UNITED BREWERIES LIMITED

ANNUAL REPORT 2020 - 2021

GOOD TIMES, FOREVER!

Refresh. Renew. Re-energize!

Contents

OUR VISION

Our vision is to lead and develop the Indian beer market and deliver best-in-class performance through excellence in product and brand portfolio, capabilities and policies.

OUR VALUES

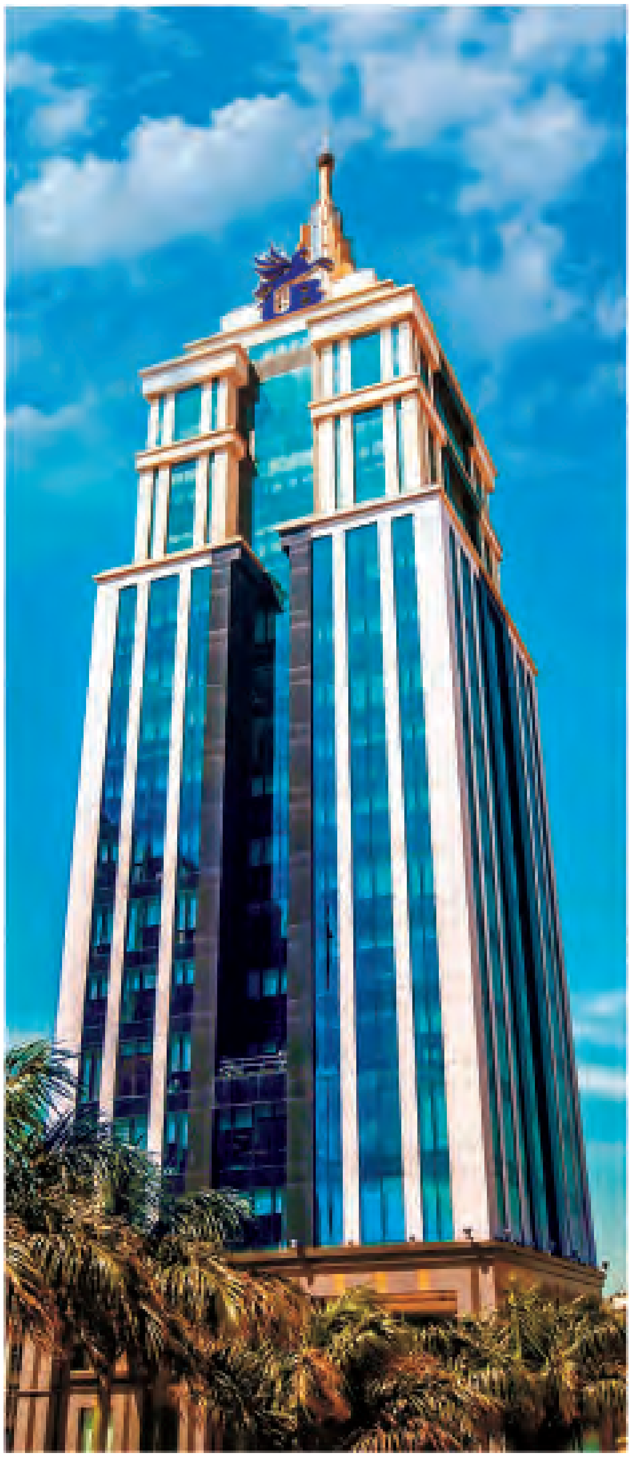
1. Passion for achievement, success and winning
2. Freedom to operate and learn from our mistakes
3. Treating people with respect and fairness
4. Respecting the environment
5. Integrity in all things and at all times

OUR BEHAVIOUR

1. We act with courage
2. We experiment and allow for mistakes
3. We discuss and decide on the basis of facts and data
4. We plan, set clear goals and do as we committed
5. We consider the consequences of our actions on others and for the future
6. We treat others in the way we would like to be treated ourselves
7. We celebrate success
8. We communicate, communicate and communicate

India's largest beer company

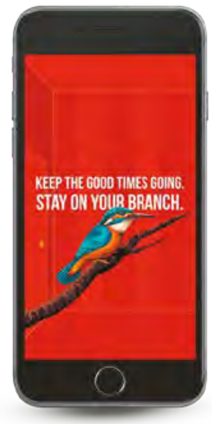
Brewing excellence since inception



SOCIALIZE RESPONSIBLY

Kingfisher undertook multiple initiatives to engage with consumers asking them to 'Socialize Responsibly' by staying at home. The brand changed its iconic 'flying bird' to show a 'perched bird' to convey the socially responsible message of 'Stay at Home'.

Kingfisher also created the 'Stay at home: Bird game', an engaging mobile game where the consumers had to restrict the bird from flying out of the house and thus keeping it safe. This game won multiple accolades as the key message of "Stay home, stay safe" was re-enforced through an interactive platform.



SUNBURN AT HOME

While the consumers were stuck at home Kingfisher leveraged its long-standing association with 'Sunburn', Asia's biggest electronic dance music festival as a platform to promote home consumption. Kingfisher sponsored 'Sunburn@Home' which was streamed live on Facebook and Instagram. This high engagement initiative reached 50 Mn people.

GHAR PE KINGFISHER? KYA PLAN HAI!!!

The spate of lockdowns triggered by the unprecedented pandemic resulted in our consumers being forced to stay indoors. The 'away from home' establishments wherein people could enjoy their favourite beer with their companions remained shut. Against this backdrop, Kingfisher launched its 'Ghar Pe Kingfisher' campaign to drive the message of home consumption by creating an integrated communication of how moments at home get better with Kingfisher.

The brand created 'Kya Plan Hai' stickers for messaging apps to make the best of social media platforms. The trans-media approach to popularise the campaign has become the soul of messaging apps.

NEW NORMAL, NEW CONTENT!

Ever since the lockdown was introduced into our lives, we have seen a dramatic shift in lifestyles. The era of 'work from home' became a norm rather than an exception and companies, workplaces and employees had to adapt to the new normal. Kingfisher saw this new reality as an opportunity to create engaging content relevant to all these changes impacting us all. This content entertained audiences on multiple social media platforms which resulted in a lot of brand love for Kingfisher.

BACK TO THE BARS WITH KINGFISHER

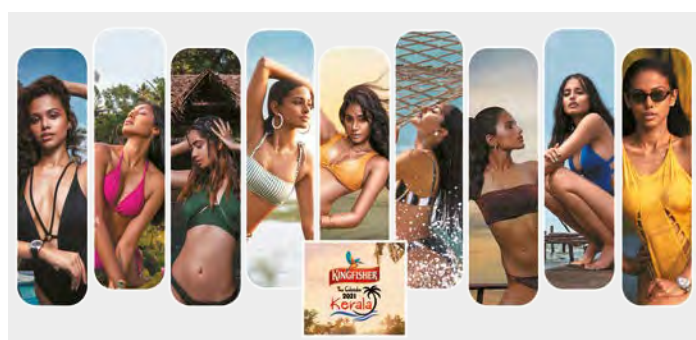
The food and beverage industry was one of the most adversely impacted industries during the pandemic. When bars were finally allowed to open, Kingfisher initiated the 'Back to the Bars' initiative to help them recover from their pro-longed period of being shut. The initiative operated on the principles of safety, solidarity and driving traffic. The brand provided the necessary equipment to over 5,000 outlets to promote safety. Kingfisher also helped drive traffic back to the bars by using targeted hyper-local digital campaigns.NRAI & INCA recognized UBL's efforts in this regard, felicitating the company with an award in recognition, for the "Back to the Bars" Campaign. Kingfisher established itself not only as the King but also the saviour of Good Times!

DIVIDED BY PLANS, UNITED BY KINGFISHER.

This year, Kingfisher's association with the IPL cricket teams and the brand proposition was an integration of two of its best-known campaigns, the iconic 'Divided by Teams, United by Kingfisher' campaign and the more recently launched 'Kya Plan Hai' campaign. Top players from across five teams were seen unifying around the one thing they could all agree on, which is that, Kingfisher is the plan and the plan is Kingfisher. The campaign consisted of multiple occasion building short edits to further build on the idea that all plans revolve around a Kingfisher.

GLAMOUR AND GOOD TIMES!

2021 is the year of the 19th edition of Kingfisher's iconic fashion and glamour property, 'The Kingfisher Calendar'. The Calendar which is known to pick some of the most exotic destinations with every edition, this year, was shot in God's own Country – Kerala. The calendar shot by ace fashion photographer Atul Kasbekar once again created a visual delight and maintained its extremely high aspirational value. The stunning models for 2021 are Adline Castelino, Anukreethy Vas, Gehna Mahiarya, Krithika Babu and Sumita Bhandari.



BRINGING GOOD TIMES TO FC GOA FANS!

Football fans were left disappointed over not being able to be present at the stadium to cheer their favourite teams. To close this gap between the players and the fans, Kingfisher created a unique campaign with FC Goa and organised the Top Fan contest. The brand encouraged fans to cheer and write to Kingfisher with fan messages addressed to FC Goa. Lucky winners were given a chance to be featured on billboards across Goa.

KINGFISHER STAYS TOPICAL!

Throughout the year, Kingfisher was at the top of its game when it came to topical communication. The brand kept itself updated in the sphere of what was happening on social media. It engaged with the day to day conversations of the community in its unique style. Several pieces gained traction and went viral which brought a lot of recognition across the marketing community.

GOOD TIMES IN AFRICA!

UBL is steadily increasing its footprint in the international markets. This offers UBL an access to millions of new customers who will be introduced to our brand and experience the Good Times. In the Financial Year 2020-21, UBL unlocked the African continent by foraying into seven countries: Kenya, South Sudan, Ethiopia, Tanzania, Uganda, Democratic Republic of Congo and Seychelles. With this expansion, UBL now has a strong presence in 50+ countries, and will continue to expand into similar such potential markets in the future.

WINNING AWARDS EVEN IN TOUGH TIMES!

Despite the challenges of the past year, Kingfisher shined bright as the brand's marketing efforts received accolades and praise from the marketing community. Kingfisher received 11 awards (5 Gold, 5 Silver and 1 Bronze) across the year for its engaging and innovative marketing campaigns on digital media. These campaigns were spread across the realms of augmented reality, interactive content and gamified advertising at top award nights.

FARHAN CHEERS FOR THE ULTRA LIFE

Ultra celebrated the spirit of living the Ultra Life by releasing a TVC featuring brand ambassador Farhan Akhtar on digital and OTTs in March. Aired over 5 months, Farhan's versatilely and suaveness resonated with Ultra's brand ethos and values and cast quite a charming impression on one and all.

THE LOVE FLOWS ON

Ultra continued its love affair with its 'liquid love' project and gave populated Instagram with mood shots of Ultra. Through this is, it romanticized the Ultra Life and built more love for the Ultra smooth beer.

THE SMOOTH WAY TO BEAT THE HEAT

Ultra raised the bar and the beat for a safe yet happening year end celebration with its association with the Satellite beachside music festival. Panning over four days in Goa, the festival was a safe haven for more than 4000 music enthusiasts who connected on-ground and digitately to relish a premium and luxurious experience like none other.

GLAM, GLITZ AND ALL THAT RACING JAZZ

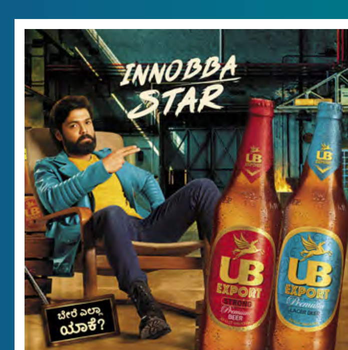
Continuing its passion for bringing alive a regal racing event filled with glam and glitz, Ultra conducted two stellar Debry events Kingfisher Ultra Derby, Bengaluru & Kingfisher Ultra Indian Derby, Mumbai. Though the events were held behind closed doors and under limited capacity attendance, adhering to the Covid-19 directives, they found massive fanfare and appeal. Through broad-reaching live-stream features on Facebook and YouTube, the euphoria and the thrills of the derby made its impact way beyond the racing turf.

HERE'S TO AN ULTRA-MATE PARTY!

The Ultra Life is nothing short of a big party filled with festivity and to celebrate that flavour and fervour, Ultra brought alive it's music IP – SoulFlyp. Organized over 10 key cities across India and always adhering strictly to the social distancing norms, the music bonanza, gave many a people a chance to raise their spirits and revel in an evening of fine music and beer.

LONDON PILSNER - BEN STOKES & UB EXPORT - RAKSHIT SHETTY PARTNERSHIPS GET STRONGER!

London Pilsner and UB Export both released their respective thematic campaigns of 'Taste of London in Every Sip' with celebrated cricketer Ben Stokes and 'Innoba Star' with versatile Kannada film personality Rakshit Shetty. The campaigns will go a long way in further improving the performance of these two power brands in their respective states of Maharashtra and Karnataka.



#SocialiseResponsibly

In the times of lockdowns and social distancing, Heineken launched #SocialiseResponsibly, a communication that meaningfully connected with the Indian audience, in an authentic way. Campaigns like 'Ode to Close' and 'Connecti-off' encouraged people to see the quarantine in a more light-hearted way, by socialising responsibly. The global 'Back To The Bars' campaign repurposed #SocialiseResponsibly to keep bars open during the unlock phase.

#TheKickOff

The campaign aimed to garner traction for the brand by amplifying Heineken's association with UCL. Through this campaign, Heineken celebrated the return of the pandemic-deferred tournament, commemorating this with an 8-hour live-streamed virtual festival with the world's biggest house music community – Defected Records. In doing so, Heineken was successful in drawing attention of audiences from two large subcultures in India – Football and Music. This live streaming event which was also telecast TV channels and OTT platforms, featured top DJs from across the world in unique locations, headlined by global star Idris Elba & supported by the likes of Bob Sinclair and Purple Disco Machine.

Green Identity and Pure Malt

Heineken launched the iconic Green Identity packaging in India. This new and refreshing packaging highlights the dynamic design while reflecting on the brand's core brand identity, that Heineken is 100% Pure Malt Lager and nothing else! Heineken also launched its product-centric campaign to propagate the message of purity and quality, indexing on the presence of pure malt in its brew.

Live Your Music

Heineken continued its long standing association under 'Live Your Music', co-creating limited capacity events with the partner outlets, driving brand recall and imagery. All events adhered to social distancing norms under the #SocialiseResponsibly initiative while being amplified on digital channels. Sisterhood Soiree, a Heineken initiative in India saw five female DJs engaging the consumers on Women's Day weekend.

INCA

Heineken partnered with INCA & NRAI to reunite all stakeholders of the F&B community to recognize the heroes who supported the industry during the pandemic, celebrating the human spirit and discussing best practices for a better future in the new normal. NRAI & INCA recognized Heineken's efforts in this regard.

ULTRA WITBIER SPREADING ITS WINGS

Kingfisher Ultra Witbier, UB's foray into the craft and variety segment, launched in December 2019. In the last Financial Year 2020-21 the brand expanded its footprint into the key markets of Maharashtra, Delhi, Punjab and Chandigarh. Despite the challenges posed by the pandemic, the brand has created strong appeal with the beer consumers by focussing on driving awareness through product led communication on media and driving trials on ground.

ULTRA WITBIER WINNING HEARTS AND WINNING AWARDS

During the year the Ultra Witbier won four prestigious awards from "Spiritz Selection" and "Ambrosia INDSPIRIT" in the areas of new product commercialization and packaging development.

YOU BREW YOU

The brand engaged with the consumer with its insightful topical campaign **'You Brew You'**, making sense of the consumer's existential crisis during the pandemic through art.

BRINGING SWAG HOME

Kingfisher Storm brought swag straight to the consumer's living rooms with 'Bollyboom at Home'. During the lockdown, the brand aired performances of our audience's favourite artists on Bollyboom's Facebook and Instagram handles and was enjoyed by over 17 million fans.

Storm's Woofer campaign continued to air across popular OTT and social media platforms through the year, ensuring the brand kept building on its awareness and trials. The two markets of Delhi and Rajasthan were added to the list of the markets where Storm is now available.

AMSTEL MARCHING TOWARDS A PAN INDIA PRESENCE.

Amstel's slow-brewed and extra matured taste has received a tremendous positive response across all markets where it has been introduced.

The brand continued to extend its footprint at a fast pace and is now also available in the markets of Maharashtra, Telangana and Haryana.

The media campaign continues to run successfully across mediums and is constantly building awareness and trials for the brand.

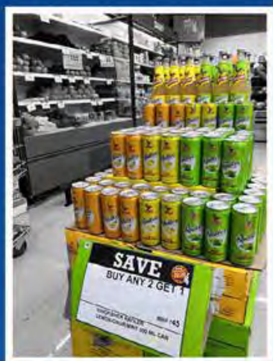
THE PERFECT WAY TO CHILL WITH THE PERFECT NON-ALCOHOLIC BEVERAGES

United Breweries continues to invest into the development of its non-alcoholic portfolio and build a strong presence in the low sugar malt based drinks category. Whilst it is nascent in size currently, the company aims to consolidate it's leadership position in this market segment. Today, one out of every two cans of non-alcoholic malt beverage is from your company.

In a difficult year for business, owing to the pandemic related market stoppages, this segment grew at 50%+ in volume for your company. Heineken 0.0 was the star performer with a volume increase of 80%+. It is expected to further increase in size as more consumers opt for healthier, lesser sugar alternatives with newer taste profiles.

Whilst today the market is centred around the large metro cities, in the super market chains and e-commerce platforms, it is expected to widen it's consumer base and availability as our country continues to grow and evolve.

The year saw your brands in the category present across all e-commerce platforms and super market chains, both national and local. With the launch of its 200ml pack and large partners distributing its products, the company now reaches more towns and large grocers in addition to organised retail.



The beer distribution infrastructure also helps reach our products like Heineken 0.0 into premium institutions to enjoy a no alcohol experience if they wish to do so.

Your company has made a pioneering start on a new journey as it charts a path in this competitive market and hopes to make it a profitable and scalable venture and be the leading non-alcoholic beverage company.

CORPORATE SOCIAL RESPONSIBILITY

At United Breweries Limited, we are driven by our belief in creating positive change for our co-communities. Through our impactful and sustainable CSR initiatives, we have always contributed to the country's holistic development and address varied socio-economic environmental issues.

WATER

UBL is committed to strengthening, reviving, and restoring water resources across the country. In FY 2020–21, we started three large water conservation projects in Rajasthan, Punjab, and Haryana. We also continued our work on the restoration of water bodies in Kerala, Karnataka, Maharashtra, Telangana, and Tamil Nadu. Our water conservation initiatives help in furthering equity and improving access to water, heightening agricultural productivity, increasing efficiency of water usage and application, and enhancing the livelihoods of farmers. Some of our major projects in 2020-21 are:

Water Conservation Project

Location: 4 villages of Dharuhera, Rewari District, Haryana

Beneficiaries: 20000

This project focuses on the rejuvenation of community ponds to augment the groundwater levels. The project covers 4 villages of the Dharuhera subdivision of the Rewari district. The region is under tremendous water stress with declining groundwater levels in many places. By rejuvenating 5 ponds, this project is expected to benefit more than 20,000 community members from 4 Panchayats who are primarily dependent on farming and livestock rearing.

Post-Intervention

Water Users committee members on site

Ratan Lal, a farmer from Rajpura village, owns 3.5 acres of agricultural land. Rapidly depleting groundwater, defunct bore wells, and siltation of water bodies have increased the misery of small-scale, marginal farmers like him. We are hopeful that after the successful completion of this project, farmers like Mr Lal will be able to grow two crops – Kharif and Rabi. Villagers have formed a water users' committee to manage their common water bodies.

Water Conservation in Karnataka and Telangana

Location: Kondapur Mandal, Sangareddy District, Telangana and Nelamangala block of Bangalore Rural District, Karnataka

Beneficiaries: 22 villages with a population of 21,000

This project focuses on Integrated water management by rainwater conservation, harvesting, and the promotion of the use of appropriate cropping systems. The water conservation project in Karnataka and Telangana integrates the assessment of water security status. Creation of new water harvesting structures to balance demand and supply and building capacity of farmers on the efficient and productive use of water.

Check Dam construction in Kondapur Block, Telangana

Check Dam Construction in Nelamangala, Karnataka

INTEGRATED WATER RESOURCE DEVELOPMENT

Location: Ambelohol village, Gangapur Block, Aurangabad, Maharashtra

Beneficiaries: 5,570

Considering the acute water crisis during summer and the importance of the perennial stream for recharging the bore wells and community wells in the village. UBL decided to support the Construction of cement Nala bunds and gabions for Rainwater Harvesting, water storage tanks, and the repair of water pipelines. In addition to water storage tanks and the repair of water pipelines, a total of 6 check dams and gabions have been constructed, which will store water even in peak summer season and help in groundwater recharge

Check Dam Construction

Gabion Construction

Vaishalee Dhatrat, a community member, says, "During the peak summer season, we had to walk 2-3 km to fetch water from irrigation wells after our source of drinking water dried up. Tankers would come to the village and fill the wells with water. UBL helped us construct the water

storage tank that supplies water to the village. Today, we have enough drinking water through the year".

WATER CONSERVATION THROUGH LAKE REJUVENATION

Location: Aranvoyal, Murukanchery, and Kothambakkam villages, Thiruvallur, Tamil Nadu

Beneficiaries: 10,870

Most of the water bodies in the Thiruvallur district were fully silted, and could not store water to their maximum capacity. With our funding support and active participation from the local community, 7 lakes in 4 villages near UBL Breweries at Aranvoyal and Kothambakkam near Chennai have been fully restored and are now brimming with water. Groundwater levels are also likely to get a boost. In addition to lake rejuvenation, 2,000 tree saplings have been planted and an invasive shrub species Prosopis Juliflora has been removed from 100 acres of common land.

Pre-Intervention

Post-Intervention

ENVIRONMENTAL SUSTAINABILITY

Project oxygen hub
Location: Waluj MIDC, Aurangabad. Beneficiaries: 60,000

In a bid to restore biodiversity, we decided to implement Project Oxygen Hub – Tree Plantation through the Miyawaki technique, in partnership with Canpack India Pvt Ltd and Prayas Youth Foundation in Walnuj, Maharashtra. Developed by Dr Akira Miyawaki, a Japanese botanist and plant ecology expert, the Miyawaki technique helped in planting a staggering 75,000 trees from more than 73 native species in a stretch of about 5 hectares, or 2,60,000 sq ft, in MIDC, Waluj, Aurangabad. As of today, Project Oxygen Hub, Aurangabad, is Maharashtra's biggest Miyawaki tree plantation. We are hopeful that after 3 years, these saplings will grow into a dense forest.

Maharashtra's biggest man-made native forest, MIDC Aurangabad

COVID-19 RESPONSE

We always strive to stand by our community during times of need and extend our unconditional support and Covid 19 was no exception. We have distributed dry ration kits, masks, gloves, and hand sanitizers to the community members near our breweries. We have supported more than 3,000 frontline workers and Covid warriors with donations of PPE kits, masks, sanitizers, face shields, medical equipment, thermal scanning machines, hand gloves, umbrellas, spray tanks, and chemical disinfectants. Through our Covid-19 relief response, we have reached out to more than 28,000 households, covering a total population of approx. 1,50,000 people

Aid for Amphan Cyclone affected areas

The Amphan super cyclone caused widespread damage to life and property in West Bengal specifically in the ecologically sensitive Sunderbans. UBL supported the 1400 affected families of 20 villages of Sunderbans with dry ration, household essentials, temporary shelter and hygiene essentials.

WHERE YOUR FAVOURITE BEERS ARE MANUFACTURED

The Pride of United Breweries

Mallepally Unit was set up in 2009-10 at the capacity of 0.6 million hecto litres in the picturesque village of Mallepally, Sangareddy District, Telangana (erstwhile United Andhra Pradesh). The capacity of the brewery has seen expansion over the last 10 years due to the increased demand in the state. With the most recent expansion in 2019-20 the capacity was increased to 3 million hecto litres & this is now our largest 'state of the art' brewery in India currently catering to Telangana. Mallepally unit has automated two modern brew houses of 400 hecto litres capacity each brewing brands like Kingfisher Premium Lager, Kingfisher Strong, Kingfisher Ultra, and Ultra Max. It is a unique plant with 3 x 36000 bottles per hour high-speed automated lines to churn out 30 lakh cases of the finest brands every month..

Mallepally Unit adopts environment friendly manufacturing practices and has installed a 1.7 megawatt Solar generation facility; bio-mass fired 28 metric ton boiler for steam generation; modern effluent treatment plant, which enables recycling 33% of the water back into the system. The Unit actively supports 24 surrounding villages (about 45000 residents) through CSR in water, education, medical facilities, and recently during this covid pandemic. The Unit is fully ready to meet the market demand and has won several awards: The "Green Manufacturing Excellence Award- Challengers" from Frost & Sullivan in 2014, the "Leaders Award - Large Business" from Frost & Sullivan and TERI Sustainability 4.0 Awards.

United Breweries, Nanjangud

Our brewery situated at Nanjangud 20 kms from Mysore in Karnataka, commissioned in 2012, is now a 2 million capacity brewery with two 36000 bottles per hour lines and 36000 Cans per hour canning line. The unit caters to 14 states across the country and an SKU range of 123 covering economy, regular and premium segments and the only brewery producing our latest offering Ultra Witbier. Our vision is to be the best in class & to achieve this we have adopted the latest technologies and have embraced best manufacturing practices through the Total Productive Management process. In addition, strategic initiatives like the digitalization of bottling lines which is a key efficiency improvement driver, has also been implemented. This brewery has been recognized over 14 times across the spectrum of safety, quality, sustainability, notable being CII EHS Awards, CII food safety Awards, SEEM Green Energy Awards, and World Beer Awards.

Nanjangud - United Breweries

Bottling Line 2: 36000 bottles per hour

Can Line 1 : 36000 Cans per hour

Bottling Line 1 : 36000 bottles per hour

Directors' Report

Your Company's Directors have pleasure in presenting this Annual Report on the business and operations of the Company and the audited accounts of United Breweries Limited ('UBL' or 'your Company' or 'the Company') for the financial year ended March 31, 2021 ('the year under review', 'the year' or 'FY21').

FINANCIAL SUMMARY

Financial performance for the year ended March 31, 2021 is summarized below:

(Amount in Rupees Million)

STANDALONE FINANCIAL RESULTS	Year ended March 31	
	2021	*2020*
Gross Turnover	**101,834**	*146,465*
Net Turnover	**42,407**	*65,046*
Other Income	**502**	*91*
EBITDA	**4,298**	*8,835*
Exceptional Items	**(72)**	—
Depreciation and amortization	**(2,319)**	*(2,850)*
EBIT	**1,907**	*5,985*
Interest	**(227)**	*(311)*
Profit before Taxation	**1,680**	*5,674*
Provision for Taxation	**(551)**	*(1,402)*
Profit after Tax available for appropriation	**1,129**	*4,272*
Appropriations:		
Dividend on Equity Shares (including taxes thereon)	**(661)**	*(796)*
Transfer to the General Reserve	**(113)**	*(427)*
Other Comprehensive Income/(Loss)	**149**	*(115)*
Balance your Directors propose to carry to the Balance Sheet	**504**	*2,934*

The financial statements for the year ended March 31, 2021 have been prepared under Indian Accounting Standards ("Ind AS") pursuant to notification by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

From March 2020 India saw a rapid spread of COVID and as a consequence, Industry slowed down and effectively stopped functioning till first week of May 2020. Business opened up gradually only over the next few months with different levels of restrictions in off and on trade channels. Particularly on trade restrictions were lifted gradually only by October onwards. A number of States introduced higher COVID related excise taxation, which were in most cases fully or partly rolled back in the course of the financial year. These factors combined had adverse impact on despatches, sales performance as well as margins. In a year where industry remained sluggish due to COVID and other economic factors, your Company achieved a Net turnover of Rs. 42,407 Million. Being an exceptional year, like to like comparison of financial numbers is less meaningful. The Gross turnover of UBL stood at Rs.101,834 Million. Interest cost was contained with effective working capital management. EBITDA for the year under review stood at Rs. 4,298 Million as compared to Rs. 8,835 Million in the previous year. Increased input cost and increase in price of beer to consumers due to increases in duties and COVID induced reduction in volumes, not only dampened the demand but were also instrumental in putting pressure on margins.

Profit before Taxation for the year stood at Rs.1,680 Million. Profit after Taxation stood at Rs.1,129 Million.

DIVIDEND

We take pleasure in proposing a dividend of Re.0.50 per Equity Share of Re.1/- each for the year ended March 31, 2021. The dividend declared for the previous year was Rs. 2.50/- per Equity Share of Re.1/- each. The total dividend is Rs.132 Million, which amounts to about 11.7% of the Profit after Tax.

RESERVES

UBL proposes to transfer Rs.113 Million to the General Reserve.

CAPITAL

The Authorized Share Capital of the Company stands at Rs.9,990 Million, comprising Equity Share Capital of Rs.4,130 Million and Preference Share Capital of Rs.5,860 Million. The Issued, Subscribed and Paid-up Equity Share Capital of the Company as on March 31, 2021 remains unchanged at Rs.264.4 Million comprising 26,44,05,149 Equity Shares of Re.1/- each.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Summary

The financial year 20/21 has seen unprecedented circumstances due to the impact of COVID. This resulted in adverse circumstances for the Company due to lock downs, introduction by various States of COVID related additional taxation and prolonged closure of trade channels, including various restrictions on opening hours. Throughout the year, management focus has been on health & safety of employees and stakeholders, the introduction of socially distanced safe ways of working, reviving demand & keeping consumers engaged, while reducing costs and preserving cash. The Company would like to convey its heartfelt appreciation to its employees and stakeholders for showing resilience and dedication under the challenging circumstances. The Company has also actively supported the communities in which we operate through dedicated COVID relief and on-going CSR programmes.

In an extremely challenging year, we continued to engage our consumers both at home and away from home, we renewed our portfolio to provide a wider choice set and re-energized both our internal and external stakeholders by continuous engagement and inspiration. The 'Ghar pe Kingfisher' campaign, the expansion of our geographic footprint with Amstel, Ultra WitBier, Heineken 0.0 etc. and the integration with our partner ecosystem via the "Back to the Bars" program are cases in point. Our focus on our people was of paramount importance; not only were we able to operate within the strictest safety guidelines but were also able to keep the channels of communication seamless so that we could re-energize everyone and keep the good times going in an unprecedented period of difficulty.

During the financial year, the Company witnessed strong progressive demand recovery quarter by quarter. The various measures taken by management resulted in recovery of market shares in the second half of the year, improved underlying profitability and strong free operating cash flow results. With the onset of a second COVID wave at the start of financial year 21/22, the beer industry is again negatively impacted, and the outlook is volatile. The Company continues to put health & safety first and actively manages costs and cash flows. Although the trajectory of COVID is unknown, confidence is derived from the trends after the first COVID wave, whereby consumer behavior towards beer consumption remained intact.

While the Company navigates the near term challenging circumstances, the strategy is to remain focused on increasing category penetration, building a strong brand portfolio, managing costs and cash, ensuring further improvements on sustainability, while fostering a highly engaged workforce that is supported by best in class processes.

Industry Overview

Unlike other emerging economies, beer Industry in India continues to remain quite traditional and is controlled by State Governments. It remains highly regulated with high taxation, restrictions on cross border movements, constraints on production, retailing and other barriers. In many parts of the country, wholesale and/or retail distribution is controlled by State Government monopolies. Also, in over 60% of the markets, State Governments directly dictate the price at which beer can be sold. These State controlled regulations are in addition to all other Central legislations that govern any other Industry.

Beer has become one of the most popular alcoholic beverages in the country over the past two decades. Beer industry has registered a robust growth during the last one and half decades. From a total industry consumption of about 100 Million cases in 2005, the industry consumption crossed 300 Million cases per annum in 2019 prior to the impact of COVID. Three leading players contribute over 85% of the total industry sales with our Company maintaining its leadership in the Indian beer market. Beer comprises about 12% of the total alcohol consumed in India. While the alcohol beverages industry in India has been dominated by spirits, beer is emerging as the preferred alcoholic beverage for young Indians.

Compared to the global average per capita consumption of about 30 litres, the per capita consumption in India still hovers around 2 litres. However, the scope for growth in India continues to remain positive given the climate, young demographics and increasing disposable income.

Due to COVID, retail was completely shut from March 23, 2020 causing a considerable drop in sales for beer. Till first week of May 2020, dispatches could not be made due to lockdown. The initial months of the new financial year remained very challenging as retail reopened gradually in many states in India only after the 1st week of May. Demand was also negatively impacted due to increased taxation and other regulatory and logistical impediments. Generally, high-end consumer prices due to statutory levies inhibited the sales during the year.

On basis of alcohol content, beer in India can be categorized into Strong and Mild Beers. Strong beer which has an alcohol content between 6% and 8% dominates the beer market accounting for over 80% of the total beer consumed in India. The Super Premium beer segment within both the Strong and Mild beer categories has been growing faster than the overall beer industry. Industry volumes grew at a CAGR of about 7% during 2015 to 2020. However, during 2020-21, the Indian beer market shrunk for force majeure reasons of COVID.

The Industry has evolved from manufacturing standard beers such as strong and lager beer to flavoured and variety beers in line with trends in other developed countries. A plethora of beer brands are available in India to address the palate of various consumer segments. Majority of beer market growth is driven by young consumers, who consider beer a trendy drink, compared to traditional spirits.

Brew pubs have emerged in large cities such as Bengaluru, Pune and Gurgaon over the last few years. These outlets have introduced consumers to new types of beers for example 'wheat beer'. Our competitors too, have introduced brands from their international portfolio. UBL has been successful in addressing these new consumer trends and has introduced its own 'Kingfisher Witbier' thereby continuing to strengthen its position in the market.

Sales and Marketing

During FY21, UBL sales volume declined 38% due to COVID induced depressed market conditions. UBL continues to satisfy its customers with a wide range of quality products and innovative strategies with the ultimate objective of remaining at the fore-front of the highly competitive Indian beer market.

In 2020, the unprecedented extended periods of lockdown in India due to COVID, led our flagship brand Kingfisher to engage with consumers through interactive engagement in the digital medium. We ensured that the brand remained the primary preference among a shared beer audience. The messaging to encourage in-home consumption – 'Ghar pe Kingfisher' – was driven through a series of highly enjoyable and integrated communication pieces. We received multiple industry awards and accolades for the consumer connect we were able to create. The special AR-filter and AI-powered "Build Your Own Beat" campaign; and the "Kingfisher Bird Game"– where one needed to confine the bird within the walls of the home to drive the 'stay at home' message, are cases in point.

Staying agile in rapidly evolving times, Kingfisher launched a campaign when bars started opening up, to help them recover from the lockdown. We focused on three parameters – standing in solidarity with our trade partners; helping them create appropriate 'social distancing' and safety protocols in their establishments; and, in driving footfalls as the lockdown eased. We provided safety equipment including sneeze guards, sanitization stands, masks and gloves and sanitizers to more than 5000 outlets. Footfalls to outlets were driven through targeted digital campaigns. NRAI & INCA recognized UBL's effort with the 'Back to the Bars' campaign and felicitated us with an award.

The 2020 IPL presented a huge opportunity for brands to show consumers they were an authentic part of their real-time experiences during the lockdown, and Kingfisher contextualized and integrated it's highly successful "Kya Plan Hai" proposition with a backdrop of one's home, through a multitude of communication touchpoints. A series of short, digital-first video modules were effectively utilized to build consumption occasions for the brand. We also launched 'Home Packs' in the market, enabling consumer to stock up and enjoy responsibly in the safety of their homes.

The iconic Kingfisher Calendar continues to maintain its aspirational value, this time conceptualized and creatively manifested in the brand's own country, shot against the magical and scenic backdrop of Kerala. The brand drove buzz around this property and leveraged it on digital platforms in a large way, socializing it actively with its digital savvy patrons.

Tapping into the highly-engaged football cohort, Kingfisher created a unique campaign with FC Goa wherein it leveraged the reach of digital media. Fans were asked to cheer for their favourite team and lucky winners were given a chance to have their images on hoardings across Goa. This 'spectacular' opportunity saw high engagement and recall.

Ultra Witbier, UBL's foray into the craft & variety segment, launched in December 2019 in two markets, further expanded its presence into four new markets during the year. Despite the COVID-induced impediments, Ultra Witbier has created an enviable fan following among category consumers. The brand focused on driving awareness through product differentiation and occasion-led communication, engaging with the consumer through topical campaigns apropos to brand tenets. On-ground, at point-of-sale the brand focused on driving clutter-breaking visibility and product trials.

Kingfisher Ultra, our premium segment offering, launched its TVC featuring brand ambassador Farhan Akhtar on Digital and OTTs in March. Farhan Akhtar's versatility, suave demeanor and sophistication resonated with Ultra's brand ethos and values.

On-ground, Ultra continued its association with two prestigious Derby events in Bombay and Bangalore. The events were closed-door & limited capacity ones given COVID guidelines. However, impact was ensured through broad-reaching live-stream features on Facebook and YouTube and through our digital partners.

Music festivals at the end of 2020, the ubiquitous backdrops of year-end celebrations, were cancelled or permitted only for limited audiences. Kingfisher Ultra continued its association with the Satellite beachside music festival and provided its patrons with a safe and premium branded experience, very central to the brand's experiential leg. The 4-day festival in Goa connected both on-ground and digitally with 4000+ consumers.

Kingfisher Ultra revived its music IP Soul Flyp with a series of 10 metro city-based music events. Keeping in mind the prevailing situation, all events were limited capacity events with adherence to COVID appropriate behaviour.

Kingfisher Storm, a smooth, strong beer with bold blue packaging, continued engagement with young consumers with the well-received WOOFER campaign. The brand also extended its footprint entering the Northern markets of Delhi & Rajasthan. In spite of the challenges during this year, Kingfisher Storm was back in off-trade retail outlets with impactful instore promotions & visibility initiatives.

Heineken, one of the flagship brands in the portfolio, aimed to garner traction by amplifying its association with the UEFA Champions League Football via #The Kickoff Campaign, to celebrate the return of the pandemic-deferred tournament, commemorating this with an 8-hour live-streamed virtual festival with the world's biggest house music community – Defected Records – drawing attention from aficionados due to the brand's aspirational value and the talent it is associated with. This online event featured DJs from across the world in unique locations, headlined by global star Idris Elba & supported by the likes of Bob Sinclair and Purple Disco Machine.

Heineken went live with its first ingredient-centric campaign to propagate the message of purity and quality, indexing on the presence of pure malt in its brew. On-ground, the brand sponsored Krank & Sisterhood events under its 'Live Your Music' vertical, co-creating limited capacity events with partner-outlets, driving brand recall through platform associations and placement, in a difficult year. The events were amplified through digital channels. All events adhered to social distancing norms under the #SocialiseResponsibly initiative.

Heineken partnered with INCA & NRAI to reunite all stakeholders of the F&B community, to recognize the heroes who supported the industry during the pandemic, celebrating the human spirit, and discussing best practices for a better future in the new normal.

Owned social media channels, with broad reach capacity, acted as the platform for Heineken to broadcast its stance on 'Back to the Bars' behaviour. The global campaign was repurposed to help bars during their re-opening by encouraging consumers to #SocialiseResponsibly while providing awareness and visibility to help drive traffic to outlets.

Amstel International Strong Beer continued its footprint expansion despite the operational challenges of navigating through a difficult year. Haryana, Telangana & Maharashtra were added to the list of Amstel markets post the gradual unlock of last year.

In a year which posed significant challenges to the country, our organization focused on keeping our employees safe in the face of the raging pandemic and continued to engage with our consumers in a meaningful manner.

Supply Chain

Manufacturing expenses for the FY21 amounted to Rs.20,363 Million, representing 48% of net sales, as against Rs.31,603 Million in the previous financial year, which constituted 49% of net sales. UBL has focused primarily on following COVID safety guidelines at all our breweries prescribed by Ministry of Home Affairs and local administrations. Delivering volumes as per market demand post national lockdown coupled with tight cost control measures, expanding footprint for premium brands and cost-saving initiatives which have helped us achieve this in an environment impacted by uncertainty, lockdowns and disrupted supply chains for bottles and commodities.

Capacity expansion was carried out in our breweries in Telangana, Karnataka & Rajasthan. Our Telangana Brewery (UBGD) post expansion is the largest brewery in India with capacity of 3 mio HL/annum. Karnataka Brewery (UB Chamundi) is the largest Brewery (2.0 Million HL) in the state. Expansion of our Unit in Rajasthan with addition of Heineken footprint provides a hub for supply of premium brands in North India.

In our quest for sustainability, our total renewable energy usage for FY21 stood at 79.6%. UBL's own units consumed 30.0% electricity generated from renewable sources. To supplement this, 96% of thermal energy came from use of renewable sources. The renewable energy usage is equivalent to carbon footprint of 25,304 tons of CO_2 which is equivalent to 1.24 Million trees.

Bottles remain our biggest cost element. Due to constrained domestic capacity prior to start of 2020-21, imports were planned to bridge the gap and cover peak requirement. Volume drop due to COVID resulted in reduction of about 1,00,000 metric tons equivalent of Glass buying 38% which was mitigated by proportionately reducing contracted volumes with all suppliers without any financial impact. Volume drop in CANs by 47% was mitigated by extending hedge coverage into 2021-22 without any penalty on similar terms & conditions. Strategic long-term contracts are in place for new glass & cans which secures our requirement for coming year.

Recycled bottle collection continues to remain key focus area. Old bottle returns were impacted on account of COVID during 2020-21 due to disturbance in the old return supply chain & loss of bottles in few states due to higher cullet prices.

Value Engineering related to lower gauge cans, light weight ends and additional source from Ceylon Cans-Sri Lanka established during the year.

Barley-malt, the basic raw material in the manufacture of beer, has seen lower prices due to pandemic which lead to reduced demand from brewing as well as cattle feed sector. The prices of the competitive crops grown in the barley area however were trading at all time high prices. This led to a significant drop in barley acreages and farmers shifted their acreages towards those rewarding competitive crops.

We were also able to get the extension of delayed shipments on our imported malt contracts from Australia as well as Europe without any penalty.

In order to make inputs/raw material requirement simplistic across breweries, use of rice flakes was replaced with broken rice. Freight negotiations were routed through auction to contain price push in line with diesel prices.

Research and Development

UBL's Research and Development function continues to support its growth strategy with a focus on new capabilities, development of new products, enhancement of existing products, productivity improvement and cost reduction.

Human Resources

Human Resources (HR) develops UBL's most important asset – our people – by engaging and empowering them. At UBL, we recognize that the long-term success and sustainable growth of our organisation depends on our capacity to attract, retain and develop our employees. We are committed to provide our employees all over the country with a safe and healthy work environment and extend our support to ensure a balance of personal and professional life. The organisation fosters an open and transparent culture which drives ownership and nurtures entrepreneurial spirit amongst the employees. The Company believes in celebrating milestones, both big and small and encourages its people to connect, communicate and collaborate through various forums.

UBL has an inclusive culture and takes pride in being an equal opportunity employer. We encourage all forms of Diversity and believe that it adds to building a more engaged workforce thereby contributing to our business performance. Besides the mandated policies to develop a conducive work environment we have a Diversity and Inclusion Council that plays an active role in creating various platforms, opportunities and transparency.

Learning is ingrained in the UBL culture and employees are constantly encouraged and given ample opportunities to upgrade their knowledge and skill. We follow an integrated learning approach where on-the-job is the principal source of learning. The learning initiatives are also curated to build the talent and leadership pipeline to enhance organisational capability to compete and win in the market. Apart from our essential programmes, tailor made customised programmes are also offered to address the specific needs expressed by businesses, aimed at building specific capabilities at various levels of the organisation. The UBL Competency Framework helps in assessing the current and future talent capability. It also helps in highlighting the specific strengths to be further developed and flag critical skills for mitigation.

The organisation believes in ethical governance and abides by the robust policies laid down under Code of Business Conduct. The guidelines laid down in the Code help our employees in handling dilemmas and difficult ethical situations related to the business. Our employees and vendors can report any violation of the code via an online platform named Speak-Up. The platform is managed by a third party to ensure that the identity of the whistle blower is protected.

UBL uses technology effectively in all stages of employee life cycle from hire to retire. Instrumenting such technology has resulted in standardized automated processes, improved productivity and enhanced employee experience.

The inputs from our annual employee engagement survey help us in continuously improving our people practices, policies and programs and stay in touch with the expectations of our employees.

Industrial Relations continue to be harmonious and peaceful at all levels and at all locations of the Company. Timely Long-Term Settlements are done to ensure continuity in healthy industrial relations.

All the wage agreements have been renewed in a timely manner and are valid and subsisting. Workers and unions support implementation of reforms that impact quality, cost and improvements in productivity across all locations, which is commendable.

UBL has 3,070 employees on its rolls across all locations. The Company has not offered any stock options to the employees during the year under review.

Total employee benefit expenses for the year stood at Rs. 4,823 Million, as compared to Rs. 4,998 Million in the previous year. This constituted 4.7% of revenue from operations. Your Directors place on record their sincere appreciation to all employees for their contribution towards the continuous success of the organization.

