

UNITED BREWERIES (HOLDINGS) LIMITED

Reg. Office: Level 12, UB Tower, UB CITY, No. 24, Vittal Mallya Road, Bangalore. 560 001

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PART I

(Rs. in Lakhs)

Statement of Standalone Unaudited Financials Results for the Quarter and Nine Months Ended 31st December 2014

Particulars	Three months ended			Nine months ended		Year ended
	31-Dec-14 Unaudited	30-Sep-14 Unaudited	31-Dec-13 Unaudited	31-Dec-14 Unaudited	31-Dec-13 Unaudited	31-Mar-14 Audited
1. Income from operations						
(a) Net sales/income from operations	7,204	8,509	12,223	25,531	30,489	42,370
(b) Property development	1,300	1,302	1,279	3,887	3,747	5,117
(c) Other operating income	253	271	587	972	1,299	1,689
Total income from operations	8,757	10,082	14,089	30,390	35,535	49,176
2. Expenses						
(a) Purchases of stock-in-trade	2,643	3,097	6,086	8,686	13,561	23,380
b) Cost of materials consumed	671	1,025	718	2,423	1,810	2,263
c) Change in inventories	474	(5)	(227)	2,412	1,992	(923)
d) Employee benefit expenses	704	898	982	2,307	2,356	2,945
e) Depreciation	139	148	206	608	608	816
f) Other expenses (include provisions and write off)	2,536	2,504	4,135	7,556	8,335	383,663
Total expenses	7,167	7,667	11,900	23,992	28,662	412,144
3. Profit from operations before other income and finance costs	1,590	2,415	2,189	6,398	6,873	(362,968)
4. Other income	488	489	10	1,080	330	2,872
5. Profit before finance costs	2,078	2,904	2,199	7,478	7,203	(360,096)
6. Finance costs (net of receipts)	1,876	5,506	7,821	13,419	32,844	41,023
7. Profit/(loss) before exceptional item and tax	202	(2,602)	(5,622)	(5,941)	(25,641)	(401,119)
8. Exceptional item	-	2,961	7,560	86,712	192,746	198,789
9. Profit / (loss) before tax	202	359	1,938	80,771	167,105	(202,330)
10. Tax expense	-	-	2,293	-	34,882	-
11. Net Profit/(loss) after tax	202	359	(355)	80,771	132,223	(202,330)
12. Paid-up equity share capital (face value of Rs.10 each, fully paid up)	6,682	6,682	6,682	6,682	6,682	6,682
13. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						(79,324)
14. Earnings per share (of face value Rs.10/- each) (not annualised):						
Basic and diluted (before exceptional item)	0.30	(3.89)	(8.41)	(8.89)	(38.37)	(600.30)
Basic and diluted (after exceptional item)	0.30	0.54	(0.53)	120.88	197.88	(302.80)

UNITED BREWERIES (HOLDINGS) LIMITED

PART II

Select Information for the Quarter and Nine Months ended 31st December 2014

	Particulars	Three months ended			Six months ended		Year ended
		31-Dec-14 Unaudited	30-Sep-14 Unaudited	31-Dec-13 Unaudited	31-Dec-14 Unaudited	31-Dec-13 Unaudited	31-Mar-14 Audited
A	PARTICULARS OF SHAREHOLDING						
	1. Public shareholding						
	- Number of shares	31,845,241	31,845,241	32,665,241	31,845,241	32,665,241	31,845,241
	- Percentage of shareholding	47.66	47.66	48.89	47.66	48.89	47.66
	2. Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	5,186,190	5,186,190	3,586,190	5,186,190	3,586,190	3,586,190
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	14.83	14.83	10.50	14.83	10.50	10.25
	- Percentage of shares (as a % of the total share capital of the company)	7.76	7.76	5.37	7.76	5.37	5.37
	b) Non - encumbered						
	- Number of shares	29,787,090	29,787,090	30,567,090	29,787,090	30,567,090	31,387,090
	- Percentage of shares (as a % of the total shareholding of the Promoter and promoter group)	85.17	85.17	89.50	85.17	89.50	89.75
	- Percentage of shares (as a % of the total share capital of the company)	44.58	44.58	45.75	44.58	45.75	46.97

Particulars	3 months ended 30th December 2014
INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	Nil
Received during the quarter	4
Disposed of during the quarter	4
Remaining unresolved at the end of the quarter	Nil

