decision of the Board at its meeting held on August 10, 2017, the Company has carried out necessary filings with the Registrar of Companies, Karnataka (ROC) and Stock Exchanges notifying Dr. Mallya's cessation from holding the position of director in the Company. The applicable form relating to cessation of directorship has since been approved by the ROC.

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 and www.nseindia.com and also on the website of the Company viz. www.unitedbreweries.com.

By the authority of the Board

Place : Mumbai
Date : November 8, 2017

Shekhar Ramamurthy
Managing Director