



UNITED BREWERIES (HOLDINGS) LIMITED

September 28, 2016

The Department of Corporate Services
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort, Mumbai 400 001

The Secretary
National Stock Exchange of India Limited
Compliance Department
Exchange Plaza, Bandra Kurla Complex
Bandra [E], Mumbai 400 051

Dear Sir,

**Sub: Outcome of Board Meeting- Unaudited Financial Results for the quarter ended
June 30, 2016**

In terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are furnishing herewith the following:

- (i) Unaudited Financial Results for the quarter ended June 30, 2016;
- (ii) Limited Review Report of Messrs. Vishnu Ram & Co, Chartered Accountants, the Auditors of the Company, in connection with the Unaudited Financial Results for the quarter ended June 30, 2016;

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

We request you to kindly take this on record as compliance of the relevant Regulations.

Thanking you,

Yours faithfully,

For **United Breweries (Holdings) Limited**

Kaushik Majumder
Senior Vice President- Legal
& Company Secretary

Encl. as above



UNITED BREWERIES (HOLDINGS) LIMITED

Reg. Office: Level 12, UB Tower, UB CITY, No. 24, Vittal Mallya Road, Bangalore. 560 001
Email: ubhlinvestor@ubmail.com. Website: www.theubgroup.com CIN : L85110KA1915LC000740

PART I STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016

Rs. in Lakhs

PARTICULARS	Quarter ended	Quarter ended	Quarter ended	Year ended
	June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
	Unaudited	Unaudited	Unaudited	Audited
1. Income from operations				
(a) Net sales/income from operations	7,980	8,492	5,781	31,021
(b) Property development	1,366	1,539	1,255	5,179
(c) Other operating income	277	331	138	981
Total income from operations	9,623	10,362	7,174	37,181
2. Expenses				
a) Purchases of stock-in-trade	2,747	3,105	1,525	11,851
b) Cost of packing materials consumed	865	1,029	475	3,627
c) Change in inventories (increase) / decrease	197	414	575	(497)
d) Employee benefit expenses	799	689	758	3,345
e) Depreciation	382	422	412	1,661
f) Other expenses	1,690	10,347	1,448	18,036 *
* Includes provisions & write offs				
Total expenditure	6,680	16,006	5,194	38,023
3. Profit/(Loss) from operations before other income and finance costs	2,943	(5,644)	1,980	(842)
4. Other income	892	2,216	811	4,757
5. Profit / (Loss) from ordinary activities before finance costs and exceptional items	3,835	(3,428)	2,791	3,915
6. Finance costs	888	1,474	2,576	9,153
7. Profit / (Loss) from ordinary activities after finance costs and before exceptional items	2,947	(4,902)	215	(5,238)
8. Exceptional items (net) Profit on sale of pledged share	-	589	-	725
9. Profit / (Loss) before tax	2,947	(4,313)	215	(4,513)
10. Tax expense	-	-	-	-
11. Net Profit / (loss) after tax	2,947	(4,313)	215	(4,513)
12. Paid-up equity share capital (face value of Rs.10 each, fully paid up)	6,682	6,682	6,682	6,682
13. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(36,823)
14. Earnings per share (of face value Rs.10/- each):				
Basic and diluted (after exceptional item)	4.41	(6.45)	0.32	(6.75)
Basic and diluted (before exceptional item)	4.41	(7.34)	0.32	(7.84)



