



## 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 audited standalone results for the quarter and year ended March 31, 2018

Particulars	Quarter ended			Year ended	
	March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017
	Audited*	Unaudited	Audited*	Audited	Audited
<b>1 INCOME</b>					
(a) Revenue from operations (gross of excise duty)	327,063	260,781	255,778	1,242,661	1,022,816
(b) Other income	475	77	425	1,298	5,160
<b>Total income from operations</b>	<b>327,538</b>	<b>260,858</b>	<b>256,203</b>	<b>1,243,959</b>	<b>1,027,976</b>
<b>2 EXPENSES</b>					
(a) Cost of materials consumed	69,267	54,274	55,594	250,487	220,626
(b) Purchase of stock-in-trade	1,758	2,112	545	11,343	825
(c) Decrease/(Increase) in inventories of finished goods, work-in-progress and stock-in-trade	(1,720)	601	(1,969)	2,286	(2,032)
(d) Excise duty on sale of goods	180,135	141,071	144,508	680,958	549,404
(e) Employee benefits expense (refer Note 5)	10,973	9,575	8,891	39,463	35,209
(f) Finance costs	1,140	934	1,444	4,765	5,865
(g) Depreciation and amortisation expense	6,475	6,496	8,331	25,960	28,695
(h) Other expenses (refer Note 5)	45,828	37,885	38,097	168,014	154,667
<b>Total expenses</b>	<b>313,856</b>	<b>252,948</b>	<b>255,441</b>	<b>1,183,276</b>	<b>993,259</b>
<b>3 Profit before tax</b>	<b>13,682</b>	<b>7,910</b>	<b>762</b>	<b>60,683</b>	<b>34,717</b>
<b>4 Tax expenses</b>					
(a) Current tax	4,915	4,097	(76)	24,078	13,254
(b) Deferred tax charge/(credit)	(321)	(925)	165	(2,794)	(1,470)
<b>Total tax expenses</b>	<b>4,594</b>	<b>3,172</b>	<b>89</b>	<b>21,284</b>	<b>11,784</b>
<b>5 Profit for the period/year</b>	<b>9,088</b>	<b>4,738</b>	<b>673</b>	<b>39,399</b>	<b>22,933</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	(294)	528	193	(469)	(387)
Income tax effect on above	103	(182)	(67)	164	134
(b) Items that will be reclassified to profit or loss in subsequent periods					
Net movement in cash flow hedges	5	29	48	236	(504)
Income tax effect on above	(2)	(10)	(17)	(82)	174
<b>Total other comprehensive income, net of taxes</b>	<b>(188)</b>	<b>365</b>	<b>157</b>	<b>(151)</b>	<b>(583)</b>
<b>7 Total comprehensive income</b>	<b>8,900</b>	<b>5,103</b>	<b>830</b>	<b>39,248</b>	<b>22,350</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
<b>9 Other equity</b>				266,201	230,608
<b>10 Earnings per equity share in Rs. (nominal value per share Re.1)**</b>					
(a) Basic	3.44	1.79	0.25	14.90	8.67
(b) Diluted	3.44	1.79	0.25	14.90	8.67

\*Refer Note 9

\*\*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 March 31, 2018	As at March 31, 2017
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	167,979	169,603
(b) Capital work-in-progress	7,227	13,718
(c) Intangible assets	2,526	2,952
(d) Financial assets		
(i) Investments	2,557	2,550
(ii) Others	5,277	5,371
(e) Income tax assets (net)	10,828	9,598
(f) Other non-current assets	11,899	7,450
	<b>208,293</b>	<b>211,242</b>
<b>Current assets</b>		
(a) Inventories	80,644	75,014
(b) Financial assets		
(i) Trade receivables	149,835	129,535
(ii) Cash and cash equivalents	1,520	1,255
(iii) Bank balances other than (ii) above	496	900
(iv) Others	1,040	4,482
(c) Other current assets	30,077	24,969
	<b>263,612</b>	<b>236,155</b>
<b>Total assets</b>	<b>471,905</b>	<b>447,397</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	2,644	2,644
(b) Other equity	266,201	230,608
	<b>268,845</b>	<b>233,252</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	20,500	18,403
(ii) Others	907	773
(b) Provisions	93	-
(c) Deferred tax liability (net)	1,828	4,704
	<b>23,328</b>	<b>23,880</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	5,278	21,190
(ii) Trade payables	52,272	45,988
(iii) Others	54,821	66,646
(b) Other current liabilities	59,298	48,544
(c) Provisions	8,063	7,897
	<b>179,732</b>	<b>190,265</b>
<b>Total equity and liabilities</b>	<b>471,905</b>	<b>447,397</b>

## NOTES

1. The standalone financial results for the quarter and year ended March 31, 2018 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 May 21, 2018 and May 24, 2018, respectively, and have been audited 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.