Significant changes in Key Financial Ratios

Following are the Key Financial Ratios, where variance of more than 25% is noticed as compared to the previous financial year:

<u>Interest Coverage Ratio</u>: EBITDA is 28 times of interest in 2019-20, has come down to 19 times in 2020-21, on account of EBITDA degrowth by 49% while interest costs came down by 27%.

<u>Debt Equity Ratio</u>: Net debt at year end March 31, 2021 is zero against 6% of Shareholder funds as on March 31, 2020.

<u>Net Profit Ratio</u>: Net profit ratio decreased from 2.92% in 2019-20 to 1.11% in 2020-21, primarily on account of reduction in volumes.

<u>Return on Net worth</u>: Return on Net worth decreased from 12% in 2019-20 to 3% in 2020-21.

Impact of COVID

The entire world today is reeling under the threat of the unprecedented COVID pandemic. This had a huge and significant impact on the global businesses all over the world across sectors and economy including India. COVID has impacted businesses globally by disrupting supply chain, travel, production, consumption and services threatening operations and financial markets. Companies find themselves navigating a new reality, addressing issues from crisis response and business continuity to valuations and financial stress.

As a fall out, various state governments have imposed measures which included tax increases negatively impacting the industry. Majority of these tax increases were partly or fully rolled back during the financial year. The nationwide lockdown implemented in March 2020, led to complete closure of all outlets till May 04, 2020. On-trade sale was progressively closed in weeks leading up to March 23, 2020. State by State decisions led to on trade resuming operations from September & October 2020 onwards.

The ripple effect of lockdown will have a key impact on India's economy as all business sectors get affected, resulting in low revenue generation due to an eventual halt / slump on the sale of products and / or services. UBL is not an exception to this scenario. Given such a scenario, companies will have to operate differently to effectively manage the crisis. COVID has changed the way we live, work and use technology.

Beer companies reeled under pressure as the lockdown came at the onset of summer which comprises the bulk of sales. All these were a dampener, next to partial or full closure of bars & shops in an environment of overall lower economic growth and reduced consumer confidence.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

UBL firmly believes in growing the business in a socially and environmentally responsible way while meeting the interests of all its stakeholders. Our Company is committed to improving the lives of the community it works with and reducing impact of its operations on the environment it draws its resources from.

UBL is committed to water stewardship and makes conscious efforts to conserve and replenish water. Last year, we have spent more than 60% of our CSR funds on Water initiatives. In the next 5 years, we are focused to increase this commitment to 75%.

In addition to implementing large rainwater harvesting and watershed management projects in the vicinity of our breweries for water conservation, we also make extensive efforts in generating awareness in the communities on the adoption of rainwater harvesting practices, promoting climate resilient practices for agriculture and incorporating necessary infrastructure for water preservation. We have active water conservation projects running in the states of Rajasthan, Punjab, Haryana, Maharashtra, Telangana, Karnataka and Kerala. Our water projects have touched the lives of lakhs of people till date.

Our safe drinking water projects aim to provide a sustainable solution for clean drinking water and reduce water borne diseases resulting from consumption of contaminated water. The 1,000 lph Community Safe Drinking Water Hub in Tapukara Village, Rajasthan inaugurated last year, targets to give more than 10,000 denizens access to potable drinking water.

We collaborated with Canpack India to implement a unique initiative to develop an Urban Dense forest in Waluj MIDC area in Aurangabad, Maharashtra. We have planted 75,000 trees in 50 native species in an area of 5 acres to develop this forest and improve the biodiversity in this region using the Miyawaki technique of afforestation.

The COVID pandemic has taken innumerable lives and livelihood. As a responsible corporate citizen, our first response was to stand beside our co-communities and supply them with basic necessities during lockdown. Initiating discussions with the Panchayat and the people on the ground, UBL galvanized its NGO partners to carry a rapid needs assessment to find out requirement of the community. With the help of our NGO partners we distributed ration kits and hygiene kits in the villages benefitting more than 12,000 families all over the country. We also made provisions for ambulances and helped government schools conduct board exams safely in some of our co-communities.

Our next step was to support the brave frontline workers who have been risking their lives for the safety of the community. We got in touch with local government hospitals, police departments and donated PPEs, masks, sanitizers, safety overalls, immunity boosters etc. across the country.

The Amphan super cyclone caused widespread damage to life and property in West Bengal specifically in the ecologically sensitive Sunderbans. UBL supported the 1,400 affected families of 20 villages of Sunderbans with dry ration, household essentials, temporary shelter and hygiene essentials.

The Company has also spearheaded some of the critical community interventions to improve the socioeconomic conditions of its co-communities-major ones being infrastructure development of schools, supporting students through happiness boxes as an alternative to mid-day meals and enhancing the scope of digital learning in the pandemic-stricken world.

The Business Responsibility Report in the format prescribed under the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") is annexed as **Annexure-A**. Annual Report on CSR activities in terms of the Companies Act, 2013 ("the Act") and the Companies (Corporate Social Responsibility) Rules, 2014, is annexed as **Annexure-B**.

Sustainability

UBL's sustainability reporting articulates its perspective on the emerging forces in the global sustainability landscape and UBL's response on multiple dimensions like economic, ecological and social sustainability. We articulate key issues as well as opportunities that emerge and update our engagements. We are continually working towards reducing our water and energy consumption and adopting renewable sources of energy thereby reducing our carbon footprint. We are also continuously focusing on recycling our packaging materials. More than 65% of bottles used by us are recycled by us and the remaining is also recycled by bottle manufacturers and others. Our secondary packaging like carton is made using more than 80% recycled paper and the same is recycled upwards of 90% by trade. We have tied up with Central Pollution Control Board approved plastic waste recyclers to recycle 100% equivalent of the low-density polyethylene used in our manufacturing process.

Green Energy

UBL has been continuously marching ahead in its journey of maximizing usage of Green Energy. This journey demonstrates the organisational vision to lead the initiative by being proactive and thereby contribute to environmental protection. As an organisation, we currently use 78.7% of our total energy from Renewable Energy sources, with Thermal Renewable Energy contributing 95% and Electrical Renewable Energy at 30%. Our breweries in Karnataka and Tamil Nadu are leading the drive with Total Renewable Energy usage of more than 95% & 89% respectively. Electrical Renewable Energy has improved from 23% in FY19-20 to 30% in FY20-21 in our manufacturing facilities.

Awards

1) **Pollution Control Board:**
   - Our brewery at Nanjangud, Mysore won the "20th Annual Greentech Environment Award 2020" for Energy Efficiency.
2) **Safety:**
   - Our brewery at Palakkad received "Safety" award 2020 from Kerala State Department of Factories & Boilers, under Large Factories – Food and Food Product Category.
3) **Confederation of Indian Industry (CII) Environment, Health and Safety (EHS) Excellence Awards:**
   - Our brewery at Sangareddy, Telangana received "EHS 3 star rating" award for 2020 and also received supplement award for Best Hygiene at Work Place Initiatives.
   - Our brewery at Palakkad recognized with EHS sectoral award under Manufacturing - Food Process Category and "EHS 5 star rating (top rating)" award from CII.
4) **Total Productive Management (TPM):**

   In our Journey of Operational Excellence through Process of TPM, we are on continual improvement path and in FY 20-21, we bagged 3 Prestigious national level awards in the competition held by various forums like Confederation of Indian Industries etc.
   - Our Brewery at Ellora, Aurangabad was awarded at Kaizen Competition organized by Quality Circle forum of India.
   - Our Brewery at Palakkad, Kerala was awarded with Platinum award (Restorative Kaizen Category) at Challengers Trophy organized by CII Institute of Quality.
   - Our Brewery at Shahjahanpur, Rajasthan was awarded with Gold Medal at 39th Kaizen Competition organized by CII Institute of Quality (Innovative Kaizen Category).

OPPORTUNITIES, THREATS, RISKS & CONCERNS

Beer is an increasingly popular drink in India. However, for a variety of socio economic and religious reasons, India's current per capita consumption of beer still hovers below 2 litres which is well below the Global average of around 30 litres and Asia average of about 27 litres. We believe, such average low per capita consumption has a lot of room to grow in years to come given our population, climate, evolving attitude, increasing income and demography.

Attitude towards alcohol consumption is evolving particularly amongst youth, working women and other urban population who are gaining an appetite for beer as social drinking has become a more adaptable lifestyle in metros and tier two cities. For the urban youth, beer consumption is increasingly becoming part of their social interactions. Beer is gradually becoming a perfect after-work companion for corporate India as well.

India is the second most populous country in the world, with over 1.3 billion people, i.e. more than a sixth of the world's population. Over 50% of its population is below the age of 25 and more than 65% below the age of 35 as per United Nations, Department of Economic and Social Affairs statistics. Sheer size of India's population itself is a huge opportunity which will be continuously tapped for future growth.

During peak lockdown months, while the central government had permitted opening of shops to sell essentials, it had denied sale of alcoholic beverages, though a few states did allow online delivery of alcohol. State governments should encourage licensed retail outlets to set up their own portals to sell alcohol and allow aggregators for home delivery. But for the pandemic, there has been a steady growth of beer consumption in India. Except for the last financial year where sales and revenue may be adversely impacted due to the after effect of this force majeure circumstance, the opportunities for beer growth would stay northbound.

While Excise policies across States do not allow online supply or delivery of alcohol, the COVID pandemic has given the alcohol industry an opportunity to pursue home delivery and online sales which is likely to augment easy availability of beer. Should the Government continue to proactively open-up and regulate online sale of alcohol/home delivery it would be favourable for the beer industry in the long term. India has all the necessary infrastructure required for the successful e-commerce and online sale in beer. Your Company is actively supporting the development of these new initiatives.

Threats, Risks and Concerns

A variety of taxes & levies are imposed on beer during and after production, movement and sale by each state. These taxing impositions, pricing regulations, inadequate market infrastructure and restrictions on interstate movement of beer pose a great challenge to the industry. Despite drivers of growth in place, government intervention in distribution, ever increasing taxation, restricted communication and increased cost of raw material prices (glass, barley malt, other packaging material, etc.) and government restrictions applied on advertising, pose huge challenges to industry growth.

The threat to sales in some territories in the country arises due to changes in government regulations as also the threat of prohibitive actions which stems from constant changes in the political climate in the country.

Though sales have been prohibited in certain states, we have effectively identified avenues for increasing sales in other states. In entirety, the industry also faces the threat of partial or total prohibition based on political manifesto of the ruling party in a State.

There is a perennial threat of competition introducing new products in various segments. This would also include introduction of variety of craft and premium beers. Competition in the country's beer segment is witnessed amongst 3 major players. These companies compete in a healthy manner, based on product variants, product quality, distribution network, brand value and promotion strategies.

In order to cater to new consumers, capture market opportunities, compete with new launches by competitors and in continuous endeavour to offer new product ranges, UBL has added to its portfolio via "Kingfisher Ultra Witbier" in the premium segment. "Kingfisher Ultra Witbier" has been launched in the profitable markets of Karnataka and Goa and has received an encouraging response from consumers. Your Company plans to launch this brand in other relevant markets in a phased manner.

The distribution of beer in India is still largely controlled by the state-or state-owned corporations resulting in stricter regulations across various states so as to have better control over prices, consumption and excise duty. This is a great challenge.

Non-availability of water, rationing its supply and restrictions on withdrawal of ground water also poses a major threat. We have built infrastructure which helps in reduction of water consumption in breweries as a sustainability initiative. We have pro-actively managed sustainability under our "3R" policy to reduce, recycle and recharge as well as look at opportunities for water conservation through Rain Water Harvesting to achieve a positive or at least neutral water balance.

The Company focuses also on secure IT operations and addressing risks of cyber security. This includes risks from IT security lapses, malware and ransomware attacks, disruptions in key Enterprise Resource Processes and hacking, which could lead to disruptions in business operations and loss and/or leakage of confidential data.

Prospects

Beer has become one of the most popular alcoholic beverages in the country over the past two decades. The majority of beer market growth is driven by youth and consumers who consider beer a trendy drink as compared to traditional spirits. The healthy growth rate during the last one and half decades in the beer industry is an indication of the immense potential for growth open for Indian breweries. Many international brewers around the world have now created a base in India, either in the form of manufacturing or through distributors and joint ventures. As per market intelligence, pub and bar culture in India is escalating significantly, and is becoming more popular in the age group of 20-45. Further, the market is anticipated to grow at a CAGR of 6-8% over the next decade as alcohol consumption is growing in urban areas of the country.

Beer market in India has evolved from manufacturing usual beers such as strong and lager to flavored/craft beers owing to adoption of latest trends and technologies from western markets.

The per capita beer consumption in India is still very low at less than 2 litres compared to other countries in Asia Pacific region and therefore the market could witness huge growth in the coming years owing to factors such as the shift from hard liquor to beer consumption by consumers in India, increase in disposable income, change in societal perspective amongst others.

It is expected that the demand for premium beer will continue to rise in the future with an increase in personal disposable income and higher living standards. Your Company is actively making representations to various state governments for favourable beer taxation and encourage taxation on the basis of alcohol content, paving the way for incremental growth in the market. Barring the COVID impact, both in terms of revenues and sales volume, which may continue to last during the current FY21, the market is expected to further grow going forward.

The market has been growing mainly because of the growth in the younger demography of the population, proportionate increase in disposable income, rising preference for low alcohol beverage and gradual social acceptance. Drinking in bars is fast becoming a social phenomenon in cities such as Delhi, Gurgaon, Mumbai, Pune and Bangalore and with emergence of craft beers, the growth in beer consumption increased rapidly. The rising number of pubs and bars is another factor which increased beer consumption in metropolitan cities increased the range of product availability and improved the retail environment. Some state governments, for instance Maharashtra and Uttar Pradesh, offered separate licenses for beer sale further boosting the prospects for the industry.

For over three years, the Company has been directly exporting to UAE and a few other countries along with its existing licensing arrangements for brewing in UK (including supplies to European market), Australia, New Zealand and Nepal. The market in Singapore is now also served by a license arrangement.

While the Company navigates the near term challenging circumstances due to COVID, the strategy remains focused on increasing category penetration, building a strong brand portfolio, managing costs and cash, ensuring further improvements on sustainability, while fostering a highly engaged workforce that is supported by best in class processes.

We continue to believe in the long term growth potential of the beer market in India which we are convinced has secular tailwinds. While managing the crisis that descended on us, we have also taken the time to Refresh, Renew and Re-energize the business to realize this potential and keep the Good Times going forever.

Risk Management

Though already established efficiency programmes apply to all aspects of our business, there is a constant drive for further efficiencies and reducing cost. Backed by strong internal control systems, the current Risk Management Framework consists of key elements laying down the roles and responsibilities in relation to risk management covering a range of responsibilities, from the strategic to the operational. These role definitions, inter alia, provide the foundation for appropriate risk management procedures, their effective implementation across your Company and independent monitoring and reporting. The Risk Management Committee, constituted by the Board, monitors and reviews the strategic risk management plans of your Company as a whole and provides necessary directions on the same.

The Corporate Risk Management Cell, through focused interactions with businesses, facilitates the identification and prioritisation of strategic and operational risks, development of appropriate mitigation strategies and conducts periodic reviews of the progress on the management of identified risks.

The competitive environment is expected to remain intense. Your Company's strategy and focus remains consistent to robustly strengthen its leadership and thereby maintain its position as the clear leader in the Indian Beer Market. In line herewith, your Company endeavours to continually sharpen its Risk Management systems and processes in line with a rapidly changing business environment.

The COVID pandemic has triggered new risks in business operations. While the gravity of the pandemic is still unfolding, your Company pro-actively put in place Crisis/Contingency Management Teams, both at the Breweries as well as at the Corporate levels. These cross-functional teams, represented by senior management, continually review strategic, operational, financial matters as well as measures relating to employee well-being health and safety.

Detailed advisories have been issued to employees on how to safeguard themselves, their colleagues and associates, and their families both at the workplace as well as at their homes. These guidelines also provide details on social distancing norms, how they should seek help on any aspect concerning their health from within the organisational support system. Heightened safety protocols were implemented at all units that resumed operations, with end-to-end solutions from transportation of workmen, screening, regular deep cleaning and sanitisation, innovations to ensure safe distancing and strict adherence to hygiene standards and use of personal protective equipment where required.

Through these actions, your Directors are confident that your Company would sustain its leadership position, grow ahead of the market and realize improved profitability in the years to come.

Internal Control System

UBL has established a robust system of Internal Controls to ensure that assets are safeguarded, and transactions are appropriately authorized, recorded and reported. With the introduction of Internal Controls over Financial Reporting (ICFR) in the Act, we have made an evaluation of functioning and quality of internal controls and Corporate Governance Policy that guides the conduct of affairs of your Company and clearly delineates the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in governance.

The Internal Financial Control framework of your Company is established in accordance with COSO (Committee of Sponsoring Organizations) framework and is commensurate with the size and operations of your Company's business. In addition to statutory mandate, Internal Audit evaluates and provides assurance of its adequacy and effectiveness through periodic reporting. Controls in place are routinely evaluated and audited by Internal and Statutory Auditors and gaps are identified by the Auditors through a detailed testing exercise. The process of internal control ensures orderly and efficient conduct of business, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. Financial Statements are prepared based on Significant Accounting Policies that are carefully selected by management. The Accounting Policies are reviewed and updated from time to time.

These, in turn are supported by a set of Standard Operating Procedures (SOPs) that have been established for the business. Internal Control evaluates adequacy of segregation of duties, transparency in authorization of transactions, adequacy of records and documents, accountability & safeguarding of assets and reliability of the management information system. The systems, SOPs and controls are reviewed and audited by Internal Audit periodically for identification of control deficiencies and opportunities, whose findings and recommendations are reviewed by the Audit Committee and tracked through to implementation.

The Company believes that the overall internal control system is dynamic and reflects the current requirements at all times thereby ensuring that appropriate procedures and operating and monitoring practices are in place by regular audit and review processes to ensure that such systems are reinforced on an ongoing basis.

OTHER INFORMATION

Subsidiary Company

Maltex Malsters Limited is the only subsidiary in which your Company holds 51% of its Equity Share Capital. Maltex Malsters Limited is a non-listed entity and is not a material non-listed subsidiary as defined in Regulation 16(1)(c) of the Listing Regulations.

UBL has formulated a policy for determining material subsidiaries which is placed on the website of the Company www.unitedbreweries.com and is available through the webpage:
http://unitedbreweries.com/pdf/policyandcodes/Policy%20for%20Determining%20Material%20Subsidiaries-PDF.pdf

The consolidated financial statement of the Company including the financial statement of its subsidiary forms part of this Report in terms of the Act and the Listing Regulations. A statement containing the salient features of the financial statement of the subsidiary and associate is attached as **Annexure-C** to this Report.

Cash Flow Statement

A Cash Flow Statement for the year ended March 31, 2021 is appended.

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees and investments covered under Section 186 of the Act are given in the notes to the Financial Statements. The Company has not advanced loans to Directors/to a Company in which the Director is interested to which provisions of Section 185 of the Act apply and has not given loans/guarantees/provided security to which provisions of Section 186 of the Act apply.

Listing requirements

Your Company's Equity Shares are listed on the BSE Limited and National Stock Exchange of India Limited. Listing fees have been paid to these Stock Exchanges for the year 2021-2022.

Depository System

The trading in the Equity Shares of the Company is under compulsory dematerialization mode. The Company has entered into an agreement with National Securities Depository Limited and Central Depository Services (India) Limited in accordance with the provisions of the Depositories Act, 1996 and as per the directions issued by the Securities and Exchange Board of India. As the depository system offers numerous advantages, Members are requested to take advantage of the same and avail the facility of dematerialization of the Company's shares.

Deposits

There were no outstanding deposits at the end of the previous financial year. The Company has not invited any deposits during the year.

Ratio of Remuneration and Particulars of Employees

In terms of sub-section(1) of Section 136 of the Act, the Company has opted to provide full version of financial statements including consolidated financial statements, auditor's report and other documents required to be annexed to such financial statements excluding the details relating to ratio of the remuneration of each Director to the median employee's remuneration and remuneration drawn by certain employees over the threshold etc. as provided in sub-section(12) of Section 197 of the Act read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The details provided by the Company are in compliance with Section 136(1) of the Act and includes salient features of Form AOC-3A.

Also, in terms of second proviso to this Section, the Company shall keep open for inspection for all Members, statement relating to above details at its registered office. Any Member interested in inspection of the documents pertaining to above information or desires a copy thereof may write to the Company Secretary. The above details be treated as part of this Annual Report.

Cautionary Statement

Statements in this Report, particularly those which relate to 'Management Discussion and Analysis' and 'Opportunities, Threats, Risks and Concerns', describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

Employees Stock Option Scheme and Sweat Equity Share

The Company has not offered any shares to its employees or Key Managerial Personnel under a scheme of Employees' Stock Option and has also not issued any Sweat Equity Shares at any time.

Related Party Transactions

Details of transactions with related parties as defined in the Act and the Rules framed thereunder, the Listing Regulations and Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006, have been reported in the Notes to financial statements. Approval of the Audit Committee and the Board of Directors, as required under the Listing Regulations has been obtained for such transactions.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions which is placed on the website of the Company www.unitedbreweries.com and is available through the webpage: http://unitedbreweries.com/pdf/policyandcodes/Policy%20on%20Related%20Party%20Transactions.pdf.

All transactions entered by the Company during FY21 with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Familiarization programme for Independent Directors

During this year the Company has not appointed any new Independent Director. The existing Board comprises Executive, Independent and Non-Executive Directors who have been at the helm of Management of the Company for several years and are fully conversant with the business and operations of the Company. The Familiarization programme for new Independent Directors as and when inducted shall aim to familiarize them with the Company, their roles, rights, responsibility in the Company, market, business model of the Company etc. The Board of Directors has complete access to requisite information within the Company.

Familiarization is done at the Board Meeting itself where business is discussed at length along with Industry dynamics, Strategic planning and other relevant information. Presentations are regularly made to the Board of Directors/Audit Committee/Nomination & Remuneration Committee on various related matters, where Directors get an opportunity to interact with Senior Managers. The Company has issued appointment letters to the Independent Directors which also incorporates their role, duties and responsibilities. The details of the Familiarization Programme for Independent Directors is disclosed on the Company's website at the webpage:
http://unitedbreweries.com/pdf/policyandcodes/Familiarisation%20Programme.pdf

Whistle Blower Policy

The Company has adopted vigil mechanism which is a channel for receiving and redressing of complaints about any misconduct, actual or suspected fraud, actual or potential violations of the Company's code of conduct and any other unethical, unlawful or improper practices, acts or activities within the Company. The Company has formulated a Whistle Blower Policy for Employees & Directors and has ensured adequate safeguards against victimization of whistle blowers. The details of establishment of the vigil mechanism are disclosed on the website of the Company.

None of the Employees and Directors have been denied access to the Chairman of the Audit Committee.

Internal Complaints Committee

UBL has constituted an Internal Complaints Committee (ICC) at its Corporate / Registered Office and at all its breweries/ Regional Offices to consider and deal with all reported sexual harassment complaints. The constitution of the ICC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Investigations are conducted, and decision made by the ICC at the respective locations, and the constitution is as prescribed. Details of complaints pertaining to sexual harassment filed, disposed of and pending during the financial year are provided in the Corporate Governance and Business Responsibility Reports of this Annual Report.

Conservation of Energy

The Company is taking continuous steps to conserve energy. Its "Sustainability" initiatives are disclosed separately as part of this Report.

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as stipulated under Clause (m) of sub-section (3) of Section 134 of the Act read with the Companies (Accounts) Rules, 2014 is set out herewith as **Annexure-D** to this Report.

Code of Business Conduct and Ethics

The Board of Directors of UBL have adopted a Code of Business Conduct and Ethics in terms of the Listing Regulations which has been posted on the website of the Company viz., www.unitedbreweries.com.

Code for Prevention of Insider Trading

Your Company has adopted a comprehensive 'Code of Conduct to Regulate, Monitor and Report of Trading by Insiders' and also a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' relating to the Company, under the provisions of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Board of Directors have approved and adopted the 'Code of Conduct to Regulate, Monitor and Report of Trading by Insiders' and a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information'.

Directors

The Board of Directors of UBL currently comprises of eight Directors with a balanced combination of Executive, Non-Executive and Independent Directors.

Mr. A K Ravi Nedungadi, a Non-Executive Director retires by rotation at this Annual General Meeting (AGM), and being eligible, has offered himself for re-appointment. Resolution for re-appointment of Mr. A K Ravi Nedungadi is proposed at this AGM.

Mr. Rishi Pardal is the Managing Director.

Chief Financial Officer (Key Managerial Personnel)

Mr. Berend Odink is the Chief Financial Officer of the Company.

Meetings of the Board of Directors and Committees of the Board

The Meetings of the Board and Committees are pre-scheduled, and a tentative calendar of the meetings finalized in consultation with the Directors is circulated to them in advance to facilitate them to plan their schedule. In case of special and urgent business needs, approval is taken by passing resolutions through circulation. During FY21, six (6) Board Meetings were held. Other details including the composition of the Board and various Committees and Meetings thereof held in FY21 are given in the Corporate Governance Report forming part of this Report.

Meeting of the Independent Directors

During the year, two Meetings of Independent Directors were held on October 17, 2020 and March 24, 2021. All Independent Directors have given a declaration that they meet the criteria of Independence and in the opinion of the Board, the Independent Directors fulfill the condition of Independence as laid down under the Act and Listing Regulations.

Audit Committee

The Audit Committee of the Board of Directors is constituted to act in accordance with the terms of reference and perform roles, as prescribed under the Act and Listing Regulations. The composition of the Audit Committee, its terms of reference, roles and details of Meetings convened and held during the year under review is given in the Corporate Governance Report forming part of this Report.

During the year under review, all the recommendations of the Audit Committee were accepted by the Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted to act in accordance with the terms of reference and perform roles, as prescribed under the Act and Listing Regulations. The composition of the Nomination and Remuneration Committee, its terms of reference, roles and details of Meetings convened and held during the year under review is given in the Corporate Governance Report forming a part of this Report.

Policy on Performance Evaluation

UBL has formulated a Performance Evaluation Policy inter-alia prescribing evaluation criteria for Independent Directors and the Board of Directors of the Company. The Policy is posted on the website of the Company and is available through the webpage: http://unitedbreweries.com/pdf/policyandcodes/Directors%20Performance%20Evaluation%20Policy.pdf.

Performance Evaluation of Directors

Performance evaluation of Non-Executive Directors including Independent Directors, the Board as a whole and Committees of the Board is being carried out in accordance with the statutory provisions as contained in the Act and Listing Regulations.

To ensure an effective evaluation process, the Nomination and Remuneration Committee has put in place a robust framework for conducting the exercise with key steps and practices defined clearly. Performance of the Board is evaluated on various parameters such as composition, strategy, tone at the top, risk and controls and diversity. Also, a questionnaire for Committees is framed on parameters such as adherence to the terms of reference and adequate reporting to the Board. Parameters for the Directors include intellectual independence of the Director, participation in formulation of business plans, constructive engagement with colleagues and understanding of the risk profile of the Company.

Keeping in view the sensitivity, confidentiality is ensured. As part of this process, customized questionnaires, are circulated to all Directors of the Company. Each Director is required to undertake a self-assessment. Additionally, the effectiveness of the Board and Committees is also evaluated by each Member of the Board and Committee through an electronic platform and kept confidential.

Summary of responses received from Directors is placed at a Board Meeting.

Remuneration Policy

The Company carries out periodic reviews of comparable companies and through commissioned survey ascertains the remuneration level prevailing in these companies. The Company's Remuneration Policy is designed to ensure that the remuneration applicable to Managers in the Company is comparable with Multi-national Companies operating in Brewing or similar industry in India. In line with statutory requirements, the Board of Directors has adopted a Remuneration Policy for Directors, Key Managerial Personnel (KMP) and other employees of the Company. The Remuneration Policy lays down the criteria for appointment and removal of Directors, KMP and Senior Management. The Policy also prescribes the criteria and manner for fixation and approval of remuneration payable to Directors, KMP and other employees. The Policy is posted on the website of the Company www.unitedbreweries.com.

Dividend Distribution Policy

As required under Regulation 43A of the Listing Regulations, the Company has formulated a Dividend Distribution Policy. This policy can be viewed on the Company's website at www.unitedbreweries.com.

Foreign Exchange Earnings and Outgo

During FY21, total foreign exchange earnings of the Company stood at Rs. 768 Million (Previous Year: Rs. 1,953 Million) and foreign exchange outgo stood at Rs.1,641 Million (Previous Year: Rs. 3,754 Million).

Corporate Governance Report

Report on Corporate Governance forms a part of this Report along with the Certificate from the Company Secretary in Practice.

Annual Return

As required under sub-section (3) of Section 92 of the Act as amended by the Companies (Amendment) Act, 2017, the Company has placed a copy of the Annual Return in Form MGT-7 on its website www.unitedbreweries.com and is available through the webpage:
https://www.unitedbreweries.com/pdf/AGM/Annual%20Return%20MGT-7%20-%202020-2021.pdf

Auditors and the Auditor's Report

Messrs S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) were re-appointed as Auditors of the Company by the Members at the AGM held on September 23, 2017 to hold office for a period of five years till the conclusion of the AGM in 2022. In terms of Section 139 of the Act, as amended by the Companies (Amendment) Act, 2017 notified on May 07, 2018, appointment of Auditors need not be ratified at every AGM. Accordingly, the Notice convening the ensuing AGM does not carry any resolution for ratification of appointment of Statutory Auditors. The Auditors have confirmed that they continue to fulfil the criteria for appointment as Auditor's of the Company as prescribed under the Act and the Rules framed thereunder.

There are no qualifications or adverse remarks in the Auditor's Report.

Secretarial Audit

Pursuant to Section 204 of the Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Sudhir Hulyalkar, Company Secretary in Practice, to undertake Secretarial Audit of the Company for the FY21. The Secretarial Audit Report forms part of this Report and is annexed as **Annexure-E**.

There are no qualifications or adverse remarks in the Secretarial Audit Report.

Reporting of frauds by auditors

During the year under review, under Section 143(12) of the Act, neither the statutory auditors nor the secretarial auditor have reported to the audit committee, any instance of fraud committed against the Company by its officers or employees, the details of which would be required to be mentioned in this Report.

Details of Significant and Material Orders

No order/s have been passed or stringent action taken by any Regulator or Court or Tribunal impacting the going concern status of the Company. However, we bring to your attention the following developments/orders for sake of transparency.

(i) It is in public domain that United Breweries (Holdings) Limited {UBHL}, a promoter of UBL was ordered to be wound up by Hon'ble High Court of Karnataka vide dated February 07, 2017. Appeal filed by UBHL against the said winding up order was dismissed by the Hon'ble Karnataka High Court on March 06, 2020. Against this dismissal, a special leave petition has been filed by UBHL before the Hon'ble Supreme Court of India. The Supreme Court on October 2, 2020 had also allowed the winding-up of UBHL. However, UBL has not received any confirmation from UBHL in terms of Supreme Court order of Winding-up.

(ii) As per disclosures received by UBL in May 2018 under SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Substantial Acquisition of Shares and Takewwovers) Regulations, 2011 from a few Promoter companies controlled by Dr. Vijay Mallya, we notice that 41,315,690 Equity Shares held by such entities in UBL constituting 15.63% of the total paid up capital have been transferred to the demat account of Enforcement Directorate (ED), Mumbai, Government of India. Earlier, in August 2017, 1,389,068 Equity Shares constituting 0.52% of the total paid up capital were also transferred to the demat account of ED. The ED now holds 42,704,758 Equity Shares constituting 16.15% of the total paid up capital in the Company. UBL has not received any communication from the ED in this regard. As per the legal opinion obtained by the Company with respect to such transfer of shares, the ED has only taken possession of the Equity Shares under the Prevention of Money Laundering Act, 2002 and these Equity Shares have not been confiscated. Transfer of these shares, therefore, may not constitute a transfer of ownership.

Further, the Recovery Officer-I, DRT-II, Bengaluru has transferred 7,404,932 Equity Shares comprising 2.80% of the total paid-up Equity Share capital of the Company in its name from the demat account of UBHL which is under liquidation. However, UBL has not received any disclosure from UBHL in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011. The Recovery Officer-I, DRT-II, pursuant to a block deal through BSE/NSE on March 27, 2019 has transferred 7,404,932 constituting 2.80% Equity Shares of the Company to Heineken International B.V.

(iii) Pursuant to Order of Debt Recovery Tribunal, Karnataka, Bengaluru dated September 30, 2015, dividend for the financial years 2015-2016 onwards payable to Dr. Vijay Mallya and United Breweries (Holdings) Limited (UBHL) have been withheld till disposal of the O.A. The Recovery Officer-I, DRT-II, Bengaluru vide letter dated October 11, 2018 directed the Company to make payment of dividend for the financial year 2017-2018 on Equity Shares held by UBHL in the Company to the account of Recovery Officer-I, DRT-II. Thereafter, the Official Liquidator, vide letter dated October 26, 2018 informed the Company that the Hon'ble High Court of Karnataka has directed the Official Liquidator by Order dated August 29, 2018 to collect rent and other income due to UBHL, the Company which is in liquidation. The Official Liquidator also directed the Company to remit the dividend aggregating to Rs.7,83,89,631.10 for the financial years 2015-2016, 2016-2017 and 2017-2018 payable to UBHL to the account of Official Liquidator. Accordingly, the Company has remitted the aforesaid dividend amounts to the account of Official Liquidator.

(iv) Effective April 05, 2016, the State Government of Bihar had imposed a ban on sale and consumption of alcoholic beverages in Bihar though it had permitted manufacture of alcoholic beverages for export out of the State vide Notification dated April 05, 2016. The said Notification of Bihar Government imposing ban was struck down by Patna High Court vide Judgement dated September 30, 2016. The State Government of Bihar has challenged the Judgement of Patna High Court in Supreme Court which is pending. Subsequently, effective April 01, 2017, total prohibition (including export out of state) has been imposed in Bihar State and production of beer at the Company's brewery at Kopakalan, Naubatpur, Patna was discontinued. The Company has since commenced manufacture of non-alcoholic beverages at its above facility.

(v) Pursuant to enquiry initiated by Competition Commission of India ("CCI") on October 10, 2018 in relation to allegations of price-fixation and cartelisation, the office of the Director General, Competition Commission of India had completed its investigation in November 2019 and had filed its investigation report (DG Report) with the CCI. The CCI had permitted UBL and other parties to the enquiry, to file their comments/objections to the DG Report and appear for an oral hearing in the matter. Hearings were held on February 11, 2021 and March 12, 2021 respectively. UBL filed its response and argued during the oral hearings countering the DG report. Subsequently written submissions were filed with the CCI. The Management, along-with its legal advisors, believe that there are likely mitigating circumstances to counter presumptions made against the Company by the CCI as contained in the Competition Act, 2002. Orders are not yet passed.

The orders/proceedings mentioned above do not have any impact on going concern status of the Company.

Directors' Responsibility Statement

Pursuant to clause (c) of sub-section (3) of Section 134 of the Act, 2013, the Board of Directors report that:

(a) in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and ensured that such internal financial controls are adequate and were operating effectively, and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and ensured that such systems were adequate and operating effectively.

All Annexures referred to in the Directors' Report have been disclosed under the Statutory Information forming part of this Annual Report.

ACKNOWLEDGEMENT AND APPRECIATION

Your Directors take this opportunity to thank UBL's customers, shareholders, suppliers, bankers, business partners and associates, financial institutions and central and state governments for their consistent support and encouragement to the Company. Finally, your Directors would like to convey sincere appreciation to all the employees of the Company for their hard work and commitment.

By Authority of the Board

	Rishi Pardal	**Sunil Kumar Alagh**
April 27, 2021	Managing Director	Director
Bengaluru	DIN: 02470061	DIN: 00103320

Corporate Governance Report

As manifested in the Company's vision, United Breweries Limited (UBL) has always strived for excellence in Corporate Governance. Beyond mere compliance, we are committed towards taking all strategic initiatives to enhance Shareholders' wealth in the long term. In pursuit of corporate goals, the Company accords high importance to transparency, accountability and integrity in its dealings. Our philosophy on Corporate Governance is driven towards welfare of all the Stakeholders and the Board of Directors remains committed towards this end.

The Board of Directors supports the broad principles of Corporate Governance and lays strong emphasis on its role to align and direct the actions of the Company in achieving its objectives.

BOARD OF DIRECTORS

The Company is managed and controlled through a professional Board of Directors. The Board comprises of a balanced combination of Non-Executive and Independent Directors in addition to the Managing Director. The Board consists of eminent persons with considerable professional expertise and experience.

Executive Director

Mr. Rishi Pardal (Managing Director)

Non-Executive Directors

Mr. A K Ravi Nedungadi
Mr. Christiaan A J Van Steenbergen
Mr. Jan Cornelis van der Linden

Independent Directors

Mr. Sunil Alagh
Ms. Kiran Mazumdar Shaw
Mr. Madhav Bhatkuly
Mr. Stephan Gerlich

Chief Financial Officer — Mr. Berend Odink

Senior Vice President – Legal & Company Secretary — Mr. Govind Iyengar

Audit Committee

Mr. Madhav Bhatkuly	Chairman
Mr. Jan Cornelis van der Linden	Member
Mr. Sunil Alagh	Member

Corporate Social Responsibility Committee

Mr. Stephan Gerlich	Chairman
Mr. Rishi Pardal	Member
Mr. A K Ravi Nedungadi	Member
Mr. Christiaan A J Van Steenbergen	Member
Ms. Kiran Mazumdar Shaw	Member

Nomination and Remuneration Committee

Ms. Kiran Mazumdar Shaw	Chairperson
Mr. A K Ravi Nedungadi	Member
Mr. Christiaan A J Van Steenbergen	Member
Mr. Sunil Alagh	Member

Stakeholders' Relationship Committee

Mr. Madhav Bhatkuly	Chairman
Mr. A K Ravi Nedungadi	Member
Mr. Sunil Alagh	Member
Mr. Stephan Gerlich	Member

Risk Management Committee

Mr. Sunil Alagh	Chairman
Mr. Rishi Pardal	Member
Mr. Jan Cornelis van der Linden	Member
Ms. Kiran Mazumdar Shaw	Member
Mr. Madhav Bhatkuly	Member
Mr. Stephan Gerlich	Member
Mr. Berend Odink	Member

In addition to the above mentioned mandatory Committees required to be constituted as per Companies Act, 2013 and/or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), a few other Non-mandatory Committees are also constituted by the Board, details whereof are disclosed in this report.

Auditors — S.R. Batliboi & Associates LLP, Chartered Accountants

Registrar and Share Transfer Agent — Integrated Registry Management Services Private Limited

Profile of Directors and their other Directorships

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
Mr. Rishi Pardal (DIN: 02470061) Mr. Rishi Pardal has been appointed on the Board of UBL effective August 01, 2020. Mr. Rishi came to UBL from Avery Dennison Corporation, a Fortune 500 Company which he joined in November 2010 as Vice President and Managing Director of Retail Brand and Information Solutions, South Asia. He championed significant growth and profitability improvement at businesses across India, Bangladesh, Sri Lanka and Pakistan. In 2014, Mr. Rishi was appointed to the position of Vice President and General Manager, North Asia where he made equally significant progress. In June 2017, he was promoted to his last position i.e., Vice President of Global Apparel Solutions for Retail Brand and Information Solutions and was a Member of Corporate Leadership Team of Avery Dennison Corporation. As a Member of the Corporate Leadership Team, Mr. Rishi was engaged in contributing to strategy and initiatives that have a global and cross Business impact for Avery Dennison Corporation including sustainability, diversity, business policies etc. Prior to Avery Dennison Corporation, Mr. Rishi was Managing Director of Marico Bangladesh Limited, following a 14-year career in various Management roles with Hindustan Unilever Limited. He has extensive experience in sales and customer development, marketing, corporate governance, brand equity and talent development. Mr. Rishi has completed his Masters' Program in International Business from the Indian Institute of Foreign Trade, New Delhi. He has also completed various functional, leadership and Management Development Programs from Northwestern-Kellogg's, IMD and Harvard Business School (in-progress).	**Other Directorship:** Vitalink Technologies Private Limited. (Applied to the Registrar of Companies for Striking off and is under consideration). **Other Committee Membership:** NIL **Areas of Expertise:** Business Strategy, Sales & Marketing, Customer Development, Corporate Governance, Brand Equity and Talent Development
Mr. A K Ravi Nedungadi (DIN: 00103214) A trained Chartered and Cost Accountant, Mr. Nedungadi joined the United Breweries Group in 1990 as the Corporate Treasurer. Within two years, he became the Group Finance Director of the Group's International business headquartered in London which comprised the paint giant Berger Jenson and Nicholson having operations spanning 27 countries. He played a lead role in listing the Berger Group Companies on various international Stock Exchanges including the London and Singapore bourses. Since his appointment as the President and Group CFO in 1998, he led the way to sharpening the focus of the Group, which had a conglomerate approach, on areas of competence and global reach. This saw the Group focus on clearly defined verticals each area presenting clear leadership within India and global significance. He played a key role in a number of corporate actions including domestic and international acquisitions, mergers, etc. leading to a manifold increase in the market capitalization of the Group. Mr. Nedungadi is the recipient of many awards of excellence, including Udyog Ratan Award, IMA's CFO of the Year, CNBC TV 18's – CFO of the Year – M&A, etc. Memberships in esteemed organizations like Who's Who of Professionals only reinforce the above testimonials. Mr. Nedungadi has been on the Board of UBL since August 09, 2002.	**Other Directorship & Committee Membership:** NIL **Areas of Expertise:** Business Strategic and Financial Planning

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
Mr. Christiaan A J Van Steenbergen (DIN: 07972769) Mr. Christiaan A J Van Steenbergen was appointed Chief Human Resources Officer of Heineken in May 2014. Prior to that, he was Executive Vice President Corporate HR of Royal DSM since 2010 based in Heerlen, the Netherlands. He is a lawyer by training and has spent more than 20 years in Senior HR and operational roles. He was Chief Human Resources Officer Cadbury, President Europe Cadbury, for 8 years from 2002 to 2010. Prior to Cadbury, he held different positions in Quick Restaurants SA in Belgium as CEO and in Randstad Belgium as Managing Director. He retired from Heineken effective March 01, 2021. Mr. Christiaan A J Van Steenbergen has been on the Board of UBL since November 08, 2017.	**Other Directorship & Committee Membership:** NIL **Areas of Expertise:** Legal and Human Resource, Business Strategy, Brand Building and Leadership
Mr. Jan Cornelis van der Linden (DIN: 08743047) Mr. Jan Cornelis van der Linden, is an MBA in Business Administration from Erasmus University, Rotterdam, Netherlands. He has completed various Management Development Programs from Harvard Business School, Wharton – University of Pennsylvania, INSEAD Business School and University of Michigan. He joined Heineken in 1999 as Management Trainee, and since then has worked in increasingly senior international management positions in Sales, Marketing and General Management. From 1999-2008 he worked in Africa, Ireland and was part of the Management Team at Group Commerce, Heineken International, in the capacity of Global Brand Director Amstel. In 2008 he became Executive Board Member of Nigerian Breweries Plc., and joined the Management Team at Heineken UK in 2012. In 2015 he was appointed as Managing Director of Heineken China and in August 2019 he was appointed as Managing Director of Heineken Vietnam. Currently, Mr. van der Linden is President Asia Pacific, Heineken. Mr. Jan Cornelis van der Linden has been on the Board of UBL since June 01, 2020.	**Other Directorship & Committee Membership:** NIL **Areas of Expertise:** Business Development, Business Strategy & Transformation, Marketing and Commercial.
Mr. Sunil Alagh (DIN: 00103320) Mr. Sunil Alagh is the Managing Director of SKA Advisors Private Limited, a Business Advisory / Consultancy firm with a focus on Marketing and Brand building strategies. He is a graduate in Economics (Hons.) with MBA from IIM Calcutta. He has worked with ITC Limited, Jagatjit Industries Limited and Britannia Industries Limited. He was Managing Director and CEO of Britannia Industries Limited from 1989 to 2003. During this tenure, Britannia figured in the Forbes Magazine list of 300 Best Small Companies in the world for 3 years. It also became the Number 1 food Brand in India. He is on the Board of Indofil Industries Ltd. In addition, he was a Senior Advisor to AXA, France, a Member on Advisory Board of Vikas Ecotech Ltd., New Delhi and on the Executive Committee of the Federation of Indian Chambers of Commerce and Industry (FICCI). He is a former Member of the Board of IL&FS Investsmart Ltd., the Indian Advisory Board of Schindler Switzerland, Board of Governors' of IIM Bangalore and IIM Indore, the Governing Council of the National Institute of Design, Ahmedabad and a Member of the Round Table on Higher Education of the Ministry of HRD, Government of India. He is also the past Board Member of Prasar Bharati, India. He was honoured with the 'Gold Medal Kashlkar Memorial Award 2000' for outstanding contribution to the food processing industry in India. He was a finalist for the Ernst and Young Entrepreneur of the Year Award, 2002. Mr. Alagh has been on the Board of UBL since April 29, 2005.	**Other Directorships:** - Indofil Industries Limited - SKA Advisors Private Limited **Other Committee Membership:** - Indofil Industries Limited – Audit Committee; - Indofil Industries Limited – Stakeholders' Relationship Committee. **Areas of Expertise:** Business Strategy with emphasis on Marketing and Brand Building.

