


**UNITED BREWERIES LIMITED**

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Rs. in Lakhs

**Statement of unaudited standalone Ind-AS results for the quarter and year to date period ended December 31, 2018**

Particulars	Quarter ended			Year to date ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 INCOME</b>						
(a) Revenue from operations (gross of excise duty) (refer Note 4)	3,18,840	3,33,184	2,61,013	10,67,814	9,16,521	12,43,831
(b) Other income	210	370	77	2,108	823	1,298
<b>Total income from operations</b>	<b>3,19,050</b>	<b>3,33,554</b>	<b>2,61,090</b>	<b>10,69,922</b>	<b>9,17,344</b>	<b>12,45,129</b>
<b>2 EXPENSES</b>						
(a) Cost of materials consumed	60,423	64,747	54,506	2,14,085	1,82,143	2,51,657
(b) Purchase of stock-in-trade	3,272	5,309	2,112	11,713	9,585	11,343
(c) Decrease/(Increase) in inventories of finished goods, work-in-progress and stock-in-trade	4,030	(2,312)	601	(4,691)	4,006	2,286
(d) Excise duty on sale of goods	1,73,723	1,80,589	1,41,071	5,83,511	5,00,823	6,80,958
(e) Employee benefits expense (refer Note 7)	11,088	10,264	9,575	32,034	28,490	39,463
(f) Finance costs	620	400	934	1,942	3,625	4,765
(g) Depreciation and amortisation expense	6,654	6,563	6,496	19,588	19,485	25,960
(h) Other expenses (refer Note 7)	41,516	42,763	37,885	1,34,509	1,22,186	1,68,014
<b>Total expenses</b>	<b>3,01,326</b>	<b>3,08,323</b>	<b>2,53,180</b>	<b>9,92,691</b>	<b>8,70,343</b>	<b>11,84,446</b>
<b>3 Profit before tax</b>	<b>17,724</b>	<b>25,231</b>	<b>7,910</b>	<b>77,231</b>	<b>47,001</b>	<b>60,683</b>
<b>4 Tax expenses</b>						
(a) Current tax	7,223	9,233	4,097	28,970	19,163	24,078
(b) Deferred tax credit	(416)	(379)	(925)	(1,225)	(2,473)	(2,794)
<b>Total tax expenses</b>	<b>6,807</b>	<b>8,854</b>	<b>3,172</b>	<b>27,745</b>	<b>16,690</b>	<b>21,284</b>
<b>5 Profit for the period/year</b>	<b>10,917</b>	<b>16,377</b>	<b>4,738</b>	<b>49,486</b>	<b>30,311</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	(410)	52	528	(245)	(175)	(469)
Income tax effect on above	144	(19)	(182)	86	61	164
(b) Items that will be reclassified to profit or loss in subsequent periods						
Net movement in cash flow hedges	7	-	29	32	231	236
Income tax effect on above	(2)	-	(10)	(11)	(80)	(82)
<b>Total other comprehensive income, net of taxes</b>	<b>(261)</b>	<b>33</b>	<b>365</b>	<b>(138)</b>	<b>37</b>	<b>(151)</b>
<b>7 Total comprehensive income</b>	<b>10,656</b>	<b>16,410</b>	<b>5,103</b>	<b>49,348</b>	<b>30,348</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	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	4.13	6.20	1.79	18.72	11.46	14.90
(b) Diluted	4.13	6.20	1.79	18.72	11.46	14.90

\*Not annualised for quarters

**Segment information (also refer Note 3)**

Rs. in Lakhs

Particulars	Quarter ended			Year to date ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Segment revenue</b>						
Beer	3,18,534	3,33,184	2,61,013	10,67,508	9,16,521	12,43,831
Non-alcoholic beverages	306	-	-	306	-	-
<b>Total revenue</b>	<b>3,18,840</b>	<b>3,33,184</b>	<b>2,61,013</b>	<b>10,67,814</b>	<b>9,16,521</b>	<b>12,43,831</b>
<b>2 Segment results</b>						
Beer	27,819	25,261	8,767	86,750	49,803	64,150
Non-alcoholic beverages	(1,471)	-	-	(1,471)	-	-
<b>Total segment results</b>	<b>26,348</b>	<b>25,261</b>	<b>8,767</b>	<b>85,279</b>	<b>49,803</b>	<b>64,150</b>
Other income	210	370	77	2,108	823	1,298
Finance costs	(620)	(400)	(934)	(1,942)	(3,625)	(4,765)
Other unallocable expenses	(8,214)	-	-	(8,214)	-	-
<b>Profit before tax</b>	<b>17,724</b>	<b>25,231</b>	<b>7,910</b>	<b>77,231</b>	<b>47,001</b>	<b>60,683</b>

See accompanying notes to the standalone Ind AS financial results

## NOTES

1. The standalone Ind AS financial results for the quarter ended December 31, 2018 and the year to date period from April 1, 2018 to December 31, 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 February 13, 2019 and February 14, 2019, 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. As per Ind AS 108, operating segment is a component of the Company that engages in business activities, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Company has identified its operating segments, as below:
  - a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands
  - b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

Considering the seasonality of the business, the revenue and profits do not accrue evenly over the year in respect of aforesaid operating segments. The Company's CODM does not review assets and liabilities for each operating segment separately, hence segment disclosures relating to total assets and liabilities have not been furnished.

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 as below:

(Rs. in Lakhs)

	Quarter ended		Year to date period ended
	December 31, 2018	September 30, 2018	December 31, 2018
Revenue	2,195	2,857	1,077
Expense	1,915	2,308	943
Tax expense	98	192	47
Profit after tax	182	357	87
Basic / diluted earnings per share	0.07	0.13	0.03

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.

During the quarter ended December 31, 2018, 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.19,996 Lakhs as at December 31, 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.

6. On October 10, 2018, certain officials from the Competition Commission of India ("CCI") had visited the Company for their investigation in relation to allegations of price-fixation and performed search of the premises and conducted inquiries with certain officials of the Company at its registered office. Pursuant to this, the Company has made requisite filings and also certain officials of the Company have appeared before the aforesaid authorities. The Company has not received any demand order in respect of this matter and the investigation is ongoing, hence it is not practicable to state an estimate of its financial effect, if any. Management, along-with its legal advisors, are in the continuous process of evaluating this matter and believe that there are mitigating circumstances to counter presumptions made against the Company by the CCI as contained in the Competition Act, 2002.
7. Employee benefits expense for the year to date period ended December 31, 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 December 31, 2018, September 30, 2018 and December 31, 2017 is net of reversal of Rs. 1,301 Lakhs, Rs. 809 Lakhs and Rs. 1,618 Lakhs, respectively, and that for the year to date period ended December 31, 2018, year to date period ended December 31, 2017 and the year ended March 31, 2018 is net of reversal of Rs. 1,669 Lakhs, Rs. 702 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 December 31, 2018, September 30, 2018 and December 31, 2017 is net of reversal of Rs. 295 Lakhs, Rs. 1,093 Lakhs and Rs. 390 Lakhs, respectively and that for the year to date period ended December 31, 2018, year to date period ended December 31, 2017 and year ended March 31, 2018 is net of reversal of Rs. 632 Lakhs, Rs. 521 Lakhs and Rs. 981 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

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 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 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 : Hyderabad  
Date : February 14, 2019