



## UNITED BREWERIES LIMITED

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Rs. In Lakhs

### Statement of unaudited standalone results for the quarter and nine months ended December 31, 2016

Particulars	Quarter ended			Year to date		Year ended
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015	March 31, 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>1 Income from operations</b>						
(a) Income from operations	218,507	215,301	214,257	750,375	697,477	939,536
(b) Other operating income	4,579	4,823	6,173	17,298	20,061	24,464
<b>Total income from operations</b>	<b>223,086</b>	<b>220,124</b>	<b>220,430</b>	<b>767,673</b>	<b>717,538</b>	<b>964,000</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	48,718	46,513	45,292	165,667	151,684	209,703
(b) Purchases of stock-in-trade	-	226	1,062	280	4,578	5,289
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,204)	933	(492)	(63)	1,264	(1,107)
(d) Excise duty on sale of goods	120,584	116,269	110,739	404,896	354,906	480,119
(e) Employee benefits expense (refer note 6)	8,497	8,847	8,236	26,318	24,834	33,429
(f) Depreciation and amortisation expense	6,975	7,021	6,153	20,364	17,967	24,351
(g) Sales promotion expenses	9,111	8,101	9,726	28,436	30,873	41,119
(h) Selling and distribution expense (refer note 7)	11,673	12,342	11,015	42,286	40,069	53,321
(i) Other expenses	12,911	14,777	17,249	45,848	53,135	73,458
<b>Total expenses</b>	<b>217,265</b>	<b>215,029</b>	<b>208,980</b>	<b>734,032</b>	<b>679,310</b>	<b>919,682</b>
<b>3 Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>5,821</b>	<b>5,095</b>	<b>11,450</b>	<b>33,641</b>	<b>38,228</b>	<b>44,318</b>
<b>4 Other income</b>	3,295	79	1,793	4,735	5,630	8,616
<b>5 Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>9,116</b>	<b>5,174</b>	<b>13,243</b>	<b>38,376</b>	<b>43,858</b>	<b>52,934</b>
<b>6 Finance costs</b>	1,528	1,411	1,841	4,421	5,908	7,591
<b>7 Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>7,588</b>	<b>3,763</b>	<b>11,402</b>	<b>33,955</b>	<b>37,950</b>	<b>45,343</b>
<b>8 Exceptional items</b>	-	-	-	-	-	-
<b>9 Profit from ordinary activities before tax (7+8)</b>	<b>7,588</b>	<b>3,763</b>	<b>11,402</b>	<b>33,955</b>	<b>37,950</b>	<b>45,343</b>
<b>10 Tax expense</b>	2,739	1,058	4,277	11,695	13,400	15,556
<b>11 Net Profit (9-10)</b>	<b>4,849</b>	<b>2,705</b>	<b>7,125</b>	<b>22,260</b>	<b>24,550</b>	<b>29,787</b>
<b>12 Other comprehensive income, net of taxes</b>	(278)	(503)	34	(740)	(464)	(433)
<b>13 Total Comprehensive Income (11+12)</b>	<b>4,571</b>	<b>2,202</b>	<b>7,159</b>	<b>21,520</b>	<b>24,086</b>	<b>29,354</b>
<b>14 Paid-up equity share capital</b> (Face value of Re. 1 each)	2,644	2,644	2,644	2,644	2,644	2,644
<b>15 Earnings per share (Fair value of Re. 1 each)*</b>						
(a) Basic	1.84	1.02	2.70	8.42	9.29	11.27
(b) Diluted	1.84	1.02	2.70	8.42	9.29	11.27

\*Not annualised for quarters

See accompanying notes to the financial results

## NOTES

1. The standalone results for the quarter ended December 31, 2016 and year to date from April 1, 2016 to December 31, 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 February 8, 2017 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. 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 ended December 31, 2016 and year to date from April 1, 2016 to December 31, 2016. 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"). 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		
	<b>Quarter ended December 31, 2015</b>	<b>Year to date December 31, 2015</b>	<b>Year ended March 31, 2016</b>
	(Unaudited)	(Unaudited)	(Unaudited)
<b>Net profit under Previous GAAP</b>	<b>7,212</b>	<b>24,313</b>	<b>29,457</b>
Fair valuation of financial instrument	591	3,949	4,136
Actuarial loss/(gain) on defined benefit plan recognised under Other comprehensive income	(53)	709	661
Foreign exchange gain/(loss) on restatement of loan	(671)	(4,295)	(4,292)
Effect of tax on above	46	(126)	(175)
<b>Net profit under Ind AS</b>	<b>7,125</b>	<b>24,550</b>	<b>29,787</b>
Other comprehensive income, net of tax	34	(464)	(433)
<b>Total comprehensive income</b>	<b>7,159</b>	<b>24,086</b>	<b>29,354</b>

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, thereby upholding the validity of the High Court Order.

Further, vide a Notification issued on January 24, 2017, the Bihar State Government has decided not to renew existing brewery licenses from the financial year 2017-18. The said Notification also mentions that, upon application, permission shall be granted for manufacture of non-alcoholic drinks / beverages.

As at December 31, 2016, the Company has fixed assets (net) of Rs. 24,040 Lakhs, inventories (gross) of Rs. 1,319 Lakhs, trade receivables (gross) of Rs. 2,493 Lakhs and advances of Rs. 1,111 Lakhs at its units in Bihar. Management believes that the carrying amount of the aforesaid fixed assets do not exceed their recoverable amount and is confident of utilization of aforesaid assets either by transfer to other units or other alternative use. Provision aggregating to Rs. 1,283 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.

6. Employee benefits expense for the year to date period ended December 31, 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 December 31, 2016, September 30, 2016 and December 31, 2015 is net of reversal of Rs. 144 Lakhs, Rs. 439 Lakhs and Rs. 718 Lakhs, respectively and that for the year to date period ended December 31, 2016, the year to date period ended December 31, 2015 and the year ended March 31, 2016 is net of reversal of Rs. 904 Lakhs, Rs. 2,112 Lakhs and Rs. 2,239 Lakhs, respectively.
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 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 had 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 had 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 had accordingly withheld payment of Rs.164 Lakhs relating to director commission and sitting fees payable to the aforesaid director. On November 30, 2016, the entire withheld amount has been paid to the Tax Recovery Officer (TDS), Bengaluru based on an order received from the Commissioner of Income Tax (TDS). During the quarter ended December 31, 2016, the Company has further withheld payment of Rs.0.69 Lakhs (net of TDS), relating to sitting fees payable to the aforesaid director.

9. The Securities and Exchange Board of India vide its order dated January 25, 2017 ("the SEBI Order") has restrained Dr. Vijay Mallya, Non-Executive Chairman of the Company, from holding position as Director or Key managerial person of any listed company. The Bombay Stock Exchange vide its letter dated January 27, 2017 and the National Stock Exchange vide its letters dated January 25, 2017, January 27, 2017 and January 30, 2017, have sought the status of compliance with the SEBI Order from the Company. The Company has initiated necessary steps to comply with the SEBI Order.
10. The previous period/year figures have been regrouped where necessary to confirm to this period's classification.
11. The 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

Place : Mumbai  
Date : February 8, 2017

Shekhar Ramamurthy  
Managing Director