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Statement Unaudited Standalone Financials Results for the Quarter and Nine months ended 31st December 2014

(Rs. in Lakhs)

Particulars	Three Months ended			Nine months ended		Year ended
	31-Dec-14 Unaudited	30-Sep-14 Unaudited	31-Dec-13 Unaudited	31-Dec-14 Unaudited	31-Dec-13 Unaudited	31-Mar-14 Audited
1.SEGMENT REVENUE						
Alcoholic Beverages	2,809	3,980	7,091	11,913	16,871	22,004
Leather Products	1,190	1,023	1,468	3,468	3,259	4,154
Readymade Garments	867	402	1,851	2,907	4,711	8,495
Investments	-	487	5	487	684	685
Logo Fees	1,634	1,658	1,763	5,020	3,888	5,525
Property Development	1,300	1,302	48	3,887	141	5,117
Corporate Guarantee Services	14	28	1,279	76	3,747	188
Others	943	1,202	584	2,632	2,234	3,008
	8,757	10,082	14,089	30,390	35,535	49,176
2.SEGMENT RESULTS						
Alcoholic Beverages	829	658	1,305	2,310	3,095	3,925
Leather Products	143	96	373	485	636	737
Readymade Garments	22	(84)	468	(80)	599	669
Investments	(510)	81	(603)	(771)	(555)	(917)
Logo Fees	1,124	1,252	1,155	3,762	2,648	3,923
Property Development	790	896	(560)	2,417	2,301	3,105
Corporate Guarantee Services	(496)	(378)	672	(1,182)	(1,098)	(1,414)
Others	(312)	(106)	(621)	(543)	(753)	(766)
Total	1,590	2,415	2,189	6,398	6,873	9,262
Other Income	488	489	10	1,080	330	2,872
Provision for doubtful advances	-	-	-	-	-	(127,171)
Bad debts written off	-	-	-	-	-	(245,059)
Interest expense (net of receipts)	(1,876)	(5,506)	(7,821)	(13,419)	(32,844)	(41,023)
Exceptional Items	-	2,961	7,560	86,712	192,746	198,789
Profit /(loss) Before Tax	202	359	1,938	80,771	167,105	(202,330)
3. CAPITAL EMPLOYED						
Alcoholic Beverages	(1,129)	(1,528)	(735)	(1,129)	(735)	(972)
Leather Products	5,230	3,373	3,263	5,230	3,263	2,988
Readymade Garments	12,488	2,663	10,275	12,488	10,275	12,260
Investments	(23,572)	(23,834)	278,454	(23,572)	278,454	(101,801)
Property Development	4,020	4,020	4,244	4,020	4,244	4,194
Others	1,879	13,482	41,898	1,879	41,898	1,296
Total	(1,084)	(1,824)	337,400	(1,084)	337,400	(82,035)
4. Secondary segments based on geographical locations						
a) Segment revenue						
Overseas	4,906	5,931	10,013	18,442	24,506	34,373
Domestic	3,851	4,151	4,076	11,948	11,029	14,803
Total	8,757	10,082	14,089	30,390	35,535	49,176
b) Segment assets less segment liabilities						
Overseas	29,714	30,057	30,471	29,714	30,471	29,135
Domestic	(30,798)	(31,882)	306,929	(30,798)	306,929	(111,170)
Total	(1,084)	(1,824)	337,400	(1,084)	337,400	(82,035)

United Breweries (Holdings) Limited

Notes:

1. The accompanying Statement of unaudited financial results for the quarter ending 31st December 2014 have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 12th February 2015.
2. A claim from a Bank amounting to Rs.146.29 crore towards its alleged claim continues to be disclosed as “claim against the company not acknowledged as debt”, having regard to legal opinion regarding its non enforceability.
3. Claims against a banker for restitution of deposits of Rs.60.96 crores, which were unilaterally encashed and thereafter appropriated (Rs.31.71 crs during the quarter) towards their claims against a group company, are being pursued before the Hon’ble High Court of Karnataka. Appropriated amounts are being shown as recoverable from the said bank.
4. Investments in other subsidiaries and associates are presently considered as long term and strategic in nature and accordingly, no provision has been considered for diminution in the value.
5. The lenders of Kingfisher Airlines Limited (KFA) have, pursuant to certain Corporate Guarantees given by the Company (the validity of which is disputed as set out hereinafter), demanded from the Company, their alleged dues from KFA amounting to Rs. 6,203.35 crores with further interest and other dues from 01/06/2013 and have moved the Debt Recovery Tribunal (“DRT”), Bangalore for recovery of these alleged dues by way of an Original Application (OA). The Interim Application filed by the Company before the DRT seeking to reject the said OA on the ground of jurisdiction has been dismissed by the Tribunal vide its order dated 12th November, 2013. The Company’s appeal before the DRAT, Chennai challenging the DRT order and dismissing the Company’s interim application seeking rejection of the OA is pending.