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
Ms. Kiran Mazumdar Shaw (DIN: 00347229) Ms. Kiran Mazumdar-Shaw is a pioneering biotech entrepreneur, a healthcare visionary, a global influencer and a passionate philanthropist. She is a pioneer of India's biotech industry and founder of Biocon. She is the proud recipient of two of India's highest civilian honours, the Padma Shri (1989) and the Padma Bhushan (2005). She was also honoured with the Order of Australia, Australia's Highest Civilian Honour in January 2020. In 2016, she was conferred with the highest French distinction - Knight of the Legion of Honour. Ms. Mazumdar-Shaw has been ranked amongst the world's top 20 inspirational leaders in the field of biopharmaceuticals in The Medicine Maker Power List 2021, she has been on this list every year since 2015. Her achievements have been recognised with the 'Lifetime Achievement Award for Outstanding Achievement in Healthcare' by the Indian Council of Medical Research (ICMR), New Delhi. She has most recently been named as the winner of EY World Entrepreneur of the Year 2020 Award. She holds key positions in various industry, educational, government and professional bodies globally. She has been elected as a full-term Member of the Board of Trustees of The Massachusetts Institute of Technology (MIT), USA. She has been elected as a Member of the prestigious USA based National Academy of Engineering (NAE), for her contribution to the development of affordable bio-pharmaceuticals and the biotechnology industry in India. Ms. Mazumdar-Shaw pioneered the setting up of Association of Biotech Led Enterprises (ABLE), which has been instrumental in bringing government, industry and academia together to charter a clear and progressive growth path for biotechnology in India. She is a founder Member of Karnataka's Vision Group on Biotechnology and currently chairs this forum. She holds a bachelor's degree in science (Zoology Hons.) from Bangalore University and a master's degree in malting and brewing from Ballarat College, Melbourne University. She has been awarded with several honorary degrees from the Universities of repute including Ballarat (2004), University of Abertay (2007), University of Glasgow (2008), Heriot-Watt University (2008), National University of Ireland (2012), Trinity College, Dublin (2012), Deakin University (2019) for her pre-eminent contributions in the field of biotechnology. Ms. Mazumdar-Shaw has been on the Board of UBL since October 26, 2009.	**Other Directorships:** - Biocon Limited (Executive Chairperson); - Syngene International Limited (Non-Executive Chairperson); - Biocon Biologics Limited (Executive Chairperson); - Narayana Hrudayalaya Limited; - Infosys Limited; - Biocon Pharma Limited; - Biocon Biosphere Limited; - Biofusion Therapeutics Limited; - Mazumdar Shaw Medical Foundation; - Biocon Academy; - Narayana Vaishno Devi Speciality Hospitals Private Limited; - Immuneel Therapeutics Private Limited; - Invest Karnataka Forum; - Science Gallery Bangalore. **Other Committee Membership:** Biocon Pharma Limited – Audit Committee (Chairperson). **Areas of Expertise:** Biotechnology.
Mr. Madhav Bhatkuly (DIN: 00796367) Mr. Madhav Bhatkuly has a Master's Degree in Commerce from Sydenham College, Bombay and a Master's Degree in Economics from the London School of Economics. He is a recipient of the Foreign and Commonwealth Scholarship from the British Government. Mr. Bhatkuly was a country partner of Arisaig Partners from 1999 to 2005. Prior to that, he was associated with SG Securities and ICICI Bank Limited. He partnered with Chris Hohn of The Children's Investment Fund, (UK) TCI to set up a dedicated India Fund.	**Other Directorships** New Horizon Wealth Management Private Limited **Other Committee Membership:** NIL **Areas of Expertise:** Finance and Economics.

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
He is credited to have been amongst the first institutional investors in many small Companies which have gone on to become some of India's leading names. He has been featured on several TV shows including "CNBC's Wizards of Dalal Street", Indianomics, the Karan Thapar Show etc. and has been invited to speak at many business schools such as the Indian Institute of Management and by many organisations such as the Confederation of India Industries (CII), Goldman Sachs etc. He currently serves as Director on the Board of New Horizon Opportunities Master Fund (NHOF). Mr. Bhatkuly has been on the Board of UBL since October 26, 2009.	
Mr. Stephan Gerlich (DIN: 00063222) Mr. Stephan Gerlich retired from Bayer after 41 years working with Bayer in different functions and Countries across Mexico, United States of America, France and India. For 11 years he was Managing Director for Bayer in India, based in Mumbai. Mr. Stephan Gerlich retired as Managing Director of Bayer de Mexico in October 2019 and now lives in his home country, Germany, since then. Mr. Gerlich has been on the Board of UBL since July 02, 2010	**Other Directorship & Committee Membership:** NIL **Areas of Expertise:** Overall Business Management & Operations in Healthcare, Crop Science & Material Science.

Note: Committee Memberships of Directors mentioned above includes only those Committees prescribed for reckoning of limits under Regulation 26(1)(b) of the Listing Regulations. None of the Directors are related inter-se.

Membership in Boards and Board Committees - other than United Breweries Limited (UBL)

Name of the Directors	Membership in Boards other than UBL in India	Membership in Board Committees other than UBL	
		Prescribed for reckoning the limits under Regulation 26(1)(b) of Listing Regulations*	Other Committees not so prescribed**
Mr. Rishi Pardal	1 ***	NIL	NIL
Mr. A K Ravi Nedungadi	NIL	NIL	NIL
Mr. Christiaan A J Van Steenbergen	NIL	NIL	NIL
Mr. Jan Cornelis van der Linden	NIL	NIL	NIL
Mr. Sunil Alagh	2	2	3
Ms. Kiran Mazumdar Shaw	14	1 (Chairperson of 1 Committee)	8
Mr. Madhav Bhatkuly	1	NIL	NIL
Mr. Stephan Gerlich	NIL	NIL	NIL

* Audit Committee and Stakeholders' Relationship Committee.

** Nomination and Remuneration Committee, Share Transfer Committee and Other Committees.

*** Applied to the Registrar of Companies for Striking off and is under consideration.

The above position is as on the date of this Report and in respect of their Directorships only in Indian Companies.

Notes:

a) Mr. Rishi Pardal is a Director in 1 Private Limited Company which has been applied to the Registrar of Companies for Striking off and is under consideration.

b) Mr. A K Ravi Nedungadi is on the Board of 1 Overseas Company.

c) Mr. Christiaan A J Van Steenbergen is on the Board of 1 Overseas Company.

d) Mr. Jan Cornelis van der Linden is on the Board of 12 Overseas Companies.

e) Mr. Sunil Alagh is a Director in 2 Companies. Out of which 1 is a Private Limited Company.

f) Ms. Kiran Mazumdar-Shaw is a Director in 14 Companies. Out of which 2 are Private Limited Companies and 4 are Section 8 Companies under the Companies Act, 2013. Ms. Mazumdar is also on the Board of 9 Overseas Companies.

g) Mr. Madhav Bhatkuly is a Director in 1 Private Limited Company. Mr. Bhatkuly is also on the Board of 1 Overseas Company.

h) Mr. Stephan Gerlich is not a Director in any other Company.

The skills/expertise/competencies available with the Board are as per the matrix given below:

Skills	**Mr. Rishi Pardal**	**Mr. A K Ravi Nedungadi**	**Mr. Christiaan A J Van Steenbergen**	**Mr. Jan Cornelis van der Linden**	**Mr. Sunil Alagh**	**Ms. Kiran Mazumdar Shaw**	**Mr. Madhav Bhatkuly**	**Mr. Stephan Gerlich**
Business Strategy, Brand Building and Leadership	✓	✓	✓	✓	✓	✓		✓
Sales and Marketing	✓			✓	✓			
Strategic Planning	✓	✓		✓		✓		
Financial Management and Economics	✓	✓		✓			✓	
Legal and Human Resource			✓					
Industry Knowledge	✓	✓		✓		✓		
General Administration	✓							✓
Research and Innovation				✓		✓		

Board Meetings

Matters of policy and other relevant and significant information are regularly made available to the Board. In order to ensure better Corporate Governance and transparency, the Company has constituted an Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Share Transfer Committee, Corporate Social Responsibility Committee, Risk Management Committee, Borrowing Committee and Special Purpose Committee to look into the Terms of Reference of each Committee.

In addition to securing Board approvals for various matters prescribed under the Companies Act, 2013, matters such as annual budget, operating plans, material show cause notices and demands, if any, minutes of Committee Meetings and subsidiary Company, control self-assessment, risk management and updates thereof are regularly placed before the Board. There is a comprehensive management reporting system involving preparation of operating results and their review by senior management and by the Board.

During the financial year ended on March 31, 2021, six (6) Board Meetings were held on June 24, 2020, July 08, 2020, August 14, 2020, November 06, 2020, January 28, 2021 and March 10, 2021. Mr. Stephan Gerlich is the Acting Chairman of the Board.

Attendance at Board Meetings and Annual General Meeting (AGM)

Names of the Directors	Category	Number of Board Meetings Held	Number of Board Meetings attended	Attendance at the last AGM held on 26.08.2020
Mr. Rishi Pardal*	Managing Director	6	4	YES
Mr. Shekhar Ramamurthy*	Managing Director	6	2	N.A.
Mr. A K Ravi Nedungadi	Director (NE)	6	6	YES
Mr. Christiaan A J Van Steenbergen	Director (NE)	6	6	YES
Mr. Jan Cornelis van der Linden	Director (NE)	6	6	YES
Mr. Sunil Alagh	Director (IND)	6	6	YES
Ms. Kiran Mazumdar Shaw	Director (IND)	6	6	YES
Mr. Madhav Bhatkuly	Director (IND)	6	6	YES
Mr. Stephan Gerlich	Director (IND)	6	6	YES

Notes: NE – Non-Executive, IND – Independent.

* Mr. Rishi Pardal replaced Mr. Shekhar Ramamurthy with effect from August 01, 2020

COMMITTEES OF DIRECTORS

The Board has constituted Committees of Directors as mandatorily required and to deal with matters which need urgent decisions and timely monitoring of the activities falling within their terms of reference. The Board Committees are as follows:

Audit Committee

The Audit Committee comprises of Mr. Madhav Bhatkuly, Mr. Jan Cornelis van der Linden and Mr. Sunil Alagh as Members, out of which two are Independent Directors and one is a Non-Executive Director. The Chairmanship of the Committee vests with Mr. Madhav Bhatkuly.

The Committee oversees the financial reporting process, disclosure requirements and matters relating to Internal Control System. The Committee also reviews periodically the financial accounts, adequacy of the internal audit function, compliance with accounting standards and other areas within its Terms of Reference, as under:

i) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii) Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company;

iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv) Reviewing, with the Management, the Annual Financial Statements and auditor's report before submission to the Board for approval, with particular reference to;

- Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgement by the Management;
- Significant adjustments made in the Financial Statements arising out of Audit findings;
- Compliance with listing and other legal requirements relating to Financial Statements;
- Disclosure of any related party transactions;
- Modified opinion(s) in the draft audit report;

v) Reviewing with the Management the quarterly Financial Statements before submission to the Board for approval;

vi) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii) Approval or any subsequent modification of transactions of the Company with related parties;

ix) Scrutiny of inter-corporate loans and investments;

x) Valuation of undertakings or assets of the Company, wherever it is necessary;

xi) Evaluation of internal financial controls and risk management systems;

xii) Reviewing with the management the performance of statutory and internal auditors, adequacy of the internal control system;

xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

xiv) Discussion with internal auditors of any significant findings and follow-up thereon;

xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

xvi) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii) To review the functioning of Whistle Blower mechanism;

xix) Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

xx) To review utilization of loans and / or advances from investment by holding Company in the subsidiary exceeding Rs.100 Crore or 10% of the asset size of the subsidiary, including existing loans, advances and investments; and

xxi) Carrying out any other function as is mentioned in terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial conditions and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
6. Statement of deviations:
   (a) quarterly statement of deviation(s) including report of monitoring agency;
   (b) annual statement of funds utilized for purposes other than those stated in the offer documents / prospectus / notice.

During the financial year ended March 31, 2021, ten (10) Audit Committee Meetings were held on June 24, 2020, July 08, 2020, August 14, 2020, September 03, 2020, September 16, 2020, October 23, 2020, November 05, 2020, January 27, 2021, March 10, 2021 and March 24, 2021.

Attendance at Audit Committee Meetings

Names of the Directors	Category	Number of Audit Committee Meetings held	Number of Audit Committee Meetings attended
Mr. Madhav Bhatkuly	Chairman	10	10
Mr. Jan Cornelis van der Linden	Member	10	9
Mr. Sunil Alagh	Member	10	10

Share Transfer Committee

The Share Transfer Committee comprises of Mr. Stephan Gerlich, Mr. Rishi Pardal, Mr. A K Ravi Nedungadi and Mr. Christiaan A J Van Steenbergen as Members. The Chairmanship of the Committee vests with Mr. Stephan Gerlich.

The Terms of Reference are as under:

- To monitor Transfer, Transmission and Transposition of the Shares of the Company;
- Issue of Duplicate Share Certificates, in lieu of Certificates lost or misplaced;
- Issue of New Share Certificates in lieu of Certificates torn, mutilated, cages for transfer filled up etcetera;
- Consolidation and sub-division of Share Certificates;
- To oversee compliance of the norms laid down under the Depositories Act, 1996;
- To appoint/remove Registrar and Transfer Agent;
- To oversee compliance of the norms laid down under the Tripartite Agreement with National Securities Depository Limited/Central Depository Services (India) Limited, and
- Perform all such acts and deeds, matters and things as it may in its absolute discretion deem necessary, expedient, desirable, usual or proper and to settle any question, dispute, difficulty or doubt that may arise in regard to the matters arising out of the aforesaid acts.

In order to facilitate prompt and efficient service to the Shareholders, all the transactions in connection with Transfer, Transmission, issue of Duplicate Certificates, etc., have been entrusted to Integrated Registry Management Services Private Limited, Registrar and Share Transfer Agent and the same are being processed and approved once in ten days.

During the financial year ended March 31, 2021, three (3) Share Transfer Committee Meetings were held on June 23, 2020, November 06, 2020 and January 28, 2021 for approving the transactions falling within the Terms of Reference mentioned above.

Attendance at Share Transfer Committee Meetings

Names of the Directors	Category	Number of Share Transfer Committee Meetings held	Number of Share Transfer Committee Meetings attended
Mr. Stephan Gerlich	Chairman	3	3
Mr. Rishi Pardal *	Member	3	2
Mr. Shekhar Ramamurthy *	Member	3	1
Mr. A K Ravi Nedungadi	Member	3	3
Mr. Christiaan A J Van Steenbergen	Member	3	3

* Mr. Rishi Pardal replaced Mr. Shekhar Ramamurthy with effect from August 01, 2020.

The Board of Directors has, by a resolution by circulation passed on May 5, 2004, delegated the power to approve transfers / transmission etc., up to 5000 shares to the Managing Director and the Company Secretary, who can act severally in the above matter.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of Mr. Madhav Bhatkuly, Mr. A K Ravi Nedungadi, Mr. Sunil Alagh, and Mr. Stephan Gerlich as Members. The Chairmanship of the Committee vests with Mr. Madhav Bhatkuly.

The Terms of Reference are as under:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general Meetings etc.;
- Review of measures taken for effective exercise of voting rights by Shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

The Compliance Officer is Mr. Govind Iyengar, Senior Vice President – Legal and Company Secretary.

Number of Shareholders' complaints received from 01-04-2020 to 31-03-2021 (These complaints pertained mainly to non-receipt of Share Certificates upon transfer, non-receipt of Annual Report, non-receipt of Dividend, etc.)	13
Number of complaints not solved to the satisfaction of the Shareholders	NIL
Number of pending Share transfers	NIL

During the financial year ended March 31, 2021, two (2) Stakeholders Relationship Committee Meetings were held on November 06, 2020 and January 28, 2021 which were attended by all the Members.

Corporate Social Responsibility Committee

Your Company has been focusing on Corporate Social Responsibility (CSR) activities viz., Primary Health, Primary Education, Water Conservation & Providing Safe Drinking Water and Responsible Consumption of Alcohol. UBL has formulated a CSR policy for a seamless integration of market place, work place, environment and community concerns with its business operations. We use CSR as an integral business process in order to support sustainable development and inclusive growth in our constant endeavour to be a good corporate citizen.

The Corporate Social Responsibility Committee comprises of Mr. Stephan Gerlich, Mr. Rishi Pardal, Mr. A K Ravi Nedungadi, Mr. Christiaan A J Van Steenbergen and Ms. Kiran Mazumdar Shaw as Members. The Chairmanship of the Committee vests with Mr. Stephan Gerlich.

During the financial year ended March 31, 2021, one (1) Corporate Social Responsibility Committee Meeting was held on March 29, 2021 which was attended by all the Members.

Risk Management Committee

The Risk Management Committee shall inter alia operate and cover areas as may be prescribed under the Listing Regulations, Companies Act, 2013 and other applicable Regulations from time to time.

The Risk Management Committee comprises of Mr. Sunil Alagh, Mr. Rishi Pardal, Mr. Jan Cornelis van der Linden, Ms. Kiran Mazumdar Shaw, Mr. Madhav Bhatkuly, Mr. Stephan Gerlich and Mr. Berend Odink as Members. The Chairmanship of the Committee vests with Mr. Sunil Alagh.

During the financial year ended March 31, 2021, two (2) Risk Management Committee Meetings were held on December 17, 2020 and March 24, 2021.

Attendance at Risk Management Committee Meetings

Names of the Directors	Category	Number of Risk Management Committee Meetings held	Number of Risk Management Committee Meetings attended
Mr. Sunil Alagh	Chairman	2	2
Mr. Rishi Pardal	Member	2	2
Mr. Jan Cornelis van der Linden	Member	2	1
Ms. Kiran Mazumdar Shaw	Member	2	2
Mr. Madhav Bhatkuly	Member	2	2
Mr. Stephan Gerlich	Member	2	2
Mr. Berend Odink	Member	2	2

Borrowing Committee

Having regard to the size of operations, frequency of funds requirement and administration convenience, the Board has constituted a Borrowing Committee of Directors and has delegated powers to borrow moneys within approved limits from time to time.

The Borrowing Committee comprises of Mr. A K Ravi Nedungadi, Mr. Sunil Alagh, Ms. Kiran Mazumdar Shaw, Mr. Madhav Bhatkuly, Mr. Stephan Gerlich and Mr. Berend Odink as Members. The Chairmanship of the Committee vests with Mr. A K Ravi Nedungadi.

During the financial year ended March 31, 2021, three (3) Borrowing Committee Meetings were held on April 22, 2020, May 04, 2020 and December 10, 2020 which were attended by all Members.

Special Purpose Committee

The Special Purpose Committee was formed inter alia to review the investigation/ matters with respect to Competition Commission of India. The Special Purpose Committee comprises of Mr. Madhav Bhatkuly and Mr. Christiaan A J Van Steenbergen. The Chairmanship of the Committee vests with Mr. Madhav Bhatkuly.

During the financial year ended March 31, 2021, three (3) Special Purpose Committee Meetings were held on July 16, 2020, August 24, 2020 and January 25, 2021 which were attended by both the Members.

UNITED BREWERIES LIMITED

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Ms. Kiran Mazumdar Shaw, Mr. A K Ravi Nedungadi, Mr. Christiaan A J Van Steenbergen and Mr. Sunil Alagh as Members. The Chairperson of the Committee vests with Ms. Kiran Mazumdar Shaw.

The Terms of Reference are as under:

- Formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;
- Formulate criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devise a policy on diversity of Board of Directors;
- Identify persons who are qualified to become Directors and who may be appointed to the Board as well as senior management in accordance with the criteria that may be laid down, and recommend to the Board their appointment and removal;
- To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management; and
- Operate and cover areas as may be prescribed under the Companies Act, 2013 and other applicable Regulations from time to time including formulation of Employee Stock Option Scheme to Employees/Directors in compliance with guidelines prescribed.

During the financial year ended March 31, 2021, nine (9) Nomination and Remuneration Committee Meetings were held on May 27, 2020, June 23, 2020, July 06, 2020, August 13, 2020, August 19, 2020, November 09, 2020, January 27, 2021, February 19, 2021 and March 04, 2021 and one Joint Meeting of Nomination and Remuneration Committee and Audit Committee was held on November 05, 2020 which were attended by all Members.

The Company Secretary was present in all the Meetings of the Board and/or Committees.

Note: For "Performance Evaluation of Directors" please refer to page no. 28 of Directors Report.

Remuneration Policy

The Company carries out periodic reviews of comparable Companies and through commissioned survey ascertains the remuneration levels prevailing in these Companies. The Company's Remuneration Policy is designed to ensure that the remuneration applicable to Managers in the Company is comparable with multinational Companies operating in the Brewing or similar industry in India. In line with statutory requirements, the Board of Directors has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company. The Remuneration Policy lays down the criteria for appointment and removal of Directors, Key Managerial Personnel and Senior Management. The Policy also prescribes the criteria and manner for fixation and approval of remuneration payable to Directors, Key Managerial Personnel and other employees. The Policy is posted on the website of the Company and is available through the webpage: http://unitedbreweries.com/pdf/policyandcodes/Remuneration-Policy.pdf.

For the financial year ended March 31, 2021, Mr. Shekhar Ramamurthy, (Managing Director till July 31, 2020), Mr. Rishi Pardal, (Managing Director effective August 01, 2020) were paid remuneration as under:

(Rupees)

Name	Salary & Allowance	Variable Pay	Long Term Incentive Payment	Perquisites	Retiral Benefits
Mr. Shekhar Ramamurthy (April 01, 2020 to July 31, 2020)	2,46,53,239	NIL	3,80,63,139	13,76,832	15,66,67,113
Mr. Rishi Pardal* (August 01, 2020 to March 31, 2021)	3,94,90,224	NIL	NIL	29,72,746	53,46,000

* Mr. Rishi Pardal was paid Rs.2,70,00,000/- being part of his agreed one-time joining bonus during his tenure as Managing Director *Designate* from June 12, 2020 to July 31, 2020. This amount is not included in the above remuneration drawn by him as Managing Director.

Performance criteria is decided by Nomination and Remuneration Committe and the Board.

Sitting fees to Directors during 2020-2021

Sl. No.	Name of the Directors	Sitting fees paid (Rupees)*
1.	Mr. A K Ravi Nedungadi	15,50,000/-
2.	Mr. Christiaan A J Van Steenbergen	14,50,000/-
3.	Mr. Jan Cornelis van der Linden	15,50,000/-
4.	Mr. Sunil Alagh	26,00,000/-
5.	Ms. Kiran Mazumdar-Shaw	15,00,000/-
6.	Mr. Madhav Bhatkuly	23,00,000/-
7.	Mr. Stephan Gerlich	12,50,000/-

* Subject to deduction of tax at source, as applicable.

Sitting fees are being paid @ Rs.1,00,000/- for attending Board Meetings and Audit Committee Meetings and Rs.50,000/- for attending other Committee Meetings including Independent Directors Meeting. During the year, there was no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from receiving sitting fees and commission. The Company has not provided any stock options scheme or pension to any of the Directors.

Commission to Directors during 2020-2021

Sl. No.	Name of the Directors	Commission (Rupees)**
1.	Mr. A K Ravi Nedungadi	56,51,000/-
2.	Mr. Sunil Alagh	56,51,000/-
3.	Ms. Kiran Mazumdar Shaw	56,51,000/-
4.	Mr. Madhav Bhatkuly	56,51,000/-
5.	Mr. Stephan Gerlich	56,51,000/-

** Subject to deduction of tax at source. The above amount excludes applicable Goods and Services Tax which was paid by the Company under reverse charge separately. The above Commission shall be paid to respective Directors subject to approval by Members at the Annual General Meeting.

Independent Directors

The Independent Directors of the Company viz., Ms. Kiran Mazumdar-Shaw, Mr. Sunil Alagh, Mr. Madhav Bhatkuly and Mr. Stephan Gerlich have been re-appointed on the Board for a second consecutive term of five years from September 04, 2019 to September 03, 2024 by the Members at their Annual General Meeting held on August 22, 2019. All of them have given a declaration that they meet the criteria of independence and in the opinion of the Board, the Independent Directors fulfil the conditions of independence as laid down under the Companies Act, 2013 and Listing Regulations.

During the financial year ended March 31, 2021, two (2) Independent Directors Meetings were held on October 17, 2020 and March 24, 2021 which were attended by all Members.

SHAREHOLDERS' INFORMATION

General Body Meetings

The previous three Annual General Meetings of the Company were held on the dates, time and venue as given below:

Date	Time	Venue	Special Resolutions Passed
August 26, 2020	12.30 p.m. (IST)	Video Conference/Other Audio-Visual Means	Two
August 22, 2019	11.00 a.m. (IST)	Level 1, UB Tower, UB City, #24, Vittal Mallya Road, Bengaluru - 560 001.	Four
September 17, 2018	12.00 noon (IST)	Level 1, UB Tower, UB City, #24, Vittal Mallya Road, Bengaluru - 560 001.	NIL

All the Resolutions set out in respective Notices were passed by the Members at the above Annual General Meetings.

Extraordinary General Meeting

An Extraordinary General Meeting (EGM) was held on April 09, 2021 for the purpose of payment of remuneration to Mr. Rishi Pardal, Managing Director for the period August 01, 2020 to March 31, 2021 and Mr. Shekhar Ramamurthy, former Managing Director for the period April 01, 2020 to July 31, 2020 beyond the ceiling in case of inadequacy or absence of profits during the financial year ended March 31, 2021 arising out of COVID impact. The Special Resolutions were passed with requisite majority at the EGM.

Postal Ballot

The Company had not conducted any Postal Ballot during the year. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of resolution through postal ballot.

Remote E-voting

In terms of Section 108 of the Companies Act, 2013, Rules framed thereunder and Regulation 44 of the Listing Regulations, the Company is providing remote e-voting facility to its shareholders in respect of all resolutions proposed to be passed at this Annual General Meeting.

Dividend

Post its declaration at this Annual General Meeting, dividend on Equity Shares for the financial year ended March 31, 2021 will be paid on or before August 08, 2021 to the Members whose names appear:

i. as Beneficial Owners as at the close of the business hours on Friday, July 02, 2021 as per the list to be furnished by the Depositories in respect of the Shares held in electronic form, and

ii. as Members in the Register of Members of the Company as on Friday, July 09, 2021 after giving effect to all valid Share transfers in physical form which are lodged with the Company on or before Friday, July 02, 2021.

Unclaimed Dividend

Unclaimed Dividend for the financial year ended March 31, 2014, will be due for transfer to the Investor Education and Protection Fund (IEPF) on October 09, 2021 in terms of the applicable provisions of the Companies Act, 2013. Members who have not encashed the Dividend Warrants for the aforesaid Dividend are requested to approach the Registrar and Share Transfer Agent of the Company. Further, the Equity Shares held by the shareholders (either in physical form or in demat form) in respect of such unclaimed dividend which has not been encashed and in respect of which dividend has not been claimed for last seven consecutive years shall also be transferred to the IEPF in terms of provisions of the Companies Act, 2013 and the Rules made thereunder.

Unclaimed Shares

After due compliance with the procedure prescribed in Schedule VI of the Listing Regulations relating to unclaimed shares, we have transferred all unclaimed Equity Shares in one folio and have dematerialized these Equity Shares in a demat account with HDFC Bank Limited who has arrangement with National Securities Depository Limited (Depository). The voting rights on these shares shall remain frozen till the rightful owner of such Equity Shares claims the shares.

Details relating to unclaimed Equity Shares as on March 31, 2021 as required under Schedule V(F) of the Listing Regulations is given hereunder:

No. of Shareholders holding unclaimed shares as on 01.04.2020	No. of unclaimed shares as on 01.04.2020	No. of Shareholders who claimed shares during the year	No. of unclaimed shares transferred during the year	No. of Shareholders holding unclaimed shares as on 31.03.2021	Balance unclaimed shares as on 31.03.2021	Voting Rights Frozen (%)
1,405	233,819	17	5,336	1,388**	228,483	0.09

** Out of the above, during the year the Company has transferred 188 Equity Shares held by 6 shareholders to Investor Education and Protection Fund (IEPF) Authority in terms of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended. After credit of 5,148 Equity Shares held by 11 shareholders and transfer of 188 Equity Shares held by 6 shareholders to IEPF, effectively the Company holds 228,483 Equity Shares held by 1,388 shareholders in Unclaimed Suspense Account.

Investor Education and Protection Fund (IEPF)

As per Section 124(5) of the Companies Act, 2013, any money transferred to the unpaid dividend account of a Company which remained unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to IEPF. Pursuant to the said provision, the Company had transferred Rs.8,04,718 as dividend for the year 2012-2013 to IEPF which remained unclaimed for a period of seven years.

Further, pursuant to Section 124(6) of the Companies Act, 2013, all shares in respect of which unpaid or unclaimed dividend has been transferred under Section 124(5) of the Companies Act, 2013, shall also be transferred by the Company in the name of IEPF.

Pursuant to the said provisions, the Company has transferred 1,531,393 Equity Shares held by 9,937 shareholders (including 1,039,357 Equity Shares held by 6,297 shareholders from Unclaimed Suspense Account) to IEPF after following due procedure laid down under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the Rules). Details of Dividend and Equity Shares transferred to IEPF is uploaded on the website of the Company and is available through the webpage: http://unitedbreweries.com/investors. Out of 1,531,393 shares, IEPF has credited 25,337 shares to a shareholder's account.

The shareholders may claim the Dividend and Equity Shares transferred to IEPF after following the procedure laid down in the Rules. The Company has appointed a Nodal Officer for the purpose of coordinating with the IEPF Authority in respect of claims by shareholders. Details of the Nodal Officer is uploaded on the website of the Company.

Means of Communication

The Company has its own website and all vital information relating to the Company and its performance including quarterly financial results, official press releases, presentation to analysts, shareholding pattern etc., are posted on the Company's website **www.unitedbreweries.com**. Apart from furnishing financial results to all the Stock Exchanges, the Quarterly, Half-yearly and Annual Results of the Company's performance are published in 'The Financial Express' and 'Kannada Prabha' Newspapers. As part of transparency, good governance and consistency in reporting, the Company publishes its detailed financial results along with notes and not only extracts in the Newspapers in the same form as furnished to the Stock Exchanges where the Company's shares are listed and uploaded on the website of the Company.

The Company has designated an exclusive Email-ID viz., ublinvestor@ubmail.com for the purpose of registering complaints by the investors. The investors can post their grievances by sending a mail to the said Email-ID.

Credit Ratings

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended March 31, 2021.

The ratings given by ICRA Limited for short-term borrowings and long-term borrowings of the Company are A1+ and AA+ respectively.

Familiarization programme for Independent Directors

The details of the Familiarization programme for Independent Directors is disclosed on the Company's website at the webpage: http://unitedbreweries.com/pdf/policyandcodes/Familiarisation%20Programme.pdf.

Secretarial Standards

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

UNITED BREWERIES LIMITED

Disclosures

1. Management Discussion and Analysis forms part of the Directors' Report.
2. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions which is placed on the website of the Company www.unitedbreweries.com and is available through the webpage:
   http://unitedbreweries.com/pdf/policyandcodes/Policy%20on%20Related%20Party%20Transactions.pdf.
3. During the financial year ended March 31, 2021, there were no materially significant related party transactions with the Company's Directors or their relatives. Details of related party transactions form part of Notes to Accounts. In preparation of Financial Statements for the year under review, treatment as prescribed in Indian Accounting Standards (Ind AS) has been followed.
4. The Company has complied with all the statutory requirements comprised in the Listing Agreements / Regulations / Guidelines / Rules of the Stock Exchanges / Securities and Exchange Board of India (SEBI) / other Statutory Authorities.
5. The Company did not suffer from any levies and there were no strictures on any Capital market related matters since incorporation. The Company has complied with all the mandatory and certain non-mandatory requirements of Corporate Governance as prescribed under the Listing Regulations.
6. The Company has not issued any Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

7. The Company does not trade in commodities. However, with respect to certain raw / packaging materials, the Company mitigates commodity pricing risks by using pricing benchmarks and tracking pricing trends over a longer period of time and has entered into long term contracts where found beneficial.

   The Company hedges all its long term loans for London Interbank Offer Rate (LIBOR) and currency movements in full. The Company's import payments for materials and services are covered by natural hedge with the export earnings.

8. The Company has not raised any funds through preferential allotment or qualified institutional placement as per the Listing Regulations.

9. The Company has formulated a policy for determining material subsidiaries which is placed on the website of the Company www.unitedbreweries.com and is available through the webpage:
   http://unitedbreweries.com/pdf/policyandcodes/Policy%20for%20Determining%20Material%20Subsidiaries-PDF.pdf

10. The Company has obtained a certificate from M/s BMP & Co. LLP, Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

11. The Company has not received any complaints in relation to Sexual Harassment during the financial year 2020-2021.

No. of Complaints filed during the year	No. of Complaints disposed during the year	No. of Complaints pending as on 31.03.2021
NIL	N.A.	N.A.

12. During the year, the Company has paid Rs.225 Lacs (including GST and reimbursement of expenses) to the Statutory Auditors towards Statutory Audit and other services provided by them to the Company. The Company has also paid Rs.14.36 Lacs to all the entities in the network firm/ network entity of which Statutory Auditor is a part during the year.

13. The Company has complied with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-Regulation (2) of Regulation 46 of the Listing Regulations.

14. The Company has adopted vigil mechanism which is a channel for receiving and redressing of complaints about any misconduct, actual or suspected fraud, actual or potential violations of the Company's code of conduct and any other unethical, unlawful or improper practices, acts or activities within the Company. The Company has formulated a Whistle Blower Policy for Employees, Directors and also for vendors and has ensured that there are adequate safeguards against victimization of whistle blowers. The details of establishment of the vigil mechanism are disclosed on the website of the Company.

15. None of the Employees and Directors have been denied access to the Chairman of the Audit Committee.

Note: For "Additional Disclosures on Significant and Material Orders" please refer to page no. 29 of Directors Report.

General Shareholder Information

The Company's financial year begins on April 01 and ends on March 31 of immediately subsequent year. During financial year 2020-2021, the meetings of the Board of Directors, for approval of quartely financial results, were held on the following dates within statutory time limits:

Division of Financial Calendar	**Declaration of Results**	
April 01 to June 30	First Quarter Results	August 14, 2020
July 01 to September 30	Second Quarter and Half-yearly Results	November 06, 2020
October 01 to December 31	Third Quarter Results	January 28, 2021
January 01 to March 31	Fourth Quarter and Annual Results	April 27, 2021

Annual General Meeting (AGM) Information

Board Meeting for consideration of Accounts	April 27, 2021
Cut-off-Date for ascertaining shareholders entitled for Notice	June 11, 2021
Cut-off-Date for determining the eligibility to vote by remote e-voting system	July 02, 2021 (close of business hours)
Book Closure dates	July 03, 2021 to July 09, 2021 (both days inclusive).
Remote E-voting starting date and time	July 06, 2021 at 9.00 a.m.
Remote E-voting closure date and time	July 08, 2021 at 5.00 p.m.
Date of Annual General Meeting	July 09, 2021
Time	03.00 p.m. IST
Venue	The Company is conducting Meeting through Video Conference/Other Audio-Visual Means pursuant to the Ministry of Corporate Affairs Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
Participation through video conference	Services provided by Central Depository Services (India) Limited (CDSL) and login through e-voting portal of CDSL.
Helpline number for video conference participation	Toll free No. 022-2305 8738 and 022-2305 8542/43
Webcast and transcripts	http://www.unitedbreweries.com/investors
Dividend record date	July 02, 2021
Dividend payment date	August 08, 2021

Pursuant to the General Circular numbers 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020 and 02/2021 dated January 13, 2021, issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold Annual General Meeting (AGM) through VC/OAVM, without the physical presence of Members at a common venue. In compliance with the Circulars, this AGM is being held through VC/OAVM and the Notice and the Annual Report 2020-2021 are being sent only by electronic mode to those Members whose Email addresses are registered with the Company/Depository Participant(s). Members may also note that the Notice and the Annual Report 2020-2021 are also available on the Company's website, www.unitedbreweries.com and website of the Central Depository Services (India) Limited (CDSL) viz., https://www.evotingindia.com and the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited, at https://www.bseindia.com and https://www.nseindia.com respectively.

Listing with Stock Exchanges

The Equity Shares of UBL are listed with BSE Limited and National Stock Exchange of India Limited. UBL has paid the Annual Listing Fee to all these Stock Exchanges for the year 2021-2022. The Scrip Code of Equity Shares on these Stock Exchanges are as under:

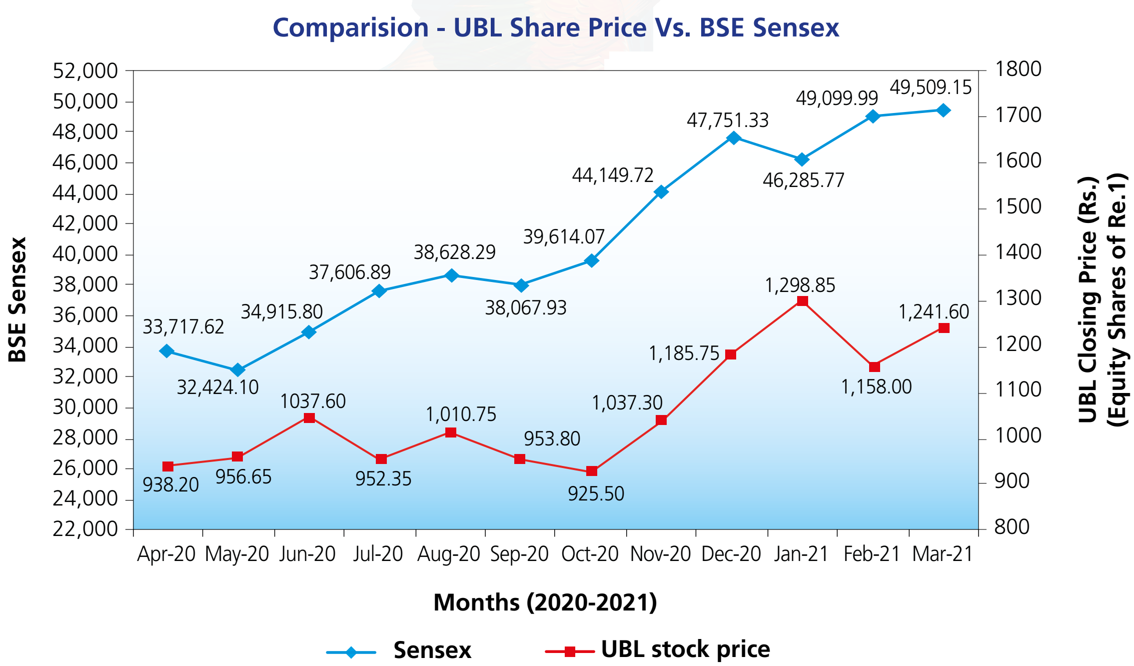
STOCK EXCHANGES	SCRIP CODE
BSE LIMITED Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532478
NATIONAL STOCK EXCHANGE OF INDIA LIMITED Address: Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai - 400 051	UBL

Market price data of the Company's Equity Shares traded on the BSE Limited (BSE), during the period April 2020 to March 2021

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Sensex – Close
April, 2020	979.15	861.10	938.20	33,717.62
May, 2020	1,007.65	860.05	956.65	32,424.10
June, 2020	1,087.15	924.75	1,037.60	34,915.80
July, 2020	1,088.80	943.00	952.35	37,606.89
August, 2020	1,068.00	936.55	1,010.75	38,628.29
September, 2020	1,166.90	915.45	953.80	38,067.93
October, 2020	1,003.00	898.50	925.50	39,614.07
November, 2020	1,100.30	915.00	1,037.30	44,149.72
December, 2020	1,194.00	1,035.90	1,185.75	47,751.33
January, 2021	1,319.40	1,174.60	1,298.85	46,285.77
February, 2021	1,328.45	1,153.15	1,158.00	49,099.99
March, 2021	1,287.45	1,161.00	1,241.60	49,509.15

(Market Price data source: www.bseindia.com)

Graphical representation of the Company's Shares in comparison to broad-based indices i.e., BSE Sensex, is given below:

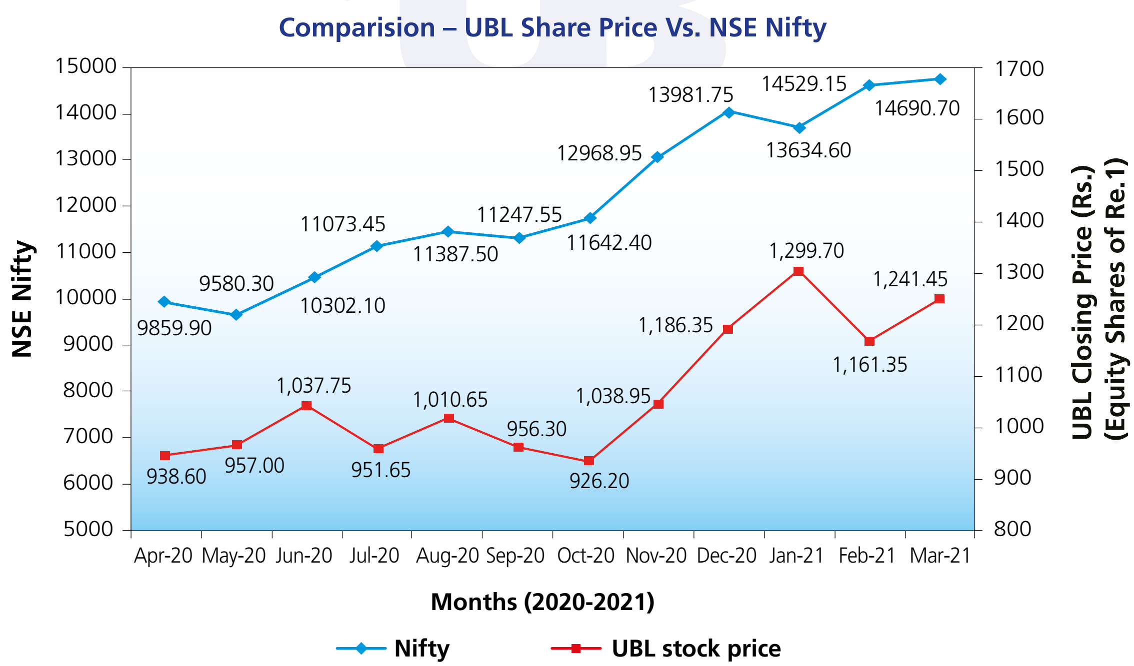


Market price data of the Company's Equity Shares traded on the National Stock Exchange of India Limited, (NSE) during the period April 2020 to March 2021

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Nifty – Close
April, 2020	983.70	860.00	938.60	9,859.90
May, 2020	1,008.15	859.20	957.00	9,580.30
June, 2020	1,087.40	923.10	1,037.75	10,302.10
July, 2020	1,089.00	942.15	951.65	11,073.45
August, 2020	1,069.00	935.85	1,010.65	11,387.50
September, 2020	1,166.90	915.10	956.30	11,247.55
October, 2020	1004.15	897.00	926.20	11,642.40
November, 2020	1,100.95	914.00	1,038.95	12,968.95
December, 2020	1,195.00	1,035.10	1,186.35	13,981.75
January, 2021	1,318.90	1,174.70	1,299.70	13,634.60
February, 2021	1,329.65	1,153.30	1,161.35	14,529.15
March, 2021	1,288.50	1,160.10	1,241.45	14,690.70

(Market Price data source: www.nseindia.com)

Graphical representation of the Company's Shares in comparison to broad-based indices i.e., NSE Nifty, is given below:



Share Transfer System

All matters pertaining to Share Transfer are being handled by Integrated Registry Management Services Private Limited, the Registrar and Share Transfer Agent of the Company. The Share Transfer requests received are processed by them and a Memorandum of Transfer is sent to the Company for approval. Time taken for processing Share Transfer requests including dispatch of Share Certificates is 10 days, while it takes a minimum of 10-12 days for processing dematerialization requests. The Company regularly monitors and supervises the functioning of the system so as to ensure that there are no delays or lapses in the system.

