



UNITED BREWERIES LIMITED

May 24, 2018

- | | |
|---|---|
| 1. Department of Corporate Services,
BSE Limited
Floor 25, P J Towers,
Dalal Street,
Mumbai - 400 001 | 2. National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051 |
|---|---|

Dear Sirs,

Sub: Audited Financial Results for the Financial Year ended March 31, 2018

In terms of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are furnishing herewith Audited Financial Results (Standalone & Consolidated) of the Company for the Quarter and Year ended March 31, 2018, along with Statement of Assets and Liabilities (Standalone & Consolidated) as at March 31, 2018 (Audited) and Auditor's Report.

The Auditors have issued their Report with unmodified (unqualified) opinion on the Financial Statements (Standalone and Consolidated) for the year ended March 31, 2018. For emphasis of matter please refer to Note No. 4 of the Notes accompanying the financial results.

The Board of Directors of the Company at its meeting held today has recommended payment of Dividend @ 200% i.e. Rs 2/- per equity share of Re.1/- for the Financial Year ended March 31, 2018 which shall be paid on or before October 17, 2018 post its declaration of dividend at the Annual General Meeting proposed to be held on Monday, September 17, 2018.

The Board Meeting commenced at 17.00 Hours and concluded at 21.30 Hours

The Results will be published in an English Daily and also in a local Newspaper in Kannada, being the regional language where the Registered Office of the Company is situated.

A copy of the Press Release is enclosed.

Thanking you, we remain,

Yours faithfully,

For UNITED BREWERIES LIMITED,

GOVIND IYENGAR
Senior Vice President - Legal &
Company Secretary

Encl: a/a

Registered & Corporate Office : UB Tower, UB City, # 24, Vittal Mallya Road, Bengaluru - 560 001, INDIA
Tel : (91-80) 39855000, 22272807, 22293333, Fax : (91-80) 22211964, 22229488

Corporate Identity Number : L36999KA1999PLC025195, Web Site : www.unitedbreweries.com, Email : ublcorporate@ubmail.com



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
1 INCOME					
(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
Total income from operations	327,538	260,858	256,203	1,243,959	1,027,976
2 EXPENSES					
(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
Total expenses	313,856	252,948	255,441	1,183,276	993,259
3 Profit before tax	13,682	7,910	762	60,683	34,717
4 Tax expenses					
(a) Current tax	4,915	4,097	(76)	24,078	13,254
(b) Deferred tax charge/(credit)	(321)	(925)	165	(2,794)	(1,470)
Total tax expenses	4,594	3,172	89	21,284	11,784
5 Profit for the period/year	9,088	4,738	673	39,399	22,933
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	(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
Total other comprehensive income, net of taxes	(188)	365	157	(151)	(583)
7 Total comprehensive income	8,900	5,103	830	39,248	22,350
8 Paid up equity share capital (Face value of Re.1 each)	2,644	2,644	2,644	2,644	2,644
9 Other equity				266,201	230,608
10 Earnings per equity share in Rs. (nominal value per share Re.1)**					
(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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CIN: L36999KA1999PLC025195 Email: ubinvestor@ubmail.com Website: www.unitedbreweries.com

Rs. in Lakhs

Statement of Standalone Assets and Liabilities

	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
ASSETS		
Non-current assets		
(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
	208,293	211,242
Current assets		
(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
	263,612	236,155
Total assets	471,905	447,397
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	266,201	230,608
	268,845	233,252
Liabilities		
Non-current liabilities		
(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
	23,328	23,880
Current liabilities		
(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
	179,732	190,265
Total equity and liabilities	471,905	447,397

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 confirm 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 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 : Amsterdam
Date : May 24, 2018

Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
United Breweries Limited

1. We have audited the accompanying statement of quarterly standalone financial results of United Breweries Limited ("the Company") for the quarter ended March 31, 2018 and for the year ended March 31, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the Circular"). The standalone financial results for the quarter ended March 31, 2018 and year ended March 31, 2018 have been prepared on the basis of the standalone financial results for the nine-month period ended December 31, 2017, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation read with the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2018; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results:
 - i. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
 - ii. give a true and fair view of the profit including other comprehensive income and other financial information for the quarter ended March 31, 2018 and for the year ended March 31, 2018.
4. We draw attention to Note 4 to the accompanying standalone financial results, which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof. Our opinion is not qualified in respect of this matter.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under the Regulation and the Circular.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Mahendra Jain

Partner

Membership Number: 205839

Place: Bengaluru

Date: May 24, 2018





UNITED BREWERIES LIMITED

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CIN: L36999KA1999PLC025195 Email: ubinvestor@ubmail.com Website: www.unitedbreweries.com

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
1 INCOME		
(a) Revenue from operations (gross of excise duty)	1,243,062	1,022,980
(b) Other income	1,313	5,171
Total income from operations	1,244,375	1,028,151
2 EXPENSES		
(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
Total expenses	1,183,593	993,338
3 Profit before tax	60,782	34,813
4 Tax expenses		
(a) Current tax	24,110	13,291
(b) Deferred tax credit	(2,791)	(1,470)
Total tax expenses	21,319	11,821
5 Profit for the year	39,463	22,992
6 Other comprehensive income (OCI)		
(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
Total other comprehensive income, net of taxes	(151)	(583)
7 Total comprehensive income for the year	39,312	22,409
8 Profit for the year attributable to:		
Equity shareholders of the Holding Company	39,420	22,957
Non-controlling interest	43	35
	39,463	22,992
9 Total comprehensive income for the year attributable to:		
Equity shareholders of the Holding Company	39,269	22,374
Non-controlling interest	43	35
	39,312	22,409
10 Paid up equity share capital (Face value of Re.1 each)	2,644	2,644
11 Other equity	266,382	230,777
12 Earnings per equity share in Rs. (nominal value per share Re.1)		
(a) Basic	14.93	8.70
(b) Diluted	14.93	8.70

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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
ASSETS		
Non-current assets		
(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
	208,290	211,336
Current assets		
(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
	264,052	236,534
Total assets	472,342	447,870
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,644	2,644
(b) Other equity	266,382	230,777
	269,026	233,421
Non-controlling interest	294	278
Liabilities		
Non-current liabilities		
(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
	23,322	23,871
Current liabilities		
(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
	179,700	190,300
Total equity and liabilities	472,342	447,870

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.