Further, 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 has 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 March 31, 2018, the Company has property, plant and equipment (net) of Rs. 21,232 Lakhs at its unit in Bihar. Management believes that the carrying amount of these property, plant and equipment do not exceed their recoverable amount and is confident of utilization of these assets either for the new product line relating to non-alcoholic beverages in Bihar or for manufacturing units in other states. 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 audit report on the standalone financial results.

5. Employee benefits expense for the year ended March 31, 2018 and March 31, 2017 is net of reversal of Rs. 632 Lakhs and Rs. 617 Lakhs, respectively.

Sales promotion expense (included under other expenses) for the quarters ended March 31, 2018 and December 31, 2017 is net of reversal of Rs. 841 Lakhs and Rs. 1,618 Lakhs, respectively, and that for the year ended March 31, 2018 is net of reversal of Rs. 851 Lakhs (excluding the amounts accrued and reversed within the said year).

Selling and distribution expense (included under other expenses) for the quarters ended March 31, 2018, December 31, 2017 and March 31, 2017 is net of reversal of Rs. 744 Lakhs, Rs. 390 Lakhs and Rs. 235 Lakhs, respectively and that for the years ended March 31, 2018 and March 31, 2017 is net of reversal of Rs. 981 Lakhs and Rs. 1,126 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

6. The Board of Directors of the Company has proposed dividend of Rs.2 per equity share of Re. 1 each amounting to Rs.6,375 Lakhs (inclusive of dividend distribution tax) for the year ended March 31, 2018. The proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and have not been recognised as a liability (including dividend distribution tax thereon) as at year end.
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 and the Company would also withhold payment of proposed dividend for year ended March 31, 2018 on aforesaid shares, which is subject to approval by the shareholders at the ensuing annual general meeting.

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. Ind AS 115 on 'Revenue from Contracts with Customers' was issued on March 28, 2018, which establishes a five-step model to account for revenue arising from contracts with customers. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2018. The Company is currently assessing the adoption method and the potential impact this standard will have on its financial results and will adopt this standard on the required effective date.

9. The figures of the last quarter ended March 31 are the balancing figures between audited figures in respect of the full financial year up to March 31 and the unaudited published year-to-date figures up to December 31, being the date of the end of the third quarter of the financial year which were subjected to limited review.
10. The previous period/year's figures have been regrouped where necessary to conform to this period/year's classification.
11. 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

Place : Amsterdam  
Date : May 24, 2018

Shekhar Ramamurthy  
Managing Director

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Rs. in Lakhs

**Statement of audited consolidated results for the year ended March 31, 2018**

Particulars	Year ended	
	March 31, 2018	March 31, 2017
	Audited	Audited
<b>1 INCOME</b>		
(a) Revenue from operations (gross of excise duty)	1,243,062	1,022,980
(b) Other income	1,313	5,171
<b>Total income from operations</b>	<b>1,244,375</b>	<b>1,028,151</b>
<b>2 EXPENSES</b>		
(a) Cost of materials consumed	249,589	218,999
(b) Purchase of stock-in-trade	11,343	825
(c) Decrease/(Increase) in inventories of finished goods, work-in-progress and stock-in-trade	2,214	(2,032)
(d) Excise duty on sale of goods	681,160	550,061
(e) Employee benefits expense (refer Note 5)	39,922	35,628
(f) Finance costs	4,765	5,865
(g) Depreciation and amortisation expense	25,965	28,705
(h) Other expenses (refer Note 5)	168,635	155,287
<b>Total expenses</b>	<b>1,183,593</b>	<b>993,338</b>
<b>3 Profit before tax</b>	<b>60,782</b>	<b>34,813</b>
<b>4 Tax expenses</b>		
(a) Current tax	24,110	13,291
(b) Deferred tax credit	(2,791)	(1,470)
<b>Total tax expenses</b>	<b>21,319</b>	<b>11,821</b>
<b>5 Profit for the year</b>	<b>39,463</b>	<b>22,992</b>
<b>6 Other comprehensive income (OCI)</b>		
(a) Items that will not be reclassified to profit or loss in subsequent periods		
Re-measurement losses on defined benefit plans	(469)	(387)
Income tax effect on above	164	134
(b) Items that will be reclassified to profit or loss in subsequent periods		
Net movement in cash flow hedges	236	(504)
Income tax effect on above	(82)	174
<b>Total other comprehensive income, net of taxes</b>	<b>(151)</b>	<b>(583)</b>
<b>7 Total comprehensive income for the year</b>	<b>39,312</b>	<b>22,409</b>
<b>8 Profit for the year attributable to:</b>		
Equity shareholders of the Holding Company	39,420	22,957
Non-controlling interest	43	35
	<b>39,463</b>	<b>22,992</b>
<b>9 Total comprehensive income for the year attributable to:</b>		
Equity shareholders of the Holding Company	39,269	22,374
Non-controlling interest	43	35
	<b>39,312</b>	<b>22,409</b>
<b>10 Paid up equity share capital (Face value of Re.1 each)</b>	2,644	2,644
<b>11 Other equity</b>	266,382	230,777
<b>12 Earnings per equity share in Rs. (nominal value per share Re.1)</b>		
(a) Basic	<b>14.93</b>	<b>8.70</b>
(b) Diluted	<b>14.93</b>	<b>8.70</b>