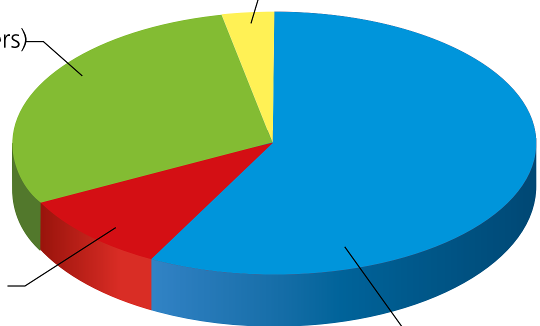
The distribution of shareholding as on March 31, 2021 is furnished below:

Category (Rs.)	No. of Shareholders	% (Percentage)	No. of Shares held	% (Percentage)
Up to 5000	59,809	99.35	7,293,131	2.76
5001 – 10000	115	0.19	839,532	0.32
10001 – 20000	73	0.12	1,047,700	0.40
20001 – 30000	26	0.04	662,924	0.25
30001 – 40000	19	0.03	672,724	0.25
40001 – 50000	16	0.03	721,067	0.27
50001 – 100000	29	0.05	2,059,385	0.78
100001 and Above	116	0.19	251,108,686	94.97
Total	**60,203**	**100.00**	**264,405,149**	**100.00**

Shareholding Pattern as on March 31, 2021

Category	No. of Shares held	Percentage of Shareholding
Promoters		
Indian	29,179,240	11.03
Foreign	123,437,545	46.69
Sub-Total	**152,616,785**	**57.72**
Foreign Institutional Investors (FIIs)	**25,781,005**	**9.75**
Individuals	**8,180,679**	**3.10**
Others		
IEPF	1,506,056	0.57
Mutual Funds	21,693,737	8.21
Banks / Financial Institution	75,190	0.03
Central / State Governments	42,704,758	16.15
Insurance Companies	4,453,843	1.68
Bodies Corporate	5,693,000	2.15
Trust	254,655	0.10
NRI	456,434	0.17
Clearing Members	346,611	0.13
Overseas Corporate Bodies	642,396	0.24
Qualified Foreign Investors	—	—
Sub-Total	**77,826,680**	**29.43**
Total	**264,405,149**	**100**

Pie-Chart of Shareholding Pattern



Equity Shares of the Company held by Promoters, Directors and Key Managerial Personnel

Sl. No.	Names	Number of Equity Shares held			
		As on March 31, 2021		As on March 31, 2020	
		No. of Shares	% of Total	No. of Shares	% of Total
Promoters					
1.	Dr. Vijay Mallya (singly & jointly)	21,353,620	8.08	21,353,620	8.08
2.	United Breweries (Holdings) Limited	Nil	Nil	Nil	Nil
3.	Mallya Private Limited	Nil	Nil	Nil	Nil
4.	McDowell Holdings Limited	4,551,000	1.72	4,551,000	1.72
5.	Kamsco Industries Limited	3,274,000	1.24	3,274,000	1.24
6.	The Gem Investment & Trading Company Private Limited	Nil	Nil	Nil	Nil
7.	Pharma Trading Company Private Limited	620	0	620	0
8.	Devi Investments Private Limited	Nil	Nil	Nil	Nil
9.	UB Overseas Limited	427,740	0.16	427,740	0.16
10.	Vittal Investments Private Limited	Nil	Nil	Nil	Nil
11.	Scottish & Newcastle India Limited	89,994,960	34.04	89,994,960	34.04
12.	Heineken International BV	24,525,575	9.28	24,525,575	9.28
13.	Heineken UK Limited	8,489,270	3.21	8,489,270	3.21
	Total	**152,616,785**	**57.72**	**152,616,785**	**57.72**
Directors & Key Managerial Personnel					
1.	Mr. Rishi Pardal	Nil	Nil	Nil	Nil
2.	Mr. Berend Odink	Nil	Nil	Nil	Nil
3.	Mr. Govind Iyengar	Nil	Nil	Nil	Nil

Note: As per confirmation received from Registrar and Share Transfer Agent.

As per disclosures received by UBL, 42,704,758 Equity Shares held by a few Promoter Companies promoted by Dr. Vijay Mallya constituting 16.15% of the total paid up capital have been transferred to the demat account of Enforcement Directorate (ED), Mumbai. However, UBL has not received any communication from the ED so far in this regard. For further information, please refer to point (ii) on page no. 30 under the heading "Additional Disclosures on Significant and Material Orders" in Directors Report.

Dematerialization of Shares

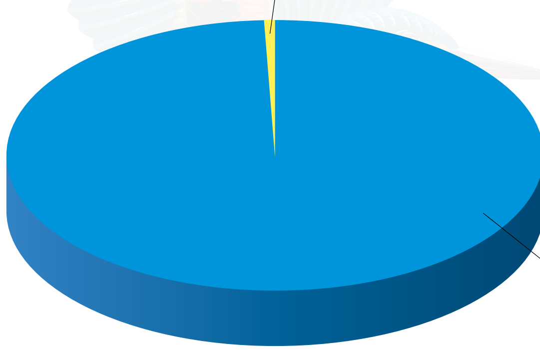
The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with the provisions of the Depositories Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both the Depositories for the benefit of Shareholders. The International Securities Identification Number (ISIN) allotted to Equity Shares of the Company is INE686F01025.

Effective April 01, 2019, transfer of Equity Shares of the Company held in physical form will not be processed and accepted in terms of the Listing Regulations, as amended by SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018. Members holding Equity Shares in physical form may open a demat account with any depository participant and get their physical shareholding converted into dematerialised form. This will bring numerous advantages including convenience in managing shareholding, transfer and trading in Equity Shares. Procedure for dematerialisation of physical shareholding is placed on the website of the Company and can be viewed using the webpage: http://unitedbreweries.com/pdf/investorinfodividend/Guidance%20Note_Dematerialise%20Shares.pdf

The status of Dematerialization of the Company's Shares as on March 31, 2021 is as under:

Mode	No. of Shares	% age	No. of Shareholders
Physical mode	1,376,286	0.52	4,868
Electronic mode	263,028,863	99.48	55,335
TOTAL	**264,405,149**	**100.00**	**60,203**

Shares held in physical and demat form as on March 31, 2021



For any assistance regarding Share Transfers, Transmissions, change of address, issue of duplicate / lost Share Certificates/ exchange of Share Certificate/Dematerialization and other relevant matters, please write to the Registrar and Share Transfer Agent of the Company, at the address given below:

INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED
30, RAMANA RESIDENCY, 4TH CROSS, SAMPIGE ROAD, MALLESWARAM, BENGALURU-560 003.
Tel. No.: (+91 080) 2346 0815 to 2346 0818 Fax No.: (+91 080) 2346 0819
CIN : U74900TN2015PTC101466; Email: blr@integratedindia.in
Contact Person: MR. VIJAYAGOPAL
Investors can also post their queries to 'ublinvestor@ubmail.com'

Additional information on Corporate Governance Report is attached as **Annexure - F** to this Report.

Independent Auditor's Report

To the Members of United Breweries Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of United Breweries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2021, the Standalone Statement of Profit and Loss, including the Standalone Statement of Other Comprehensive Income, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to below mentioned notes to the accompanying standalone Ind AS financial statements:

(a) Note 44 which describes management's assessment of the impact of COVID-19 pandemic on the Company's operations and carrying values of assets as at March 31, 2021;

(b) Note 35(c) which more fully describes the uncertainty relating to the future outcome of investigation by the Competition Commission of India ("CCI"); and

(c) Note 43 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 modified in respect of aforesaid matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue from sale of products (as described in Note 2.1(d), (w) and 21 of the standalone Ind AS financial statements)	
Revenue from sale of products is recognised when control of products has been transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, discounts and incentives. At year end, amounts of discounts and incentives that have been incurred and not yet issued to customers are estimated and accrued. Significant judgement is required in estimating accruals relating to discounts and incentives recognised in relation to sales made during the year.	Our procedures included the following: • Assessed the Company's revenue recognition accounting policy for sale of products, including those relating to discounts and incentives. • Understood, evaluated and tested on sample basis the design and operating effectiveness of key internal controls over recognition and measurement of revenue, discounts, and incentives. • Performed test of details on a sample basis and inspected the underlying accounting documents relating to sales and accrual of discounts and incentives. • Tested on a sample basis, sales transactions near year end date as well as credit notes issued to customers after the year end date. • Obtained an understanding of and evaluated underlying data used in management assessment of estimates relating to discounts and incentives. • Performed analytical procedures on revenue, discounts and incentives. • Assessed the disclosures in the standalone Ind AS financial statements in respect of revenue, discounts and incentives for compliance with disclosure requirements.
Provision for trade receivables (as described in Note 2.1(w), 10 and 40(b) of the standalone Ind AS financial statements)	
Trade receivable balances represent significant portion of the total assets as at March 31, 2021. Trade receivables include dues from state government corporations, distributors, retailers and contract manufacturing units. The Company records expected credit loss for unsecured trade receivables based on management estimates. Timing of collection of dues from customers may differ from the contractual credit period. Significant judgment is involved in management estimates of the amounts unlikely to be ultimately collected.	Our procedures included the following: • Understood, evaluated and tested on a sample basis the design and operating effectiveness of internal controls over trade receivables. • Performed audit procedures on existence of trade receivables, which included reading and comparing balance confirmations with books of account, testing subsequent receipts and testing sales transactions on a sample basis. • Evaluated the assumptions used by management to calculate the expected credit loss for trade receivables through audit procedures which included analysis of ageing, past trend of bad debts write-off and understanding management's estimate of possible impact arising from the COVID-19 pandemic. • Assessed the disclosures in the standalone Ind AS financial statements for compliance with disclosure requirements.

Independent Auditor's Report contd.

Tax contingencies and provisions (as described in Note 2.1(w), 17 and 35(a) of the standalone Ind AS financial statements)	
The Company has received income tax demand orders and notices relating to transfer pricing, disallowance of certain expenses, etc. and has also received indirect tax demand orders and notices, which are under litigation. The Company is contesting these demands and has made provision where the outflow of resources embodying economic benefits is considered to be probable. Significant judgement and estimates are required to assess uncertain income tax/other indirect tax positions and impact of these litigations on the financial position, results of operations and cash flows.	Our procedures included the following: • Obtained an understanding of the Company's process with respect to completeness and recognition of tax contingencies and provisions. • Read the confirmations, on sample basis, from the Company's external legal counsel on tax litigations and evaluated the independence, objectivity and competency of the Company's specialists involved. • Read relevant tax laws and discussed with the management, to understand the underlying matters in the demand orders / notices and basis for management judgement and estimates. • Included tax specialists in our team to perform an evaluation of assumptions used by the management and relevant judgements passed by the authorities, including the interpretation of the relevant tax laws. • Assessed the related disclosures in the standalone Ind AS financial statements for compliance with disclosure requirements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report and the corporate governance report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report contd.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including the Standalone Statement of Other Comprehensive Income, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) The matter described in paragraph (b) of Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
   (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;
   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   (h) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its whole-time directors in accordance with the provisions of section 197 read with Schedule V to the Act. Remuneration amounting to Rs. 285 Lakhs for the non-executive directors has been provided as per limits under Schedule V of the Act and is pending approval of the shareholders; and
   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 17, 35(a), 35(c) and 43 to the standalone Ind AS financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382
Unique Document Identification Number (UDIN): 21208382AAAABH5619

Place of signature: Bengaluru
Date: April 27, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF UNITED BREWERIES LIMITED

Statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's report) Order, 2016 ("the Order")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management and confirmation from banks relating to title deeds of immovable properties mortgaged with the banks (refer Note 15 to the accompanying standalone Ind AS financial statements for details) for securing borrowings raised by the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company, except for 1 immovable property of 9.04 acres (forming part of land parcel of 23.87 acres with gross book value of Rs. 211 Lakhs) where registration of title deed is pending, 3 immovable properties aggregating to 0.54 acres (forming part of land parcel of 184.96 acres with gross book value of Rs. 11,724 Lakhs) for which title deeds are under dispute and pending resolution at the Courts as at March 31, 2021; and 3 immovable properties (including leasehold land) aggregating to 106.80 acres (with gross book value of Rs. 1,909 Lakhs) for which title deeds are held in the name of erstwhile merged entities.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with outside parties have been confirmed by them as at March 31, 2021 and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments made by the Company have been complied with. In our opinion and according to the information and explanations given to us, there are no loans, guarantees and securities given in respect of which the provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Independent Auditor's Report contd.

Name of the statute	Nature of the dues	Amount (including interest and penalty) (Rs. in Lakhs)	Payment under protest (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income tax / tax deducted at source	24,828	7,679	FY 2001-02 to 2014-15	Income Tax Appellate Tribunal
		8,629	—	FY 2015-16	Dispute Resolution Panel
		8,578	1,567	FY 2002-03 to 2011-12	Commissioner of Income Tax (Appeals)
		3,599	458	FY 2001-02 to 2009-10	High Court of Madras
		2,745	664	FY 2003-04 to 2008-09	High Court of Karnataka
		69	46	FY 2009-10	High Court of Andhra Pradesh and Telangana
		20	—	FY 2007-08 to 2017-18	Commissioner of Income Tax (TDS)
The Finance Act, 1994	Service tax	2,192	96	2009-10 to 2011-12	Commissioner of Customs and Central Excise, Aurangabad
		401	—	2008-09 to 2010-11	Customs, Excise and Service Tax Appellate Tribunal
		6	—	2014-15	The Commissioner GST & Central Excise, Bhubaneswar
The Central Excise Act, 1944	Excise duty/ disallowance of cenvat credit	82	—	2010-11 to 2015-16	Commissioner of Customs, Central Excise & Service tax Appellate Tribunal
		67	9	2005-06 to 2007-08, 2013-14 and 2014-15	Customs, Excise and Service Tax Appellate Tribunal
		49	—	2014-15 and 2015-16	Commissioner (Appeals), Central Excise
		32	2	2017-18	Assistant Commissioner of Central Excise, Sadashivpet Division
		28	—	2009-10 to 2015-16	Commissioner of Customs, Central Excise & Service tax (Appeals)
		18	—	2016-17	Assistant Commissioner, Appeals, Jaipur
		11	1	2015-16 and 2017-18	Assistant Commissioner of Goods and Services Tax (Appeals)
		1	—	2007-08	Commissioner (Appeals) Central Excise, Chandigarh

Name of the statute	Nature of the dues	Amount (including interest and penalty) (Rs. in Lakhs)	Payment under protest (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
State Excise (various statutes)	Excise duty, Storage and privilege fee, etc.	10,929	—	2015-16	Deputy Commissioner (Excise), Bangalore Rural District, Beerasandra
		2,079	2,079	2013-14, 2017-18 and 2020-21	High Court of Rajasthan
		619	613	2019-20	Excise Commissioner, Aligarh, Uttar Pradesh
		350	—	2007-08 to 2011-12	High Court of Bombay
		218	150	1999-00 to 2005-06	High Court of Karnataka
		56	—	2015-16	Deputy Commissioner, Guwahati
		43	13	1988-89	High Court of Calcutta
		38	38	2011-12 to 2015-16	High Court of Bombay at Goa
		19	5	2008-09 to 2012-13	High Court of Madhya Pradesh
		3	—	2000-01 to 2003-04	Excise Commissioner, Karnataka
Sales Tax (various statutes)	Sales tax/ Value added tax/ Entry tax	5,890	2,400	2001-02 to 2013-14	Rajasthan Tax Board, Ajmer
		645	535	2008-09, 2012-13 and 2013-14	Joint Commissioner of Commercial Taxes (Appeal), Maharashtra
		579	24	2012-13	The Appeal Authority, Commercial Taxes, Alwar
		477	48	2014-15 and 2015-16	Assistant Commercial Tax Officer, Ponda
		447	—	2006-07 and 2007-08	The West Bengal Sales Tax Appellate and Revisional Board
		314	—	2017-18	Joint Commissioner of Sales tax, West Bengal
		186	—	2016-17	Joint Commissioner of Sales Tax, West Bengal
		184	172	2009-10, 2010-11, and 2015-16	Joint Commissioner of Commercial Taxes (Appeal), Patna
		166	2	2014-15 and 2015-16	Additional Commissioner of Sales Tax, West Bengal

Independent Auditor's Report contd.

Name of the statute	Nature of the dues	Amount (including interest and penalty) (Rs. in Lakhs)	Payment under protest (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax (various statutes)	Sales tax/ Value added tax/ Entry tax	63	—	2002-03	Jt. Excise and Taxation Commissioner (Appeals), Faridabad
		58	58	2007-08 to 2014-15	Additional Commissioner of Commercial tax, Tamil Nadu
		26	7	2011-12 and 2013-14	Commissioner of Commercial Taxes, Bihar
		17	1	2011-12 to 2016-17	Deputy Commissioner Appeals, Alwar
		15	8	2003-04	Maharashtra Sales Tax Tribunal
		13	1	2008-09 and 2011-12	Commercial Taxes Tribunal, Bihar
		7	—	2013-14 and 2014-15	Additional Commissioner of Commercial taxes (Appeal), Berhampur

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institution or banks. The Company did not have loans or borrowings from government or any outstanding dues in respect of debenture holders during the year.

(ix) In our opinion and according to information and explanations given by the management and audit procedures performed by us, monies raised by the Company by way of term loans were applied for the purposes for which loans were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management and audit procedures performed by us, the managerial remuneration has been paid / provided to whole-time directors in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act. Remuneration amounting to Rs. 285 Lakhs for the non-executive directors has been provided as per limits under Schedule V of the Act and is pending approval of the shareholders.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable, and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382
Unique Document Identification Number (UDIN): 21208382AAAABH5619

Place of signature: Bengaluru
Date: April 27, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF UNITED BREWERIES LIMITED

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of United Breweries Limited ("the Company") as of March 31, 2021, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements

A company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382
Unique Document Identification Number (UDIN): 21208382AAAABH5619

Place of signature: Bengaluru
Date: April 27, 2021

Standalone Balance Sheet as at March 31, 2021

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,92,106	1,87,682
Capital work-in-progress	3(d)	12,799	19,912
Intangible assets	4	2,098	2,393
Financial assets			
(i) Investments	5	1,371	2,568
(ii) Others	6	4,260	4,897
Income tax assets (net)	7	20,396	18,945
Deferred tax asset (net)	7	3,492	2,771
Other non-current assets	8	15,792	19,706
		2,52,314	2,58,874
Current assets			
Inventories	9	1,13,529	1,09,229
Financial assets			
(i) Trade receivables	10	1,39,482	1,34,977
(ii) Cash and cash equivalents	11	40,940	2,899
(iii) Bank balances other than (ii) above	12	5,865	4,432
(iv) Others	6	84	366
Other current assets	8	31,751	42,885
		3,31,651	2,94,788
Assets held for sale	3(e)	488	714
		3,32,139	2,95,502
Total assets		**5,84,453**	5,54,376
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,644	2,644
Other equity	14	3,55,318	3,49,153
		3,57,962	3,51,797
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	11,524	890
(ii) Others	16	1,109	1,131
Provisions	17	160	1,658
		12,793	3,679
Current liabilities			
Financial liabilities			
(i) Borrowings	18	17	16,015
(ii) Trade payables	19		
- Total outstanding dues to micro and small enterprises		5,193	5,387
- Total outstanding dues of creditors other than micro and small enterprises		56,572	49,076
(iii) Others	16	68,110	56,609
Other current liabilities	20	74,706	62,835
Provisions	17	9,100	8,978
		2,13,698	1,98,900
Total equity and liabilities		**5,84,453**	5,54,376
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the standalone Ind AS financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382

Place: Bengaluru
Date: April 27, 2021

For and on behalf of the Board of Directors of
United Breweries Limited

Rishi Pardal
Managing Director
DIN: 02470061

Sunil Kumar Alagh
Director
DIN: 00103320

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and Company Secretary

Place: Bengaluru
Date: April 27, 2021

Standalone Statement of Profit and Loss for the year ended March 31, 2021

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	March 31, 2021	March 31, 2020
INCOME			
Revenue from contracts with customers (including excise duty)	21	10,18,340	14,64,646
Other income	22	5,020	911
Total		**10,23,360**	14,65,557
EXPENSES			
Cost of materials consumed	23	1,97,256	2,97,486
Purchase of stock-in-trade	24	7,371	19,497
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(995)	(955)
Excise duty on sale of goods		5,94,267	8,14,191
Employee benefits expense	26	48,229	49,977
Finance costs	27	2,267	3,112
Depreciation and amortisation expense	28	23,185	28,497
Other expenses	29	1,34,262	1,97,010
Total		**10,05,842**	14,08,815
Profit before exceptional items and tax		**17,518**	56,742
Exceptional items	30	(722)	—
Profit before tax		**16,796**	56,742
Tax expense	31		
Current tax		6,733	17,550
Deferred tax (credit)		(1,222)	(3,531)
Total tax expense		**5,511**	14,019
Profit for the year		**11,285**	42,723
Other comprehensive income/(loss) (OCI)			
Items that will not be reclassified to the statement of profit and loss in subsequent periods			
Re-measurement gains/(losses) on defined benefit plans		1,991	(1,538)
Income tax effect on above		(501)	387
		1,490	(1,151)
Total comprehensive income for the year		**12,775**	41,572
Earnings per share in Rs. [nominal value per share Re.1 (Previous year: Re.1)]	32		
Basic		4.27	16.16
Diluted		4.27	16.16
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the standalone Ind AS financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382

Place: Bengaluru
Date: April 27, 2021

For and on behalf of the Board of Directors of
United Breweries Limited

Rishi Pardal
Managing Director
DIN: 02470061

Sunil Kumar Alagh
Director
DIN: 00103320

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and Company Secretary

Place: Bengaluru
Date: April 27, 2021

Standalone Cash Flow Statement for the year ended March 31, 2021

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

		Notes	March 31, 2021	March 31, 2020
A	**Cash flow from operating activities**			
	Profit before tax		16,796	56,742
	Adjustments for:			
	Depreciation and amortisation expense		23,185	28,497
	Bad debts/advances written off		28	68
	Loss allowance for trade receivables		479	3,468
	Provision for doubtful advances/deposits		966	6
	Impairment loss on property, plant and equipment (disclosed under exceptional items)		4,446	—
	Impairment loss on investment in subsidiary company (disclosed under exceptional items)		1,776	—
	Unrealised exchange differences (net)		(33)	305
	Net (gain) on sale of property, plant and equipment		(4)	(12)
	(Gain) on sale of property, plant and equipment (disclosed under exceptional items)		(5,500)	—
	Liabilities no longer required written back		(205)	(88)
	Loss allowance for trade receivables, no longer required written back		(3,380)	(179)
	Provision for doubtful advances/deposits, no longer required written back		—	(7)
	Interest expense		2,244	3,047
	Interest income		(434)	(203)
	Dividend income		(23)	(23)
	Operating profits before working capital changes		**40,341**	91,621
	Movement in working capital:			
	(Increase)/decrease in Inventories		(4,300)	(6,149)
	(Increase)/decrease in Trade receivables		(1,614)	12,780
	(Increase)/decrease in Other financial assets		862	923
	(Increase)/decrease in Other assets		9,247	(4,651)
	Increase/(decrease) in Trade payables		7,540	(4,613)
	Increase/(decrease) in Other financial liabilities		4,782	(11,773)
	Increase/(decrease) in Other current liabilities and provisions		13,243	(8,474)
	Cash generated from operations		**70,101**	69,664
	Direct taxes paid (net of refund)		(8,184)	(19,002)
	Net cash flow from operating activities (A)		**61,917**	50,662
B	**Cash flow from investing activities**			
	Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances		(19,986)	(40,338)
	Proceeds from sale of property, plant and equipment		5,091	57
	Investments in equity and debt securities		(579)	—
	Investments in bank deposits (having original maturity of more than three months)		(47)	(148)
	Redemption/maturity of bank deposits (having original maturity of more than three months)		9	39
	Interest received		430	194
	Dividend received from subsidiary company		23	23
	Net cash (used in) investing activities (B)		**(15,059)**	(40,173)

UNITED BREWERIES LIMITED

Cash Flow Statement contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	March 31, 2021	March 31, 2020
C Cash flow from financing activities			
Proceeds from long-term borrowings		25,000	—
Repayment of long-term borrowings - lease liabilities		(853)	(761)
Repayment of long-term borrowings - others		(7,543)	(13,006)
(Repayment of)/Proceeds from short-term borrowings (net)		(15,998)	14,918
Interest paid		(2,813)	(2,675)
Dividend paid to equity shareholders*		(6,610)	(6,610)
Dividend distribution tax paid		—	(1,354)
Net cash flow (used in) financing activities (C)		**(8,817)**	(9,488)
*Includes amount transferred to separate bank accounts earmarked for unpaid dividend			
Net increase in cash and cash equivalents (A+B+C)		**38,041**	1,001
Cash and cash equivalents at the beginning of the year		2,899	1,898
Cash and cash equivalents at the end of the year		**40,940**	2,899
Components of cash and cash equivalents	11		
Cash on hand		9	8
Bank balances on current accounts		8,431	2,891
Bank balances on deposit accounts with original maturity of three months or less		32,500	—
Total cash and cash equivalents		**40,940**	2,899

The summary of changes arising from cash flow and non-cash flow changes in respect of borrowings is as below:

	Notes	March 31, 2021	March 31, 2020
Long-term borrowings (including current maturities)			
At beginning of the year		9,202	20,549
Cash outflows - lease liabilities		(853)	(761)
Proceeds from borrowings		25,000	—
Repayment of borrowings		(7,543)	(13,006)
Non-cash changes - lease liabilities on addition of right-of-use assets		374	2,420
At end of the year		**26,180**	9,202
Short-term borrowings			
At beginning of the year		16,015	600
Cash (outflows)/inflows		(15,998)	14,918
Non-cash changes - foreign exchange differences		—	497
At end of the year		**17**	16,015
Summary of significant accounting policies	2.1		

As per our report of even date

For and on behalf of the Board of Directors of
United Breweries Limited

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Rishi Pardal
Managing Director
DIN: 02470061

Sunil Kumar Alagh
Director
DIN: 00103320

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and Company Secretary

Place: Bengaluru
Date: April 27, 2021

Place: Bengaluru
Date: April 27, 2021

Standalone Statement of Changes in Equity for the year ended March 31, 2021

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

a) Equity share capital

Equity shares of Re. 1 each issued, subscribed and fully paid

	As at March 31, 2021		*As at March 31, 2020*	
	Numbers	Rs. in Lakhs	*Numbers*	*Rs. in Lakhs*
Balance at the beginning of the year	26,44,05,149	2,644	*26,44,05,149*	*2,644*
Changes during the year	—	—	—	—
Balance at the end of the year	**26,44,05,149**	**2,644**	*26,44,05,149*	*2,644*

b) Other equity

	Reserves and surplus				Total
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	
	Note 14	Note 14	Note 14	Note 14	
Balance as at April 1, 2019	24,690	62,938	36,929	1,90,988	3,15,545
Profit for the year	—	—	—	42,723	42,723
Other comprehensive (loss)	—	—	—	(1,151)	(1,151)
Transfer from retained earnings	—	—	4,272	(4,272)	—
Cash dividends (Refer Note 14)	—	—	—	(6,610)	(6,610)
Dividend distribution tax	—	—	—	(1,354)	(1,354)
Balance as at March 31, 2020	**24,690**	**62,938**	**41,201**	**2,20,324**	**3,49,153**
Balance as at April 1, 2020	24,690	62,938	41,201	2,20,324	3,49,153
Profit for the year	—	—	—	11,285	11,285
Other comprehensive income	—	—	—	1,490	1,490
Transfer from retained earnings	—	—	1,129	(1,129)	—
Cash dividends (Refer Note 14)	—	—	—	(6,610)	(6,610)
Balance as at March 31, 2021	**24,690**	**62,938**	**42,330**	**2,25,360**	**3,55,318**

Capital redemption reserve - The said reserve was created by transfer from general reserve on redemption of preference shares. This reserve account can be applied in paying up unissued shares to be issued to members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.

Securities premium - The reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares etc., in accordance with the provisions of the Companies Act, 2013.

General reserve - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. The Company has made voluntarily transfer of net income to general reserve. The amount transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382

Place: Bengaluru
Date: April 27, 2021

For and on behalf of the Board of Directors of
United Breweries Limited

Rishi Pardal
Managing Director
DIN: 02470061

Sunil Kumar Alagh
Director
DIN: 00103320

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and
Company Secretary

Place: Bengaluru
Date: April 27, 2021

Notes to the standalone Ind AS financial statements for the year ended March 31, 2021

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

1. Corporate information

United Breweries Limited ("UBL" or "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The registered office of the Company is located at UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru 560001, Karnataka, India. The Company is primarily engaged in the manufacture, purchase and sale of beer and non-alcoholic beverages. The Company has manufacturing facilities in India. The standalone Ind AS financial statements were approved by the Board of Directors of the Company on April 27, 2021.

2. Basis of preparation of standalone Ind AS financial statements

The standalone Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable. The standalone Ind AS financial statements have been prepared on a historical cost basis, except for assets and liabilities which are required to be measured at fair value. The standalone Ind AS financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The significant accounting policies adopted for preparation and presentation of financial statements have been applied consistently.

2.1 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign currencies

The standalone Ind AS financial statements are presented in INR, which is also the Company's functional currency. Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Company uses monthly average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income ("OCI") or the statement of profit and loss are also recognised in OCI or the statement of profit and loss, respectively).

In determining the spot exchange rate for initial recognition of the related asset, expense or income (or part of it) on derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non- monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

(c) Fair value measurement

The Company measures financial instruments (such as derivatives) at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

UNITED BREWERIES LIMITED

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the standalone Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone Ind AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re- assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. External valuers are involved, wherever considered necessary.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. This note summarizes accounting policy for fair value and the other fair value related disclosures are given in the relevant notes.

(d) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements, except in certain contract manufacturing arrangements as explained below, since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 115 issued by the Institute of Chartered Accountants of India ("ICAI"), the recovery of excise duty flows to the Company on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/value added tax (VAT), goods and services tax are not received by the Company on its own account and are taxes collected on value added to the commodity by the seller on behalf of the government. Accordingly, these are excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

Revenue from the sale of products is recognised at a point in time when control of the products is transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, discounts and incentives.

If the consideration in a contract includes a variable amount (discounts and incentives), the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer and such discounts and incentives are estimated at contract inception.

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Sale of services

Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement. The Company provides license to the parties to manufacture, sell and distribute its goods in exchange of royalty fee which is based on the sales made to the end customer. The Company recognises revenue from sales-based royalty promised in exchange for a license of intellectual property only when (or as) the later of the events occurs — (a) the sale occurs; and (b) the performance obligation for sales has been satisfied (or partially satisfied).

Income from contract manufacturing units

The Company evaluates its revenue arrangements with Contract Manufacturing Units ("CMUs") to identify agency relationship.

The Company is regarded as a principal if it controls promised good or service before it transfers the good or service to customer. In case if the Company is a principal in a contract, it may satisfy a performance obligation by itself or may engage CMU to satisfy some or all of a performance obligation on its behalf. In this case, the Company recognises revenue at the gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. Revenue is recognized on sale of products to customers and the related cost of sales is also recognized by the Company, as and when incurred.

The Company is regarded as an agent if its performance obligation is to arrange for the provision of goods or services by CMU. In this case CMU is primarily responsible for fulfilling the contract and the Company does not have discretion in establishing prices and is also not exposed to inventory and credit risks for the amount receivable from the customer. In this case, the Company recognises revenue at the net amount of consideration the Company is eligible under the contract. This net consideration is recognized as income, as per the terms of respective agreement and on the basis of information provided by respective CMU. Such income is included under the head "other operating revenues" in the statement of profit and loss.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A trade receivable is recognised if an amount of consideration is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from the customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

(e) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates whether it is probable that the relevant taxation authority would accept an uncertain tax treatment that the Company has used or plan to use in its income tax filings, including with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences, except:

- when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiary and associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/value added tax/goods and services tax paid on acquisition of assets or on incurring expenses

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of sales/value added taxes/goods and services tax paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Notes to the standalone Ind AS Financial Statements contd.
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(g) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

Property, plant and equipment and intangibles are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

(h) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress is stated at cost. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria is met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, estimated by the management, as follows:

	Useful life (years)
Factory buildings	30
Other buildings (RCC)	60
Other buildings (Non-RCC)	30
Roads (RCC)	10
Roads (Non-RCC), Fences, etc	5
Plant and equipment	15*
Electrical installations	10
Office equipments	5
Computers	3
Servers and networks	6
Furniture and fixtures	10
Laboratory equipments	10
Vehicles	8 and 10

* In respect of assets (excluding pipelines) used at any time during the year on double shift or triple shift basis, the depreciation for that period is increased by 50% or 100%, respectively.

For the purpose of depreciation calculation, residual value is determined as 5% of the original cost for all the assets, as estimated by the management basis independent assessment by an expert. The Company, based on technical assessment made by an expert and management estimate, depreciates following assets, not included above, over the estimated useful lives which are different from the useful life prescribed in

UNITED BREWERIES LIMITED

Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

(i) Assets acquired on amalgamation, etc. (where original dates of acquisition are not readily available), are depreciated over the remaining useful life of the assets, as certified by an expert.

(ii) Beer dispensers and coolers (included under furniture and fixtures) and Kegs (included under plant and equipment) are depreciated on a straight-line basis over a period of 3 years being useful life, as estimated by the management considering nature of these assets.

Leasehold improvements are amortized on straight-line basis over the lower of useful life of the asset and the remaining period of the lease.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as finite.

Intangible assets are amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the statement of profit and loss, unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de- recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Licenses and rights are amortised on a straight-line basis over useful life of 10 years, as estimated by the management.

(j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(k) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets (disclosed under property, plant and equipment) are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Useful life (years)
Leasehold land	90-99
Buildings	2-9
Furniture and fixtures	3
Vehicles	4 and 5

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects exercising of the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The Company has applied practical expedient of using a single discount rate to a portfolio of leases with similar characteristics. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included under Interest-bearing borrowings.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(l) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, Packing materials and bottles, Stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and Work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excludes borrowing costs. Excise duty, as applicable, is included in the valuation.

Stock-in-trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(m) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss, unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(n) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Retirement and other employee benefits

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Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

In respect of certain employees, the Company has established a Provident Fund Trust, which is a defined benefit plan, to which contributions towards provident fund are made each month. The Provident Fund Trust guarantees a specified rate of return on such contributions on a periodical basis as per the government notification. The Company will meet the shortfall in the return, if any, which is determined based on an actuarial valuation carried out, as per projected unit credit method, as at the date of balance sheet. The contributions to provident fund are charged to the statement of profit and loss on an accrual basis.

Retirement benefit in the form of superannuation fund is a defined contribution scheme. The Company has established a Superannuation Fund Trust to which contributions are made each month. The Company recognizes contribution payable to the superannuation fund scheme as expenditure, when an employee renders the related service. The Company has no other obligations beyond its monthly contributions.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognized in the statement of profit and loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognizes related restructuring costs. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes changes in the net defined benefit obligation which includes service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and net interest expense or income, as an expense in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short- term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

(p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

(ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de- recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of the investments. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in subsidiary and associate

Investments in subsidiary and associate are carried at cost less allowance for impairment, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The recoverable amount is the higher of fair value less cost of disposal and value in use.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade and other payables, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities.

For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(q) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to the statement of profit and loss when the hedge item affects the statement of profit and loss.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

(r) Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(s) Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone Ind AS financial statements.

(u) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(v) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Company are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(w) Significant accounting judgements, estimates and assumptions

The preparation of the standalone Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its assumptions and estimates on parameters available when the standalone Ind AS financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the standalone Ind AS financial statements are as below. Also refer Note 44 in respect of the assessment of impact of the Coronavirus (COVID-19) pandemic.

Revenue from contracts with customers

The Company determines and updates its assessment of expected discounts and incentives periodically and the accruals are adjusted accordingly. Estimates of expected discount and incentives are sensitive to changes in circumstances and the Company's past experience regarding these amounts may not be representative of actual amounts in the future.

Leases

The Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement and considers all relevant factors that create an economic incentive in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates), when available and makes entity-specific estimates, wherever required.

Property, plant and equipment

The depreciation of property, plant and equipment is derived on determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the management at the time of acquisition of asset and is reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

Impairment of investments carried at cost and non-financial assets

Investments carried at cost and non-financial assets such as property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Significant management judgement is required to determine recoverable amount and the impairment loss, if any. These calculations are sensitive to underlying assumptions.

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Provision for expected credit loss on trade receivables

The measurement of expected credit loss reflects a probability-weighted outcome, the time value of money and the best available forward-looking information. The correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and forecasted economic conditions. The Company's historical credit loss experience and forecast of economic conditions may not be representative of the actual default in the future.

Tax contingencies and provisions

Significant management judgement is required to determine the amounts of tax contingencies and provisions, including amount expected to be paid/recovered for uncertain tax positions and the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected return, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

2.2 Standards issued but not yet effective

There are no standards or amendments issued on or before March 31, 2021 and not yet effective, which may have any material impact on the standalone Ind AS financial statements of the Company.

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Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

	Cost				Depreciation/Amortisation					Net book value
	As at April 1, 2020	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	For the year	Impairment [refer note 43]	On Deletions	As at March 31, 2021	As at March 31, 2021
Freehold land (refer note a)	19,717	—	—	19,717	—	—	—	—	—	19,717
Buildings (refer note c)	68,637	8,203	289	76,551	22,133	2,461	2,153	288	26,459	50,092
Leasehold improvements	64	—	—	64	64	—	—	—	64	—
Plant and equipment	2,97,254	20,879	3,532	3,14,601	2,02,883	15,837	2,112	3,492	2,17,340	97,261
Office equipments	2,217	464	88	2,593	1,516	227	8	87	1,664	929
Computer equipments	2,210	81	354	1,937	1,491	178	2	336	1,335	602
Furniture and fixtures	23,421	1,449	258	24,612	17,671	2,523	111	250	20,055	4,557
Laboratory equipments	4,482	199	126	4,555	2,418	324	60	126	2,676	1,879
Vehicles	1,062	—	88	974	835	41	—	38	838	136
	4,19,064	**31,275**	**4,735**	**4,45,604**	**2,49,011**	**21,591**	**4,446**	**4,617**	**2,70,431**	**1,75,173**
Right-of-use assets (also refer Note 33)										
Leasehold land (refer note b)	17,148	—	—	17,148	1,107	200	—	—	1,307	15,841
Buildings	2,354	311	938	1,727	820	842	—	938	724	1,003
Furniture and fixtures	36	—	—	36	10	12	—	—	22	14
Vehicles	30	63	—	93	2	16	—	—	18	75
	19,568	**374**	**938**	**19,004**	**1,939**	**1,070**	**—**	**938**	**2,071**	**16,933**
Total	**4,38,632**	**31,649**	**5,673**	**4,64,608**	**2,50,950**	**22,661**	**4,446**	**5,555**	**2,72,502**	**1,92,106**

Previous year

	Cost				Depreciation/Amortisation					Net book value
	As at April 1, 2019	Additions	Deletions (refer note e)	As at March 31, 2020	As at April 1, 2019	For the year	Impairment	On Deletions (refer note e)	As at March 31, 2020	As at March 31, 2020
Freehold land (refer note a)	20,203	—	486	19,717	—	—	—	—	—	19,717
Buildings (refer note c)	62,036	6,636	35	68,637	20,097	2,064	—	28	22,133	46,504
Leasehold improvements	64	—	—	64	64	—	—	—	64	—
Plant and equipment	2,68,694	28,962	402	2,97,254	1,81,099	22,156	—	372	2,02,883	94,371
Office equipments	1,734	484	1	2,217	1,326	191	—	1	1,516	701
Computer equipments	1,823	391	4	2,210	1,350	145	—	4	1,491	719
Furniture and fixtures	19,440	4,037	56	23,421	15,650	2,067	—	46	17,671	5,750
Laboratory equipments	3,559	943	20	4,482	2,154	284	—	20	2,418	2,064
Vehicles	1,018	44	—	1,062	775	60	—	—	835	227
	3,78,571	41,497	1,004	4,19,064	2,22,515	26,967	—	471	2,49,011	1,70,053
Right-of-use assets (also refer Note 33)										
Leasehold land (refer note b)	17,468	—	320	17,148	999	202	—	94	1,107	16,041
Buildings	1,631	723	—	2,354	—	820	—	—	820	1,534
Furniture and fixtures	—	36	—	36	—	10	—	—	10	26
Vehicles	—	30	—	30	—	2	—	—	2	28
	19,099	789	320	19,568	999	1,034	—	94	1,939	17,629
Total	3,97,670	42,286	1,324	4,38,632	2,23,514	28,001	—	565	2,50,950	1,87,682

UNITED BREWERIES LIMITED

(a) Freehold land measuring 9.04 acres (forming part of land parcel of 23.87 acres with gross book value of Rs. 211 Lakhs) at Kuthambakkum (Tamilnadu) is pending registration in the name of the Company and titles of freehold land measuring 0.54 acres at Mallepally (Telangana), Nanjangud and Nelamangala (Karnataka) (together forming part of land parcel of 184.96 acres with gross book value of Rs. 11,724 Lakhs) are in dispute and pending resolution in the Courts as at March 31, 2021. Further, titles of freehold land measuring 63.07 acres (with gross book value of Rs. 654 Lakhs) at Kothlapur (Telangana) is held in the name of erstwhile merged entity.

(b) The title of leasehold land measuring 43.73 acres (with gross book value of Rs. 1,255 Lakhs) at Aurangabad (Maharashtra) are held in the name of erstwhile merged entities.

(c) Buildings include those constructed on leasehold land as follows:

	March 31, 2021	*March 31, 2020*
Gross block	31,806	*28,174*
Depreciation charge for the year*	1,041	*911*
Accumulated depreciation*	10,022	*8,981*
Net block	**21,784**	***19,193***

*Net of depreciation on deletions

(d) Capital work-in-progress as at March 31, 2021 and March 31, 2020 comprises of capital expenditure relating to plant and equipment and buildings which are in the course of construction.

(e) Assets held for sale:

	March 31, 2021	*March 31, 2020*
Balance at the beginning of the year	714	*—*
Additions^	—	*714*
Transfer/sale [Refer Note 30(b)]	(226)	*—*
Balance at the end of the year	**488**	***714***

^ Additions include assets (land and buildings) with gross value of Rs. 809 Lakhs and net book value of Rs. 714 Lakhs which were classified as Assets held for sale at lower of carrying value and fair value less cost to sell during the previous year. These are disclosed as deletions from property, plant and equipment.

(f) Refer Note 15 for details of property, plant and equipment pledged as security against borrowings.

4. INTANGIBLE ASSETS

	Cost				**Amortisation**					**Net book value**
	As at April 1, 2020	*Additions*	Deletions	**As at March 31, 2021**	*As at April 1, 2020*	For the year	Impairment	Deletions	**As at March 31, 2021**	**As at March 31, 2021**
Licenses and rights	*11,380*	*229*	—	11,609	*8,987*	524	—	—	9,511	2,098
Total	***11,380***	***229***	—	**11,609**	***8,987***	**524**	—	**—**	**9,511**	**2,098**

Previous year

	Cost				*Amortisation*					*Net book value*
	As at April 1, 2019	*Additions*	*Deletions*	*As at March 31, 2020*	*As at April 1, 2019*	*For the year*	*Impairment*	*Deletions*	*As at March 31, 2020*	*As at March 31, 2020*
Licenses and rights	*11,185*	*195*	—	*11,380*	*8,491*	*496*	—	—	*8,987*	*2,393*
Total	*11,185*	*195*	—	*11,380*	*8,491*	*496*	—	—	*8,987*	*2,393*

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2021		As at March 31, 2020	
5. FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)				
Trade investments				
Equity instruments at cost (fully paid-up) (Unquoted)				
Investments in subsidiary company				
Maltex Malsters Limited ('MML') [22,950 (March 31, 2020: 22,950) equity shares of Rs. 100 each]	4,500		*4,500*	
Less: Provision for impairment in value of investments*	3,735	765	*1,959*	*2,541*
Investment in associate				
Kingfisher East Bengal Football Team Private Limited [4,999 (March 31, 2020: 4,999) equity shares of Rs. 10 each]		1		*1*
Non-trade investments				
Equity instruments at fair value through profit or loss (fully paid-up) (Unquoted)				
The Zoroastrian Co-operative Bank Limited [2,000 (March 31, 2020: 2,000) equity shares of Rs. 25 each]		1		*1*
SABMiller India Limited (Formerly, Skol Breweries Limited) [300 (March 31, 2020: 300) equity shares of Rs. 10 each]**		—		—
Castle Breweries Ltd. (Formerly, Jupiter Breweries Industries Limited) [50 (March 31, 2020: 50) equity shares of Rs. 10 each]**		—		—
Mohan Meakin Limited [100 (March 31, 2020: 100) equity shares of Rs. 5 each]**		—		—
Blossom Industries Limited [100 (March 31, 2020: 100) equity shares of Rs. 3 each]**		—		—
Renew Wind Energy (Karnataka) Private Limited [10,400 (March 31, 2020: 8,400) equity shares of Rs. 100 each]		15		*8*
Mytrah Vayu (Manjira) Private Limited [1,44,000 (March 31, 2020: 1,44,000) equity shares of Rs. 10 each]		14		*14*
Capsol Sunray Private Limited [27,20,035 (March 31, 2020: Nil) equity shares of Rs. 10 each]		272		—
*Debt instruments at fair value through other comprehensive income (fully paid-up) (Quoted)****				
IL&FS Financial Services Limited [9.55%, 5,000 (March 31, 2020: Nil) non-convertible debentures of Rs. 1,000 each]		17		—
Dewan Housing Finance Corporation Limited [9.15%, 4 (March 31, 2020: Nil) non-convertible debentures of Rs. 10,00,000 each]		14		—
Dewan Housing Finance Corporation Limited [9.30%, 20 (March 31, 2020: Nil) non-convertible debentures of Rs. 10,00,000 each]		70		—
Dewan Housing Finance Corporation Limited [9.25%, 53,500 (March 31, 2020: Nil) non-convertible debentures of Rs. 1,000 each]		188		—
Dewan Housing Finance Corporation Limited [9.30%, 3,100 (March 31, 2020: Nil) non-convertible debentures of Rs. 1,000 each]		11		—
In government securities (Unquoted)				
National savings certificate	18		*18*	
Less: Provision for impairment in value of investments	15	3	*15*	*3*
Total		**1,371**		*2,568*

* The fair value for the purpose of determination of impairment loss has been estimated by the management based on fair value of assets by an independent expert. The impairment in value of investment in MML is due to continued delay in obtaining necessary approvals to expand malting facility at MML, leading to high overhead costs incurred on operating at its current level of capacity. Also refer Note 30(a).