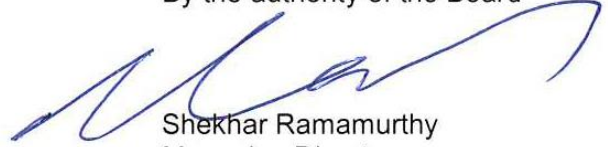
The Company received an order dated March 11, 2016 from the Deputy Commissioner of Income Tax (International Taxation), Bangalore, requesting the Company to create a charge in favour of the Central Government on any amount due or likely to be due to an erstwhile director of the Company, to the extent 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 and www.nseindia.com and also on the website of the Company viz. www.unitedbreweries.com.

By the authority of the Board

A handwritten signature in blue ink, appearing to read 'Shekhar Ramamurthy', is written over the printed name and title.

Shekhar Ramamurthy
Managing Director

Place : Amsterdam
Date : May 24, 2018

Auditor's Report on Consolidated Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
United Breweries Limited

1. We have audited the accompanying statement of consolidated financial results of United Breweries Limited ("the Company") comprising its subsidiary (together, "the Group") and its associate for the year ended March 31, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the Circular"). The consolidated financial results for the year ended March 31, 2018 have been prepared on the basis of the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation read with the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2018 which was prepared in accordance with the applicable accounting standards and other accounting principles generally accepted in India and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiary, these year to date consolidated financial results:
 - i. includes the year-to-date results of the Company and its subsidiary i.e. Maltex Malsters Limited;
 - ii. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
 - iii. give a true and fair view of the consolidated profit including consolidated other comprehensive income and other consolidated financial information for the year ended March 31, 2018.



S.R. BATLIBOI & ASSOCIATES LLP

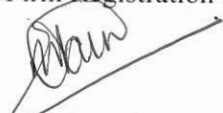
Chartered Accountants

4. We draw attention to Note 4 to the accompanying consolidated financial results, which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof. Our opinion is not qualified in respect of this matter.
5. We did not audit the financial statements and other financial information, in respect of a subsidiary, whose Ind AS financial statements include total assets Rs. 1,095 Lakhs (March 31, 2017 – Rs. 812 Lakhs) and net assets of Rs. 600 Lakhs (March 31, 2017 – Rs. 567 Lakhs) as at March 31, 2018, and total revenues of Rs. 1,300 Lakhs (March 31, 2017 – Rs. 1,791 Lakhs) for the year ended on that date and net cash inflows of Rs. 134 Lakhs (March 31, 2017 – Rs. 17 Lakhs) for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiary is based solely on the report of other auditors. Our opinion is not modified in respect of this matter.
6. The accompanying consolidated financial results does not include the Company's share of net profit for the year ended March 31, 2018 in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per Mahendra Jain
Partner

Membership Number: 205839

Place: Bengaluru

Date: May 24, 2018





PERFORMANCE HIGHLIGHTS FOR THE YEAR ENDED MARCH 2018

- **FULL YEAR VOLUME GROWTH OF 10% AHEAD OF INDUSTRY GROWTH OF 7%**
- **NET SALES GROWTH OF 18%, PROFIT BEFORE TAX UP BY 75%**
- **Q4 VOLUME GROWTH OF 24% WITH CONTINUED MARKET SHARE GAINS**

UBL delivered a strong set of financials for FY2017-18, despite significant challenges in the external environment, including the enforcement of the highway ban in Q1 as well as the introduction of GST in Q2. The implementation of GST in July had a negative impact on input costs, as the industry's outputs are excluded from GST. During most of Q3 UBL did not supply in Maharashtra due to a lack of clarity around the new excise duty structure. A similar situation prevailed in West Bengal in Q4.

For the year, the beer industry grew by about 7% with UBL delivering 10% volume growth. This was the first double-digit volume growth since FY 2010-11 and resulted in market share gains. These share gains were realized in most large states across the country, especially in Telangana, Andhra Pradesh, Rajasthan, Orrisa, Tamil Nadu and Karnataka. Net revenue increased by 18%.

Gross profit grew by 15%, benefiting from a favourable state mix as well as from several price increases taken during the year. Strong operating profit growth was due to UBL mitigating the negative effects of GST where possible, by implementing strict cost controls and because of a higher capacity utilization ratio.

In the fourth quarter ended March 2018, UBL recorded a volume growth of 24% compared with industry growth of 22%. This growth was partly the result of a low comparative, as Q4 2016-17 already included the effects of the highway ban. Net revenue grew 32%, primarily due to volume growth and also a favourable state mix.

Given the higher profits and better working capital management, cash flow from operations improved significantly, further reducing debt levels. At year end, the company's net debt to EBITDA was 0.3x and interest costs decreased by 19%.

For FY 2018-19, in the absence of any large regulatory market disruptions, UBL expects continued mid-single digit industry volume growth. In order to meet consumer demand, the company is planning to increase its capital expenditure towards capacity expansion by about 50%, from the current capital investment level of approximately Rs. 200 Core.

Amsterdam, May 24, 2018