



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 results for the quarter and half-year ended September 30, 2016

Particulars	Quarter ended			Half-year ended		Year ended
	September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016
	Unaudited	Unaudited	See note 12	Unaudited	See note 12	See note 12
1 Income from operations						
(a) Income from operations	2,15,301	3,16,567	2,08,220	5,31,868	4,83,220	9,39,536
(b) Other operating income	4,823	7,896	5,154	12,719	13,635	23,979
Total income from operations (net)	2,20,124	3,24,463	2,13,374	5,44,587	4,96,855	9,63,515
2 Expenses						
(a) Cost of materials consumed	46,513	70,436	42,431	1,16,949	1,06,392	2,09,703
(b) Purchases of stock-in-trade	226	54	2,735	280	3,516	5,289
(c) Changes in inventories of finished goods,	933	208	1,214	1,141	1,756	(1,107)
(d) Excise duty on sale of goods	1,16,269	1,68,043	1,06,147	2,84,312	2,44,167	4,80,119
(e) Employee benefits expense (refer note 6)	8,847	8,974	9,064	17,821	16,598	33,429
(f) Depreciation and amortisation expense	7,021	6,368	5,982	13,389	11,814	24,351
(g) Sales promotion expenses	8,101	11,224	8,624	19,325	21,147	41,119
(h) Selling and distribution expense (refer note 7)	12,342	18,271	11,630	30,613	29,054	53,321
(i) Other expenses	14,777	18,160	18,027	32,937	35,886	73,458
Total expenses	2,15,029	3,01,738	2,05,854	5,16,767	4,70,330	9,19,682
3 Profit from operations before other income, finance costs and exceptional items (1-2)	5,095	22,725	7,520	27,820	26,525	43,833
4 Other income	79	1,361	2,416	1,440	4,090	9,101
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	5,174	24,086	9,936	29,260	30,615	52,934
6 Finance costs	1,411	1,482	2,049	2,893	4,067	7,591
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	3,763	22,604	7,887	26,367	26,548	45,343
8 Exceptional items	-	-	-	-	-	-
9 Profit from ordinary activities before tax (7+8)	3,763	22,604	7,887	26,367	26,548	45,343
10 Tax expense	1,058	7,898	2,676	8,956	9,123	15,556
11 Net Profit (9-10)	2,705	14,706	5,211	17,411	17,425	29,787
12 Other comprehensive income, net of taxes	(503)	41	(580)	(462)	(498)	(433)
13 Total Comprehensive Income (11+12)	2,202	14,747	4,631	16,949	16,927	29,354
14 Paid-up equity share capital (Face value of Re. 1 each)	2,644	2,644	2,644	2,644	2,644	2,644
15 Earnings per share (Fair value of Re. 1 each)*						
(a) Basic	1.02	5.56	1.97	6.58	6.59	11.27
(b) Diluted	1.02	5.56	1.97	6.58	6.59	11.27

*Not annualised for quarters

See accompanying notes to the financial results



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Rs. in Lakhs

Statement of Standalone Assets and Liabilities

Particulars	As at September 30, 2016	As at March 31, 2016
	Unaudited	See note 12
A ASSETS		
1 Non-current assets		
(a) Property, Plant and Equipment	1,73,360	1,76,198
(b) Capital work-in-progress	11,349	6,084
(c) Intangible assets	3,363	3,538
(d) Financial assets		
(i) Investments	2,550	2,547
(ii) Others	8,685	10,063
(e) Current tax assets (net)	5,266	8,412
(f) Other non-current assets	9,447	11,625
	2,14,020	2,18,467
2 Current assets		
(a) Inventories	63,005	68,735
(b) Financial assets		
(i) Trade receivables	1,14,349	1,11,881
(ii) Cash and cash equivalents	961	329
(iii) Bank balances other than (ii) above	835	818
(iv) Others	5,112	6,184
(c) Other current assets	18,977	29,762
	2,03,239	2,17,709
Total assets	4,17,259	4,36,176
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	2,25,206	2,11,918
	2,27,850	2,14,562
2 Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	18,500	25,795
(b) Provisions	680	849
(c) Deferred tax liabilities (net)	5,071	6,348
	24,251	32,992
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	32,918	21,288
(ii) Trade payables	24,897	41,814
(iii) Other financial liabilities	63,773	71,848
(b) Other current liabilities	35,466	45,765
(c) Provisions	8,104	7,907
	1,65,158	1,88,622
Total equity and liabilities	4,17,259	4,36,176

NOTES

1. The standalone results for the quarter and half-year ended September 30, 2016 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 November 4, 2016 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 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. The Company has not opted to avail relaxation provided by SEBI in respect of disclosure requirements for corresponding figures of earlier periods. Accordingly, the figures for the year ended March 31, 2016 have been presented after incorporating the applicable Ind AS adjustments in addition to figures for the quarter and half-year ended September 30, 2015. The reserves (excluding revaluation reserve), as per the balance sheet of the previous accounting year not being mandatory, has not been presented.
3. The Company has transitioned to Ind AS with effect from April 1, 2016 with transition date being April 1, 2015. The transition has been carried out from generally accepted accounting principles in India ("the Previous GAAP").
 - a) The reconciliation of the net profit for the corresponding periods under the Previous GAAP with the total comprehensive income as reported in these financial results under Ind AS, is presented below:

Rs. in Lakhs			
	Quarter ended September 30, 2015	Half year ended Septemer 30, 2015	Year ended March 31, 2016
	(See note 12)	(See note 12)	(See note 12)
Net profit under Previous GAAP	4,820	17,101	29,457
Fair valuation of financial instrument	1,994	3,358	4,136
Actuarial loss/(gain) on defined benefit plan recognised under Other comprehensive income	888	762	661
Foreign exchange gain/(loss) on restatement of loan	(2,284)	(3,624)	(4,292)
Effect of tax on above	(207)	(172)	(175)
Net profit under Ind AS	5,211	17,425	29,787
Other comprehensive income, net of tax	(580)	(498)	(433)
Total comprehensive income	4,631	16,927	29,354

- b) The reconciliation of the equity as at March 31, 2016 reported under the Previous GAAP with the equity as reported in these financial results under Ind AS, is presented below:

Rs. in Lakhs	
	As at March 31, 2016
	(See note 12)
Equity under Previous GAAP	210,760
Fair valuation of financial instrument	15,776
Foreign exchange gain/(loss) on restatement of loan	(15,558)
Effect of tax on above	(76)
Proposed dividend (including tax thereon) reversed pending approval by the shareholders	3,660
Equity under Ind AS	214,562

4. The Company is engaged in the manufacture and sale of beer including licensing of brands which constitutes a single operating segment. The Company also considers the whole of India as a single geographical area. Further, considering the seasonality of the business, the revenue and profits do not accrue evenly over the year.
5. The Bihar State 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. Pursuant to such notification, the Company had filed a writ petition with the Honourable High Court at Patna, requesting to set aside the said notification or to defer its implementation or to direct the authorities to make payment for beer supplied till the date of aforesaid notification, refund all advance duties and taxes paid by the Company and compensate for losses incurred on account of such abrupt notification. Vide notification dated April 9, 2016, the Bihar State Government has allowed production of beer in the state of Bihar for export to outside states.

The Honourable High Court at Patna vide its order dated September 30, 2016 has allowed the aforesaid writ petition, however, the Bihar State Government has preferred a special leave petition before the Honourable Supreme Court of India against this order. As an interim measure, the Honourable Supreme Court has directed that there shall be stay of operation of the order passed by the Honourable High Court at Patna.

As at September 30, 2016, the Company has fixed assets (net) of Rs. 24,615 Lakhs, inventories (gross) of Rs. 1,437 Lakhs, trade receivables (gross) of Rs. 2,493 Lakhs and advances of Rs. 1,769 Lakhs at its units in Bihar. Considering the permission to produce and export beer to other states, the management is confident of utilization of aforesaid assets and provision aggregating to Rs. 1,283 Lakhs have been made against aforesaid balances, wherever considered necessary. Pending outcome of the special leave petition, 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.

6. Employee benefits expense for the quarter and half-year ended September 30, 2015 and the year ended March 31, 2016 includes Rs. 1,331 Lakhs towards compensation for loss of office to erstwhile managing director and that for the year ended March 31, 2016 is net of reversal of provision no longer required amounting to Rs. 424 Lakhs.
7. Selling and distribution expense for the quarters ended September 30, 2016, June 30, 2016 and September 30, 2015 is net of reversal of Rs. 439 Lakhs, Rs. 391 Lakhs and Rs. 1,830 Lakhs, respectively and that for the half-year ended September 30, 2016, the half-year ended September 30, 2015 and the year ended March 31, 2016 is net of reversal of Rs. 812 Lakhs, Rs. 1,830 Lakhs and Rs. 2,239 Lakhs, respectively.
8. Pursuant to the approval of the shareholders in the annual general meeting, the Company has paid/accrued dividend of Rs.1.15 per equity share of Re.1 each amounting to Rs. 3,660 Lakhs (inclusive of dividend distribution tax) for the year ended March 31, 2016.
9. The Company has 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 a director (including his joint holdings) and United Breweries (Holdings) Limited, without its prior permission. Accordingly, the Company has withheld payment of Rs. 571 Lakhs relating to dividend on aforesaid shares.

The Company has 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 a director of the Company, to the extent of Rs. 67,980 Lakhs relating to tax demands on Kingfisher Airlines Limited. The Company has 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 a director of the Company. The Company has accordingly withheld payment of Rs.164 Lakhs relating to director commission and sitting fees payable to the aforesaid director.

10. Following recent amendments in the regulatory provisions pertaining to wilful defaulters which places restrictions on a Company from public issue or raising debt instrument or borrowings and for continuing on the Board, the Company has sought for and received a Legal opinion from a Retd. Chief Justice of the Supreme Court of India. The opinion stated that the Chairman and the Company conform to the current regulatory norms. The Board will continue to monitor and review the situation.
11. The previous period/year figures have been regrouped where necessary to confirm to this period's classification.
12. The Ind AS financial results and other financial information as of and for the year ended March 31, 2016, for the three months ended September 30, 2015 and the year to date period ended September 30, 2015, have been compiled by the management after making necessary adjustments to give a true and fair view of the results in accordance with Ind AS. This information has not been subjected to any limited review or audit.
13. The 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 : November 4, 2016

Shekhar Ramamurthy
Managing Director