** Rounded off.

*** Purchased from United Breweries Limited Provident Fund Trust (refer Note 38).

	As at March 31, 2021	As at March 31, 2020
Aggregate amount of unquoted investments	4,821	*4,542*
Aggregate amount of quoted investments	300	—
Aggregate amount of impairment in value of investments	(3,750)	*(1,974)*

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Non-current		Current	
	As at March 31, 2021	*As at March 31, 2020*	**As at March 31, 2021**	*As at March 31, 2020*
6. FINANCIAL ASSETS - OTHERS				
Unsecured, considered good				
Financial asset at fair value through profit or loss				
Foreign exchange forward contract (Not designated as hedge)	—	—	—	286
Financial assets at amortised cost				
Security deposits	4,105	4,703	—	—
Bank deposits with remaining maturity of more than 12 months	43	90	—	—
Margin money deposits towards bank guarantees	112	104	—	—
Interest accrued on bank and other deposits	—	—	84	80
	4,260	4,897	**84**	366
Unsecured, credit impaired				
Security deposits	93	71	—	—
Less: Loss allowance	93	71	—	—
	—	—	—	—
Total	**4,260**	4,897	**84**	366

	As at March 31, 2021	*As at March 31, 2020*
7. TAX ASSET/(LIABILITY) (NET)		
(a) Income tax assets (net)		
Balance at the beginning of the year	18,945	17,493
Less: Provision for the year	6,733	17,550
Add: Taxes paid (net of refund)	8,184	19,002
Closing balance (net)	**20,396**	18,945

The above amounts include amounts paid under protest against various income tax demands under appeal, which are included under contingent liabilities.

	Balance sheet		Statement of profit and loss	
	As at March 31, 2021	*As at March 31, 2020*	**March 31, 2021**	*March 31, 2020*
(b) Deferred tax asset/(liability) (net)				
Deferred tax assets				
Provision/allowance for receivables and advances	1,843	2,330	487	(243)
Provision for employee benefits	1,443	1,783	340	(52)
Provision for impairment of property, plant and equipment (Refer Note 43)	1,119	—	(1,119)	—
Other provisions	1,758	1,326	(432)	(428)
	6,163	5,439	**(724)**	(723)
Deferred tax liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	2,671	2,668	3	(3,195)
	2,671	2,668	**3**	(3,195)
Net deferred tax asset/(liability)	**3,492**	2,771		
Deferred tax (credit)			**(721)**	(3,918)

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

7. TAX ASSET/(LIABILITY) (NET) (continued)

	As at March 31, 2021	As at March 31, 2020
Reconciliation of movement in deferred tax asset/(liability) (net)		
Balance at the beginning of the year	2,771	*(1,147)*
Tax (charge)/credit during the year		
Recognised in the statement of profit and loss	1,222	*3,531*
Recognised in OCI	(501)	*387*
	721	*3,918*
Balance at the end of the year	**3,492**	*2,771*

The Company has not recognised deferred tax asset on provision for impairment in value of investments amounting to Rs. 3,750 Lakhs (March 31, 2020: Rs. 1,974 Lakhs), considering uncertainty that sufficient future taxable capital gains would be available against which such tax credits can be utilised.

8. OTHER ASSETS

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good				
Capital advances	663	*5,502*	—	—
Advances other than capital advances				
Advance to suppliers*	3,697	*3,680*	1,009	*1,828*
Advance to a related party (Refer Note 38)	—	—	75	*116*
Employees and other advances	70	*83*	203	*220*
Prepaid expenses	2,855	*4,259*	7,849	*8,924*
Balance with statutory/ government authorities**	7,868	*5,543*	22,615	*31,797*
Government grant receivable***	639	*639*	—	—
	15,792	*19,706*	**31,751**	*42,885*
Unsecured, considered doubtful				
Capital advances	82	*82*	—	—
Advances other than capital advances				
Advance to suppliers	532	*95*	—	—
Balance with statutory/government authorities	825	*318*	—	—
Less: Provision for doubtful advances	1,439	*495*	—	—
	—	—	—	—
Total	**15,792**	*19,706*	**31,751**	*42,885*

* Non-current advance to suppliers includes an amount of Rs. 3,197 Lakhs (March 31, 2020: Rs. 3,180 Lakhs) paid under protest to Maharashtra Industrial Development Corporation ("MIDC") towards increased charges for water supplies. The Company has filed a special leave petition before the Supreme Court in respect of this matter and the management, basis a legal advice, believes that the Company's position will be upheld in the appellate process and accordingly, the same has been considered as a contingent liability as at year end.

** Non-current portion includes amount paid under protest against various tax demands under appeal, which are included under contingent liabilities.

*** Relates to Industrial promotion subsidy. There are no unfulfilled conditions or other contingencies attached to these grants.

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other person or advances to firms or private companies, respectively, in which any director is a partner or a director or a member.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2021	As at March 31, 2020
9. INVENTORIES		
(valued at lower of cost and net realisable value)		
Raw materials [Includes in transit: Rs. 719 Lakhs (March 31, 2020: Rs. 610 Lakhs)]	25,453	*23,294*
Packing materials and bottles [Includes in transit: Rs. 1,059 Lakhs (March 31, 2020: Rs. 642 Lakhs)]	16,252	*18,962*
Work-in-progress	39,560	*37,118*
Finished goods [Includes in transit: Rs. 6,103 Lakhs (March 31, 2020: Rs. 4,399 Lakhs)]*	26,344	*24,491*
Stock-in-trade [Includes in transit: Rs. 24 Lakhs (March 31, 2020: Rs. 84 Lakhs)]	457	*690*
Stores and spares [Includes in transit: Rs. 21 Lakhs (March 31, 2020: Rs. 223 Lakhs)]	5,463	*4,674*
Total	**1,13,529**	*1,09,229*

*Net of provision for obsolete stock Rs. 2,331 Lakhs (March 31, 2020: Rs. 2,227 Lakhs).

During the year, an amount of Rs. 1,771 Lakhs (March 31, 2020: Rs. 2,519 Lakhs) was recognised as an expense for inventories carried at net realisable values.

10. TRADE RECEIVABLES

(Financial assets at amortised cost)

	As at March 31, 2021	As at March 31, 2020
Considered good		
Secured	2,226	*2,489*
Unsecured	1,37,256	*1,32,488*
	1,39,482	*1,34,977*
Credit impaired		
Unsecured	5,792	*8,693*
Less: Loss allowance	5,792	*8,693*
	—	—
Total	**1,39,482**	*1,34,977*

Includes dues from related parties (Refer Note 38).

No debts are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Also, no debts are due from firms or private companies, respectively, in which any director is a partner or a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days. Balances disclosed as secured are secured by security deposits received from customers or amounts payable to commission agents.

11. CASH AND CASH EQUIVALENTS

	As at March 31, 2021	As at March 31, 2020
Bank balances on current accounts**	8,431	*2,891*
Bank deposits with original maturity of three months or less	32,500	—
Cash on hand	9	*8*
Total	**40,940**	*2,899*

**Includes balances in exchange earners foreign currency accounts of Rs. 4,692 Lakhs (March 31, 2020: Rs. 263 Lakhs)

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2021	As at March 31, 2020
12. OTHER BANK BALANCES		
Bank balances on current accounts towards unpaid dividend	5,147	3,791
Bank deposits with original maturity of:		
Less than 12 months but more than 3 months	613	588
Greater than 12 months	105	53
Total	**5,865**	4,432

Bank balances towards unpaid dividend can be utilised only towards payment of dividend. Other bank balances excludes bank deposits with remaining maturity of more than 12 months and margin money deposits (Refer Note 6). Bank deposits include balances where fixed deposits receipts are pledged with statutory/government authorities.

13. EQUITY SHARE CAPITAL

	As at March 31, 2021	As at March 31, 2020
Authorised share capital		
412,98,00,000 (March 31, 2020: 412,98,00,000) equity shares of Re. 1 each	41,298	41,298
5,86,00,000 (March 31, 2020: 5,86,00,000) preference shares of Rs. 100 each	58,600	58,600
	99,898	99,898
Issued, subscribed and fully paid-up shares		
26,44,05,149 (March 31, 2020: 26,44,05,149) equity shares of Re. 1 each	2,644	2,644
	2,644	2,644

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2021		As at March 31, 2020	
	Nos.	Rs. in Lakhs	Nos.	Rs.in Lakhs
At the beginning of the year	26,44,05,149	2,644	26,44,05,149	2,644
Changes during the year	—	—	—	—
Outstanding at the end of the year	**26,44,05,149**	2,644	**26,44,05,149**	2,644

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity share is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% of the shares in the Company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Nos.	%	Nos.	%
Equity shares of Re.1 each fully paid				
Scottish & Newcastle India Limited	8,99,94,960	34.04%	8,99,94,960	34.04%
Deputy Director, Directorate of Enforcement	4,27,04,758	16.15%	4,27,04,758	16.15%
Heineken International B.V.	2,45,25,575	9.28%	2,45,25,575	9.28%
Dr. Vijay Mallya (including joint holdings)	2,13,53,620	8.08%	2,13,53,620	8.08%

As per records of the Company, the above shareholding represents legal ownership of shares.

d) There are no equity shares issued as bonus, shares issued for consideration other than cash or shares bought back during the period of five years immediately preceding the reporting date.

UNITED BREWERIES LIMITED

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2021	As at March 31, 2020
14. OTHER EQUITY		
Capital redemption reserve		
Balance as per last standalone Ind AS financial statements	**24,690**	*24,690*
Securities premium		
Balance as per last standalone Ind AS financial statements	**62,938**	*62,938*
General reserve		
Balance as per last standalone Ind AS financial statements	41,201	*36,929*
Transfer from the statement of profit and loss	1,129	*4,272*
Closing balance	**42,330**	*41,201*
Retained earnings		
Balance as per last standalone Ind AS financial statements	2,20,324	*1,90,988*
Profit for the year	11,285	*42,723*
Other comprehensive income/(loss)	1,490	*(1,151)*
Appropriations		
Final equity dividend	(6,610)	*(6,610)*
Tax on equity dividend	—	*(1,354)*
Transfer to general reserve	(1,129)	*(4,272)*
Closing balance	**2,25,360**	*2,20,324*
Total reserves and surplus	**3,55,318**	*3,49,153*
Distribution made and proposed		
Cash dividends on equity shares declared and paid:		
Dividend for the year ended March 31, 2020: Rs. 2.50 per share (March 31, 2019: Rs. 2.50 per share)	6,610	*6,610*
Dividend distribution tax	—	*1,354*
	6,610	*7,964*
Proposed dividends on equity shares:		
Dividend for the year ended on March 31, 2021: Re. 0.50 per share (March 31, 2020: Rs. 2.50 per share)	1,322	*6,610*
	1,322	*6,610*

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at year end.

With effect from April 1, 2020, the Dividend Distribution Tax ("DDT") under section 115D of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Non-current portion		Current portion	
	As at March 31, 2021	*As at March 31, 2020*	**As at March 31, 2021**	*As at March 31, 2020*
15. FINANCIAL LIABILITIES - BORROWINGS (NON-CURRENT)				
(at amortised cost)				
Secured				
Indian currency term loans from banks	10,750	*37*	14,250	*7,506*
	10,750	*37*	**14,250**	*7,506*
Unsecured				
Lease liabilities	774	*853*	406	*806*
	774	*853*	**406**	*806*
Less: Amount disclosed under the head "Other financial liabilities" (Refer Note 16)	—	*—*	14,656	*8,312*
Total	**11,524**	*890*	—	*—*

Secured

Nature of security	Repayment and other terms
Indian currency term loans	
Axis Bank: Rs. 25,000 Lakhs (March 31, 2020: Rs. Nil Lakhs) secured by first pari-passu charge on all present and future movable property, plant and equipment of the Company, excluding those which are exclusively under charge of other lenders and with negative lien on immovable fixed assets of the Company.	Repayable in 5 equal quarterly instalments of Rs. 4,750 Lakhs each and one instalment of Rs. 1,250 Lakhs starting from September 2021. The loan carries floating interest rate, which was in the range of 5.4% to 7.5% per annum during the year and is payable on monthly basis.
Cooperatieve Rabo Bank U.A.: Rs. Nil (March 31, 2020: Rs. 7,500 Lakhs) secured by a pari-passu charge over all the movable fixed assets of the Company, other than assets of Taloja unit.	Repayable after 3 years from the date of drawal i.e. on December 22, 2020. The loan carried interest of 6.70% to 8.50% per annum payable on monthly basis.
Daimler Financial Services India Private Limited: Rs. Nil (March 31, 2020: Rs. 43 Lakhs) secured by hypothecation of Car.	Repayable in 48 equal monthly instalments starting from October 2018. The loan carried interest rate of 11.5% per annum.

Unsecured

The lease liabilities are not secured by any assets owned by the Company. However, the Company's obligations under the leases are secured by the lessor's title to the leased assets and deposits given by the Company under normal lease arrangements.

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(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Non-current		Current	
	As at March 31, 2021	*As at March 31, 2020*	As at March 31, 2021	*As at March 31, 2020*
16. OTHER FINANCIAL LIABILITIES				
(at amortised cost)				
Current maturities of long-term borrowings (Refer Note 15)	—	—	14,656	*8,312*
Liability for capital goods	—	—	5,774	*6,208*
Interest accrued but not due on borrowings	—	—	—	*569*
Security deposits	—	—	3,693	*3,705*
Unpaid dividends*	—	—	5,147	*3,791*
Salaries and bonus payable	1,109	*1,131*	4,697	*3,870*
Freight expenses payable	—	—	7,046	*6,509*
Other expenses payable	—	—	27,097	*23,645*
Total	**1,109**	*1,131*	**68,110**	*56,609*

* There are no amounts due for payment to the Investor Education and Protection Fund under the Companies Act, 2013 as at year end.

	Non-current		Current	
	As at March 31, 2021	*As at March 31, 2020*	As at March 31, 2021	*As at March 31, 2020*
17. PROVISIONS				
Provision for employee benefits				
Gratuity	160	*685*	1,000	*1,000*
Provident fund	—	*973*	265	—
Compensated absences	—	—	4,308	*4,426*
	160	*1,658*	**5,573**	*5,426*
Other provisions				
Provision for litigations	—	—	3,527	*3,552*
	—	—	**3,527**	*3,552*
Total	**160**	*1,658*	**9,100**	*8,978*

	At the beginning of the year	Additions during the year	Utilised during the year	Unused amounts reversed	At the end of the year
Provision for litigations	3,552	8	—	33	3,527
	(3,023)	(531)	—	(2)	(3,552)
Provision for claims	—	—	—	—	—
	(279)	—	—	(279)	—

Figures in brackets are of previous year

Provision for litigations relates to matters which are sub-judice. Although the Company continues to contest these cases, the management believes that outflow of resources embodying economic benefits is probable and hence created provision towards these obligations.

Provision for claims relates to amount expected to be paid as reimbursements. The management believed that outflow of resources embodying economic benefits was probable and hence created provision towards these obligations.

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

18. FINANCIAL LIABILITIES - BORROWINGS (CURRENT)

(at amortised cost)

	As at March 31, 2021	As at March 31, 2020
Secured		
Indian currency cash credit from banks	17	—
Indian currency working capital demand loans from banks	—	6,100
	17	6,100
Unsecured		
Foreign currency buyer's credit from bank	—	9,915
	—	9,915
Total	**17**	16,015

(a) Indian currency cash credit and working capital demand loans are part of consortium facility and are secured by first pari-passu charge on all current assets of the Company namely stock of raw materials, semi finished and finished goods, stores and spares and not relating to plant & machinery (consumables, stores & spares), bills receivable and book debt of the present and the future. These facilities are repayable within 360 days and carry interest in the range of 4% to 7% per annum.

(b) Foreign currency buyer's credit was repayable on June 5, 2020 and carried interest of 7.15% per annum.

19. FINANCIAL LIABILITIES - TRADE PAYABLES

(at amortised cost)

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro and small enterprises (Refer Note 36 for details)	5,193	5,387
Total outstanding dues of creditors other than micro and small enterprises (including acceptances)*	56,572	49,076
Total	**61,765**	54,463

*Includes dues to related parties (Refer Note 38)

Trade payables are non-interest bearing and are normally settled on 30 to 180 days term.

20. OTHER CURRENT LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Statutory dues payable**	71,842	56,957
Contract liabilities - Advances from customers***	2,614	3,146
Advance against assets held for sale	—	2,069
Advance from commission agents	250	663
Total	**74,706**	62,835

** Includes liability for excise duty on closing stock of work-in-progress and finished goods, value added tax, goods and services tax, etc.

*** Revenue recognised from amounts included in contract liabilities at the beginning of the year is Rs. 2,583 Lakhs (March 31, 2020: Rs. 6,716 Lakhs)

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2021	March 31, 2020
21. REVENUE FROM CONTRACTS WITH CUSTOMERS (INCLUDING EXCISE DUTY)		
Revenue from operations		
Sale of products (including excise duty)	9,98,509	14,38,774
Sale of services	1,426	998
Other operating revenues	18,405	24,874
Total	**10,18,340**	14,64,646
(a) Disaggregated revenue information		
Sale of products (including excise duty)		
Beer	9,89,774	14,25,777
Non-alcoholic beverages	2,891	2,033
Others (Input materials)	5,844	10,964
	9,98,509	14,38,774
Sale of services	1,426	998
Royalty income	**1,426**	998
Other operating revenues		
Income from contract manufacturing units	11,921	14,174
Scrap sales	6,403	10,250
Others	81	450
	18,405	24,874
(b) Timing of revenue recognition		
Products transferred at a point in time	10,04,993	14,49,474
Services rendered at a point in time	13,347	15,172
	10,18,340	14,64,646
(c) Reconciliation of amount of revenue recognised with contract price		
Revenue as per contracted price	10,55,904	15,07,275
Adjustments (Variable consideration, etc.)	(37,564)	(42,629)
Revenue from contracts with customers	**10,18,340**	14,64,646

(d) Performance obligations for sale of products is satisfied upon delivery of the goods and that for sale of services is satisfied upon rendering of respective services.

(e) Sale of products for the year ended March 31, 2021 is adjusted for reversals in variable consideration of Rs. 1,528 Lakhs (Previous year: Rs. 1,702 Lakhs).

(f) Also refer Note 10 for Trade receivables, Note 20 for Contract liabilities and Note 37 for Segment information.

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2021	March 31, 2020
22. OTHER INCOME		
Interest income on bank and other deposits	434	203
Dividend income on investment in subsidiary company	23	23
Net gain on sale of property, plant and equipment	4	12
Exchange differences (net)*	356	—
Liabilities no longer required written back	205	88
Loss allowance for trade receivables, no longer required written back	3,380	179
Provision for doubtful advances/deposits, no longer required written back	—	7
Other non-operating income	618	399
Total	**5,020**	911

*Includes fair value gain/loss on foreign exchange forward contract not designated as hedge.

	March 31, 2021	March 31, 2020
23. COST OF MATERIALS CONSUMED		
Raw materials		
Inventories at the beginning of the year	23,294	26,412
Add: Purchases	70,382	1,07,097
Less: Inventories at the end of the year	25,453	23,294
Consumption	**68,223**	1,10,215
Packing materials and bottles		
Inventories at the beginning of the year	18,962	12,660
Add: Purchases	1,26,323	1,93,573
Less: Inventories at the end of the year	16,252	18,962
Consumption	**1,29,033**	1,87,271
Total	**1,97,256**	2,97,486
24. PURCHASES OF STOCK-IN-TRADE		
Beer	6,220	18,866
Non-alcoholic beverages	1,151	631
	7,371	19,497

	March 31, 2021	March 31, 2020
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the beginning of the year		
Finished goods*	26,718	26,044
Work-in-progress	37,118	34,849
Stock-in-trade	690	358
	64,526	61,251
Less: Inventories at the end of the year		
Finished goods*	28,675	26,718
Work-in-progress	39,560	37,118
Stock-in-trade	457	690
	68,692	64,526
Increase in inventories	**(4,166)**	(3,275)
Increase in excise duty on inventories	**3,171**	2,320
Total	**(995)**	(955)

*Before provision for obsolete stock. Refer Note 9.

UNITED BREWERIES LIMITED

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2021	March 31, 2020
26. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	42,135	43,431
Gratuity expense [refer note (i) below]	1,067	989
Contribution to provident and other funds [refer notes (i) and (ii) below]	2,250	2,263
Staff welfare expenses	2,777	3,294
Total	**48,229**	**49,977**

(i) The Company operates two defined benefit plans i.e., gratuity and provident fund for its employees. Under the tiered gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure as per the Company policy subject to minimum of 15 days of last drawn salary for each completed year of service. The gratuity fund is managed by external agencies. Under the provident fund benefit plan, the Company contributes to the provident fund trust which guarantees a specified rate of return on such contributions on a periodical basis as per the government notification. The shortfall in the return, if any, is borne by the Company. The aforesaid funds are set up as trusts and are governed by the Board of Trustees who is responsible for the administration of plan assets and for deciding the investment strategy. The following table summarises the components of net benefits expense and the funded status of the respective plans.

	Gratuity		Provident fund	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
a) Changes in the present value of the defined benefit obligation				
Obligations at beginning of the year	11,569	*10,244*	17,100	*13,474*
Current service cost - employer contribution	961	*943*	863	*907*
Employee contribution	—	—	1,724	*1,923*
Interest cost	667	*701*	1,454	*1,236*
Benefits paid	(1,953)	*(727)*	(2,201)	*(1,044)*
Actuarial (gain)/loss	(843)	*408*	120	*604*
Obligations at end of the year	**10,401**	*11,569*	**19,060**	*17,100*
b) Change in fair value of plan assets				
Plan assets at the beginning of the year	9,884	*9,081*	16,127	*13,516*
Return on plan assets	561	*655*	1,404	*1,239*
Contributions during the year*	—	*1,000*	2,946	*2,817*
Benefits paid	(1,953)	*(727)*	(2,201)	*(1,044)*
Actuarial gain/(loss)	749	*(125)*	519	*(401)*
Plan assets at end of the year	**9,241**	*9,884*	**18,795**	*16,127*

*Includes contribution by the employer towards loss on sale of investments by the provident fund trust.

	Gratuity		Provident fund	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
c) Benefit asset/(liability)				
Fair value of plan assets	9,241	*9,884*	18,795	*16,127*
Less: Present value of the defined benefit obligations	10,401	*11,569*	19,060	*17,100*
Benefit asset/(liability)	**(1,160)**	*(1,685)*	**(265)**	*(973)*

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Gratuity		Provident fund	
	March 31, 2021	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*
d) Cost charged to the statement of profit and loss under employee cost				
Current service cost - employer contribution	961	*943*	863	*907*
Interest cost	667	*701*	1,454	*1,236*
Return on plan assets	(561)	*(655)*	(1,404)	*(1,239)*
Net employee benefit expense**	**1,067**	*989*	**913**	*904*

**In respect of provident fund trust, the amount recognised in the statement of profit and loss is the amount contributed to provident fund by the Company and the amount of shortfall in defined benefit obligations (excluding the remeasurment gain/loss which is recognised in other comprehensive income).

	Gratuity		Provident fund	
	March 31, 2021	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*
e) Re-measurement (gain)/loss recognised in other comprehensive income				
Actuarial (gain)/loss				
Change in financial assumption	(289)	*458*	*182*	*563*
Experience variance (actual vs assumption)	(554)	*(50)*	*(62)*	*41*
Return on plan assets (excluding amount recognised in net interest expense)	(749)	*125*	*(519)*	*401*
Net actuarial (gain)/loss	**(1,592)**	*533*	**(399)**	*1,005*
f) Major category of plan assets included in percentage of fair value of plan assets				
Government securities	—	—	11,177	*9,600*
Corporate bonds	—	—	5,796	*6,030*
Fund balance with insurance companies	9,241	*9,884*	—	—
Others	—	—	1,822	*497*
Total	**9,241**	*9,884*	**18,795**	*16,127*

	Gratuity		Provident fund	
	March 31, 2021	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*
g) The principal assumptions used in determining gratuity and provident fund obligations for the Company plans are as shown below:				
Discount rate	6.40%	*6.30%*	6.40%	*6.30%*
Salary increase rate	8.00%-10.50%	*9.50%-10.50%*	8.00%-10.50%	*9.50%-10.50%*
Employee turnover	5.00%-15.00%	*5.00%-15.00%*	5.00%-15.00%	*5.00%-15.00%*
Expected return on exempt fund	Not applicable		7.65%	*7.80%*

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

h) A quantitative sensitivity analysis for significant assumption is as below:

	March 31, 2021		March 31, 2020	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (Gratuity) - Increase/(decrease) in liability				
Discount rate	(735)	836	(729)	830
Salary increase rate	812	(730)	793	(713)
Employee turnover	(165)	183	(168)	186
Impact on defined benefit obligation (Provident fund) - Increase/(decrease) in liability				
Expected return on exempt fund	(564)	627	(950)	1,188

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.

(i) The Company expects to contribute Rs. 1,000 Lakhs (March 31, 2020: Rs. 1,000 Lakhs) to gratuity fund during the next financial year. The maturity profile of the benefit payments under the defined benefit plans in future years is a under:

	Gratuity		Provident fund	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Within next 12 months	686	2,104	3,930	4,106
Between 2 to 5 years	4,356	4,332	6,425	6,530
Between 5 to 10 years	7,605	8,610	3,979	4,359
Total	**12,647**	15,046	**14,334**	14,995

The average duration of the defined benefit plan obligations at the end of the reporting period is 7 years (Previous year: 6 years)

(ii) Contribution to provident and other funds includes the following:

	March 31, 2021	March 31, 2020
Provident fund (includes defined benefit obligation)	1,548	1,557
Superannuation fund	669	670
Employees state insurance fund	33	36
Total	**2,250**	2,263

27. FINANCE COSTS

Interest expense (including on lease liabilities)	2,244	3,047
Other borrowing costs	23	65
Total	**2,267**	3,112

28. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of property, plant and equipment (including right-of-use assets)	22,661	28,001
Amortisation of intangible assets	524	496
Total	**23,185**	28,497

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

		March 31, 2021		
29. OTHER EXPENSES				
Consumption of stores and spares		7,946		*13,446*
Power and fuel		11,451		*17,295*
Rent		3,892		*3,972*
Repairs and maintenance				
Plant and machinery		2,656		*4,941*
Buildings		121		*404*
Others		1,348		*1,606*
Insurance		2,223		*1,453*
Rates and taxes		22,866		*27,488*
Legal and professional charges		3,933		*4,811*
Auditor's remuneration*				
Statutory audit fee	141		*141*	
Limited review fee	27		*27*	
Tax audit fee	19		*19*	
Certifications	15		*9*	
Others	23	225	*24*	*220*
Sales promotion expenses [net of reversal of Rs.186 Lakhs (Previous year: Rs.185 Lakhs)]		21,095		*36,728*
Outward freight, halting and breakage expenses		23,098		*37,225*
Distribution expenses [net of reversal of Rs.145 Lakhs (Previous year: Rs.304 Lakhs)]		16,451		*24,458*
CSR expenditure (refer details below)		1,383		*1,224*
Bad debts/advances written off		28		*68*
Loss allowance for trade receivables		479		*3,468*
Provision for doubtful advances/deposits		966		*6*
Exchange differences (net)**		—		*422*
Miscellaneous expenses		14,101		*17,775*
Total		**1,34,262**		*1,97,010*

* Includes goods and service tax and reimbursement of expenses

**Includes fair value gain/(loss) on foreign exchange forward contract not designated as hedge.

Details of CSR expenditure

(a) Gross amount required to be spent by the Company during the year	1,368	*1,224*
(b) Amount approved by the Board to be spent during the year	1,368	*1,224*
(c) Amount spent during the year		
Construction/acquisition of any asset	—	—
Other than construction/acquisition of any asset	1,383	*1,162*
Total	**1,383**	*1,162*
(d) Details related to spent/unspent obligations		
Amount spent during the year	1,383	*1,162*
Unspent amount in relation to ongoing project	47	*62*
Unspent amount in relation to other than ongoing project	—	—
Total	**1,430**	*1,224*
(e) Details of ongoing projects		
Balance at the beginning of the year (with the Company)	62	—
Amount required to be spent during the year	1,368	*1,224*
Less: Amount spent during the year (from the Company's bank account)	1,383	*1,162*
Balance at the end of the year (with the Company)*	**47**	*62*

* The Company is in the process of transferring unspent amount to a separate unspent CSR account.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2021	*March 31, 2020*
30. EXCEPTIONAL ITEMS		
Impairment (loss) on property, plant and equipment (Refer Note 43)	(4,446)	—
Impairment (loss) on investment in subsidiary company (see note (a) below)	(1,776)	—
Gain on transfer of rights and interest in a leasehold land (see note (b) below)	5,500	—
Total	**(722)**	—

(a) As at March 31, 2021, the Company carried out impairment assessment of its investment in a subsidiary company with carrying value of Rs. 2,541 Lakhs. The recoverable amount for this investment is determined by an external valuer to be Rs. 765 Lakhs based on a fair value less cost of disposal calculation and accordingly an impairment loss of Rs. 1,776 Lakhs is recognized during the year ended March 31, 2021.

(b) The Company executed a deed for assignment cum transfer of its rights and interest in a leasehold land property (disclosed as assets held for sale) and accordingly a profit of Rs. 5,500 Lakhs realised on such transfer was recognized during the year ended March 31, 2021.

	March 31, 2021	*March 31, 2020*
31. TAX EXPENSES		
Income tax related to items charged or credited to the statement of profit and loss during the year:		
Profit and loss section		
Current tax	6,733	*17,550*
Deferred tax (credit)	(1,222)	*(3,531)*
Total	**5,511**	*14,019*
Other comprehensive income/(loss)		
Deferred tax charge/(credit) on		
Re-measurement of defined benefit plans	501	*(387)*
Total	**501**	*(387)*
Reconciliation of tax expense with accounting profit multiplied by statutory income tax rate:		
Accounting profit before income tax	**16,796**	*56,742*
Tax as per statutory income tax rate of 25.17% (Previous year: 25.17%)	4,228	*14,282*
Effect of change in tax rate*	—	*(321)*
Allowances/exemptions under Income tax	—	*(400)*
Non-deductible expenses for tax purposes		
CSR expenditure	348	*308*
Impairment loss on investment	447	—
Others	488	*150*
Income tax expense reported in statement of profit and loss account	**5,511**	*14,019*

*During the previous year ended March 31, 2020, the Company had elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax and had re-measured its Deferred tax asset/ liability during the year end March 31, 2020 basis the rate prescribed in the said section.

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

32. EARNINGS PER SHARE (EPS)

	March 31, 2021	March 31, 2020
The following reflects the profit and share data used in the basic and diluted EPS computation:		
Net profit attributable to equity shareholders	11,285	42,723
Weighted average number of equity shares considered for calculating basic/diluted EPS	26,44,05,149	26,44,05,149
Earnings per share (Basic/Diluted) (Rs.)	**4.27**	16.16

33. LEASES

The Company has lease contracts for land, office premises, employee residential premises, computers, equipment, furniture and vehicles. Leasehold land arrangements are for 90-99 years with various government authorities. Other leases are for a period upto 9 years with options of renewal and premature termination with notice, except in certain leases with lock-in period of 6 to 36 months. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and sub-leasing the leased assets. There are certain lease contracts that include extension and termination options. The Company also has certain leases with lease terms of twelve months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. There are no lease arrangements with variable lease payments.

Refer Note 3 for details of carrying amounts of right-of-use assets recognised and the movements during the year. Set out below are the carrying amounts of lease liabilities (included under interest-bearing borrowings) and the movements during the year:

	March 31, 2021	March 31, 2020
At the beginning of the year (recognised as at April 1, 2019 on transition to Ind AS 116)	1,659	1,631
Additions	374	789
Accretion of interest	113	142
Payments (including interest)	(966)	(903)
At the end of the year	**1,180**	1,659
Current	406	806
Non-current	774	853
Total	**1,180**	1,659

The Company has applied weighted average incremental borrowing rate of 8% per annum to lease liabilities recognised in the balance sheet. The maturity analysis of lease liabilities is disclosed in Note 40(c). The following are the amounts recognised in the statement of profit and loss:

	March 31, 2021	March 31, 2020
Depreciation expense of right-of-use assets	1,070	1,034
Interest expense on lease liabilities	113	142
Expense relating to short-term leases (included in rent expense)	3,646	3,646
Expense relating to leases of low-value assets (included in rent expense)	246	326
Total amount recognised in the statement of profit and loss	**5,075**	5,148

The Company had total cash outflows for leases of Rs. 4,858 Lakhs (Previous year: Rs. 4,875 Lakhs) for the year ended March 31, 2021. The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 374 Lakhs (Previous year: Rs. 789 Lakhs) during the year ended March 31, 2021. There are no leases that have been entered into but not yet commenced as at year end.

The undiscounted potential future rental payment relating to periods following the exercise date of extension option that are not included in the lease term is Rs. 159 Lakhs (Previous Year: Rs. 160 Lakhs). There are no termination options which are expected to be exercised but not included in lease term.

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2021	March 31, 2020
34. CAPITAL AND OTHER COMMITMENTS		
(a) Estimated amount of contracts remaining to be executed (net of capital advances) on capital account and not provided for	5,070	*14,038*
(b) Commitments under contracts for malt conversion	2,808	*4,212*
(c) Commitments under power purchase agreements	6,700	*7,032*
(d) Other contractual commitments	2,430	*2,304*
Total	**17,008**	*27,586*

For commitments relating to lease arrangements, refer Note 33.

	March 31, 2021	March 31, 2020
35. CONTINGENT LIABILITIES		
(a) Claims against the Company not acknowledged as debts*		
Income tax	45,166	*45,166*
Excise duty	14,551	*13,717*
Sales tax	9,820	*14,464*
Service tax	2,599	*2,599*
Water charges	3,197	*3,180*
Employee state insurance/provident fund	84	*84*
Others	9,614	*9,409*
(b) Other money for which the Company is contingently liable		
Bank guarantees	3,809	*6,068*
Letter of credit	1,176	*3,185*
Total	**90,016**	*97,872*

*The Company is contesting these demands and the management, based on advise of its legal/tax consultants believes that its position will likely be upheld in the appellate process. No expense has been accrued in the standalone Ind AS financial statements for these demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursements in respect of these contingent liabilities.

In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management reasonably does not expect that these legal actions, when ultimately concluded and determined, will have material effect on the Company's results of operations or financial condition.

(c) On October 10, 2018, certain officials from the Competition Commission of India ("CCI") had visited the Company for their investigation in relation to allegations of price-fixation and performed search of the premises and conducted inquiries with certain officials of the Company at its registered office. Pursuant to this, the Company made requisite filings and also certain officials of the Company appeared before the aforesaid authorities. The Director General, CCI submitted its investigation report to the CCI for consideration which was also communicated to the Company on March 19, 2020. On August 28, 2020, the Company filed its comments / objections to the aforesaid investigation report. The matter was heard before the CCI on February 11, 2021 and March 2, 2021, followed by post hearing submissions filed by the Company with the CCI on March 23, 2021. Management, along-with its legal advisors, believe that there are mitigating factors to counter presumptions made against the Company by the CCI under the Competition Act, 2002, which have also been highlighted in the comments / objections to the investigation report and during hearing submissions filed by the Company. Pending conclusion of this matter by the CCI, the management is of view that it is not practicable to state an estimate of its financial effect, if any.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(d) The Supreme Court of India in a judgement on Provident Fund dated February 28, 2019 addressed the principle for determining salary components that form part of Basic Salary for individuals below a prescribed salary threshold. It is however unclear as to whether the clarified definition of Basic Salary would be applicable prospectively or retrospectively. The Company has complied with the aforesaid judgement on a prospective basis from the date of the judgement and will continue to monitor and evaluate retrospective application, if applicable, based on future events and developments.

	March 31, 2021	*March 31, 2020*
36. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	5,193	*5,387*
- Interest due on above	105	*83*
Total	**5,298**	*5,470*
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	268	*64*
The amount of interest accrued and remaining unpaid at the end of each accounting year	1,139	*871*
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	1,139	*871*

The information given above is to the extent such parties have been identified by the Company on the basis of information disclosed by the suppliers.

37. SEGMENT REPORTING

As per Ind AS 108, operating segment is a component of the Company that engages in business activities, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Company has identified its operating segments, as below:

(a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands

(b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

The Company's CODM does not review assets and liabilities for each operating segment separately, hence segment disclosures relating to total assets and liabilities have not been furnished.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2021	March 31, 2020
Segment revenue		
Beer	10,15,449	14,62,613
Non-alcoholic beverages	2,891	2,033
Total revenue	**10,18,340**	14,64,646
Segment results		
Beer	50,114	94,841
Non-alcoholic beverages	(3,841)	(4,838)
Total segment results	**46,273**	90,003
Other income	5,020	911
Finance costs	(2,267)	(3,112)
Other unallocable expenses	(31,508)	(31,060)
Profit before exceptional items and tax	**17,518**	56,742
Exceptional items (refer Note 30)	(722)	—
Profit before tax	**16,796**	56,742
Information about geographical areas is as below:		
Revenue from external customers (including excise duty)		
India	10,10,662	14,43,759
Outside India	7,678	20,887
Total	**10,18,340**	14,64,646
The above information is based on the location of customers.		
Non-current operating assets		
India	2,07,003	2,09,987
Outside India	—	—
Total	**2,07,003**	2,09,987

Non-current assets for this purpose consists of property, plant and equipment, capital work-in-progress and intangible assets.

Revenue (including excise duty) from customers individually contributing more than 10% of the Company's revenue aggregates to Rs. 2,56,556 Lakhs (Previous year: Rs. 3,03,021 Lakhs) from 1 customer (Previous year: 1 customer).

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Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

38. RELATED PARTY DISCLOSURES

A. Name of related parties and related party relationships

Related party where control or significant influence exists:

Subsidiary	: Maltex Malsters Limited ('MML')
Associate	: Kingfisher East Bengal Football Team Private Limited ('KEBFTPL')

Related parties under Ind AS 24 with whom transactions have taken place:

Enterprises having significant influence	: Scottish & Newcastle India Limited, UK ('SNIL')
Key management personnel (KMP)	: Mr. Shekhar Ramamurthy, Managing Director (till July 31, 2020) Mr. Rishi Pardal, Managing Director (effective August 1, 2020) Mr. Berend Cornelis Roelof Odink, Chief Financial Officer (effective August 15, 2019) Mr. P A Poonacha, Senior Vice-President Finance & Accounts - CFO (till August 14, 2019)
Enterprises over which investing parties or KMP have significant influence	: Heineken UK Limited ('HUL'), holding company of SNIL Heineken International B.V. ('HIBV') Heineken Brouwerijen B.V. ('HBBV') Heineken Supply Chain B.V. ('HSCBV') Heineken Asia Pacific Pte. Ltd. ('HAPPL') Heineken Asia Pacific Export Pte. Ltd. ('HAPEP') Heineken Asia Pacific Beverages Pte. Ltd. ('HAPBPL') Amstel Brouwerijen B.V. ('Amstel') DB Breweries Limited ('DBL') DBG (Australia) Pty Limited ('DBG') Asia Pacific Breweries (Singapore) Pte. Ltd. ('APBS') Sirocco FZCO, United Arab Emirates ('SIRC')
Employee benefits trusts	: UBL Gratuity Fund Trust United Breweries Limited Provident Fund Trust ("UBL Provident Fund Trust") United Breweries Superannuation Fund ("UBL Superannuation Fund")

Additional related parties as per the Companies Act, 2013 with whom transactions have taken place

Directors	: Mr. A K Ravi Nedungadi Mr. Stephan Gerlich Mrs. Kiran Majumdar Shaw Mr. Madhav Bhatkuly Mr. Sunil Alagh Mr. Christiaan August J Van Steenbergen Mr. Jan Cornelis Van Der Linden (effective June 1, 2020) Mr. Rudolf Gijsbert Servaas Van Den Brink (till May 31, 2020) Mr. Chugh Yoginder Pal (till September 3, 2019) Mr. Chhaganlal Jain (till September 3, 2019)

The Securities and Exchange Board of India vide its order dated January 25, 2017 restrained Dr. Vijay Mallya from holding position as Director or Key Managerial Person of any listed company. Pursuant to the decision of the Board at its meeting held on July 4, 2017, the Company had communicated on July 6, 2017 to Dr. Mallya and his associate companies (promoters of the Company) to nominate a director on the Board in his place in terms of the Articles of Association of the Company. Further, pursuant to the decision of the Board at its meeting held on August 10, 2017, the Company carried out necessary filings with the Registrar of Companies, Karnataka (ROC) and Stock Exchanges notifying Dr. Mallya's cessation from holding the position of director in the Company. The applicable form relating to cessation of directorship has since been approved by the ROC.