6. Further, 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, have filed proceedings before the DRT for recovery of total dues amounting to Rs. 192.51 crores. By an ex-parte order dated February 4, 2014, in I.A. No. 543/2014, the Hon. DRT has passed an ad-interim order attaching pre-delivery payments made by KFA to M/s. Airbus S.A.S. up to Rs. 192.51 crores. This ad-interim order is still in force. The Company is defending the said proceedings.
7. In a suit filed by United Sprits Limited ("USL"), the Goa Senior Division Court, by an order dated 26th April, 2013 has granted an ad-interim injunction against any coercive action by lenders of KFA in respect of the Company's property in Goa, tenanted to USL. USL has also deposited Rs. 35 crores in the Hon'ble Court pursuant to the said order. The said order has been extended and continued from time to time.

Pending adjudication of the suit, the Goa property continues to remain with the company.

8. The Consortium of KFA Bankers, have sold in periodical lots certain investments belonging to the Company pursuant to the purported Pledge Agreement dated 21st December, 2010. The Company and others have filed a suit in the Hon'ble Bombay High Court, being Suit No. 311 of 2013 (Bombay Suit) against the consortium of bankers, who have advanced loans to KFA, inter alia, seeking the following reliefs:-

- (a) For a declaration that the Corporate Guarantee dated 21st December, 2010 given by the Company and the Pledge Agreement dated 21st December, 2010, are void ab-initio and non-est;
- (b) For a permanent order and injunction restraining the consortium of bankers, their servants, agents or assigns, or any other person claiming by, through or under them or any of them, from acting upon, in furtherance or in any manner giving effect to the impugned Notice dated 16th March, 2013,

or from taking any other or further steps to act upon or in furtherance of the Pledge Agreement dated 21st December, 2010, save and except in accordance with the procedure set out in clause 8.1 of the MDRA, including issuing a notice there under.

- (c) For a permanent order and injunction restraining the consortium of bankers, their servants, agents or assigns, or any other person claiming by, through or under them or any of them, from acting upon or in furtherance of the Corporate Guarantee dated 21st December, 2010 given by the Company and the Pledge Agreement dated 21st December, 2010;
- (d) That an order and decree of damages of the sum of Rs. 3,199.68 Crores as set out in the Particulars of Claim be awarded to the Plaintiffs.”

The Company has also filed a Notice of Motion in the said Suit, being Notice of Motion 306 of 2014 inter alia, for a decree on admission that the extent of the liability under the Corporate Guarantee is restricted to Rs. 1601.43 crores based on admissions by the consortium of bankers. The said Suit and Notice of Motion are pending adjudication in the Hon'ble Bombay High Court.

- 9. The Division Bench of the Hon'ble High Court of Karnataka vide its order dated 20th December 2013 has set aside the permission granted by the Hon'ble Company Judge under Section 536(2) of the Companies Act 1956 to dispose of the shares of USL in favour of Diageo Plc / Relay BV. The Company and Diageo Plc have approached the Hon'ble Supreme Court by way of SLPs challenging the order of the Division Bench. Pending, disposal of the Company's SLP's, the Hon'ble Supreme Court, by its order dated 10th February, 2014 has directed that status quo be maintained in respect of the transaction of sale of shares to Diageo. The Hon'ble Supreme Court, by its order dated 13th January, 2015 has posted the matters for final disposal on 21st April, 2015 with a direction that it be placed first on board.



