


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 and year to date period ended September 30, 2018

Particulars	Quarter ended			Year to date ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty) (refer Note 4)	3,33,184	4,15,790	2,74,117	7,48,974	6,55,508	12,43,831
(b) Other income	370	1,528	120	1,898	746	1,298
Total income from operations	3,33,554	4,17,318	2,74,237	7,50,872	6,56,254	12,45,129
2 EXPENSES						
(a) Cost of materials consumed	64,747	88,915	54,087	1,53,662	1,27,637	2,51,657
(b) Purchase of stock-in-trade	5,309	3,132	4,192	8,441	7,473	11,343
(c) (Increase)/Decrease in inventories of finished goods, work-in-progress	(2,312)	(6,409)	607	(8,721)	3,405	2,286
(d) Excise duty on sale of goods	1,80,589	2,29,199	1,46,160	4,09,788	3,59,752	6,80,958
(e) Employee benefits expense (refer Note 6)	10,264	10,682	10,117	20,946	18,915	39,463
(f) Finance costs	400	922	1,271	1,322	2,691	4,765
(g) Depreciation and amortisation expense	6,563	6,371	6,504	12,934	12,989	25,960
(h) Other expenses (refer Note 6)	42,763	50,230	36,764	92,993	84,301	1,68,014
Total expenses	3,08,323	3,83,042	2,59,702	6,91,365	6,17,163	11,84,446
3 Profit before tax	25,231	34,276	14,535	59,507	39,091	60,683
4 Tax expenses						
(a) Current tax	9,233	12,514	5,865	21,747	15,066	24,078
(b) Deferred tax credit	(379)	(430)	(714)	(809)	(1,548)	(2,794)
Total tax expenses	8,854	12,084	5,151	20,938	13,518	21,284
5 Profit for the period/year	16,377	22,192	9,384	38,569	25,573	39,399
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	52	113	(879)	165	(703)	(469)
Income tax effect on above	(19)	(39)	304	(58)	243	164
	-	-	-	-	-	-
(b) Items that will be reclassified to profit or loss in subsequent periods						
Net movement in cash flow hedges	-	25	339	25	202	236
Income tax effect on above	-	(9)	(117)	(9)	(70)	(82)
Total other comprehensive income, net of taxes	33	90	(353)	123	(328)	(151)
7 Total comprehensive income	16,410	22,282	9,031	38,692	25,245	39,248
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 Other equity						2,66,201
10 Earnings per equity share in Rs.						
(a) Basic	6.20	8.39	3.55	14.59	9.67	14.90
(b) Diluted	6.20	8.39	3.55	14.59	9.67	14.90

*Not annualised for quarters

See accompanying notes to the standalone Ind AS financial results



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Rs. in Lakhs

Statement of Standalone Assets and Liabilities

	As at September 30, 2018	As at March 31, 2018
	Unaudited	Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	1,64,833	1,67,979
(b) Capital work-in-progress	9,287	7,227
(c) Intangible assets	2,312	2,526
(d) Financial assets		
(i) Investments	2,569	2,557
(ii) Others	5,398	5,277
(e) Income tax assets (net)	4,872	10,828
(f) Other non-current assets	17,579	11,899
	2,06,850	2,08,293
Current assets		
(a) Inventories	97,289	80,644
(b) Financial assets		
(i) Trade receivables	1,49,630	1,49,835
(ii) Cash and cash equivalents	11,899	1,520
(iii) Bank balances other than (ii) above	517	496
(iv) Others	1,689	1,040
(c) Other current assets	32,171	30,077
	2,93,195	2,63,612
Total assets	5,00,045	4,71,905
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	2,97,974	2,66,201
	3,00,618	2,68,845
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	20,547	20,500
(ii) Others	700	907
(b) Provisions	330	93
(c) Deferred tax liability (net)	1,086	1,828
	22,663	23,328
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	600	5,278
(ii) Trade payables		
- Total outstanding dues to micro and small enterprises	316	481
- Total outstanding dues of creditors other than micro and small enterprises	33,420	51,791
(iii) Others	64,352	54,821
(b) Other current liabilities	70,129	59,298
(c) Provisions	7,947	8,063
	1,76,764	1,79,732
Total equity and liabilities	5,00,045	4,71,905

NOTES

1. The standalone Ind AS financial results for the quarter ended September 30, 2018 and the year to date period from April 1, 2018 to September 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 November 13, 2018 and November 14, 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 furnished. Further, considering the seasonality of the business, the revenue and profits do not accrue evenly over the year. Subsequent to the current quarter end, the Company has also started manufacture and sale of non-alcoholic beverages.
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. The impact on financial results arising from the application of Ind AS 115 vis-à-vis the amounts if replaced standards were applicable is increase / (decrease) as below:

(Rs. in Lakhs)

	Quarter ended		Year to date period ended
	September 30, 2018	June 30, 2018	September 30, 2018
Revenue	2,857	(3,975)	(1,118)
Expense	2,308	(3,280)	(972)
Tax expense	192	(243)	(51)
Profit after tax	357	(452)	(95)
Basic / diluted earnings per share	0.13	(0.17)	(0.04)

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. 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, against which the Government had preferred a special leave petition before the Honourable Supreme Court of India (“the Supreme Court”). Further, pursuant to notification dated January 24, 2017, the Government did not renew brewery licenses for the financial year 2017-18 onwards and consequently the Company discontinued production of beer at Bihar and had given its consent to Bihar State Beverages Corporation Limited (‘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 matter is currently pending before the Supreme Court for final conclusion.

Subsequent to the quarter end, the Company with necessary permission from the authorities has commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment at Bihar with carrying value of Rs. 20,452 Lakhs as at September 30, 2018. Management believes that the carrying amount of these property, plant and equipment do not exceed their recoverable amount and 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, year to date period ended September 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 September 30, 2018, June 30, 2018 and September 30, 2017 is net of reversal of Rs. 809 Lakhs, Rs. 1,384 Lakhs and Rs. 274 Lakhs, respectively, and that for the year to date period ended September 30, 2018, year to date period ended September 30, 2017 and the year ended March 31, 2018 is net of reversal of Rs. 1,423 Lakhs, Rs. 564 Lakhs and Rs. 851 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

Selling and distribution expense (included under other expenses) for the quarters ended September 30, 2018 and September 30, 2017 is net of reversal of Rs.1,093 Lakhs and Rs.468 Lakhs, respectively and that for the year to date year period ended September 30, 2018, year to date period ended September 30, 2017 and year ended March 31, 2018 is net of reversal of Rs.337 Lakhs, Rs. 320 Lakhs and Rs. 981 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

7. The Board of Directors of the Company at its meeting held on May 24, 2018 had proposed dividend of Rs. 2 per equity share of Re. 1 each amounting to Rs. 6,370 Lakhs (inclusive of dividend distribution tax) for the year ended March 31, 2018, which was approved at the ensuing annual general meeting held on September 17, 2018.
8. 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.918 Lakhs (net of subsequent payment of Rs.784 Lakhs to the official liquidator of United Breweries (Holdings) Limited) 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 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.

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



Shekhar Ramamurthy
Managing Director

Place : Bengaluru
Date : November 14, 2018