Key management personnel (KMP):	: Mr. Govind Iyengar, Senior Vice-President Legal and Company Secretary
Body corporate/Private companies whose Board of directors is accustomed to act in accordance with advise, directions or instructions of a director (included in 'Others' below)	: United Breweries (Holdings) Limited ('UBHL')* H. Parson Private Limited ('HPPL') Kingfisher Beer Europe Limited ('KBE')

*The Karnataka High Court has ordered winding up of UBHL on February 7, 2017.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

B. Transactions with related parties during the year along with balances as at year end:

	Subsidiary		Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2021	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*
Transactions during the year												
Sale of products (net)												
MML	114	–	–	–	–	–	–	–	–	–	–	–
SIRC	–	–	–	–	–	–	–	–	5,401	–	–	–
APBS	–	–	–	–	–	–	–	–	331	–	–	–
HPPL	–	–	–	–	–	–	–	–	–	–	2,788	*4,847*
	114	–	**–**	–	**–**	–	**–**	–	**5,732**	–	**2,788**	*4,847*
Royalty income												
APBS	–	–	–	–	–	–	–	–	613	–	–	–
DBL	–	–	–	–	–	–	–	–	451	*53*	–	–
DBG	–	–	–	–	–	–	–	–	114	*10*	–	–
KBE	–	–	–	–	–	–	–	–	–	–	43	*83*
	–	–	**–**	–	**–**	–	**–**	–	**1,178**	*63*	**43**	*83*
Purchase of materials												
MML	115	–	–	–	–	–	–	–	–	–	–	–
HAPBPL	–	–	–	–	–	–	–	–	727	*23*	–	–
HAPEP	–	–	–	–	–	–	–	–	127	*867*	–	–
HSCBV	–	–	–	–	–	–	–	–	18	*6*	–	–
	115	–	**–**	–	**–**	–	**–**	–	**872**	*896*	**–**	–
Processing charges paid												
MML	656	*955*	–	–	–	–	–	–	–	–	–	–
	656	*955*	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Sales promotion expenses												
HPPL	–	–	–	–	–	–	–	–	–	–	5	*15*
	–	–	**–**	–	**–**	–	**–**	–	**–**	–	**5**	*15*
Rent expense												
UBHL	–	–	–	–	–	–	–	–	–	–	101	*96*
	–	–	**–**	–	**–**	–	**–**	–	**–**	–	**101**	*96*
Technical service fees												
HIBV	–	–	–	–	–	–	–	–	600	*600*	–	–
	–	–	**–**	–	**–**	–	**–**	–	**600**	*600*	**–**	–

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Subsidiary		Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2021	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*
Royalty paid												
HBBV	–	–	–	–	–	–	–	–	278	*558*	–	–
Amstel	–	–	–	–	–	–	–	–	177	*267*	–	–
	–	–	**–**	–	**–**	–	**–**	–	**455**	*825*	**–**	–
Consultancy fees paid												
HSCBV	–	–	–	–	–	–	–	–	137	*137*	–	–
HIBV	–	–	–	–	–	–	–	–	25	*14*	–	–
KBE	–	–	–	–	–	–	–	–	–	–	25	*28*
	–	–	**–**	–	**–**	–	**–**	–	**162**	*151*	**25**	*28*
Reimbursements received												
HAPPL	–	–	–	–	–	–	–	–	60	–	–	–
HAPEP	–	–	–	–	–	–	–	–	16	*4*	–	–
UBHL	–	–	–	–	–	–	–	–	–	–	–	*18*
	–	–	**–**	–	**–**	–	**–**	–	**76**	*4*	**–**	*18*
Reimbursements paid												
MML	1	*8*	–	–	–	–	–	–	–	–	–	–
HIBV	–	–	–	–	–	–	–	–	319	*234*	–	–
HAPBPL	–	–	–	–	–	–	–	–	1	–	–	–
HPPL	–	–	–	–	–	–	–	–	–	–	55	*54*
	1	*8*	**–**	–	**–**	–	**–**	–	**320**	*234*	**55**	*54*
Remuneration paid [Refer (b) below]												
Mr. Shekhar Ramamurthy	–	–	–	–	–	–	931	*1,422*	–	–	–	–
Mr. Rishi Pardal	–	–	–	–	–	–	478	–	–	–	–	–
Mr. Berend Cornelis Roelof Odink	–	–	–	–	–	–	451	*379*	–	–	–	–
Mr. Govind Iyengar	–	–	–	–	–	–	258	*261*	–	–	–	–
Mr. P A Poonacha	–	–	–	–	–	–	–	*87*	–	–	–	–
	–	–	**–**	–	**–**	–	**2,118**	*2,149*	**–**	–	**–**	–
Sitting fee paid												
Mr. A K Ravi Nedungadi	–	–	–	–	–	–	16	*16*	–	–	–	–
Mr. Stephan Gerlich	–	–	–	–	–	–	13	*12*	–	–	–	–
Mrs. Kiran Majumdar Shaw	–	–	–	–	–	–	15	*11*	–	–	–	–

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Subsidiary		Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Mr. Madhav Bhatkuly	–	–	–	–	–	–	23	16	–	–	–	–
Mr. Sunil Alagh	–	–	–	–	–	–	26	21	–	–	–	–
Mr. Christiaan August J Van Steenbergen	–	–	–	–	–	–	15	12	–	–	–	–
Mr. Jan Cornelis Van Der Linden	–	–	–	–	–	–	16	–	–	–	–	–
Mr. Rudolf Gijsbert Servaas Van Den Brink	–	–	–	–	–	–	–	11	–	–	–	–
Mr. Chugh Yoginder Pal	–	–	–	–	–	–	–	10	–	–	–	–
Mr. Chhaganlal Jain	–	–	–	–	–	–	–	14	–	–	–	–
	–	–	**–**	–	**–**	–	**124**	123	**–**	–	**–**	–
Director Commission accrued*												
Mr. A K Ravi Nedungadi	–	–	–	–	–	–	57	87	–	–	–	–
Mr. Stephan Gerlich	–	–	–	–	–	–	57	87	–	–	–	–
Mrs. Kiran Majumdar Shaw	–	–	–	–	–	–	57	87	–	–	–	–
Mr. Madhav Bhatkuly	–	–	–	–	–	–	57	87	–	–	–	–
Mr. Sunil Alagh	–	–	–	–	–	–	57	87	–	–	–	–
Mr. Chugh Yoginder Pal	–	–	–	–	–	–	–	30	–	–	–	–
Mr. Chhaganlal Jain	–	–	–	–	–	–	–	30	–	–	–	–
	–	–	**–**	–	**–**	–	**285**	495	**–**	–	**–**	–
Dividend accrued/paid on equity shares												
SNIL	–	–	–	–	2,250	2,250	–	–	–	–	–	–
HIBV	–	–	–	–	–	–	–	–	613	613	–	–
HUL	–	–	–	–	–	–	–	–	212	212	–	–
Dr. Vijay Mallya (including joint holdings) [Refer (c) below]	–	–	–	–	–	–	–	–	–	–	534	534
	–	–	**–**	–	**2,250**	2,250	**–**	–	**825**	825	**534**	534
Dividend received												
MML	23	23	–	–	–	–	–	–	–	–	–	–
	23	23	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Purchase of investments												
UBL Provident Fund Trust	–	–	–	–	–	–	–	–	–	–	300	–
	–	–	–	–	–	–	–	–	–	–	300	–

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Subsidiary		Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Contributions made												
UBL Gratuity Fund Trust	–	–	–	–	–	–	–	–	–	–	–	1,000
UBL Provident Fund Trust**	–	–	–	–	–	–	–	–	–	–	2,946	2,817
UBL Superannuation Fund	–	–	–	–	–	–	–	–	–	–	669	670
	–	–	–	–	–	–	–	–	–	–	**3,615**	4,487

Compensation of key management personnel	March 31, 2021	March 31,2020
Short-term employee benefits	2,118	2,149
Post-employment gratuity (Paid by UBL Gratuity Fund Trust)	1,277	–
Termination benefits	–	–
Share-based payment transactions	–	–
Total compensation paid to key management personnel	**3,395**	2,149

* Excludes Goods and Services Tax (GST) paid by the Company under reverse charge mechanism. The directors commission for year ended March 31, 2021 has been provided as per the limits under Schedule V of the Act and is pending approval by the shareholders of the Company.

** Includes both employer and employee contributions to the fund.

	Subsidiary		Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balances outstanding as at year end												
Investment in equity shares												
MML	4,500	4,500	–	–	–	–	–	–	–	–	–	–
KEBFTPL	–	–	1	1	–	–	–	–	–	–	–	–
	4,500	4,500	**1**	1	–	–	–	–	–	–	–	–
Provision for diminution in value of investments												
MML	3,735	1,959	–	–	–	–	–	–	–	–	–	–
	3,735	1,959	–	–	–	–	–	–	–	–	–	–
Trade receivables												
SIRC	–	–	–	–	–	–	–	–	522	–	–	–
APBS	–	–	–	–	–	–	–	–	297	–	–	–
DBL	–	–	–	–	–	–	–	–	141	53	–	–
DBG	–	–	–	–	–	–	–	–	49	10	–	–

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Subsidiary		Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2021	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*
KBE	–	–	–	–	–	–	–	–	–	–	6	*15*
HPPL (net of security deposit)	–	–	–	–	–	–	–	–	–	–	9	–
	–	–	**–**	–	**–**	–	**–**	–	**1,009**	*63*	**15**	*15*
Advance received from customer												
HPPL	–	–	–	–	–	–	–	–	–	–	–	*273*
	–	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	*273*
Security deposits (asset)												
UBHL	–	–	–	–	–	–	–	–	–	–	65	*65*
	–	–	**–**	–	**–**	–	**–**	–	**–**	–	**65**	*65*
Advance to supplier												
MML	75	*116*	–	–	–	–	–	–	–	–	–	–
	75	*116*	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Trade payables												
HIBV	–	–	–	–	–	–	–	–	629	*491*	–	–
HBBV	–	–	–	–	–	–	–	–	124	*239*	–	–
Amstel	–	–	–	–	–	–	–	–	66	*93*	–	–
HSCBV	–	–	–	–	–	–	–	–	30	*16*	–	–
HAPBPL	–	–	–	–	–	–	–	–	13	*23*	–	–
HAPEP	–	–	–	–	–	–	–	–	–	*365*	–	–
UBHL	–	–	–	–	–	–	–	–	–	–	209	*201*
KBE	–	–	–	–	–	–	–	–	–	–	–	*19*
	–	–	**–**	–	**–**	–	**–**	–	**862**	*1,227*	**209**	*220*

(a) Property, plant and equipment with gross block of Rs. 343 Lakhs (Previous year: Rs. 275 Lakhs) are lying with MML.

(b) The remuneration to key managerial personnel includes reimbursements and excludes the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Company as a whole. Also, for Mr. Rishi Pardal, the remuneration disclosed is for the period he has been designated as Managing Director of the Company.

(c) The Company had received an order dated September 30, 2015 from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Company has been directed not to pay/release amounts that may be payable with respect to shares in the Company held by an erstwhile director (including his joint holdings) and United Breweries (Holdings) Limited and also with respect to shares in the Company held by Kamsco Industries Pvt. Ltd as per order dated January 9, 2019, without its prior permission. Accordingly, the Company has withheld payment of Rs. 2,016 Lakhs (net of payment of Rs. 784 Lakhs to the official liquidator of United Breweries (Holdings) Limited and net of TDS as applicable) relating to dividend on aforesaid shares. The Company would also withhold payment of proposed dividend for the year ended March 31, 2021 on aforesaid shares, which is subject to approval by the shareholders in the ensuing annual general meeting.

Further, the Company had received various orders from tax and provident fund authorities prohibiting the Company from making any payments 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.

Terms and conditions of transactions with related parties.

The transactions with related parties are made on terms equivalent to those prevailing in arm's length transaction. The outstanding receivables/payables balances are generally unsecured and interest free. There have been no guarantees provided to or received from any related party.

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

39. FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

All assets and liabilities for which fair value is measured or disclosed in the standalone Ind AS financial statements are categorised within the fair value hierarchy, as below, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value measurement hierarchy of the Company's assets and liabilities is as below:

	Carrying amount	Fair values		
		Level 1	Level 2	Level 3
As at March 31, 2021				
Financial assets measured at fair value through profit or loss				
Investments in equity instruments	302	—	—	302
Financial assets measured at fair value through other comprehensive income				
Investments in debt instruments	300	—	300	—
Financial assets measured at cost less impairment				
Investments in subsidiary	765	—	—	765
As at March 31, 2020				
Financial assets measured at fair value through profit or loss				
Forward exchange forward contract	286	286	—	—
Investments in equity instruments	23	—	—	23
Financial assets measured at cost less impairment				
Investments in subsidiary	2,541	—	—	2,541

There has been no transfers between levels during the year.

The fair values of foreign exchange forward contract are derived from quoted market prices in active markets. Considering that the amounts involved for investment in equity instruments are not significant, fair value fluctuations are not expected to be material and hence no further disclosure has been made. The fair values of investment in quoted debt instruments are based on price quotations and available market information at the reporting date.

The fair value of investment in subsidiary for the purpose of impairment assessment is determined based on fair valuation of the underlying assets. The key assumptions used in the valuation includes marketability discount of 10% and cost to sell of 2%. The sensitivity of 5% increase/(decrease) in the marketability discount and cost of sell would have an immaterial impact on the valuation. Also refer Note 30(a).

The management assessed that the carrying values of trade and other receivables, cash and short-term deposits, other assets, borrowings, trade and other payables and balances with related parties, based on their notional amounts, reasonably approximate their fair values because these instruments have short-term maturities and are re-priced frequently.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade and other receivables, cash and cash equivalents, bank balances, security deposits and derivatives that are out of regular business operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The risk management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, derivatives financial instruments and trade payables.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	March 31, 2021		*March 31, 2020*	
	1% increase	**1% decrease**	*1% increase*	*1% decrease*
Impact on profit before tax	(250)	250	*(236)*	*236*

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency borrowings, trade payable and trade receivables.

The summary of derivative instruments and unhedged foreign currency exposure is as below:

Derivatives outstanding as at March 31, 2021 includes foreign exchange forward contract of Nil (March 31, 2020: USD 13,143,660).

Un-hedged foreign currency exposure (gross amounts in Indian rupees lakhs) as at the reporting date:

	As at March 31, 2021	*As at March 31, 2020*
Trade receivables	1,450	*4,844*
Advances to suppliers	165	*221*
Balance in exchange earners foreign currency bank accounts	4,692	*263*
Capital advances	72	*140*
Trade payables	2,384	*2,439*
Liability for capital goods	779	*943*

The following table demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant:

	March 31, 2021		*March 31, 2020*	
	1% increase	**1% decrease**	*1% increase*	*1% decrease*
Impact on profit before tax	31	(31)	*21*	*(21)*

Notes to the standalone Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

iii. Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of Beer and therefore require a continuous supply of Barley. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

The following table shows the effect of price changes in Barley:

	March 31, 2021		*March 31, 2020*	
	1% increase	**1% decrease**	*1% increase*	*1% decrease*
Impact on profit before tax	(193)	193	*(358)*	*358*

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from trade/other receivables and investment in debt instruments. Other financial assets like security deposits and bank deposits are mostly with government authorities and nationalised banks and hence, the Company does not expect any significant credit risk with respect to these financial assets. With respect to trade receivables, significant portion (approximately 60%) includes dues from state government corporations, where probability of default is remote. The Company has constituted regional and corporate credit committees to review trade receivables on periodic basis and to take necessary mitigations, wherever required.

The Company creates provision for all unsecured trade receivables based on lifetime expected credit loss. The summary of changes in loss allowance for trade receivables is as below:

	March 31, 2021	*March 31, 2020*
Balance at the beginning of the year	8,693	*5,404*
Provision recognised/(reversed) during the year, net	(2,901)	*3,289*
Balance at the end of the year	**5,792**	*8,693*

The Company has considered the possible effects of the COVID-19 pandemic on the carrying amounts of trade and other receivables, by using available internal and external sources of information.

(c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The table below summarises the maturity profile of the Company's financial liabilities:

	Maturities				**Total**
	Upto 1 year	**1-2 years**	**2-3 years**	**>3 Years**	
March 31, 2021					
Lease liabilities	406	237	132	405	1,180
Non-current borrowings	14,250	10,750	—	—	25,000
Current borrowings	17	—	—	—	17
Trade payables	61,765	—	—	—	61,765
Other financial liabilities	53,454	1,109	—	—	54,563
Total	**1,29,892**	**12,096**	**132**	**405**	**1,42,525**

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Maturities				Total
	Upto 1 year	1-2 years	2-3 years	>3 Years	
March 31, 2020					
Lease liabilities	806	273	115	465	1,659
Non-current borrowings	7,506	7	30	—	7,543
Current borrowings	16,015	—	—	—	16,015
Trade payables	54,463	—	—	—	54,463
Other financial liabilities	48,297	1,131	—	—	49,428
Total	**1,27,087**	**1,411**	**145**	**465**	**1,29,108**

The Company has utilised the existing borrowing limits based on requirements and has unutilised borrowing limits at the year end which is available for utilisation.

41. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to support its business and maximise shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents and other bank balances.

	Notes	As at March 31, 2021	*As at March 31, 2020*
Non-current borrowings	15	11,524	*890*
Current maturities of non-current borrowings	16	14,656	*8,312*
Current borrowings	18	17	*16,015*
Less: Cash and cash equivalents	11	40,940	*2,899*
Less: Other bank balances (excluding unpaid dividend amounts)	12	718	*641*
Net debt		—	*21,677*
Equity share capital	13	2,644	*2,644*
Other equity	14	3,55,318	*3,49,153*
Total capital		**3,57,962**	*3,51,797*
Gearing ratio		—	*6%*

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020

42. The Code on Social Security, 2020 (the "Code") relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect is yet to be notified and the final rules/ interpretation are yet to be issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact accordingly.

43. The Bihar State Government ("the Government") vide its notification dated April 5, 2016 had imposed ban on trade and consumption of alcoholic beverages in the State of Bihar. The Company had filed a writ petition with the High Court at Patna, requesting remedies and compensation for losses incurred on account of such abrupt notification, against which the Government preferred a special leave petition before the Supreme Court of India. Further, the Government did not renew brewery licenses for the financial year 2017-18 onwards and consequently the Company discontinued production of beer at Bihar. The matter is currently pending before the Supreme Court for final conclusion.

During the financial year 2018-19, in order to maintain the assets in running condition, the Company commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment at Bihar. As at March 31, 2021, the Company carried out an impairment assessment of its property, plant and equipment at Bihar with carrying value of Rs. 15,944 Lakhs. The recoverable amount for these property, plant and equipment is determined by an external valuer to be about Rs. 11,498 Lakhs based on a fair value less cost of disposal calculation, considering uncertainty in the Government's plans in respect of policy towards alcoholic beverages and the Company's change in plan for use of these assets. Accordingly, an impairment loss of Rs. 4,446 Lakhs is recognized during the year ended March 31, 2021. The key assumptions used in the valuation includes marketability discount of 10% for leasehold land, market value adjustment factor of 50-100% for other assets and cost to sell of 2%.

44. In March 2020, the World Health Organisation had declared Coronavirus (COVID-19) to be a pandemic and consequently on March 24, 2020, the Government of India had ordered a nationwide lockdown, which got extended in phases. From May 2020, the Company resumed its business activities in a phased manner in line with directives issued by the central and state governments. The outbreak of COVID-19 pandemic in India had caused significant disturbance and slowdown of economic activities. The business operations of the Company have also been significantly impacted by way of interruption of production, supply chain, etc. Recently, there has been a surge in the spread of COVID-19 in India and various state governments have imposed restrictions ranging from night/weekend curfew including closure of malls, restaurants and other public places to contain the spread of COVID-19. The Company has taken various precautionary measures to protect its employees from COVID-19.

The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available upto the date of approval of these standalone Ind AS financial statements in determining the recoverability and carrying values of property, plant and equipment, intangible assets, investments, trade and other receivables, inventories and other financial statement captions. Considering the recent surge in the spread of COVID-19, the impact of COVID-19 pandemic on the overall economic environment continues to be uncertain and may affect the underlying assumptions/estimates used in preparation of these standalone Ind AS financial statements, whereby actual outcome may differ from those assumptions/estimates considered at the date of approval of these standalone Ind AS financial statements. The Company will continue to closely monitor the situation and any material changes to future economic conditions.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382
Place: Bengaluru
Date: April 27, 2021

For and on behalf of the Board of Directors of
United Breweries Limited

Rishi Pardal
Managing Director
DIN: 02470061

Sunil Kumar Alagh
Director
DIN: 00103320

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and
Company Secretary

Place: Bengaluru
Date: April 27, 2021

Independent Auditor's Report

To the Members of United Breweries Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of United Breweries Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss, including the Consolidated Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 on the other financial information of the subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to below mentioned notes to the accompanying consolidated Ind AS financial statements:

(a) Note 45 which describes management's assessment of the impact of COVID-19 pandemic on the Group's operations and carrying values of assets as at March 31, 2021;

(b) Note 35(c) which more fully describes the uncertainty relating to the future outcome of investigation by the Competition Commission of India ("CCI"); and

(c) Note 44 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 modified in respect of aforesaid matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Independent Auditor's Report on the Consolidated Financial Statements contd.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<u>Revenue from sale of products</u> (as described in Note 2.1(f), (y) and 21 of the consolidated Ind AS financial statements)	
Revenue from sale of products is recognised when control of products has been transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, discounts and incentives. At year end, amounts of discounts and incentives that have been incurred and not yet issued to customers are estimated and accrued. Significant judgement is required in estimating accruals relating to discounts and incentives recognised in relation to sales made during the year.	Our procedures included the following: • Assessed the Group's revenue recognition accounting policy for sale of products, including those relating to discounts and incentives. • Understood, evaluated and tested on sample basis the design and operating effectiveness of key internal controls over recognition and measurement of revenue, discounts, and incentives. • Performed test of details on a sample basis and inspected the underlying accounting documents relating to sales and accrual of discounts and incentives. • Tested on a sample basis, sales transactions near year end date as well as credit notes issued to customers after the year end date. • Obtained an understanding of and evaluated underlying data used in management assessment of estimates relating to discounts and incentives. • Performed analytical procedures on revenue, discounts and incentives. • Assessed the disclosures in the consolidated Ind AS financial statements in respect of revenue, discounts and incentives for compliance with disclosure requirements.
<u>Provision for trade receivables</u> <u>(as described in Note 2.1(y), 10 and 41(b) of the consolidated Ind AS financial statements)</u>	
Trade receivable balances represent significant portion of the total assets as at March 31, 2021. Trade receivables include dues from state government corporations, distributors, retailers and contract manufacturing units. The Group records expected credit loss for unsecured trade receivables based on management estimates.	Our procedures included the following: • Understood, evaluated and tested on sample basis the design and operating effectiveness of internal controls over trade receivables. • Performed audit procedures on existence of trade receivables, which included reading and comparing balance confirmations with books of account, testing subsequent receipts and testing sales transactions on a sample basis.

Key audit matters	How our audit addressed the key audit matter
Timing of collection of dues from customers may differ from the contractual credit period. Significant judgment is involved in management estimates of the amounts unlikely to be ultimately collected.	• Evaluated the assumptions used by management to calculate the expected credit loss for trade receivables through audit procedures which included analysis of ageing, past trend of bad debts write-off and understanding management's estimate of possible impact arising from the COVID-19 pandemic. • Assessed the disclosures in the consolidated Ind AS financial statements for compliance with disclosure requirements.
Tax contingencies and provisions (as described in Note 2.1(y), 17 and 35(a) of the consolidated Ind AS financial statements)	
The Group has received income tax demand orders and notices relating to transfer pricing, disallowance of certain expenses, etc. and has also received indirect tax demand orders and notices, which are under litigation. The Group is contesting these demands and has made provision where the outflow of resources embodying economic benefits is considered to be probable. Significant judgement and estimates are required to assess uncertain income tax/other indirect tax positions and impact of these litigations on the consolidated financial position, consolidated results of operations and consolidated cash flows.	Our procedures included the following: • Obtained an understanding of the Group's process with respect to completeness and recognition of tax contingencies and provisions. • Read the confirmations, on sample basis, from the Group's external legal counsel on tax litigations and evaluated the independence, objectivity and competency of the Group's specialists involved. • Read relevant tax laws and discussed with the management, to understand the underlying matters in the demand orders / notices and basis for management judgement and estimates. • Included tax specialists in our team to perform an evaluation of assumptions used by the management and relevant judgements passed by the authorities, including the interpretation of the relevant tax laws. • Assessed the related disclosures in the consolidated Ind AS financial statements for compliance with disclosure requirements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report and the corporate governance report but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report on the Consolidated Financial Statements contd.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of a subsidiary, whose Ind AS financial statements include total assets of Rs. 957 Lakhs as at March 31, 2021, and total revenues of Rs. 1,090 Lakhs and net cash outflows of Rs. 7 Lakhs for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of such other auditors.

(b) The accompanying consolidated Ind AS financial statements does not include the Holding Company's share of net loss for the year ended March 31, 2021 in respect of Kingfisher East Bengal Football Team Private Limited, an associate, which is considered as not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, as noted in the 'Other Matters' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and report of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matter described in paragraph (b) of Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

UNITED BREWERIES LIMITED

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors who are appointed under section 139 of the Act, of its subsidiary company, none of the directors of the Group companies, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;

(g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary company incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(h) In our opinion and based on the consideration of report of other statutory auditors of the subsidiary, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company and its subsidiary incorporated in India to their whole-time directors in accordance with the provisions of section 197 read with Schedule V to the Act. Remuneration amounting to Rs. 285 Lakhs for non-executive directors of the Holding Company has been provided as per limits under Schedule V of the Act and is pending approval of the shareholders of the Holding Company; and

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 the other auditors on separate financial statements and also the other financial information of the subsidiary, as noted in the 'Other Matters' paragraph:

i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated Ind AS financial statements – Refer Note 17, 35(a), 35(c) and 44 to the consolidated Ind AS financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India during the year ended March 31, 2021.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382
Unique Document Identification Number (UDIN): 21208382AAAABI1481

Place of signature: Bengaluru
Date: April 27, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF UNITED BREWERIES LIMITED

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of United Breweries Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary and associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements

A company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements insofar as it relates to subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

The accompanying consolidated Ind AS financial statements does not include the Holding Company's share of net loss for the year ended March 31, 2021 in respect of 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 Aditya Vikram Bhauwala
Partner
Membership Number: 208382
Unique Document Identification Number (UDIN): 21208382AAAABI1481

Place of signature: Bengaluru
Date: April 27, 2021

Consolidated Balance Sheet as at March 31, 2021

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,92,203	1,87,794
Capital work-in-progress	3(d)	12,879	19,912
Intangible assets	4	2,098	2,393
Goodwill on consolidation	4	645	2,421
Financial assets			
(i) Investments	5	606	27
(ii) Others	6	4,711	4,929
Income tax assets (net)	7	20,395	18,946
Deferred tax asset (net)	7	3,497	2,777
Other non-current assets	8	15,826	19,739
		2,52,860	2,58,938
Current assets			
Inventories	9	1,13,668	1,09,393
Financial assets			
(i) Trade receivables	10	1,39,499	1,35,038
(ii) Cash and cash equivalents	11	40,970	2,936
(iii) Bank balances other than (ii) above	12	5,958	4,923
(iv) Others	6	84	366
Other current assets	8	31,689	42,775
		3,31,868	2,95,431
Assets held for sale	3(e)	488	714
		3,32,356	2,96,145
Total assets		**5,85,216**	5,55,083
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,644	2,644
Other equity	14	3,55,584	3,49,382
Equity attributable to equity holders of parent company		**3,58,228**	3,52,026
Non-controlling interest	14	375	334
		3,58,603	3,52,360
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	11,524	890
(ii) Others	16	1,109	1,131
Provisions	17	160	1,658
		12,793	3,679
Current liabilities			
Financial liabilities			
(i) Borrowings	18	17	16,015
(ii) Trade payables	19		
- Total outstanding dues to micro and small enterprises		5,205	5,387
- Total outstanding dues of creditors other than micro and small enterprises		56,603	49,117
(iii) Others	16	68,177	56,699
Other current liabilities	20	74,710	62,840
Provisions	17	9,108	8,986
		2,13,820	1,99,044
Total equity and liabilities		**5,85,216**	5,55,083
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated Ind AS financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382

Place: Bengaluru
Date: April 27, 2021

For and on behalf of the Board of Directors of United Breweries Limited

Rishi Pardal
Managing Director
DIN: 02470061

Sunil Kumar Alagh
Director
DIN: 00103320

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and Company Secretary

Place: Bengaluru
Date: April 27, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	March 31, 2021	March 31, 2020
INCOME			
Revenue from contracts with customers (including excise duty)	21	10,18,576	14,65,115
Other income	22	5,025	930
Total		**10,23,601**	14,66,045
EXPENSES			
Cost of materials consumed	23	1,96,516	2,96,605
Purchase of stock-in-trade	24	7,371	19,497
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(950)	(989)
Excise duty on sale of goods		5,94,267	8,14,191
Employee benefits expense	26	48,549	50,412
Finance costs	27	2,267	3,112
Depreciation and amortisation expense	28	23,201	28,510
Other expenses	29	1,34,717	1,97,815
Total		**10,05,938**	14,09,153
Profit before exceptional items and tax		**17,663**	56,892
Exceptional items	30	(722)	—
Profit before tax		**16,941**	56,892
Tax expense	31		
Current tax		6,779	17,597
Deferred tax (credit)		(1,221)	(3,534)
Total tax expense		**5,558**	14,063
Profit for the year		**11,383**	42,829
Other comprehensive income/(loss) (OCI)			
Items that will not be reclassified to the consolidated statement of profit and loss in subsequent periods			
Re-measurement gains/(losses) on defined benefit plans		1,991	(1,538)
Income tax effect on above		(501)	387
		1,490	(1,151)
Total comprehensive income for the year		**12,873**	41,678
Profit for the year attributable to:			
Equity shareholders of the Holding Company		11,322	42,773
Non-controlling interest		61	56
		11,383	42,829
Other comprehensive income/(loss) (OCI) attributable to:			
Equity shareholders of the Holding Company		1,490	(1,151)
Non-controlling interest		—	—
		1,490	(1,151)
Total comprehensive income for the year attributable to:			
Equity shareholders of the Holding Company		12,812	41,622
Non-controlling interest		61	56
		12,873	41,678
Earnings per share in Rs. [nominal value per share Re. 1 (Previous year: Re. 1)	32		
Basic		4.28	16.18
Diluted		4.28	16.18
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated Ind AS financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382

Place: Bengaluru
Date: April 27, 2021

For and on behalf of the Board of Directors of
United Breweries Limited

Rishi Pardal
Managing Director
DIN: 02470061

Sunil Kumar Alagh
Director
DIN: 00103320

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and Company Secretary

Place: Bengaluru
Date: April 27, 2021

Consolidated Cash Flow Statement for the year ended March 31, 2021

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	March 31, 2021	March 31, 2020
A Cash flow from operating activities			
Profit before tax		16,941	56,892
Adjustments for:			
Depreciation and amortisation expense		23,201	28,510
Bad debts/advances written off		28	68
Loss allowance for trade receivables		479	3,468
Provision for doubtful advances/deposits		966	6
Impairment loss on property, plant and equipment (disclosed under exceptional items)		4,446	—
Impairment loss on goodwill (disclosed under exceptional items)		1,776	—
Unrealised exchange differences (net)		(33)	305
Net (gain) on sale of property, plant and equipment		(4)	(12)
(Gain) on sale of property, plant and equipment (disclosed under exceptional items)		(5,500)	—
Liabilities no longer required written back		(205)	(88)
Loss allowance for trade receivables, no longer required written back		(3,380)	(179)
Provision for doubtful advances/deposits, no longer required written back		—	(7)
Interest expense		2,244	3,047
Interest income		(462)	(241)
Operating profits before working capital changes		**40,497**	91,769
Movement in working capital:			
(Increase)/decrease in Inventories		(4,275)	(6,147)
(Increase)/decrease in Trade receivables		(1,570)	12,816
(Increase)/decrease in Other financial assets		862	921
(Increase)/decrease in Other assets		9,198	(4,741)
Increase/(decrease) in Trade payables		7,546	(4,604)
Increase/(decrease) in Other financial liabilities		4,756	(11,737)
Increase/(decrease) in Other current liabilities and provisions		13,242	(8,471)
Cash generated from operations		**70,256**	69,806
Direct taxes paid (net of refund)		(8,228)	(19,027)
Net cash flow from operating activities (A)		**62,028**	50,779
B Cash flow from investing activities			
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances		(20,066)	(40,391)
Proceeds from sale of property, plant and equipment		5,091	59
Investments in equity and debt securities		(579)	—
Investments in bank deposits (having original maturity of more than three months)		(394)	(183)
Redemption/maturity of bank deposits (having original maturity of more than three months)		335	39
Interest received		458	232
Net cash (used in) investing activities (B)		**(15,155)**	(40,244)

UNITED BREWERIES LIMITED

Consolidated Cash Flow Statement contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	March 31, 2021	March 31, 2020
C Cash flow from financing activities			
Proceeds from long-term borrowings		25,000	—
Repayment of long-term borrowings - lease liabilities		(853)	(761)
Repayment of long-term borrowings - others		(7,543)	(13,006)
(Repayment of)/Proceeds from short-term borrowings (net)		(15,998)	14,918
Interest paid		(2,813)	(2,675)
Dividend paid*		(6,632)	(6,632)
Dividend distribution tax paid		—	(1,363)
Net cash flow (used in) financing activities (C)		**(8,839)**	(9,519)
*Includes amount transferred to separate bank accounts earmarked for unpaid dividend and also includes dividend paid for non-controlling interest.			
Net increase in cash and cash equivalents (A+B+C)		**38,034**	1,016
Cash and cash equivalents at the beginning of the year		2,936	1,920
Cash and cash equivalents at the end of the year		**40,970**	2,936
Components of cash and cash equivalents	11		
Cash on hand		9	8
Bank balances on current accounts		8,461	2,928
Bank balances on deposit accounts with original maturity of three months or less		32,500	—
Total cash and cash equivalents		**40,970**	2,936
The summary of changes arising from cash flow and non-cash flow changes in respect of borrowings is as below:			
Long-term borrowings (including current maturities)			
At beginning of the year		9,202	20,549
Cash outflows - lease liabilities		(853)	(761)
Proceeds from borrowings		25,000	—
Repayment of borrowings		(7,543)	(13,006)
Non-cash changes - lease liabilities on addition of right-of-use assets		374	2,420
At end of the year		**26,180**	9,202
Short-term borrowings			
At beginning of the year		16,015	600
Cash (outflows)/inflows		(15,998)	14,918
Non-cash changes - foreign exchange differences		—	497
At end of the year		**17**	16,015
Summary of significant accounting policies	2.1		

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382

Place: Bengaluru
Date: April 27, 2021

For and on behalf of the Board of Directors of
United Breweries Limited

Rishi Pardal
Managing Director
DIN: 02470061

Sunil Kumar Alagh
Director
DIN: 00103320

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and
Company Secretary

Place: Bengaluru
Date: April 27, 2021

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

a) Equity share capital

Equity shares of Re. 1 each issued, subscribed and fully paid

	As at March 31, 2021		*As at March 31, 2020*	
	Numbers	Rs. in Lakhs	*Numbers*	*Rs. in Lakhs*
Balance at the beginning of the year	26,44,05,149	2,644	*26,44,05,149*	*2,644*
Changes during the year	—	—	—	—
Balance at the end of the year	**26,44,05,149**	**2,644**	*26,44,05,149*	*2,644*

b) Other equity

	Attributable to the equity shareholders of the Holding Company					
	Reserves and surplus					
	Capital redemption reserve	**Securities premium**	**General reserve**	**Retained earnings**	**Total**	**Non-controlling interest**
	Note 14	Note 14	Note 14	Note 14		Note 14
Balance as at April 1, 2019	24,690	62,938	37,231	1,90,874	3,15,733	304
Profit for the year	—	—	—	42,773	42,773	56
Other comprehensive (loss)	—	—	—	(1,151)	(1,151)	—
Transfer from retained earnings	—	—	4,312	(4,312)	—	—
Cash dividends (Refer Note 14)	—	—	—	(6,610)	(6,610)	(22)
Dividend distribution tax	—	—	—	(1,363)	(1,363)	(4)
Balance as at March 31, 2020	**24,690**	**62,938**	**41,543**	**2,20,211**	**3,49,382**	**334**
Balance as at April 1, 2020	24,690	62,938	41,543	2,20,211	3,49,382	334
Profit for the year	—	—	—	11,322	11,322	61
Other comprehensive income	—	—	—	1,490	1,490	—
Transfer from retained earnings	—	—	1,149	(1,149)	—	—
Cash dividends (Refer Note 14)	—	—	—	(6,610)	(6,610)	(20)
Balance as at March 31, 2021	**24,690**	**62,938**	**42,692**	**2,25,264**	**3,55,584**	**375**

Capital redemption reserve - The said reserve was created by transfer from general reserve on redemption of preference shares. This reserve account can be applied in paying up unissued shares to be issued to members of the Holding Company as fully paid bonus shares etc., in accordance with the provisions of the Companies Act, 2013.

Securities premium - The reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares, etc. in accordance with the provisions of the Companies Act, 2013.

General reserve - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. The Group has made voluntarily transfer of net income to general reserve. The amount transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382

Place: Bengaluru
Date: April 27, 2021

For and on behalf of the Board of Directors of
United Breweries Limited

Rishi Pardal
Managing Director
DIN: 02470061

Sunil Kumar Alagh
Director
DIN: 00103320

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and
Company Secretary

Place: Bengaluru
Date: April 27, 2021

Notes to consolidated Ind AS financial statements for the year ended March 31, 2021

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

1. Corporate information

The consolidated Ind AS financial statements comprise financial statements of United Breweries Limited ("UBL" or "the Holding Company" or "the Parent Company"), its subsidiary (collectively, "the Group") and its associate. UBL is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The registered office of the Holding Company is located at UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru 560001, Karnataka, India. The Group is primarily engaged in the manufacture, purchase and sale of beer and non-alcoholic beverages. The Group has manufacturing facilities in India. The consolidated Ind AS financial statements were approved by the Board of Directors of the Holding Company on April 27, 2021.

2. Basis of preparation of consolidated Ind AS financial statements

The consolidated Ind AS financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable. The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for assets and liabilities which are required to be measured at fair value. The consolidated Ind AS financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The significant accounting policies adopted for preparation and presentation of the consolidated Ind AS financial statements have been applied consistently.

Basis of consolidation

The consolidated Ind AS financial statements comprise the financial statements of the Holding Company, its subsidiary and associate as below:

Name of the company	Relationship	Principal activities	Country of incorporation	% of Ownership Interest	
				As at March 31, 2021	As at March 31, 2020
Maltex Malsters Limited ("MML")	Subsidiary	Processing of Barley into Malt	India	51%	51%
Kingfisher East Bengal Football Team Private Limited ("KEBFTPL")*	Associate	Promotion of sports	India	49.99%	49.99%

*The Group's interest in KEBFTPL has not been included in the consolidated Ind AS financial statements, as the same has been considered as not material to the Group, by the management of the Holding Company.

The control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of the subsidiary used for the purpose of consolidation is drawn up to same reporting date as that of the parent/holding company, i.e., year ended on March 31st.

Consolidation procedure

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary.

(ii) Offset the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary.

(iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).

The consolidated statement of profit and loss and each component of consolidated other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the assets (including goodwill) and liabilities of the subsidiary as on date when control is lost, the carrying amount of any non-controlling interests; recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in the consolidated statement of profit and loss; and reclassifies the parent's share of components previously recognized in OCI to the consolidated statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 Summary of significant accounting policies

(a) Business combinations and goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(b) Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiary.

The Group's interest in associate has been considered as not material to the Group and hence the investment in associate has been recognized at cost.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the consolidated statement of profit and loss.

(c) Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(d) Foreign currencies

The consolidated Ind AS financial statements are presented in INR, which is also the Holding Company's functional currency. Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Group uses monthly average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or the consolidated statement of profit and loss are also recognised in OCI or the consolidated statement of profit and loss, respectively).

In determining the spot exchange rate for initial recognition of the related asset, expense or income (or part of it) on derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non- monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(e) Fair value measurement

The Group measures financial instruments (such as derivatives) at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated Ind AS financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re- assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. External valuers are involved, wherever considered necessary.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. This note summarizes accounting policy for fair value and the other fair value related disclosures are given in the relevant notes.

(f) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Group has concluded that it is the principal in all of its revenue arrangements, except in certain contract manufacturing arrangements as mentioned below, since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 115 issued by the Institute of Chartered Accountants of India ("ICAI"), the recovery of excise duty flows to the Group on its own account and hence is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, sales tax/value added tax (VAT)/goods and services tax are not received by the Group on its own account and are taxes collected on value added to the commodity by the seller on behalf of the government. Accordingly, these are excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

Revenue from the sale of products is recognized at a point in time when control of the products is transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, discounts and incentives.

If the consideration in a contract includes a variable amount (discounts and incentives), the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer and such discounts and incentives are estimated at contract inception.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Sale of services

Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement. The Group provides license to the parties to manufacture, sell and distribute its goods in exchange of royalty fee which is based on the sales made to the end customer.

The Group recognises revenue from sales-based royalty promised in exchange for a license of intellectual property only when (or as) the later of the events occurs - (a) the sale occurs; and (b) the performance obligation for sales has been satisfied (or partially satisfied).

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Income from contract manufacturing units

The Group evaluates its revenue arrangements with Contract Manufacturing Units ("CMUs") to identify agency relationship.

The Group is regarded as a principal if it controls promised good or service before it transfers the good or service to customer. In case if the Group is a principal in a contract, it may satisfy a performance obligation by itself or may engage CMU to satisfy some or all of a performance obligation on its behalf. In this case, the Group recognises revenue at the gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. Revenue is recognized on sale of products to customers and the related cost of sales is also recognized by the Group, as and when incurred.

The Group is regarded as an agent if its performance obligation is to arrange for the provision of goods or services by CMU. In this case CMU is primarily responsible for fulfilling the contract and the Group does not have discretion in establishing prices and is also not exposed to inventory and credit risks for the amount receivable from the customer. In this case, the Group recognises revenue at the net amount of consideration the Group is eligible under the contract. This net consideration is recognized as income, as per the terms of respective agreement and on the basis of information provided by respective CMU. Such income is included under the head "other operating revenues" in the consolidated statement of profit and loss.

Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "other income" in the consolidated statement of profit and loss.

Dividends

Dividend income is recognized when the Group's right to receive the payment is established, which is generally when the shareholders approve the dividend.

Contract balances

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Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A trade receivable is recognised if an amount of consideration is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from the customer before the related goods or services are transferred. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(g) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(h) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the consolidated statement of profit and loss is recognised outside the consolidated statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates whether it is probable that the relevant taxation authority would accept an uncertain tax treatment that the Group has used or plan to use in its income tax filings, including with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences, except:

- when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiary and associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re- assessed at each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the consolidated statement of profit and loss is recognised outside the consolidated statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/value added tax/goods and services tax paid on acquisition of assets or on incurring expenses

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Otherwise, expenses and assets are recognized net of the amount of sales/ value added tax/goods and services tax paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated balance sheet.

(i) Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

Property, plant and equipment and intangibles are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the consolidated balance sheet.

(j) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress is stated at cost. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria is met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, estimated by the management, as follows:

	Useful life (years)
Factory buildings	30
Other buildings (RCC)	60
Other buildings (Non-RCC)	30
Roads (RCC)	10
Roads (Non-RCC), Fences, etc	5
Plant and equipment	15*
Electrical installations	10
Office equipments	5
Computers	3
Servers and networks	6
Furniture and fixtures	10
Laboratory equipments	10
Vehicles	8 and 10

*In respect of assets (excluding pipelines) used at any time during the year on double shift or triple shift basis, the depreciation for that period is increased by 50% or 100%, respectively.

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For the purpose of depreciation calculation, residual value is determined as 5% of the original cost for all the assets, as estimated by the management basis independent assessment by an expert. The Group, based on technical assessment made by an expert and management estimate, depreciates following assets, not included above, over the estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

(i) Assets acquired on amalgamation, etc. (where original dates of acquisition are not readily available), are depreciated over the remaining useful life of the assets, as certified by an expert.

(ii) Beer dispensers and coolers (included under furniture and fixtures) and Kegs (included under plant and equipment) are depreciated on a straight-line basis over a period of 3 years being useful life, as estimated by the management considering nature of these assets.

Leasehold improvements are amortized on straight-line basis over the lower of useful life of the asset and the remaining period of the lease.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss, when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(k) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of profit and loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as finite.

Intangible assets are amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the consolidated statement of profit and loss, unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de- recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of the consolidated profit and loss when the asset is derecognised.

Licenses and rights are amortised on a straight-line basis over useful life of 10 years, as estimated by the management.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(m) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets (disclosed under property, plant and equipment) are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Useful life (years)
Leasehold land	90-99
Buildings	2-9
Furniture and fixtures	3
Vehicles	4 and 5

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy on impairment of non- financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising of the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The Group has applied practical expedient by using a single discount rate to a portfolio of leases with similar characteristics. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included under Interest-bearing borrowings.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(n) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, Packing materials and bottles, Stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and Work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excludes borrowing costs. Excise duty, as applicable, is included in the valuation.

Stock-in-trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(o) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash- generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used. Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(p) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(q) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

In respect of certain employees, the Group has established a Provident Fund Trust, which is a defined benefit plan, to which contributions towards provident fund are made each month. The Provident Fund Trust guarantees a specified rate of return on such contributions on a periodical basis as per the government notification. The Group will meet the shortfall in the return, if any, which is determined based on an actuarial valuation carried out, as per projected unit credit method, as at the date of balance sheet. The contributions to provident fund are charged to the consolidated statement of profit and loss on an accrual basis.

Retirement benefit in the form of superannuation fund is a defined contribution scheme. The Group has established a Superannuation Fund Trust to which contributions are made each month. The Group recognizes contribution payable to the superannuation fund scheme as expenditure, when an employee renders the related service. The Group has no other obligations beyond its monthly contributions.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the consolidated statement of profit and loss in subsequent periods.

Past service costs are recognized in the consolidated statement of profit and loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognizes related restructuring costs. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the changes in the net defined benefit obligation which includes service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and net interest expense or income, as an expense in the consolidated statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short- term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Group presents the leave as a current liability in the consolidated balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

(r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss. This category generally applies to trade and other receivables.

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

(ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Group recognizes interest income, impairment losses and foreign exchange gain or loss in the consolidated statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. If the Group decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amount from OCI to the consolidated statement of profit and loss even on the sale of investments. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include borrowings, trade and other payables, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Reclassification of financial assets and liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations.

If the Group reclassifies financial assets, it applies the re-classification prospectively from the re- classification date, which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(s) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated statement of profit and loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to the consolidated statement of profit and loss when the hedge item affects the consolidated statement of profit and loss. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

(t) Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet and consolidated cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(u) Cash dividend to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognize a contingent liability but discloses its existence in the consolidated Ind AS financial statements.

(w) Earnings per share

Basic earnings per share is calculated by dividing the net consolidated profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net consolidated profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(x) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Operating segments of the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Notes to Consolidated Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(y) Significant accounting judgements, estimates and assumptions

The preparation of the consolidated Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Group bases its assumptions and estimates on parameters available when the consolidated Ind AS financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the consolidated Ind AS financial statements are as below. Also refer Note 45 in respect of the assessment of impact of the Coronavirus (COVID-19) pandemic.

Revenue from contracts with customers

The Group determines and updates its assessment of expected discounts and incentives periodically and the accruals are adjusted accordingly. Estimates of expected discount and incentives are sensitive to changes in circumstances and the Group's past experience regarding these amounts may not be representative of actual amounts in the future.