UNITED BREWERIES (HOLDINGS) LIMITED

Segment wise business performance for the quarter ended June 30, 2016

Primary Segment Information

Rs. in Lakhs

	Particulars	Three months ended			For the year ended
		June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
1)	Segment Revenue				
	a) Alcoholic beverages	4,523	3,234	2,422	14,636
	b) Leather products	1,272	1,246	837	3,713
	c) Readymade garments	392	2,035	229	3,157
	d) Investments	-	-	0	410
	e) Logo fees	1,483	1,583	1,633	6,483
	f) Property development	1,366	1,539	1,255	5,179
	g) Corporate guarantee services	8	14	14	55
	h) Others	579	711	784	3,548
	Total Revenue	9,623	10,362	7,174	37,181
2)	Segment Results				
	a) Alcoholic Beverages	1,773	646	668	3345
	b) Leather products	270	219	(34)	383
	c) Readymade garments	34	(533)	16	(467)
	d) Investments	(339)	(457)	(323)	(1,331)
	e) Logo fees	1,144	1,126	1,310	4,742
	f) Property development	765	1,082	715	3,221
	g) Corporate guarantee services	(331)	(443)	(309)	(1,686)
	h) Others	(373)	(408)	(63)	(173)
	Total Results	2,943	1,232	1,980	8,034
	Other income	892	2,216	811	4,757
	Provision for doubtful advances	-	(3,500)	-	(5,500)
	Bad debts/ advances written off	-	(1,251)	-	(1,251)
	Provision for diminution in value of investments	-	(2,125)	-	(2,125)
	Finance costs	888	(1,474)	(2,576)	(9,153)
	Exceptional items	-	589	-	725
	Profit before tax	2,947	(4,313)	215	(4,513)

Capital Employed	Three months ended			For the year ended
	June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
Alcoholic beverages	4,071	2,826	1,273	2,826
Leather products	6,111	4,235	4,228	4,235
Readymade garments	7,762	9,758	10,985	9,758
Investments	(61,780)	(63,661)	(60,717)	(63,661)
Property development	4,071	4,351	4,833	4,351
Others	1,547	1,554	1,760	1,554
	(38,219)	(40,937)	(37,638)	(40,937)

Secondary Segments, Based on Geographical locations

1	Segment Revenue	Three months ended			For the year ended
	Particulars	June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
	Within India	3,691	4,278	3,577	15,760
	Outside India	5,932	6,084	3,597	21,421
		9,623	10,362	7,174	37,181

2	Segment Assets	Three months ended			For the year ended
	Particulars	June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
	With in India	(66,578)	(69,046)	(65,786)	(69,046)
	Outside India	28,359	28,109	28,148	28,109
		(38,219)	(40,937)	(37,638)	(40,937)



United Breweries (Holdings) Limited

Notes

1. The accompanying Statement of unaudited financial results for the quarter ended 30th June 2016 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 28th September 2016.
2. In the absence of a Managing Director, the Chairman of the Board, Dr. Vijay Mallya has been made the Principal Officer of the Company and has been closely monitoring the performance of the Company through appropriate delegation of duties to various operating executives who report to him on a regular basis. The Company has appointed a Chief Financial Officer from 20th April 2016.
3. There has been no significant developments during the Quarter with regard to the various litigations incorporated in the notes to the annual accounts of the financial year ended 31st March 2016, except the following:
 - a) During the quarter an amount of Rs.27 lacs has been further appropriated by a bank against whom a previous claim filed in FY 2013-14 is pending before the Hon'ble High Court of Karnataka. The claim is being pursued. The appropriated amounts are being shown as recoverable from the said bank.
 - b) Three lenders who have extended pre-delivery payment (PDP) loans to KFA for purchase of aircrafts from M/s. Airbus S.A.S. and who claim to be beneficiaries of Corporate Guarantees of the Company, had filed proceedings in FY 2013, before the DRT for recovery of total dues of Rs. 19,251 lacs. By an ex-parte order dated February 4, 2014, the Hon. DRT had passed an ad-interim order attaching pre-delivery payments made by KFA to M/s. Airbus S.A.S. up to the said amount of Rs. 19,251 lacs. Thereafter, vide final order dated 28th March 2016, DRT issued a Demand Notice directing the Company to pay an amount of Rs. 19,251 lacs. Aggrieved by the final order of the Hon'ble DRT, the Company preferred a Writ Petition before the Hon'ble High Court of Karnataka, which by way of an interim Order dated 16th June 2016, has stayed the order of the DRT.