10. Six out of the seven petitions filed by certain creditors of KFA, who are beneficiaries of Corporate Guarantees issued by the Company, for winding of the Company have been admitted by the Hon'ble High Court of Karnataka vide combined order dated 02nd January, 2015. The Company is in the process of challenging all the above orders.
11. The Company has filed a suit for damages claiming an amount of Rs. 1,319.30 crores against one of the above Petitioners in the City Civil Court, Bangalore and the same is pending adjudication.
12. The Company is taking steps for restitution of 59,150,000 shares in Kingfisher Airlines Limited and 350,000 shares in United Spirits Limited held in the custody of a finance company. Pending final outcome of such action, the Company continues to show these shares as investments.
13. The Company and Kingfisher Finvest India Limited (KFIL) have filed a suit, inter alia, against IDBI Trusteeship Services Limited (IDBI Trusteeship), Indian Global Competitive Fund (IGCF) and SREI Venture Capital Limited (SREI), in the City Civil Court at Calcutta, being T.S. No. 966 of 2013, inter alia, for a declaration that the Security Trustee Agreement dated 30th June, 2008 and the Consolidated Deed of Pledge dated 21st December, 2010 (in respect of pledged shares of United Spirits Limited and KFA held by the Company and KFIL) are void, unenforceable and of no effect. The said suit is pending.

SBICAP Trustee and the Consortium of Banks, which have advanced loans to KFA have filed a suit, inter alia, against IDBI Trusteeship Services Limited, SREI Venture Capital Limited, UBHL and KFIL in the Court of City Civil Judge in Bangalore, being O.S. No. 25877 of 2013 to enforce their alleged rights under the Release of Residual Interest Agreement dated 21st December, 2010 in respect of sale proceeds remaining after appropriation of USL and KFA shares. On 10th June 2014, IDBI Trusteeship Services Limited transferred the pledged shares to IGCF who in turn sold 4,937,395 shares of and in USL ("Sold Shares") held by UBHL and KFIL. By an order dated 20th June, 2014 in Writ Petition No. 28577 of 2014, filed by the Consortium of Banks and which has now been disposed off, IGCF deposited the surplus/balance sales proceeds from the Sold

Shares, aggregating to approximately Rs. 651 crores with the Hon'ble High Court of Karnataka. The Hon'ble Karnataka High Court has also directed IDBI Trusteeship Services Limited and IGCF not to disburse the amounts appropriated by it from the Sold Shares, i.e. approximately Rs. 690 crores. The Company is defending the aforesaid O.S. No. 25877 of 2013.

14. The Company is defending recovery proceedings by the consortium of banks of KFA based on corporate guarantees, the validity of which is being contested. The company has filed in Bombay High Court, a suit seeking to declare the corporate guarantee null, void ab initio and non-est. The suit is still pending adjudication.

The company has filed a suit for damages against the aircraft engine manufacturers for supply of inherently defective engines, both in design and manufacture, to KFA. The suit is pending. However, the company is pursuing without prejudice, negotiations to try and settle the dispute amicably. Similarly, the company is pursuing without prejudice, negotiations with two of the creditors who have filed winding up petitions against the Company, to try and settle the disputes amicably. Two members of the Consortium of Bankers of KFA have assigned their debt to an Asset Reconstruction Company (ARC).

Under direction of Court pending resolution of various disputes, amounts totaling Rs 794.38 crs are held as cash deposits.

Due to restraint orders passed by the High Court of Karnataka, rentable commercial office space could not be leased out resulting in continued loss of significant rental revenue. The Company has filed an Application vide CA No. 1428 of 2014 in COP 185/12 with a prayer to permit the Company to lease/rent out the vacant premises at UB City and grant such other further orders as are just. Also, high value residential units in Kingfisher Towers, could not be sold which has impacted the cash flow. The said applications are pending.

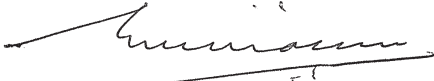
Having regard to the totality of all the above facts and also the substantial assets of the Company which can be monetised in case of necessity, the financial statements [for the Quarter ended 31st

December, 2014] have been presented on principles applicable to Going Concern.