Leases

The Group determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement and considers all relevant factors that create an economic incentive in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate.

UNITED BREWERIES LIMITED

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates), when available and makes entity-specific estimates, wherever required.

Property, plant and equipment

The depreciation of property, plant and equipment is derived on determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by the management at the time of acquisition of asset and is reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

Impairment of investment carried at cost and non-financial assets

Investment carried at cost and non-financial assets such as property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Significant management judgement is required to determine recoverable amount and the impairment loss, if any. These calculations are sensitive to underlying assumptions.

Provision for expected credit loss on trade receivables

The measurement of expected credit loss reflects a probability-weighted outcome, the time value of money and the best available forward-looking information. The correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of the actual default in the future.

Tax contingencies and provisions

Significant management judgement is required to determine the amounts of tax contingencies and provisions, including amount expected to be paid/recovered for uncertain tax positions and the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected return, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

2.2 Standards issued but not yet effective

There are no standards or amendments issued on or before March 31, 2021 and not yet effective, which may have any material impact on the consolidated Ind AS financial statements of the Group.

Notes to Consolidated Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

	Cost				Depreciation/Amortisation					Net book value
	As at April 1, 2020	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	For the year	Impairment [refer Note 44]	On Deletions	As at March 31, 2021	As at March 31, 2021
Freehold land (refer note a)	19,718	—	—	19,718	—	—	—	—	—	19,718
Buildings (refer note c)	68,790	8,205	289	76,706	22,255	2,464	2,153	288	26,584	50,122
Leasehold improvements	64	—	—	64	64	—	—	—	64	—
Plant and equipment	2,97,815	20,879	3,532	3,15,162	2,03,376	15,846	2,112	3,492	2,17,842	97,320
Office equipments	2,220	464	89	2,595	1,519	227	8	87	1,667	928
Computer equipments	2,210	81	354	1,937	1,491	178	2	336	1,335	602
Furniture and fixtures	23,426	1,449	258	24,617	17,676	2,523	111	250	20,060	4,557
Laboratory equipments	4,482	199	126	4,555	2,418	324	60	126	2,676	1,879
Vehicles	1,096	—	88	1,008	857	45	—	38	864	144
	4,19,821	**31,277**	**4,736**	**4,46,362**	**2,49,656**	**21,607**	**4,446**	**4,617**	**2,71,092**	**1,75,270**
Right-of-use assets (refer Note 33)										
Leasehold land (refer note b)	17,148	—	—	17,148	1,107	200	—	—	1,307	15,841
Buildings	2,354	311	938	1,727	820	842	—	938	724	1,003
Furniture and fixtures	36	—	—	36	10	12	—	—	22	14
Vehicles	30	63	—	93	2	16	—	—	18	75
	19,568	**374**	**938**	**19,004**	**1,939**	**1,070**	**—**	**938**	**2,071**	**16,933**
Total	**4,39,389**	**31,651**	**5,674**	**4,65,366**	**2,51,595**	**22,677**	**4,446**	**5,555**	**2,73,163**	**1,92,203**

Previous year

	Cost				Depreciation/Amortisation					Net book value
	As at April 1, 2019	Additions	Deletions (refer note e)	As at March 31, 2020	As at April 1, 2019	For the year	Impairment	On Deletions (refer note e)	As at March 31, 2020	As at March 31, 2020
Freehold land (refer note a)	20,204	—	486	19,718	—	—	—	—	—	19,718
Buildings (refer note c)	62,177	6,648	35	68,790	20,217	2,066	—	28	22,255	46,535
Leasehold improvements	64	—	—	64	64	—	—	—	64	—
Plant and equipment	2,69,313	28,991	489	2,97,815	1,81,669	22,165	—	458	2,03,376	94,439
Office equipments	1,737	484	1	2,220	1,328	192	—	1	1,519	701
Computer equipments	1,823	391	4	2,210	1,350	145	—	4	1,491	719
Furniture and fixtures	19,445	4,037	56	23,426	15,655	2,067	—	46	17,676	5,750
Laboratory equipments	3,559	943	20	4,482	2,154	284	—	20	2,418	2,064
Vehicles	1,056	56	16	1,096	811	61	—	15	857	239
Total	3,79,378	41,550	1,107	4,19,821	2,23,248	26,980	—	572	2,49,656	1,70,165
Right-of-use assets (refer Note 33)										
Leasehold land (refer Note b)	17,468	—	320	17,148	999	202	—	94	1,107	16,041
Buildings	1,631	723	—	2,354	—	820	—	—	820	1,534
Furniture and fixtures	—	36	—	36	—	10	—	—	10	26
Vehicles	—	30	—	30	—	2	—	—	2	28
	19,099	789	320	19,568	999	1,034	—	94	1,939	17,629
Total	3,98,477	42,339	1,427	4,39,389	2,24,247	28,014	—	666	2,51,595	1,87,794

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(a) Freehold land measuring 9.04 acres (forming part of land parcel of 23.87 acres with gross book value of Rs. 211 Lakhs) at Kuthambakkum (Tamilnadu) is pending registration in the name of the Holding Company and titles of freehold land measuring 0.54 acres at Mallepally (Telangana), Nanjangud and Nelamangala (Karnataka) (together forming part of land parcel of 184.96 acres with gross book value of Rs. 11,724 Lakhs) are in dispute and pending resolution in the Courts as at March 31, 2021. Further, titles of freehold land measuring 63.07 acres (with gross book value of Rs. 654 Lakhs) at Kothlapur (Telangana) is held in the name of erstwhile merged entity.

(b) The title of leasehold land measuring 43.73 acres (with gross book value of Rs. 1,255 Lakhs) at Aurangabad (Maharashtra) are held in the name of erstwhile merged entities.

(c) Buildings include those constructed on leasehold land as follows:

	March 31, 2021	*March 31, 2020*
Gross block	31,806	*28,174*
Depreciation charge for the year*	1,041	*911*
Accumulated depreciation*	10,022	*8,981*
Net block	**21,784**	*19,193*

*Net of depreciation on deletions

(d) Capital work-in-progress as at March 31, 2021 and March 31, 2020 comprises of capital expenditure relating to plant and equipment and buildings which are in the course of construction.

(e) Assets held for sale:

	March 31, 2021	*March 31, 2020*
Balance at the beginning of the year	714	—
Additions^	—	*714*
Transfer/sale [Refer Note 30(b)]	(226)	—
Balance at the end of the year	**488**	*714*

^ Additions include assets (land and buildings) with gross value of Rs. 809 Lakhs and net book value of Rs. 714 Lakhs which were classified as Assets held for sale at lower of carrying value and fair value less cost to sell during the previous year. These are disclosed as deletions from property, plant and equipment.

(f) Refer Note 15 for details of property, plant and equipment pledged as security against borrowings.

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Notes to Consolidated Ind AS Financial Statements contd.
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

4. INTANGIBLE ASSETS AND GOODWILL

(a) Intangible assets

	Cost				Amortisation					Net book value
	As at April 1, 2020	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	For the year	Impairment	Deletions	As at March 31, 2021	As at March 31, 2021
Licenses and rights	11,380	229	—	11,609	8,987	524	—	—	9,511	2,098
Total	**11,380**	**229**	—	**11,609**	**8,987**	**524**	—	—	**9,511**	**2,098**

Previous year

	Cost				Amortisation					Net book value
	As at April 1, 2019	Additions	Deletions	As at March 31, 2020	As at April 1, 2019	For the year	Impairment	Deletions	As at March 31, 2020	As at March 31, 2020
Licenses and rights	11,185	195	—	11,380	8,491	496	—	—	8,987	2,393
Total	11,185	195	—	11,380	8,491	496	—	—	8,987	2,393

(b) Goodwill on consolidation

	As at March 31, 2021	As at March 31, 2020
Gross amount	4,380	4,380
Less: Provision for impairment	3,735	1,959
	645	2,421

Goodwill has arisen on consolidation of subsidiary. The fair values for the purpose of determination of impairment loss have been estimated by an independent expert. The impairment loss has arisen due to continued delay in obtaining necessary approvals to expand malting facility at the subsidiary, leading to high overhead costs incurred on operating at its current level of capacity.

The fair value of goodwill for the purpose of impairment assessment is determined based on fair valuation of the underlying assets. The key assumptions used in the valuation includes marketability discount of 10% and cost to sell of 2%. The sensitivity of 5% increase/(decrease) in the marketability discount and cost of sell would have an immaterial impact on the valuation. Also refer Note 30(a).

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(All amounts in Indian Rupees Lakhs, except as otherwise stated)

		As at March 31, 2021		*As at March 31, 2020*
5. FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)				
Trade investments				
Equity instruments at cost (fully paid-up) (Unquoted)				
Investment in associate				
Kingfisher East Bengal Football Team Private Limited [4,999 (March 31, 2020: 4,999) equity shares of Rs. 10 each]		1		*1*
Non-trade investments				
Equity instruments at fair value through profit or loss (fully paid-up) (Unquoted)				
The Zoroastrian Co-operative Bank Limited [2,000 (March 31, 2020: 2,000) equity shares of Rs. 25 each]		1		*1*
SABMiller India Limited (Formerly, Skol Breweries Limited) [300 (March 31, 2020: 300) equity shares of Rs. 10 each]*		—		—
Castle Breweries Ltd. (Formerly, Jupiter Breweries Industries Limited) [50 (March 31, 2020: 50) equity shares of Rs. 10 each]*		—		—
Mohan Meakin Limited [100 (March 31, 2020: 100) equity shares of Rs. 5 each]*		—		—
Blossom Industries Limited [100 (March 31, 2020: 100) equity shares of Rs. 3 each]*		—		—
Renew Wind Energy (Karnataka) Private Limited [10,400 (March 31, 2020: 8,400) equity shares of Rs. 100 each]		15		*8*
Mytrah Vayu (Manjira) Private Limited [1,44,000 (March 31, 2020: 1,44,000) equity shares of Rs. 10 each]		14		*14*
Capsol Sunray Private Limited [27,20,035 (March 31, 2020: Nil) equity shares of Rs. 10 each]		272		—
*Debt instruments at fair value through other comprehensive income (fully paid-up) (Quoted)***				
IL&FS Financial Services Limited [9.55%, 5,000 (March 31, 2020: Nil) non-convertible debentures of Rs. 1,000 each]		17		—
Dewan Housing Finance Corporation Limited [9.15%, 4 (March 31, 2020: Nil) non-convertible debentures of Rs. 10,00,000 each]		14		—
Dewan Housing Finance Corporation Limited [9.30%, 20 (March 31, 2020: Nil) non-convertible debentures of Rs. 10,00,000 each]		70		—
Dewan Housing Finance Corporation Limited [9.25%, 53,500 (March 31, 2020: Nil) non-convertible debentures of Rs. 1,000 each]		188		—
Dewan Housing Finance Corporation Limited [9.30%, 3,100 (March 31, 2020: Nil) non-convertible debentures of Rs. 1,000 each]		11		—
In government securities (Unquoted)				
National savings certificate	18		*18*	
Less: Provision for impairment in value of investments	15	3	*15*	*3*
Total		**606**		*27*

* Rounded off

** Purchased from United Breweries Limited Provident Fund Trust (Refer Note 38)

	As at March 31, 2021	*As at March 31, 2020*
Aggregate amount of unquoted investments	321	*42*
Aggregate amount of quoted investments	300	—
Aggregate amount of impairment in value of investments	(15)	*(15)*

Notes to Consolidated Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
6. FINANCIAL ASSETS - OTHERS				
Unsecured, considered good				
Financial asset at fair value through profit and loss				
Foreign exchange forward contract (Not designated as hedge)	—	—	—	286
Financial assets at amortised cost				
Security deposits	4,137	4,735	—	—
Bank deposits with remaining maturity of more than 12 months	462	90	—	—
Margin money deposits towards bank guarantees	112	104	—	—
Interest accrued on bank and other deposits	—	—	84	80
	4,711	4,929	**84**	366
Unsecured, credit impaired				
Security deposits	93	71	—	—
Less: Loss allowance	93	71	—	—
	—	—	—	—
Total	**4,711**	4,929	**84**	366

	As at March 31, 2021	As at March 31, 2020
7. TAX ASSET/(LIABILITY) (NET)		
(a) Income tax assets (net)		
Balance at the beginning of the year	18,946	17,516
Less: Provision for the year	6,779	17,597
Add: Tax paid (net of refund)	8,228	19,027
Closing balance	**20,395**	18,946

The above amounts include amounts paid under protest against various income tax demands under appeal, which are included under contingent liabilities.

	Consolidated Balance sheet		Consolidated Statement of profit and loss	
	As at March 31, 2021	As at March 31, 2020	March 31, 2021	March 31, 2020
(b) Deferred tax asset/(liability) (net)				
Deferred tax assets				
Provision/allowance for receivables and advances	1,843	2,330	487	(243)
Provision for employee benefits	1,443	1,783	340	(52)
Provision for impairment of property, plant and equipment (refer Note 44)	1,119	—	(1,119)	—
Other provisions	1,758	1,326	(432)	(428)
	6,163	5,439	**(724)**	(723)
Deferred tax liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	2,666	2,662	4	(3,198)
	2,666	2,662	**4**	(3,198)
Net deferred tax asset/(liability)	**3,497**	2,777		
Deferred tax (credit)			**(720)**	(3,921)

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2021	As at March 31, 2020
7. TAX ASSET/(LIABILITY) (NET) (continued)		
Reconciliation of movement in deferred tax asset/(liability) (net)		
Balance at the beginning of the year	2,777	*(1,144)*
Tax (charge)/credit during the year		
Recognised in consolidated statement of profit and loss	1,221	*3,534*
Recognised in consolidated OCI	(501)	*387*
	720	*3,921*
Balance at the end of the year	**3,497**	*2,777*

The Group has not recognised deferred tax asset on provision for impairment in value of goodwill amounting to Rs. 3,735 Lakhs (March 31, 2020: Rs. 1,959 Lakhs), considering uncertainty that sufficient future taxable capital gains would be available against which such tax credits can be utilised.

Further, the subsidiary declares dividend only out of profits for respective year and the Holding Company has determined that the accumulated profits will not be distributed in the foreseeable future. Hence deferred tax liability on undistributed profits of the subsidiary has not been recognised as at year end.

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
8. OTHER ASSETS				
Unsecured, considered good				
Capital advances	663	*5,502*	—	—
Advances other than capital advances				
Advance to suppliers*	3,697	*3,680*	1,018	*1,831*
Employees and other advances	70	*83*	204	*221*
Prepaid expenses	2,855	*4,259*	7,852	*8,926*
Balance with statutory/ government authorities**	7,902	*5,576*	22,615	*31,797*
Government grant receivable***	639	*639*	—	—
	15,826	*19,739*	**31,689**	*42,775*
Unsecured, considered doubtful				
Capital advances	82	*82*	—	—
Advances other than capital advances				
Advance to suppliers	532	*95*	—	—
Balance with statutory/government authorities	825	*318*	—	—
Less: Provision for doubtful advances	1,439	*495*	—	—
	—	—	—	—
Total	**15,826**	*19,739*	**31,689**	*42,775*

*Non-current advance to suppliers includes an amount of Rs. 3,197 Lakhs (March 31, 2020: Rs. 3,180 Lakhs) paid under protest to Maharashtra Industrial Development Corporation ("MIDC") towards increased charges for water supplies. The Group has filed a special leave petition before the Supreme Court in respect of this matter and the management, basis a legal advice, believes that the Group's position will be upheld in the appellate process and accordingly, the same has been considered as a contingent liability as at year end.

**Non-current portion includes amounts paid under protest against various tax demands under appeal, which are included under contingent liabilities.

***Relates to Industrial promotion subsidy. There are no unfulfilled conditions or other contingencies attached to these grants.

There are no advances to directors or other officers of the Group or any of them either severally or jointly with any other person or advances to firms or private companies, respectively, in which any director is a partner or a director or a member.

Notes to Consolidated Ind AS Financial Statements contd.
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2021	As at March 31, 2020
9. INVENTORIES		
(valued at lower of cost and net realisable value)		
Raw materials [Includes in transit: Rs. 719 Lakhs (March 31, 2020: Rs. 610 Lakhs)]	25,453	23,294
Packing materials and bottles [Includes in transit: Rs. 1,059 Lakhs (March 31, 2020: Rs. 642 Lakhs)]	16,252	18,962
Work-in-progress	39,616	37,219
Finished goods [Includes in transit: Rs. 6,103 Lakhs (March 31, 2020: Rs. 4,399 Lakhs)]*	26,344	24,491
Stock-in-trade [Includes in transit: Rs. 24 Lakhs (March 31, 2020: Rs. 84 Lakhs)]	457	690
Stores and spares [Includes in transit: Rs. 21 Lakhs (March 31, 2020: Rs. 223 Lakhs)]	5,546	4,737
Total	**1,13,668**	1,09,393

*Net of provision for obsolete stock Rs. 2,331 Lakhs (March 31, 2020: Rs. 2,227 Lakhs).

During the year, an amount of Rs. 1,771 Lakhs (March 31, 2020: Rs. 2,519 Lakhs) was recognised as an expense for inventories carried at net realisable values.

10. TRADE RECEIVABLES

(Financial asset at amortised cost)

	As at March 31, 2021	As at March 31, 2020
Considered good		
Secured	2,226	2,489
Unsecured	1,37,273	1,32,549
	1,39,499	1,35,038
Credit impaired		
Unsecured	5,792	8,693
Less: Loss allowance	5,792	8,693
	—	—
Total	**1,39,499**	1,35,038

Includes dues from related parties (Refer Note 38).

No debts are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Also, no debts are due from firms or private companies, respectively, in which any director is a partner or a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days. Balances disclosed as secured are secured by security deposits received from customers or amounts payable to commission agents.

11. CASH AND CASH EQUIVALENTS

	As at March 31, 2021	As at March 31, 2020
Bank balances on current accounts**	8,461	2,928
Bank deposits with original maturity of three months or less	32,500	—
Cash on hand	9	8
Total	**40,970**	2,936

**Includes balances in exchange earners foreign currency accounts of Rs. 4,692 Lakhs (March 31, 2020: Rs. 263 Lakhs)

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2021	As at March 31, 2020
12. OTHER BANK BALANCES		
Bank balances on current accounts towards unpaid dividend	5,147	3,791
Bank deposits with original maturity of:		
Less than 12 months but more than 3 months	706	676
Greater than 12 months	105	456
Total	**5,958**	4,923

Bank balances towards unpaid dividend can be utilised only towards payment of dividend. Other bank balances excludes bank deposits with remaining maturity of more than 12 months and margin money deposits (Refer Note 6). Bank deposits include balances where fixed deposits receipts are pledged with statutory/government authorities.

13. EQUITY SHARE CAPITAL

	As at March 31, 2021	As at March 31, 2020
Authorised share capital		
412,98,00,000 (March 31, 2020: 412,98,00,000) equity shares of Re. 1 each	41,298	41,298
5,86,00,000 (March 31, 2020: 5,86,00,000) preference shares of Rs. 100 each	58,600	58,600
	99,898	99,898
Issued, subscribed and fully paid-up shares		
26,44,05,149 (March 31, 2020: 26,44,05,149) equity shares of Re. 1 each	2,644	2,644
	2,644	2,644

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2021		As at March 31, 2020	
	Nos.	Rs. in Lakhs	Nos.	Rs.in Lakhs
At the beginning of the year	26,44,05,149	2,644	26,44,05,149	2,644
Changes during the year	—	—	—	—
Outstanding at the end of the year	**26,44,05,149**	2,644	**26,44,05,149**	2,644

b) Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity share is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% of the shares in the Holding Company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Nos.	%	Nos.	%
Equity shares of Re.1 each fully paid				
Scottish & Newcastle India Limited	8,99,94,960	34.04%	8,99,94,960	34.04%
Deputy Director, Directorate of Enforcement	4,27,04,758	16.15%	4,27,04,758	16.15%
Heineken International B.V.	2,45,25,575	9.28%	2,45,25,575	9.28%
Dr. Vijay Mallya (including joint holdings)	2,13,53,620	8.08%	2,13,53,620	8.08%

As per records of the Holding Company, the above shareholding represents legal ownership of shares.

d) There are no equity shares issued as bonus, shares issued for consideration other than cash or shares bought back during the period of five years immediately preceding the reporting date.

Notes to Consolidated Ind AS Financial Statements contd.
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2021	As at March 31, 2020
14. OTHER EQUITY		
Capital redemption reserve		
Balance as per last consolidated Ind AS financial statements	**24,690**	*24,690*
Securities premium		
Balance as per last consolidated Ind AS financial statements	**62,938**	*62,938*
General reserve		
Balance as per last consolidated Ind AS financial statements	41,543	*37,231*
Transfer from the consolidated statement of profit and loss	1,149	*4,312*
Closing balance	**42,692**	*41,543*
Retained earnings		
Balance as per last consolidated Ind AS financial statements	2,20,211	*1,90,874*
Consolidated profit for the year	11,322	*42,773*
Other comprehensive income/(loss)	1,490	*(1,151)*
Appropriations		
Final equity dividend	(6,610)	*(6,610)*
Tax on equity dividend	—	*(1,363)*
Transfer to general reserve	(1,149)	*(4,312)*
Closing balance	**2,25,264**	*2,20,211*
Total reserves and surplus	**3,55,584**	*3,49,382*
Distribution made and proposed		
Cash dividends on equity shares declared and paid:		
Dividend for the year ended March 31, 2020: Rs. 2.50 per share (March 31, 2019: Rs. 2.50 per share)	6,610	*6,610*
Dividend distribution tax	—	*1,363*
	6,610	*7,973*
Proposed dividends on equity shares:		
Dividend for the year ended on March 31, 2021: Re. 0.50 per share (March 31, 2020: Rs. 2.50 per share)	1,322	*6,610*
	1,322	*6,610*

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at year end.

With effect from April 1, 2020, the Dividend Distribution Tax ("DDT") under section 115D of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

	As at March 31, 2021	As at March 31, 2020
Non-controlling interest		
Balance as per last consolidated Ind AS financial statements	334	*304*
Profit for the year	61	*56*
Cash dividends	(20)	*(22)*
Dividend distribution tax	—	*(4)*
Closing balance	**375**	*334*

UNITED BREWERIES LIMITED

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Non-current portion		Current portion	
	As at March 31, 2021	*As at March 31, 2020*	**As at March 31, 2021**	*As at March 31, 2020*
15. FINANCIAL LIABILITIES - BORROWINGS (NON-CURRENT) (at amortised cost)				
Secured				
Indian currency term loans from banks	10,750	*37*	14,250	*7,506*
	10,750	*37*	**14,250**	*7,506*
Unsecured				
Lease liabilities	774	*853*	406	*806*
	774	*853*	**406**	*806*
Less: Amount disclosed under the head "Other financial liabilities" (Refer Note 16)	—	*—*	14,656	*8,312*
Total	**11,524**	*890*	—	*—*

Secured

Nature of security	Repayment and other terms
Indian currency term loan	
Axis Bank: Rs. 25,000 Lakhs (March 31, 2020: Rs. Nil Lakhs) secured by first pari-passu charge on all present and future movable property, plant and equipment of the Holding Company, excluding those which are exclusively under charge of other lenders and with negative lien on immovable fixed assets of the Holding Company.	Repayable in 5 equal quarterly instalments of Rs. 4,750 Lakhs each and one instalment of Rs. 1,250 Lakhs starting from September 2021. The loan carries floating interest rate, which was in the range of 5.4% to 7.5% per annum during the year and is payable on monthly basis.
Cooperatieve Rabo Bank U.A.: Rs. Nil (March 31, 2020: Rs. 7,500 Lakhs) secured by a pari-passu charge over all the movable fixed assets of the Holding Company, other than assets of Taloja unit.	Repayable after 3 years from the date of drawal i.e. on December 22, 2020. The loan carried interest of 6.70% to 8.50% per annum payable on monthly basis.
Daimler Financial Services India Private Limited: Rs. Nil (March 31, 2020: Rs. 43 Lakhs) secured by hypothecation of Car.	Repayable in 48 equal monthly instalments starting from October 2018. The loan carried interest rate of 11.5% per annum.

Unsecured

The lease liabilities are not secured by any assets owned by the Group. However, the Group's obligations under the leases are secured by the lessor's title to the leased assets and deposits given by the Group under normal lease arrangements.

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Notes to Consolidated Ind AS Financial Statements contd.
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
16. OTHER FINANCIAL LIABILITIES				
(at amortised cost)				
Current maturities of long-term borrowing (Refer Note 15)	—	—	14,656	8,312
Liability for capital goods	—	—	5,774	6,208
Interest accrued but not due on borrowings	—	—	—	569
Security deposits	—	—	3,694	3,711
Unpaid dividends*	—	—	5,147	3,791
Salaries and bonus payable	1,109	1,131	4,726	3,892
Freight expenses payable	—	—	7,046	6,509
Other expenses payable	—	—	27,134	23,707
Total	**1,109**	1,131	**68,177**	56,699

* There are no amounts due for payment to the Investor Education and Protection Fund under the Companies Act, 2013 as at year end.

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
17. PROVISIONS				
Provision for employee benefits				
Gratuity	160	685	1,000	1,000
Provident fund	—	973	265	—
Compensated absences	—	—	4,316	4,434
	160	1,658	**5,581**	5,434
Other provisions				
Provision for litigations	—	—	3,527	3,552
	—	—	**3,527**	3,552
Total	**160**	1,658	**9,108**	8,986

	At the beginning of the year	Additions during the year	Utilised during the year	Unused amounts reversed	At the end of the year
Provision for litigations	3,552	8	—	33	3,527
	(3,023)	(531)	—	(2)	(3,552)
Provision for claims	—	—	—	—	—
	(279)	—	—	(279)	—

Figures in brackets are of previous year.

Provision for litigations relates to matters which are sub-judice. Although the Group continues to contest these cases, the management believes that outflow of resources embodying economic benefits is probable and hence created provision towards these obligations.

Provision for claims relates to amount expected to be paid as reimbursements. The management believed that outflow of resources embodying economic benefits was probable and hence created provision towards these obligations.

	As at March 31, 2021	As at March 31, 2020
18. FINANCIAL LIABILITIES - BORROWINGS (CURRENT)		
(at amortised cost)		
Secured		
Indian currency cash credit from banks	17	—
Indian currency working capital demand loans from banks	—	6,100
	17	6,100
Unsecured		
Foreign currency buyer's credit from bank	—	9,915
	—	9,915
Total	**17**	16,015

(a) Indian currency cash credit and working capital demand loans are part of consortium facility and are secured by first pari-passu charge on all current assets of the Holding Company namely stock of raw materials, semi finished and finished goods, stores and spares and not relating to plant & machinery (consumables, stores & spares), bills receivable and book debt of the present and the future. These facilities are repayable within 360 days and carry interest in the range of 4% to 7% per annum.

(b) Foreign currency buyer's credit was repayable on June 5, 2020 and carried interest of 7.15% per annum.

19. FINANCIAL LIABILITIES - TRADE PAYABLES

(at amortised cost)

Total outstanding dues of micro and small enterprises (Refer Note 36 for details)	5,205	5,387
Total outstanding dues of creditors other than micro and small enterprises (including acceptances)*	56,603	49,117
Total	**61,808**	54,504

*Includes dues to related parties (Refer Note 38)

Trade payables are non-interest bearing and are normally settled on 30 to 180 days term.

20. OTHER CURRENT LIABILITIES

Statutory dues payable**	71,846	56,961
Contract liabilities - Advances from customers***	2,614	3,147
Advance against assets held for sale	—	2,069
Advance from commission agents	250	663
Total	**74,710**	62,840

** Includes liability for excise duty on closing stock of work-in-progress and finished goods, value added tax, goods and services tax, etc.

*** Revenue recognised from amounts included in contract liabilities at the beginning of the year is Rs. 2,584 Lakhs (March 31, 2020: Rs. 6,718 Lakhs)

Notes to Consolidated Ind AS Financial Statements contd.
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2021	March 31, 2020
21. REVENUE FROM CONTRACTS WITH CUSTOMERS (INCLUDING EXCISE DUTY)		
Revenue from operations		
Sale of products (including excise duty)	9,98,541	14,38,911
Sale of services	1,584	1,264
Other operating revenues	18,451	24,940
Total	**10,18,576**	14,65,115
(a) Disaggregated revenue information		
Sale of products (including excise duty)		
Beer	9,89,774	14,25,777
Non-alcoholic beverages	2,891	2,033
Others (Input materials)	5,876	11,101
	9,98,541	14,38,911
Sale of services		
Royalty income	1,426	998
Others	158	266
	1,584	1,264
Other operating revenues		
Income from contract manufacturing units	11,921	14,174
Scrap sales	6,403	10,316
Others	127	450
	18,451	24,940
(b) Timing of revenue recognition		
Products transferred at a point in time	10,05,071	14,49,677
Services rendered at a point in time	13,505	15,438
	10,18,576	14,65,115
(c) Reconciliation of amount of revenue recognised with contract price		
Revenue as per contracted price	10,56,140	15,07,744
Adjustments (Variable consideration, etc.)	(37,564)	(42,629)
Revenue from contracts with customers	**10,18,576**	14,65,115

(d) Performance obligations for sale of products is satisfied upon delivery of the goods and that for sale of services is satisfied upon rendering of respective services.

(e) Sale of products for the year ended March 31, 2021 is adjusted for reversals in variable consideration of Rs. 1,528 Lakhs (Previous year: Rs. 1,702 Lakhs).

(f) Also refer Note 10 for Trade receivables, Note 20 for Contract liabilities and Note 37 for Segment information.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2021	March 31, 2020
22. OTHER INCOME		
Interest income on bank and other deposits	462	*241*
Net gain on sale of property, plant and equipment	4	*12*
Exchange differences (net)*	356	—
Liabilities no longer required written back	205	*88*
Loss allowance for receivables, no longer required written back	3,380	*179*
Provision for doubtful advances/deposits, no longer required written back	—	*7*
Other non-operating income	618	*403*
Total	**5,025**	*930*

* Includes fair value gain/loss on foreign exchange forward contract not designated as hedge.

	March 31, 2021	March 31, 2020
23. COST OF MATERIALS CONSUMED		
Raw materials		
Inventories at the beginning of the year	23,294	*26,412*
Add: Purchases	69,642	*1,06,216*
Less: Inventories at the end of the year	25,453	*23,294*
Consumption	**67,483**	*1,09,334*
Packing materials and bottles		
Inventories at the beginning of the year	18,962	*12,660*
Add: Purchases	1,26,323	*1,93,573*
Less: Inventories at the end of the year	16,252	*18,962*
Consumption	**1,29,033**	*1,87,271*
Total	**1,96,516**	*2,96,605*
24. PURCHASES OF STOCK-IN-TRADE		
Beer	6,220	*18,866*
Non-alcoholic beverages	1,151	*631*
	7,371	*19,497*
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the beginning of the year		
Finished goods*	26,718	*26,044*
Work-in-progress	37,219	*34,916*
Stock-in-trade	690	*358*
	64,627	*61,318*
Less: Inventories at the end of the year		
Finished goods*	28,675	*26,718*
Work-in-progress	39,616	*37,219*
Stock-in-trade	457	*690*
	68,748	*64,627*
Increase in inventories	**(4,121)**	*(3,309)*
Increase in excise duty on inventories	**3,171**	*2,320*
Total	**(950)**	*(989)*

*Before provision for obsolete stock. Refer Note 9.

Notes to Consolidated Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2021	March 31, 2020
26. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	42,444	43,848
Gratuity expense [refer note (i) below]	1,067	989
Contribution to provident and other funds [refer note (i) and (ii) below]	2,260	2,276
Staff welfare expenses	2,778	3,299
Total	**48,549**	50,412

(i) The Group operates two defined benefit plans i.e., gratuity and provident fund for its employees. Under the tiered gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure as per the Group policy subject to minimum of 15 days of last drawn salary for each completed year of service. The gratuity fund is managed by external agencies. Under the provident fund benefit plan, the Group contributes to the provident fund trust which guarantees a specified rate of return on such contributions on a periodical basis as per the government notification. The shortfall in the return, if any, is borne by the Group. The aforesaid funds are set up as trusts and are governed by the Board of Trustees who is responsible for the administration of the plan assets and for deciding the investment strategy. The following table summarises the components of net benefit expenses and the funded status for respective plans:

	Gratuity		Provident fund	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
a) Changes in the present value of the defined benefit obligation				
Obligations at beginning of the year	11,569	10,244	17,100	13,474
Current service cost - employer contribution	961	943	863	907
Employee contribution	—	—	1,724	1,923
Interest cost	667	701	1,454	1,236
Benefits paid	(1,953)	(727)	(2,201)	(1,044)
Actuarial (gain)/loss	(843)	408	120	604
Obligations at end of the year	**10,401**	11,569	**19,060**	17,100
b) Change in fair value of plan assets				
Plan assets at the beginning of the year	9,884	9,081	16,127	13,516
Return on plan assets	561	655	1,404	1,239
Contributions during the year*	—	1,000	2,946	2,817
Benefits paid	(1,953)	(727)	(2,201)	(1,044)
Actuarial gain/(loss)	749	(125)	519	(401)
Plan assets at end of the year	**9,241**	9,884	**18,795**	16,127

*Includes contribution by the employer towards loss on sale of investments by the provident fund trust.

	Gratuity		Provident fund	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
c) Benefit asset/(liability)				
Fair value of plan assets	9,241	9,884	18,795	16,127
Less: Present value of the defined benefit obligations	10,401	11,569	19,060	17,100
Benefit asset/(liability)	**(1,160)**	(1,685)	**(265)**	(973)

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Gratuity		Provident fund	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
d) Cost charged to the consolidated statement of profit and loss under employee cost				
Current service cost - employer contribution	961	943	863	907
Interest cost	667	701	1,454	1,236
Return on plan assets	(561)	(655)	(1,404)	(1,239)
Net employee benefit expense**	**1,067**	989	**913**	904

**In respect of provident fund trust, the amount recognised in the consolidated statement of profit and loss is the amount contributed to provident fund by the Group and the amount of shortfall in defined benefit obligations (excluding the re-measurement gain/loss which is recognised in other comprehensive income).

	Gratuity		Provident fund	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
e) Re-measurement (gain)/loss recognised in other comprehensive income				
Actuarial (gain)/loss				
Change in financial assumption	(289)	458	182	563
Experience variance (actual vs assumption)	(554)	(50)	(62)	41
Return on plan assets (excluding amount recognised in net interest expense)	(749)	125	(519)	401
Net actuarial (gain)/loss	**(1,592)**	533	**(399)**	1,005
f) Major category of plan assets included in percentage of fair value of plan assets				
Government securities	—	—	11,177	9,600
Corporate bonds	—	—	5,796	6,030
Fund balance with insurance companies	9,241	9,884	—	—
Others	—	—	1,822	497
Total	**9,241**	9,884	**18,795**	16,127

	Gratuity		Provident fund	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
g) The principal assumptions used in determining gratuity and provident fund obligations for the Group plans are as shown below:				
Discount rate	6.40%	6.30%	6.40%	6.30%
Salary increase rate	8.00%-10.50%	9.50%-10.50%	8.00%-10.50%	9.50%-10.50%
Employee turnover	5.00%-15.00%	5.00%-15.00%	5.00%-15.00%	5.00%-15.00%
Expected return on exempt fund	Not applicable		7.65%	7.80%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.

Notes to Consolidated Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

h) A quantitative sensitivity analysis for significant assumption is as below:

	March 31, 2021		March 31, 2020	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (Gratuity) - Increase/(decrease) in liability				
Discount rate	(735)	836	(729)	830
Salary increase rate	812	(730)	793	(713)
Employee turnover	(165)	183	(168)	186
Impact on defined benefit obligation (Provident fund) - Increase/(decrease) in liability				
Expected return on exempt fund	(564)	627	(950)	1,188

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.

(i) The Group expects to contribute Rs. 1,000 Lakhs (March 31, 2020: Rs. 1,000 Lakhs) to gratuity fund during the next financial year. The maturity profile of the defined benefit payments under the defined benefit plans in future years is as below.

	Gratuity		Provident fund	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Within next 12 months	686	2,104	3,930	4,106
Between 2 to 5 years	4,356	4,332	6,425	6,530
Between 5 to 10 years	7,605	8,610	3,979	4,359
Total	**12,647**	15,046	**14,334**	14,995

The average duration of the defined benefit plan obligations at the end of the reporting period is 7 years (Previous year: 6 years)

UNITED BREWERIES LIMITED

(ii) Contribution to provident and other funds includes the following:

	March 31, 2021	March 31, 2020
Provident fund (includes defined benefit obligation)	1,558	1,570
Superannuation fund	669	670
Employees state insurance fund	33	36
Total	**2,260**	2,276

27. FINANCE COSTS

Interest expense (including on lease liabilities)	2,244	3,047
Other borrowing costs	23	65
Total	**2,267**	3,112

28. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of property, plant and equipment (including right-of-use assets)	22,677	28,014
Amortisation of intangible assets	524	496
Total	**23,201**	28,510

		March 31, 2021		*March 31, 2020*
29. OTHER EXPENSES				
Consumption of stores and spares		7,980		*13,531*
Power and fuel		11,774		*17,892*
Rent		3,900		*3,979*
Repairs and maintenance				
Plant and machinery		2,689		*5,001*
Buildings		133		*420*
Others		1,348		*1,606*
Insurance		2,227		*1,455*
Rates and taxes		22,870		*27,491*
Legal and professional charges		3,933		*4,811*
Auditor's remuneration*				
Statutory audit fee	144		*143*	
Limited review fee	27		*27*	
Tax audit fee	19		*19*	
Certifications	15		*9*	
Others	23	228	*25*	*223*
Sales promotion expenses [net of reversal of Rs.186 Lakhs (Previous year: Rs.185 Lakhs)]		21,095		*36,728*
Outward freight, halting and breakage expenses		23,098		*37,225*
Distribution expenses [net of reversal of Rs.145 Lakhs (Previous year: Rs.304 Lakhs)]		16,451		*24,458*
CSR expenditure (refer details below)		1,383		*1,224*
Bad debts/advances written off		28		*68*
Loss allowance for trade receivables		479		*3,468*
Provision for doubtful advances/deposits		966		*6*
Exchange differences (net)**		—		*422*
Miscellaneous expenses		14,135		*17,807*
Total		**1,34,717**		*1,97,815*

*Includes goods and service tax and reimbursement of expenses

**Includes fair value gain/(loss) on foreign exchange forward contract not designated as hedge.

Details of CSR expenditure

	March 31, 2021	*March 31, 2020*
(a) Gross amount required to be spent by the Holding Company during the year	1,368	*1,224*
(b) Amount approved by the Board to be spent during the year	1,368	*1,224*
(c) Amount spent during the year		
Construction/acquisition of any asset	—	—
Other than construction/acquisition of any asset	1,383	*1,162*
Total	**1,383**	*1,162*
(d) Details related to spent/unspent obligations		
Amount spent during the year	1,383	*1,162*
Unspent amount in relation to ongoing project	47	*62*
Unspent amount in relation to other than ongoing project	—	—
Total	**1,430**	*1,224*
(e) Details of ongoing projects		
Balance at the beginning of the year (with the Holding Company)	62	—
Amount required to be spent during the year	1,368	*1,224*
Less: Amount spent during the year (from the Holding Company's bank account)	1,383	*1,162*
Balance at the end of the year (with the Holding Company)*	**47**	*62*

* The Holding Company is in the process of transferring unspent amount to a separate unspent CSR account.

Notes to Consolidated Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2021	March 31, 2020
30. EXCEPTIONAL ITEMS		
Impairment (loss) on property, plant and equipment (Refer Note 44)	(4,446)	—
Impairment (loss) on goodwill (see note (a) below)	(1,776)	—
Gain on transfer of rights and interest in a leasehold land (see note (b) below)	5,500	—
Total	**(722)**	—

(a) As at March 31, 2021, the Holding Company carried out impairment assessment of goodwill with carrying value of Rs. 2,421 Lakhs arising from consolidation of subsidiary company. The recoverable amount for the underlying assets of the subsidiary company is determined by an external valuer to be Rs. 645 Lakhs based on a fair value less cost of disposal calculation and accordingly an impairment loss of Rs. 1,776 Lakhs is recognized in respect of goodwill attributed to such subsidiary company during the year ended March 31, 2021.

(b) The Holding Company executed a deed for assignment cum transfer of its rights and interest in a leasehold land property (disclosed as assets held for sale) and accordingly a profit of Rs. 5,500 Lakhs realised on such transfer was recognized during the year ended March 31, 2021.

31. TAX EXPENSES

	March 31, 2021	March 31, 2020
Income tax related to items charged or credited to the consolidated statement of profit and loss during the year:		
Consolidated profit and loss section		
Current tax	6,779	*17,597*
Deferred tax (credit)	(1,221)	*(3,534)*
Total	**5,558**	*14,063*
Other comprehensive income/(loss)		
Deferred tax charge/(credit) on		
Re-measurement of defined benefit plans	501	*(387)*
Total	**501**	*(387)*
Reconciliation of tax expense with accounting profit multiplied by statutory income tax rate:		
Accounting profit before income tax	**16,941**	*56,892*
Tax as per statutory income tax rate of 25.17% (Previous year: 25.17%)	4,264	*14,320*
Effect of change in tax rate*	—	*(321)*
Allowances/exemptions under Income tax	—	*(400)*
Non-deductible expenses for tax purposes		
CSR expenditure	348	*308*
Impairment loss on goodwill	447	—
Others	499	*156*
Income tax expense reported in consolidated statement of profit and loss account	**5,558**	*14,063*

*During the previous year ended March 31, 2020, the Holding Company had elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company had recognised Provision for Income Tax and re-measured its Deferred tax asset/liability during the year ended March 31, 2020, basis the rate prescribed in the said section.

UNITED BREWERIES LIMITED

	March 31, 2021	March 31, 2020

32. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation:

	March 31, 2021	March 31, 2020
Net profit attributable to equity shareholders of the parent	11,322	42,773
Weighted average number of equity shares considered for calculating basic/diluted EPS	26,44,05,149	26,44,05,149
Earnings per share (Basic/Diluted) (Rs.)	**4.28**	16.18

33. LEASES

The Group has lease contracts for land, office premises, employee residential premises, computers, equipment, furniture and vehicles. Leasehold land arrangements are for 90-99 years with various government authorities. Other leases are for a period of upto 9 years with options of renewal and premature termination with notice, except in certain leases with lock-in period of 6 to 36 months. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and sub-leasing the leased assets. There are certain lease contracts that include extension and termination options. The Group also has certain leases with lease terms of twelve months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. There is no lease arrangements with variable lease payments.

Refer Note 3 for details of carrying amounts of right-of-use assets recognised and the movements during the year. Set out below are the carrying amounts of lease liabilities (included under interest-bearing borrowings) and the movements during the year:

	March 31, 2021	March 31, 2020
At the beginning of the year (recognised as at April 1,2019 on transition to Ind AS 116)	1,659	1,631
Additions	374	789
Accretion of interest	113	142
Payments	(966)	(903)
At the end of the year	**1,180**	1,659
Current	406	806
Non-current	774	853
Total	**1,180**	1,659

The Group has applied weighted average incremental borrowing rate of 8% per annum to lease liabilities recognised in the consolidated balance sheet. The maturity analysis of lease liabilities is disclosed in Note 41(c). The following are the amounts recognised in the consolidated statement of profit and loss:

	March 31, 2021	March 31, 2020
Depreciation expense of right-of-use assets	1,070	1,034
Interest expense on lease liabilities	113	142
Expense relating to short-term leases (included in rent expense)	3,654	3,653
Expense relating to leases of low-value assets (included in rent expense)	246	326
Total amount recognised in the consolidated statement of profit and loss	**5,083**	5,155

The Group had total cash outflows for leases of Rs. 4,866 Lakhs (Previous year: Rs. 4,882 Lakhs) for the year ended March 31, 2021. The Holding Company also had non-cash additions to right-of-use assets and lease liabilities of Rs.374 Lakhs (Previous year: Rs. 789 Lakhs) during the year ended March 31, 2021. There are no leases that have been entered into but not yet commenced as at year end.

The undiscounted potential future rental payment relating to periods following the exercise date of extension option that are not included in the lease term is Rs. 159 Lakhs (Previous Year: Rs. 160 Lakhs). There are no termination options which are expected to be exercised but not included in lease term.

Notes to Consolidated Ind AS Financial Statements contd.
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2021	March 31, 2020
34. CAPITAL AND OTHER COMMITMENTS		
(a) Estimated amount of contracts remaining to be executed (net of capital advances) on capital account and not provided for	5,070	14,038
(b) Commitments under contracts for malt conversion	2,808	4,212
(c) Commitments under power purchase agreements	6,700	7,032
(d) Other contractual commitments	2,430	2,304
Total	**17,008**	27,586

For commitments relating to lease arrangements, refer Note 33.