- c) After protracted litigation, SBICAP Trustee Limited, acting as Trustees of the Consortium of Banks of KFA, took possession of Kingfisher Villa on 13th May 2016 pursuant to an order of the Hon'ble District Magistrate dated 11th May 2016 under Section 14 of the SARFAESI Act. The Company has since filed a Securitisation Application Suit before DRT, Mumbai on 18th August 2016 challenging the order of the District Magistrate, Goa primarily on the manner of taking actual physical possession of the property on 13th May 2016. The matter is yet to be listed for hearing. The act of taking possession of the KF Villa is being contested by the Company.
- d) The Company has filed a suit on 4th September 2012 claiming an amount of USD 210,400,000 along with Rs. 16,210 lacs by way of Damages against one of the Petitioners who have filed a winding up Petition against the Company in the City Civil Court, Bangalore and the same is pending adjudication. Applications filed by the said Petitioner challenging the jurisdiction of the Suit has since been dismissed by the Hon'ble City Civil Court on 30th April 2016.
- e) The Company had entered into a loan agreement with M/s. United Spirits Limited on July 3, 2013 under which, an amount of Rs. 1,33,741 lacs outstanding as on March 31, 2015 to be repaid over a period of 9 years. and carrying interest rate of 9.50% per annum. At an Extraordinary General Meeting of M/s. United Spirits Limited held on November 28, 2014, the said loan agreement between the Company and United Spirits Limited, was not approved. Consequent to non-compliance of the terms of the Agreement, USL claimed payment of the entire principal amount together with outstanding interest and has also invoked the arbitration clause in the agreement and have appointed one arbitrator, while the Company has also appointed its arbitrator in terms of the agreement. The arbitration process has commenced.
- f) The Directorate of Enforcement (ED), Ministry of Finance Dept. of Revenue, Government of India, vide its Provisional Attachment Order No. 11/2016 dated June 11, 2016, and Provisional Attachment Order No. 16/2016 dated 3rd September 2016, received by the company, has attached the immovable properties (including those under construction) situated in Bangalore and Mumbai and also Pledge and Unpledge shares held by the Company as investments under the provisions of Prevention of Money Laundering Act, 2002 for a period of 180 days from the respective date of the Orders. The proceedings under Provisional Attachment Order No. 11/2016 was



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stayed by the Hon'ble High Court of Karnataka vide its order dated 21st September, 2016 on a writ being preferred by the Company. The Hon'ble High Court of Karnataka at its hearing held on 28th September 2016 directed the Company to appear before the Appellate Authority for adjudication and the stay granted earlier will continue till the next date of hearing before the Appellate Authority.

- g) Although the Company has settled the entire dues, HDFC Limited has stopped remitting the rentals from the Escrow account from August 2016, against which the Company has moved a Writ petition in September 2016 in High Court of Karnataka, which is being heard.
4. Investment in subsidiaries and associate are presently considered as long term and strategic in nature. Carrying value of these investments will be reviewed at the year end and necessary adjustments, if any will be effected in the annual accounts.
5. During the quarter, a lender to the company had sold 35,000 shares of United Spirits Ltd., which were pledged by a subsidiary of the Company, and utilized its sale proceeds of Rs. 842 lacs against the company's dues.
6. In September, 2016 one of the Company's lender has invoked 19,00,000 shares of United Breweries Ltd., which was pledged by a Group Company to secure the borrowing of the Company; of which 18,54,785 shares have been sold and the balance 45,215 shares have been retained in their DP account. The sale proceeds of Rs. 15,169.98 lacs from the sale of the aforesaid shares has been appropriated by the lender towards the dues of the Company. Consequently, the Company owes the aforesaid appropriated amount to the Group Company.
7. In view of the available business losses of earlier years, no provision for tax is considered in the Quarterly Accounts. Liability towards Minimum Alternative Tax, if any would be provided in the final accounts.
8. With regard to Auditors' qualification in their Limited Review report, which mainly refer to developments prior to 31st March, 2016, have already been adequately covered in relevant financial notes to Accounts for the year ended 31st March, 2016.



9. The figures for the last quarter ended March 31, 2016 are the balancing figures between figures in respect of the full financial year upto March 31, 2016 and the year-to-date figures up to December 31, 2015, being the date of the end of the third quarter of the previous year.
10. Previous year/periods figures have been regrouped wherever necessary.