15. An amount of Rs. 20 crores has been paid as advance to one of the Company's suppliers. The Company is taking steps to recover this advance following disagreement with the supplier. Recoverability of this advance would be reviewed at the year end.
16. Notices have been received from several bankers of KFA, who are beneficiaries of Corporate Guarantees and part of its consortium of Banks, proposing to treat the Company and its Directors as Wilful Defaulters. The Company is taking appropriate legal measures to defend itself and its Directors.
17. Pursuant to Regulation 20 of SEBI (SAST) Regulations, 2011, Zuari Fertilisers and Chemicals Limited ("the Acquirer") had acquired 42,424 equity shares in Mangalore Chemicals and Fertilizers Limited ("Target Company") under Open Offer ("Initial Open Offer") in which the Company was a Person Acting in Concert (PAC). Post the completion of this Initial Open Offer, which was completed on 31st October 2014, the voting power of the Group along with that of the Acquirer stood at 38.44%. The Acquirer has announced a Second Open Offer ["Voluntary Open Offer"], subject to approval of SEBI, to the Shareholders of the Target Company pursuant to and in compliance with Regulation 18(4) and 18(5) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, for acquiring further 4,33,29,000 (Four Crore Thirty Three Lakh Twenty Nine Thousand) Equity Shares, representing 36.56% (Thirty Six point Five Six Per Cent) of the Voting Share Capital. The approval of SEBI to this Voluntary Open Offer is awaited.
18. At an EGM of United Spirits Limited on November 28, 2014, the loan agreement between the Company and United Spirits Limited, was not approved. Consequently, the agreement became inoperative. Accordingly, interest of Rs.31.93 crores has not been considered in the accounts for the current quarter.
19. The position of Managing Director fell vacant on 17th April 2014 and efforts are being made to identify a successor.

20. Provision for MAT, on the book profits of the Company, if any, will be considered in the annual accounts.
21. Previous year/periods figures have been regrouped wherever necessary.

February 12, 2015
Mumbai


Dr. Vijay Mallya 12/2/2015
Chairman

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 period ended December 31, 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. 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 restricted to the figures shown in the columns headed "three months ended 31-12-14" and "for the nine months ended 31-12-14".
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review Interim Financial Information 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 provides 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 31-3-2014 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. 258.81 crores, non-provision for the loss that may arise due to possible non-recovery of loans and advances of Rs 155.60 crores due from certain subsidiaries and associates, non-provision for the probable 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 investments in equity shares of Rs. 277.93 crores, loans and advances of Rs. 22.26 crores, invoked corporate guarantees of Rs. 8,158.89 crores (which the company continues to show as contingent liabilities). KFA is under severe financial stress, 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 and it is not carrying on any business.*

VISHNU RAM & CO.,
CHARTERED ACCOUNTANTS

6. *Eight winding up petitions involving amounts of Rs. 7,256.24 crore, whereby the beneficiaries of the company's corporate guarantees (referred to in para 5 above) had sought winding up of the company, have been admitted by the Honourable High Court of Karnataka. The company is contesting these orders and continues to disclose its obligations as contingent..*
7. *The company has shown Rs. 31.71 crores as due from a banker who has unilaterally encashed company's deposits lying with it and appropriated the amount towards its claims against a group company. The probable loss on account of this development has not been recognised in the accounts*
8. *An amount of Rs. 854.73 crores is shown as dues from a financial company, which has sold the company's investment and appropriated part of the sale proceeds against dues from KFA. Further, the said finance 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 pledge and for rendering full accounts. Pending outcome of the petitions, the above amount is shown as good and recoverable.*
9. *The 'status quo' with respect to the transaction of sale of 10,141,437 shares in United Spirits Limited in favour of Diageo group, as ordered by the Honourable Supreme Court of India, continues.*
10. *350,000 shares in United Spirits Limited (present market value of Rs. 115.78 crore) held by the Company, are shown to be in the custody of a financial company. The Company has initiated action for restitution of the above shares. Pending outcome of action initiated for restitution of these shares, the Company continues to show above shares as its investments (Ref. Note No. 12).*
11. *An amount of Rs. 20 crore continues to be shown as good and recoverable from a vendor even though the company has not been able to obtain confirmation of the dues from such vendor.*
12. *Without qualifying our report, we draw attention to note no. 15 with regard to non-recognition of interest payable to the extent of Rs. 31.93 crores.*

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 clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Mumbai
Date: 12-02-2015

For Vishnu Ram & Co.,
Chartered Accountants

(S. Vishnumurthy)
Proprietor.

Membership No.22715

Firm Registration No. 004742S