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Rs. in Lakhs

**Statement of Consolidated Assets and Liabilities**

	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	168,034	169,663
(b) Capital work-in-progress	7,227	13,718
(c) Intangible assets	2,526	2,952
(d) Goodwill on consolidation	2,421	2,421
(e) Financial assets		
(i) Investments	16	9
(ii) Others	5,307	5,401
(f) Income tax assets (net)	10,795	9,566
(g) Other non-current assets	11,964	7,606
	<b>208,290</b>	<b>211,336</b>
<b>Current assets</b>		
(a) Inventories	80,800	75,084
(b) Financial assets		
(i) Trade receivables	149,857	129,540
(ii) Cash and cash equivalents	1,535	1,262
(iii) Bank balances other than (ii) above	889	1,167
(iv) Others	1,040	4,482
(c) Other current assets	29,931	24,999
	<b>264,052</b>	<b>236,534</b>
<b>Total assets</b>	<b>472,342</b>	<b>447,870</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	2,644	2,644
(b) Other equity	266,382	230,777
	<b>269,026</b>	<b>233,421</b>
<b>Non-controlling interest</b>	<b>294</b>	<b>278</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	20,500	18,403
(ii) Others	907	773
(b) Provisions	93	-
(c) Deferred tax liability (net)	1,822	4,695
	<b>23,322</b>	<b>23,871</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	5,278	21,190
(ii) Trade payables	52,172	45,955
(iii) Others	54,879	66,701
(b) Other current liabilities	59,304	48,552
(c) Provisions	8,067	7,902
	<b>179,700</b>	<b>190,300</b>
<b>Total equity and liabilities</b>	<b>472,342</b>	<b>447,870</b>

## NOTES

1. The consolidated financial results for the year ended March 31, 2018 of United Breweries Limited (“the Company”) and its subsidiary (together referred to as “the Group”) have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on May 21, 2018 and May 24, 2018, respectively, and have been audited by the statutory auditors of the Company.
2. The consolidated 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 Group 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.

Further, 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 has 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 March 31, 2018, the Company has property, plant and equipment (net) of Rs. 21,232 Lakhs at its unit in Bihar. Management believes that the carrying amount of these property, plant and equipment do not exceed their recoverable amount and is confident of utilization of these assets either for the new product line relating to non-alcoholic beverages in Bihar or for manufacturing units in other states. 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 audit report on the consolidated financial results.



5. Employee benefits expense for the year ended March 31, 2018 and March 31, 2017 is net of reversal of Rs. 632 Lakhs and Rs. 617 Lakhs, respectively.

Sales promotion expense (included under other expenses) for the year ended March 31, 2018 is net of reversal of Rs. 851 Lakhs (excluding the amounts accrued and reversed within the said year).

Selling and distribution expense (included under other expenses) for the years ended March 31, 2018 and March 31, 2017 is net of reversal of Rs. 981 Lakhs and Rs. 1,126 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

6. The Board of Directors of the Company has proposed dividend of Rs.2 per equity share of Re. 1 each amounting to Rs.6,375 Lakhs (inclusive of dividend distribution tax) for the year ended March 31, 2018. The proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and have not been recognised as a liability (including dividend distribution tax thereon) as at year end.
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 and the Company would also withhold payment of proposed dividend for year ended March 31, 2018 on aforesaid shares, which is subject to approval by the shareholders at the ensuing annual general meeting.

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. Ind AS 115 on 'Revenue from Contracts with Customers' was issued on March 28, 2018, which establishes a five-step model to account for revenue arising from contracts with customers. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2018. The Group is currently assessing the adoption method and the potential impact this standard will have on its consolidated financial results and will adopt this standard on the required effective date.

9. The previous year's figures have been regrouped where necessary to confirm to this year's classification.
10. The consolidated 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 : Amsterdam  
Date : May 24, 2018

Shekhar Ramamurthy  
Managing Director