By order of the Board

September 28, 2016
Bangalore




N Srinivasan
Director

VISHNU RAM & CO.,

CHARTERED ACCOUNTANTS

LIMITED REVIEW REPORT

1. We have reviewed the accompanying statement of unaudited financial results of United Breweries (Holdings) Limited, Bangalore ("the company") for the three months ended June 30, 2016. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. Our review has been confined to the figures shown in the columns headed "three months ended 30-06-16".
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. *We have issued a qualified report on the audited financial statements for the accounting year ended 31-3-2016 stating amongst other things, non-provision for decline in the value of investments in certain subsidiaries and associates which are carried in the books at Rs. 147.26 crores, non-provision for the loss that may arise due to possible non-recovery of loans and advances of Rs 75.43 crores due from certain subsidiaries, non-provision for the possible loss that may arise on account of various financial exposures to Kingfisher Airline Limited, non-recognition of certain liabilities/obligations and appropriateness of preparation of financial statements on going concern basis being subject to favourable resolution of several litigations involving the Company. There have not been any significant developments during the current quarter in this regard.*
5. *The company has not so far estimated and provided for the losses that may arise on account of its financial exposures to Kingfisher Airlines Limited (KFA) which are in the form of invoked corporate guarantees of Rs. 8,158.89 crores (which the company continues to show as contingent liabilities). KFA is under severe financial stress and it has defaulted in honouring its financial obligations on several counts; winding up petitions filed against it have been admitted by the Honourable High Court of Karnataka; it is not carrying on any business.*
6. *Some of the beneficiaries of the company's corporate guarantees referred to in paragraph 5 above have filed winding up petitions against the company. Eight such winding up petitions involving amounts of Rs. 7,256.24 crore, have been admitted by the Honourable High Court of Karnataka. The company is contesting these orders and continues to disclose its obligations as contingent.*

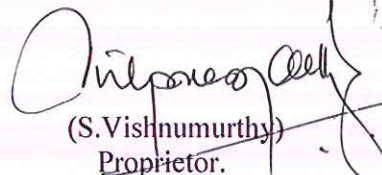


VISHNU RAM & CO.,
CHARTERED ACCOUNTANTS

7. *The company has shown Rs. 36.07 crores as due from a banker. The amount represents deposits kept by the company, which have been encashed by the said banker and appropriated towards its claims against a group company. This has been contested by the company. The possible loss on account of this, has not been estimated and recognised in the accounts.*
8. *The company has shown Rs. 807.46 crores as due from a financial company. The amount represents the sale proceeds of company's investments which have been partly appropriated against dues from KFA and partly retained by the said financial company. Further, the said financial company still holds custody of 59,150,000 shares in KFA, belonging to the company. The company has petitioned the High Court of Calcutta and High Court of Karnataka challenging the validity of the actions taken by the financial company and for rendering full accounts. The petitions are pending disposal and the company continues to show the amount as good and recoverable from such financial company.*
9. *The 'status quo' with respect to the transaction of company's sale of 10,141,437 no. of shares in United Spirits Limited in favour of Diageo group, as ordered by the Honourable Supreme Court of India, continues.*
10. *Attention is invited to note no. 3(e) with regard to demands made by United Spirits Limited for immediate repayment of their dues amounting to Rs. 1,337.42 crore and the interest thereon.*
11. *Attention is invited to note no. 6 with regard to sale of third party securities by a lender banker and appropriating the sale proceeds against the dues from the company amounting to Rs. 151.70 crore.*
12. *Based on our review conducted as above and subject to our observations in paragraphs 4 to 11 above, we report that nothing else has come to our attention that causes us to believe that the accompanying statement of un-audited financial results read with the notes thereon and prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.*

Place: Bangalore
Date: 28-09-2016

For Vishnu Ram & Co.,
Chartered Accountants


(S. Vishnumurthy)
Proprietor.

Membership No.22715
Firm Registration No. 004742S