	March 31, 2021	March 31, 2020
35. CONTINGENT LIABILITIES		
(a) Claims against the Company not acknowledged as debts*		
Income tax	45,166	45,173
Excise duty	14,713	13,879
Sales tax	9,820	14,464
Service tax	2,616	2,616
Water charges	3,197	3,180
Employee state insurance/provident fund	84	84
Others	9,614	9,409
(b) Other money for which the Company is contingently liable		
Bank guarantees	3,809	6,068
Letter of credit	1,176	3,185
Total	**90,195**	98,058

*The Group is contesting these demands and the management, based on advise of its legal/tax consultants, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the consolidated Ind AS financial statements for these demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's consolidated financial position and results of operations. The Group does not expect any reimbursements in respect of these contingent liabilities.

In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The management reasonably does not expect that these legal actions, when ultimately concluded and determined, will have material effect on the Group's results of operations or financial condition.

(c) On October 10, 2018, certain officials from the Competition Commission of India ("CCI") had visited the Holding Company for their investigation in relation to allegations of price-fixation and performed search of the premises and conducted inquiries with certain officials of the Holding Company at its registered office. Pursuant to this, the Holding Company made requisite filings and also certain officials of the Holding Company appeared before the aforesaid authorities. The Director General, CCI submitted its investigation report to the CCI for consideration which was also communicated to the Holding Company on March 19, 2020. On August 28, 2020, the Holding Company filed its comments / objections to the aforesaid investigation report. The matter was heard before the CCI on February 11, 2021 and March 2, 2021, followed by post hearing submissions filed by the Holding Company with the CCI on March 23, 2021. Management, along-with its legal advisors, believe that there are mitigating factors to counter presumptions made against the Holding Company by the CCI under the Competition Act, 2002, which have also been highlighted in the comments/objections to the investigation report and during hearing submissions filed by the Holding Company. Pending conclusion of this matter by the CCI, the management is of view that it is not practicable to state an estimate of its financial effect, if any.

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(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(d) The Supreme Court of India in a judgement on Provident Fund dated February 28, 2019 addressed the principle for determining salary components that form part of Basic Salary for individuals below a prescribed salary threshold. It is however unclear as to whether the clarified definition of Basic Salary would be applicable prospectively or retrospectively. The Group has complied with the aforesaid judgement on a prospective basis from the date of the judgement and will continue to monitor and evaluate retrospective application, if applicable, based on future events and developments.

	March 31, 2021	March 31, 2020
36. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	5,205	*5,387*
- Interest due on above	105	*83*
Total	**5,310**	*5,470*
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	268	*64*
The amount of interest accrued and remaining unpaid at the end of each accounting year	1,139	*871*
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	1,139	*871*

The information given above is to the extent such parties have been identified by the Group on the basis of information disclosed by the suppliers.

37. SEGMENT REPORTING

As per Ind AS 108, operating segment is a component of the Group that engages in business activities, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Group has identified its operating segments, as below:

(a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands

(b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

The Group's CODM does not review assets and liabilities for each operating segment separately, hence segment disclosures relating to total assets and liabilities have not been furnished.

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Notes to Consolidated Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2021	March 31, 2020
Segment revenue		
Beer	10,15,685	14,63,082
Non-alcoholic beverages	2,891	2,033
Total revenue	**10,18,576**	14,65,115
Segment results		
Beer	50,254	94,972
Non-alcoholic beverages	(3,841)	(4,838)
Total segment results	**46,413**	90,134
Other income	5,025	930
Finance costs	(2,267)	(3,112)
Other unallocable expenses	(31,508)	(31,060)
Profit before exceptional items and tax	**17,663**	56,892
Exceptional item (Refer Note 30)	(722)	—
Profit before tax	**16,941**	56,892
Information about geographical areas is as below:		
Revenue from external customers (including excise duty)		
India	10,10,898	14,44,228
Outside India	7,678	20,887
Total	**10,18,576**	14,65,115
The above information is based on the location of customers.		
Non-current operating assets		
India	2,07,180	2,10,099
Outside India	—	—
Total	**2,07,180**	2,10,099

Non-current assets for this purpose consists of property, plant and equipment, capital work-in-progress and intangible assets.

Revenue (including excise duty) from customers individually contributing more than 10% of the Group's revenue aggregates to Rs. 256,556 Lakhs (Previous year: Rs. 303,021 Lakhs) from 1 customer (Previous year: 1 customer).

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(All amounts in Indian Rupees Lakhs, except as otherwise stated)

38. RELATED PARTY DISCLOSURES

A. Name of related parties and related party relationships

Related party where significant influence exists:

Associate	: Kingfisher East Bengal Football Team Private Limited ('KEBFTPL')

Related parties under Ind AS 24 with whom transactions have taken place:

Enterprises having significant influence	: Scottish & Newcastle India Limited, UK ('SNIL')
Key management personnel (KMP)	: Mr. Shekhar Ramamurthy, Managing Director (till July 31, 2020) Mr. Rishi Pardal, Managing Director (effective August 1, 2020) Mr. Berend Cornelis Roelof Odink, Chief Financial Officer (effective August 15, 2019) Mr. P A Poonacha, Senior Vice-President Finance & Accounts - CFO (till August 14, 2019) Mr. B.M. Labroo, CEO, Director of Subsidiary company Ms. Kanta Labroo, Director of Subsidiary company
Enterprises over which investing parties or KMP have significant influence	: Heineken UK Limited ('HUL'), holding company of SNIL Heineken International B.V. ('HIBV') Heineken Brouwerijen B.V. ('HBBV') Heineken Supply Chain B.V. ('HSCBV') Heineken Asia Pacific Pte. Ltd. ('HAPPL') Heineken Asia Pacific Export Pte. Ltd. ('HAPEP') Heineken Asia Pacific Beverages Pte. Ltd. ('HAPBPL') Amstel Brouwerijen B.V. ('Amstel') DB Breweries Limited ('DBL') DBG (Australia) Pty Limited ('DBG') Asia Pacific Breweries (Singapore) Pte. Ltd. ('APBS') Sirocco FZCO, United Arab Emirates ('SIRC')
Employee benefits trusts	: UBL Gratuity Fund Trust United Breweries Limited Provident Fund Trust ("UBL Provident Fund Trust") United Breweries Superannuation Fund ("UBL Superannuation Fund")

Additional related parties as per the Companies Act, 2013 with whom transactions have taken place:

Directors	: Mr. A K Ravi Nedungadi Mr. Stephan Gerlich Mrs. Kiran Majumdar Shaw Mr. Madhav Bhatkuly Mr. Sunil Alagh Mr. Christiaan August J Van Steenbergen Mr. Jan Cornelis Van Der Linden (effective June 1, 2020) Mr. Rudolf Gijsbert Servaas Van Den Brink (till May 31, 2020) Mr. Chugh Yoginder Pal (till September 3, 2019) Mr. Chhaganlal Jain (till September 3, 2019)

The Securities and Exchange Board of India vide its order dated January 25, 2017 restrained Dr. Vijay Mallya from holding position as Director or Key Managerial Person of any listed company. Pursuant to the decision of the Board at its meeting held on July 4, 2017, the Holding Company had communicated on July 6, 2017 to Dr. Mallya and his associate companies (promoters of the Holding Company) to nominate a director on the Board in his place in terms of the Articles of Association of the Holding Company. Further, pursuant to the decision of the Board at its meeting held on August 10, 2017, the Holding Company carried out necessary filings with the Registrar of Companies, Karnataka (ROC) and Stock Exchanges notifying Dr. Mallya's cessation from holding the position of director in the Holding Company. The applicable form relating to cessation of directorship has since been approved by the ROC.

Key management personnel (KMP):	: Mr. Govind Iyengar, Senior Vice-President Legal and Company Secretary
Body corporate/Private companies whose Board of directors is accustomed to act in accordance with advise, directions or instructions of a director (included in 'Others' below)	: United Breweries (Holdings) Limited ('UBHL')* H. Parson Private Limited ('HPPL') Kingfisher Beer Europe Limited ('KBE')

*The Karnataka High Court has ordered winding up of UBHL on February 7, 2017.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

B. Transactions with related parties during the year along with balances as at year end:

	Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2021	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*
Transactions during the year										
Sale of products (net)										
SIRC	–	–	–	–	–	–	5,401	–	–	–
APBS	–	–	–	–	–	–	331	–	–	–
HPPL	–	–	–	–	–	–	–	–	2,788	4,847
	–	–	**–**	–	**–**	–	**5,732**	–	**2,788**	4,847
Royalty income										
APBS	–	–	–	–	–	–	613	–	–	–
DBL	–	–	–	–	–	–	451	53	–	–
DBG	–	–	–	–	–	–	114	10	–	–
KBE	–	–	–	–	–	–	–	–	43	83
	–	–	**–**	–	**–**	–	**1,178**	63	**43**	83
Purchase of materials										
HAPBPL	–	–	–	–	–	–	727	23	–	–
HAPEP	–	–	–	–	–	–	127	867	–	–
HSCBV	–	–	–	–	–	–	18	6	–	–
	–	–	**–**	–	**–**	–	**872**	896	**–**	–
Sales promotion expenses										
HPPL	–	–	–	–	–	–	–	–	5	15
	–	–	**–**	–	**–**	–	**–**	–	**5**	15
Rent expense										
UBHL	–	–	–	–	–	–	–	–	101	96
	–	–	**–**	–	**–**	–	**–**	–	**101**	96
Technical service fees										
HIBV	–	–	–	–	–	–	600	600	–	–
	–	–	**–**	–	**–**	–	**600**	600	**–**	–
Royalty paid										
HBBV	–	–	–	–	–	–	278	558	–	–
Amstel	–	–	–	–	–	–	177	267	–	–
	–	–	**–**	–	**–**	–	**455**	825	**–**	–

Notes to Consolidated Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2021	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*
Consultancy fees paid										
HSCBV	–	–	–	–	–	–	137	137	–	–
HIBV	–	–	–	–	–	–	25	14	–	–
KBE	–	–	–	–	–	–	–	–	25	28
	–	–	**–**	–	**–**	–	**162**	151	**25**	28
Reimbursements received										
HAPPL	–	–	–	–	–	–	60	–	–	–
HAPEP	–	–	–	–	–	–	16	4	–	–
UBHL	–	–	–	–	–	–	–	–	–	18
	–	–	**–**	–	**–**	–	**76**	4	**–**	18
Reimbursements paid										
HIBV	–	–	–	–	–	–	319	234	–	–
HAPBPL	–	–	–	–	–	–	1	–	–	–
HPPL	–	–	–	–	–	–	–	–	55	54
	–	–	**–**	–	**–**	–	**320**	234	**55**	54
Remuneration paid [Refer (a) below]										
Mr. Shekhar Ramamurthy	–	–	–	–	931	1,422	–	–	–	–
Mr. Rishi Pardal	–	–	–	–	478	–	–	–	–	–
Mr. Berend Cornelis Roelof Odink	–	–	–	–	451	379	–	–	–	–
Mr. Govind Iyengar	–	–	–	–	258	261	–	–	–	–
Mr. P A Poonacha	–	–	–	–	–	87	–	–	–	–
Mr. B.M. Labroo	–	–	–	–	17	–	–	–	–	–
Ms. Kanta Labroo	–	–	–	–	–	36	–	–	–	–
	–	–	**–**	–	**2,135**	2,185	**–**	–	**–**	–
Sitting fee paid										
Mr. A K Ravi Nedungadi	–	–	–	–	16	16	–	–	–	–
Mr. Stephan Gerlich	–	–	–	–	13	12	–	–	–	–
Mrs. Kiran Majumdar Shaw	–	–	–	–	15	11	–	–	–	–
Mr. Madhav Bhatkuly	–	–	–	–	23	16	–	–	–	–
Mr. Sunil Alagh	–	–	–	–	26	21	–	–	–	–
Mr. Christiaan August J Van Steenbergen	–	–	–	–	15	12	–	–	–	–
Mr. Jan Cornelis Van Der Linden	–	–	–	–	16	–	–	–	–	–
Mr. Rudolf Gijsbert Servaas Van Den Brink	–	–	–	–	–	11	–	–	–	–
Mr. Chugh Yoginder Pal	–	–	–	–	–	10	–	–	–	–
Mr. Chhaganlal Jain	–	–	–	–	–	14	–	–	–	–
	–	–	**–**	–	**124**	123	**–**	–	**–**	–

Notes to Consolidated Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2021	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*
Director Commission accrued*										
Mr. A K Ravi Nedungadi	–	–	–	–	57	87	–	–	–	–
Mr. Stephan Gerlich	–	–	–	–	57	87	–	–	–	–
Mrs. Kiran Majumdar Shaw	–	–	–	–	57	87	–	–	–	–
Mr. Madhav Bhatkuly	–	–	–	–	57	87	–	–	–	–
Mr. Sunil Alagh	–	–	–	–	57	87	–	–	–	–
Mr. Chugh Yoginder Pal	–	–	–	–	–	30	–	–	–	–
Mr. Chhaganlal Jain	–	–	–	–	–	30	–	–	–	–
	–	–	**–**	–	**285**	495	**–**	–	**–**	–
Dividend accrued/paid on equity shares										
SNIL	–	–	2,250	2,250	–	–	–	–	–	–
HIBV	–	–	–	–	–	–	613	613	–	–
HUL	–	–	–	–	–	–	212	212	–	–
Dr. Vijay Mallya (including joint holdings) [Refer (b) below]	–	–	–	–	–	–	–	–	534	534
	–	–	**2,250**	2,250	**–**	–	**825**	825	**534**	534
Purchase of Investments										
UBL Provident Fund Trust	–	–	–	–	–	–	–	–	300	–
	–	–	**–**	–	**–**	–	**–**	–	**300**	–
Contributions made	–	–	–	–	–	–	–	–	–	–
UBL Gratuity Fund Trust	–	–	–	–	–	–	–	–	–	1,000
UBL Provident Fund Trust**	–	–	–	–	–	–	–	–	2,946	2,817
UBL Superannuation Fund	–	–	–	–	–	–	–	–	669	670
	–	–	**–**	–	**–**	–	**–**	–	**3,615**	4,487

	March 31, 2021	*March 31, 2020*
Compensation of key management personnel [Refer (a) below]		
Short-term employee benefits	2,135	2,185
Post-employment gratuity and medical benefits	1,277	–
Termination benefits	–	–
Share-based payment transactions	–	–
Total compensation paid to key management personnel	**3,412**	2,185

*Excludes Goods and Services Tax (GST) paid by the Holding Company under reverse charge mechanism. The directors commission for year ended March 31, 2021 has been provided as per the limits under Schedule V of the Act and is pending approval by the shareholders of the Holding Company.

**Includes both employer and employee contributions to the fund.

Notes to Consolidated Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2021	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*	**March 31, 2021**	*March 31, 2020*
Balances outstanding as at year end										
Investment in equity shares										
KEBFTPL	1	*1*	–	–	–	–	–	–	–	–
	1	*1*	**–**	–	**–**	–	**–**	–	**–**	–
Trade receivables										
SIRC	–	–	–	–	–	–	522	–	–	–
APBS	–	–	–	–	–	–	297	–	–	–
DBL	–	–	–	–	–	–	141	*53*	–	–
DBG	–	–	–	–	–	–	49	*10*	–	–
KBE	–	–	–	–	–	–	–	–	6	*15*
HPPL (net of security deposit)	–	–	–	–	–	–	–	–	9	–
	–	–	**–**	–	**–**	–	**1,009**	*63*	**15**	*15*
Advance received from customer										
HPPL	–	–	–	–	–	–	–	–	–	*273*
	–	–	**–**	–	**–**	–	**–**	–	**–**	*273*
Security deposits (asset)										
UBHL	–	–	–	–	–	–	–	–	65	*65*
	–	–	–	–	–	–	–	–	**65**	*65*
Trade payables										
HIBV	–	–	–	–	–	–	629	*491*	–	–
HBBV	–	–	–	–	–	–	124	*239*	–	–
Amstel	–	–	–	–	–	–	66	*93*	–	–
HSCBV	–	–	–	–	–	–	30	*16*	–	–
HAPBPL	–	–	–	–	–	–	13	*23*	–	–
HAPEP	–	–	–	–	–	–	–	*365*	–	–
UBHL	–	–	–	–	–	–	–	–	209	*201*
KBE	–	–	–	–	–	–	–	–	–	*19*
	–	–	**–**	–	**–**	–	**862**	*1,227*	**209**	*220*

(a) The remuneration to key managerial personnel includes reimbursements and excludes the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis. Also, for Mr. Rishi Pardal, the remuneration disclosed is for the period he has been designated as Managing Director of the Holding Company.

Notes to Consolidated Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(b) The Holding Company had received an order dated September 30, 2015 from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Holding Company has been directed not to pay/release amounts that may be payable with respect to shares in the Holding Company held by an erstwhile director (including his joint holdings) and United Breweries (Holdings) Limited and also with respect to shares in the Holding Company held by Kamsco Industries Pvt. Ltd as per order dated January 9, 2019, without its prior permission. Accordingly, the Holding Company has withheld payment of Rs. 2,016 Lakhs (net of payment of Rs. 784 Lakhs to the official liquidator of United Breweries (Holdings) Limited and net of TDS as applicable) relating to dividend on aforesaid shares. The Holding Company would also withhold payment of proposed dividend for the year ended March 31, 2021 on aforesaid shares, which is subject to approval by the shareholders in the ensuing annual general meeting.

Further, the Holding Company had received various orders from tax and provident fund authorities prohibiting the Holding Company from making any payment to an erstwhile director. The Holding 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.

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those prevailing in arm's length transaction. The outstanding receivables/payables balances are generally unsecured and interest free. There have been no guarantees provided to or received from any related party.

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UNITED BREWERIES LIMITED

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

39. SUMMARY OF NET ASSETS, SHARE IN CONSOLIDATED PROFIT AND SHARE IN CONSOLIDATED OTHER COMPREHENSIVE INCOME/(LOSS)

March 31, 2021

	Net assets i.e. total assets minus total liabilities		Share in consolidated profit or loss		Share in consolidated other comprehensive income		Share in consolidated total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net profit	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
United Breweries Limited, Parent	99.81%	3,57,913	98.91%	11,259	100.00%	1,490	99.04%	12,749
Maltex Malsters Limited, Indian subsidiary	0.09%	315	0.55%	63	—	—	0.49%	63
Non-controlling interest in subsidiary	0.10%	375	0.54%	61	—	—	0.47%	61
Total	**100.00%**	**3,58,603**	**100.00%**	**11,383**	**100.00%**	**1,490**	**100.00%**	**12,873**
March 31, 2020								
United Breweries Limited, Parent	99.79%	3,51,608	99.73%	42,714	100.00%	(1,151)	99.73%	41,563
Maltex Malsters Limited, Indian subsidiary	0.12%	418	0.14%	59	—	—	0.14%	59
Non-controlling interest in subsidiary	0.09%	334	0.13%	56	—	—	0.13%	56
Total	**100.00%**	**3,52,360**	**100.00%**	**42,829**	**100.00%**	**(1,151)**	**100.00%**	**41,678**

The amounts included above are net of eliminations of inter-company balances and transactions.

40. FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS financial statements are categorised within the fair value hierarchy, as below, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value measurement hierarchy of the Group's assets and liabilities is as below:

	Carrying amount	Fair values		
		Level 1	Level 2	Level 3
As at March 31, 2021				
Financial assets measured at fair value through profit or loss				
Investments in equity instruments	302	—	—	302
Financial assets measured at fair value through other comprehensive income				
Investments in debt instruments	300	—	300	—
As at March 31, 2020				
Financial assets measured at fair value				
Foreign exchange forward contract	286	286	—	—
Investments in equity instruments	23	—	—	23

Notes to Consolidated Ind AS Financial Statements contd.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

There has been no transfers between levels during the year.

The fair values of foreign exchange forward contract are derived from quoted market prices in active markets. Considering that the amounts involved for investment in equity instruments are not significant, fair value fluctuations are not expected to be material and hence no further disclosure has been made. The fair values of investment in quoted debt instruments are based on price quotations and available market information at the reporting date.

The management assessed that the carrying values of trade and other receivables, cash and short term deposits, other assets, borrowings, trade and other payables and balances with related parties, based on their notional amounts, reasonably approximate their fair values because these instruments have short-term maturities and are re-priced frequently.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, trade and other receivables, cash and cash equivalents, bank balances, security deposits and derivatives that are out of regular business operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Group.

The risk management committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, derivatives financial instruments, trade payables.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	March 31, 2021		*March 31, 2020*	
	1% increase	1% decrease	*1% increase*	*1% decrease*
Impact on consolidated profit before tax	(250)	**250**	*(236)*	*236*

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency borrowings, trade payables and trade receivables.

The summary of derivative instruments and unhedged foreign currency exposure is as below:

Derivatives outstanding as at March 31, 2021 includes foreign exchange forward contract of Nil (March 31, 2020: USD 1,31,43,660).

Un-hedged foreign currency exposure (gross amounts in Indian rupees lakhs) as at the reporting date:

	As at March 31, 2021	As at March 31, 2020
Trade receivables	1,450	4,844
Advances to suppliers	165	221
Balance in exchange earners foreign currency bank accounts	4,692	263
Capital advances	72	140
Trade payables	2,384	2,439
Liability for capital goods	779	943

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant and after the impact of hedge accounting:

	March 31, 2021		March 31, 2020	
	1% increase	1% decrease	1% increase	1% decrease
Impact on consolidated profit before tax	31	(31)	21	(21)

iii. Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of Beer and therefore require a continuous supply of Barley. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

The following table shows the effect of price changes in Barley:

	March 31, 2021		March 31, 2020	
	1% increase	1% decrease	1% increase	1% decrease
Impact on consolidated profit before tax	(193)	193	(358)	358

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Group's exposure to credit risk arises majorly from trade/other receivables and investments in debt instruments. Other financial assets like security deposits and bank deposits are mostly with government authorities and nationalised banks and hence, the Group does not expect any significant credit risk with respect to these financial assets. With respect to trade receivables, significant portion (approximately 60%) includes dues from state government corporations, where probability of default is remote. The Group has constituted regional and corporate credit committees to review trade receivables on periodic basis and to take necessary mitigations, wherever required.

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The Group creates provision for all unsecured trade receivables based on lifetime expected credit loss. The summary of changes in provision for impairment of trade receivables is as below:

	March 31, 2021	March 31, 2020
Balance at the beginning of the year	8,693	5,404
Provision recognised/(reversed) during the year, net	(2,901)	3,289
Balance at the end of the year	**5,792**	8,693

The Group has considered the possible effect of the COVID-19 pandemic on the carrying amounts of trade and other receivables by using available internal and external sources of information.

(c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The table below summarises the maturity profile of the Group's financial liabilities:

	Maturities				Total
	Upto 1 year	1-2 years	2-3 years	>3 years	
March 31, 2021					
Lease liabilities	406	237	132	405	1,180
Non-current borrowings	14,250	10,750	—	—	25,000
Current borrowings	17	—	—	—	17
Trade payables	61,808	—	—	—	61,808
Other financial liabilities	53,521	1,109	—	—	54,630
Total	**1,30,002**	**12,096**	**132**	**405**	**1,42,635**
March 31, 2020					
Lease liabilities	806	273	115	465	1,659
Non-current borrowings	7,506	7	30	—	7,543
Current borrowings	16,015	—	—	—	16,015
Trade payables	54,504	—	—	—	54,504
Other financial liabilities	48,387	1,131	—	—	49,518
Total	**1,27,218**	**1,411**	**145**	**465**	**1,29,239**

The Group has utilised the existing borrowing limits based on requirements and has unutilised borrowing limits available at the year end which is available for utilisation.

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(All amounts in Indian Rupees Lakhs, except as otherwise stated)

42. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to support its business and maximise shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents and other bank balances.

	Notes	As at March 31, 2021	As at March 31, 2020
Non-current borrowings	15	11,524	890
Current maturities of non-current borrowings	16	14,656	8,312
Current borrowings	18	17	16,015
Less: Cash and cash equivalents	11	40,970	2,936
Less: Other bank balances (excluding unpaid divided amounts)	12	811	1,132
Net debt		—	21,149
Equity share capital	13	2,644	2,644
Other equity	14	3,55,584	3,49,382
Non-controlling interest		375	334
Total capital		**3,58,603**	3,52,360
Gearing ratio		—	6%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

43. The Code on Social Security, 2020 (the "Code") relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect is yet to be notified and the final rules/ interpretation are yet to be issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact accordingly.

44. The Bihar State Government ("the Government") vide its notification dated April 5, 2016 had imposed ban on trade and consumption of alcoholic beverages in the State of Bihar. The Holding Company had filed a writ petition with the High Court at Patna, requesting remedies and compensation for losses incurred on account of such abrupt notification, against which the Government preferred a special leave petition before the Supreme Court of India. Further, the Government did not renew brewery licenses for the financial year 2017-18 onwards and consequently the Holding Company discontinued production of beer at Bihar. The matter is currently pending before the Supreme Court for final conclusion.

During the financial year 2018-19, in order to maintain the assets in running condition, the Holding Company commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment at Bihar. As at March 31, 2021, the Holding Company carried out an impairment assessment of its property, plant and equipment at Bihar with carrying value of Rs. 15,944 Lakhs. The recoverable amount for these property, plant and equipment is determined by an external valuer to be about Rs. 11,498 Lakhs based on a fair value less cost of disposal calculation, considering uncertainty in the Government's plans in respect of policy towards alcoholic beverages and the Holding Company's change in plan for use of these assets. Accordingly, an impairment loss of Rs. 4,446 Lakhs is recognized during the year ended March 31, 2021. The key assumptions used in the valuation includes marketability discount of 10% for leasehold land, market value adjustment factor of 50-100% for other assets and cost to sell of 2%.

45. In March 2020, the World Health Organisation had declared Coronavirus (COVID-19) to be a pandemic and consequently on March 24, 2020, the Government of India had ordered a nationwide lockdown, which got extended in phases. From May 2020, the Group resumed its business activities in a phased manner in line with directives issued by the central and state governments. The outbreak of COVID-19 pandemic in India had caused significant disturbance and slowdown of economic activities. The business operations of the Group have also been significantly impacted by way of interruption of production, supply chain, etc. Recently, there has been a surge in the spread of COVID-19 in India and various state governments have imposed restrictions ranging from night/weekend curfew including closure of malls, restaurants and other public places to contain the spread of COVID-19. The Group has taken various precautionary measures to protect its employees from COVID-19.

The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available upto the date of approval of these consolidated Ind AS financial statements in determining the recoverability and carrying values of property, plant and equipment, intangible assets (including goodwill), investments, trade and other receivables, inventories and other financial statement captions. Considering the recent surge in the spread of COVID-19, the impact of COVID-19 pandemic on the overall economic environment continues to be uncertain and may affect the underlying assumptions/estimates used in preparation of these consolidated Ind AS financial statements, whereby actual outcome may differ from those assumptions/estimates considered at the date of approval of these consolidated Ind AS financial statements. The Group will continue to closely monitor the situation and any material changes to future economic conditions.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382

Place: Bengaluru
Date: April 27, 2021

Rishi Pardal
Managing Director
DIN: 02470061

Sunil Kumar Alagh
Director
DIN: 00103320

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and Company Secretary

Place: Bengaluru
Date: April 27, 2021

UNITED BREWERIES LIMITED

Annexures

ANNEXURE - A: BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

Section A: General Information about the Company

1. **Corporate Identity Number (CIN)** : L36999KA1999PLC025195
2. **Name of the Company** : United Breweries Limited
3. **Registered Address** : "UB Tower", UB City, # 24, Vittal Mallya Road, Bengaluru-560 001.
4. **Website** : www.unitedbreweries.com
5. **Email-ID** : ublinvestor@ubmail.com
6. **Financial Year reported** : April 01, 2020 – March 31, 2021 (or "FY21")
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

   United Breweries Limited ("UBL"/the "Company") is engaged in manufacture and supply of beer governed by State Excise laws of respective State Governments which regulates manufacturing, bottling and supply of beer and also manufacture and supply of non-alcoholic beverages.

   Manufacture of Beer

   - National Industrial Classification : Class – 11031
   - Indian Trade Classification : Code – 22030000

   Manufacture of Non-alcoholic beverages

   - National Industrial Classification : Class – 11049
   - Indian Trade Classification : Code – 22029100

8. **Three key products/services that the Company manufactures/provides (as in balance sheet):**

   UBL is engaged in (a) manufacture and sale of beer out of its own and contract brewing units; (b) Licensing of brands for beer and packaged drinking water and (c) manufacture and sale of non-alcoholic beverages, including 'Kingfisher Radler'.

9. **Total number of locations where business activity is undertaken by the Company:**

   i. **Number of International Locations** : The Company has licensed its Brands for manufacture and supply of beer at 5 International locations viz., United Kingdom (including supplies to European Countries), Australia, New Zealand, Singapore and Nepal.

   ii. **Number of National Locations** : The Company operates through 20 owned manufacturing units and 10 contract manufacturing units. Business activities are also carried out from Registered cum Corporate Office at Bengaluru and from Regional Sales Offices located at various places in India.

10. **Markets served by the Company – Local / State / National / International:**

    UBL's brands are available across India and also in about 50 countries worldwide.

Section B: Financial Details of the Company

1. **Paid up Capital (As on 31.03.2021)** : 264.41 million
2. **Total Turnover (INR)** : 1,01,834 million
3. **Total profit after taxes (INR)** : 1,129 million
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**

   UBL spent Rs. 138.3 Million on CSR activities during the FY21, which constitutes 12.25% of its profit after tax (PAT).

5. **List of activities in which expenditure in 4 above has been incurred:**

   The major areas in which the above expenditure has been incurred inter-alia includes Water Conservation & Providing Safe Drinking Water, Disaster Relief and Community Development projects.

Section C: Other Details

1. **Does the Company have any Subsidiary Company / Companies?**

   The Company has one (1) Subsidiary Company, viz. Maltex Malsters Limited.

2. **Do the Subsidiary Company / Companies participate in the Business Responsibility Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).**

   UBL encourages its Subsidiary Company viz., Maltex Malsters Limited, to adopt its policies and practices so that it actively participates in the initiatives of the Company.

3. **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**

   The suppliers, distributors or any other entities do not participate in the Business Responsibility initiatives of the Company.

Section D: Business Responsibility Information

1. **Details of Directors responsible for Business Responsibility:**

   a) Details of the Director / s responsible for implementation of the Business Responsibility Policy:

Name	DIN Number	Designation
Mr. Shekhar Ramamurthy (up to July 31, 2020)	00504801	Managing Director (MD)
Mr. Rishi Pardal (effective August 01, 2020)	02470061	Managing Director (MD)

   b) Details of the Business Responsibility head:

Sl. No.	Particulars	Details
1.	DIN Number	02470061
2.	Name	Mr. Rishi Pardal
3.	Designation	Managing Director
4.	Telephone Number	080-4565 5002
5.	E-mail ID	rishipardal@ubmail.com

2. **Principle-wise (as per NVGs) Business Responsibility Policy / Policies:**

   The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs are as under:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Business should respect and promote human rights.
P6	Business should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of Compliance (Reply in Y/N)

Sl. No.	Questions	Business Ethics P1	Product Sustainability P2	Employees' Wellbeing P3	Stakeholders' Interest P4	Human Rights P5	Environment Protection P6	Policy Advocacy P7	Inclusive Growth - CSR P8	Customer Relations P9
1.	Do you have a Policy/Policies for the principles from P1 to P9?	The Company has framed certain Policies to meet statutory requirements. In a few areas internal guidelines have been framed which cover certain aspects of NVGs.								
2.	Has the Policy been formulated in consultation with the relevant Stakeholders?	Policies/internal guidelines have been formulated keeping in view the interest of Stakeholders while they may not have been directly involved in Policy formulation.								
3.	Does the Policy conform to any national/ international standards? If yes, specify?	Certain policies conform to meet applicable laws. Certain breweries of the Company are in conformance of international standards and have been accredited with various certifications like ISO 9001:2008 (Quality Management System); ISO 14001:2004 (Environmental Management System); ISO 22000:2005 (Food Safety Management System); OHSAS 18001:2007 (Occupational Health Safety Assessment System).								
4.	Has the Policy been approved by the Board? If yes, has it been signed by MD/Owner/ CEO/appropriate Board of Directors?	Policies that are statutorily required are approved by the Board. The MD has authenticated such policies.								
5.	Does the Company have a specified committee of the Board / Director/Official to oversee the Implementation of the Policy?	The Board has framed various Committees whose role includes formulation and implementation of Policies within their terms of reference though a specified Committee to oversee the implementation of Policies is not constituted. Certain Internal Committees, are in place, look after the respective responsibility area.								
6.	Indicate the link for the Policy to be viewed online?	Policies covering certain Stakeholders can be viewed on Company's website: www.unitedbreweries.com/investors. Internal policies are restricted and can be viewed by employees only on Company's Intranet portal.								
7.	Has the Policy been formally communicated to all relevant internal and external Stakeholders?	Formalized Policies have been communicated to key internal Stakeholders of the Company. The company has an inhouse structure for implementation. As we progress in this area, the same will be strengthened suitably.								
8.	Does the Company have in-house structure to implement the Policy /Policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the Policy/Policies to address stakeholders' grievances related to the Policy /Policies?	Yes. The Company has formed Internal Committees' viz., Whistle Blower Management Committee (WBMC) and Internal Complaints Committee to address stakeholders' grievances within their terms of reference. Also, the Stakeholders Relationship Committee of the Board of addresses shareholder's grievances.								
10.	Has the Company carried out Independent audit/evaluation of the working of this Policy by an internal or external agency?	While these Policies are reviewed from time to time by the Management, Auditors and consultants in respective areas, a separate evaluation exercise by an independent agency is yet to be carried out.								

(b) If answer to the question at Sl. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles					—				
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the Policies on specified Principles					—				
3.	The Company does not have financial or manpower resources available for the task					—				
4.	It is planned to be done within next six months					—				
5.	It is planned to be done within next one year					—				
6.	Any other reason (please specify)					—				

3. **Governance related to Business Responsibility:**

   a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, annually or more than 1 year.**

   The Board of Directors assess CSR initiatives, Sustainability, Risk and Strategic initiatives. The CSR Head and the MD meet regularly to oversee implementation of CSR projects/programmes/activities to be undertaken by the Company. The CSR Committee of the Board meets annually to oversee the functioning of CSR activities and implementation of projects.

   b) **Does the Company publish a Business Responsibility or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   The Company has published its report on CSR initiatives during the last financial year. CSR/Sustainability initiatives undertaken by UBL are provided in **Annexure-B** to the Director's Report 20-21 forming part of this Annual Report.

Section E: Principle-wise performance

Principle 1: Business Ethics

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The Company has formulated a Code of Business conduct and Ethics (the Code) and Gifts & Entertainment Policy applicable to the Company's Board Members and Employees. The Company has also issued a Guidance Note to its Business Associates (i.e. the suppliers, agents and vendors) advocating for compliance with its anti-bribery and anti-corruption policy. Both these policies have been made available on the Company's website http://unitedbreweries.com/investor. The codes cover our Subsidiary Company.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   In the FY21, thirteen (13) Investors' complaints and 155 customer complaints were received which have been resolved satisfactorily. Details of customer complaints and consumer cases are given in response to Principle 9 of this report.

Principle 2: Product Sustainability

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Not Applicable.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain.
   Not Applicable.

   ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
   Not Applicable.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

   Yes. Sustainability is deeply ingrained in ethos of our Company and it has always been the endeavour to develop and deliver quality products that are inherently safe to consume and have minimal impact on the environment. The Company has procedures in place for selecting vendors who are able to supply in a sustainable manner. The entire source of thermal energy of all breweries is from Agri-waste and the primary packaging of its products, both glass bottles and aluminium cans are recyclable. Glass bottles are collected back from the market and recycled for use in production. Cullet generated are segregated and sold back to the new glass manufacturers, thus ensuring 100% of glass is either reused or returned back to new glass manufacturers for recycling. Primary packaging constitutes almost 54% of all input cost and power and fuel constitutes about 6% of cost.

   The efforts in the direction of recycling plastic wastes have taken positive steps and we have a structure in place to segregate and sell the plastic waste to a recognised body who in turn is responsible to coordinate collection and supplies to the original manufacturers to be used as an input and thus ensure full recyclability.

   Initiatives undertaken at the brewery level as well as centralized procurement function in the area of transportation has consciously led to adoption of a number of dedicated vehicles fitted with GPS to track and monitor movement of vehicles in an effort to reduce the turn around time and ensure vehicle is loaded on its forward and return journey in an endeavour to reduce fuel consumption and resultant carbon emission. Supplier and transporter meets are held on a periodical basis where UBL's management engages and encourages them to undertake sustainable practices across their supply chain.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

   Towards its endeavour for inclusive growth, the Company procures raw and packing materials, miscellaneous items like engineering spares, lubricants, housekeeping materials and services of contract labour etc., and the like from communities located in the vicinity of the breweries of the Company. Suppliers are key partners in developing responsibly sourced supply chain for Raw Materials. Various steps have been taken for creating awareness and to ensure timely and regular supply of quality materials and services.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (Separately as <5%, 5-10%, >10%).**

   Yes. Measures for Waste minimization are undertaken by UBL at all its Breweries. The Company follows 4R's principle i.e. 'Reduce', 'Recycle', 'Recover' and 'Reuse' to be environmentally sustainable. UBL is committed to adopt best-in-class practices to reduce wastages during conversion of raw materials to finished goods. Waste generated during the operations is disposed/recycled in compliance with the applicable environmental laws and as a good business practice. Trade effluent is generated in compliance with the applicable environmental laws and is recycled back into ancillary applications or discharged within the brewery for landscaping/gardening/horticulture-development purposes to reduce the fresh water consumption. The Company's breweries recycle around 19% of the treated waste water for manufacturing applications. This is a significant increase from 11% last year.

   The Company reuses patented glass bottles for bottling Beer. About 65% of the bottles are reused, thereby protecting the environment. Broken glass cullet is sold to glass manufacturers. All the aluminium cans used for beer, are recycled by scrap dealers and sent back to Aluminium manufacturing companies. Paper scrap largely finds its way to the paper mills.

Spent Yeast is a process waste which is treated, dried and sold as poultry feed. Spent grain is another waste from the brewing process which is used as cattle feed. A few of our breweries sell fly ash from boilers to cement or brick manufacturers to make use of the ash generated from boilers in a constructive manner. We continue to explore opportunities for usage of fly ash in rest of the country where cement or brick manufacturers are not available. Your Company is constantly working towards adopting the best standards in environment.

The Company has been continuously improving efficiencies of usage of resources, especially that of water and energy. Resource efficiency is integrated into product and process design and is a critical component in the creation of physical infrastructure, operations, logistics and waste management.

In compliance with applicable regulations on recycling of plastic waste, your Company has engaged a recognized plastic waste recycler as part of its Extended Producer's Responsibility to collect plastic generated in its processes and recycling of the same through authorized processors throughout India.

Principle 3: Employees' well-being

1. **Please indicate the Total number of employees:**
   The total number of permanent employees as on March 31, 2021 (excluding temporary/contractual/casual basis) is 3,070.

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:**
   The total number of employees hired on temporary/contractual/casual basis as on March 31, 2021 is 5,862.

3. **Please indicate the Number of permanent women employees:**
   As on March 31, 2021, there were 141 permanent women employees.

4. **Please indicate the Number of permanent employees with disabilities:**
   The number of permanent employees with disabilities as on March 31, 2021 is 23.

5. **Do you have an employee association that is recognized by Management?**
   There are various workers' union/association in the breweries which are affiliated with recognised Trade Unions. Relations between the Management and workers' union/association are harmonious.

6. **What percentage of your permanent employees is members of this recognised employee association?**
   Approximately 99.21% (total unionised permanent workmen/total permanent employees including workmen) of the total employees are members of recognised employees' unions/associations.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.**

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

UBL has a policy for Prevention of Sexual Harassment which applies to all the employees at all its establishments. It ensures prevention and deterrence towards the commissioning of acts of sexual harassment and communicates procedures for their resolution, settlement or prosecution. Internal Complaint committees have been constituted at various locations in accordance with the requirements under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which ensures implementation and compliance with the Law as well as the policy at workplace.

8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

Sl. No.	Category	Safety	Skill up-gradation
1.	Permanent Employees	46.50%	100%
2.	Permanent Women Employees		100%
3.	Casual/Temporary/Contractual Employees	53.50%	100%
4.	Employees with Disabilities	NIL	NIL

Principle 4: Stakeholders' Engagement

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   Yes.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   No.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   All our CSR initiatives including, Water Conservation & Providing Safe Drinking Water and Community Development projects are directed at the disadvantaged, vulnerable and marginalised communities. During FY21 given the ongoing COVID pandemic and natural calamities like cyclone Amphan, we spearheaded some critical relief initiatives where we stood beside our co-communities by donating ration kits, hygiene kits, temporary shelters and other household essentials to the needy.

Principle 5: Human Rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   UBL upholds human values in every interaction and complies with applicable national guidelines in this regard. UBL treats all its stakeholders alike with respect and dignity. UBL has not received any complaints on human rights violations during the reporting period.

2. **How many stakeholders' complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

   Other than those mentioned in response to Principle 1 and Principle 9 of this Report, no complaints were received during FY21.

Principle 6: Environment Protection

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The policy covers only the Company.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**

   As a part of its initiative towards carbon footprint reduction, UBL has been focusing continuously on alternate methods for reducing energy consumption and protecting environment. UBL has taken two significant measures to reduce carbon footprint and global warming. Its entire steam requirement is sourced from Agri-waste fuels by replacing coal/furnace oil. UBL has implemented energy generation through renewable energy sources viz., solar and wind energy across nineteen of its breweries with a vision to implement such energy harnessing mechanism in all the breweries in a phased manner. These steps contribute towards reduction in Global warming by way of reduction in equivalent carbon-di-oxide emissions. UBL uses recycled bottles for bottling of beer thereby protecting environment, reducing the carbon footprint in glass manufacture. It uses cartons made of 80% recycled paper and the same is also recycled in the trade. UBL has tied with Central Pollution Control Board (CPCB) approved recycler to recycle equivalent quantity of all the Low-Density Polyethylene used in its operations. UBL has maximised the usage of Carbon dioxide produced in the fermentation process and hence reduced the usage of bought in Carbon dioxide. UBL has continuously adopted state of the art technologies to reduce water and energy usage.

3. **Does the Company identify and assess potential environmental risk? Yes/No**

   Yes. Every brewery conducts impact study of various activities and identifies controllable/uncontrollable and normal/abnormal/emergency scenarios of the operations. Any deviations from laid-down policy and procedure are addressed by effective corrective action.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   No.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc.? If yes, please give hyperlink to the webpage etc.**

   The Company has undertaken several initiatives on energy efficiency and renewable energy. All breweries use agro-waste fuel in boilers which is energy efficient. Solar/wind energy is also being used in nineteen of our breweries. Details of measures taken in conservation of energy are mentioned in **Annexure-D** to the Director's Report forming part of the Annual Report. Baseline study conducted for thermal energy consumption across all the breweries and the baseline study carried out for power consumption at Aurangabad brewery resulted in several initiatives getting horizontally replicated across all the breweries.

6. **Are the Emission/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes. The emissions/waste generated at all the breweries are within the permissible limits.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

   During the year, we have received 5 Show Cause Notices. The same have been satisfactorily responded to, without any further queries.

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Principle 7: Policy Advocacy

1. **Is your Company member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

   Yes. UBL is a member of All India Brewers' Association (AIBA) which voices concerns of the beer industry with the Government, media and other sectors of society. It is also a member of Federation of Karnataka Chambers of Commerce & Industry (FKCCI), Bengaluru and Federation of Indian Chambers of Commerce and Industry.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others).**

   Yes. The Company engages with government, regulatory authorities and relevant public bodies for the development of public policies in keeping with the Company's work in Society, sustainability and compliance commitments. These include Food Regulations, Environment, amongst others. The AIBA plays an important role in representing the beer industry for various policy advocacy in consultation with the trade and industry chambers and other Government departments while framing guidelines, rules etc.

The Company has adopted a policy on consumption of Alcoholic Beverages which advocates responsible Consumption of Alcohol. The Policy also articulates Company's views on usage of alcoholic beverages and expresses its intolerance to alcohol abuse which may cause an unfavourable environment to the organization.

The company has implemented programmes focussing on initiatives such as 'Don't Drink and Drive workshop' for its truck drivers under its responsible Consumption of Alcohol programme through its NGO associates.

Principle 8: Inclusive Growth

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   The Company has programmes on its CSR initiatives focussing largely on, Water Conservation & Providing Safe Drinking Water, Disaster Relief and Community Development projects. The details of the CSR initiatives undertaken by UBL in FY21 are provided in the main section of this Annual Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   CSR projects are driven by our in-house team and implemented through various foundations /NGO partners. Such projects are aligned with UBL's CSR goals to create inclusive growth and welfare for our co-communities.

3. **Have you done any impact assessment of your initiative?**

   The Company has conducted impact assessments for 10 CSR projects spread across 7 locations. Impact assessment report is made available on https://www.unitedbreweries.com/csr/impact-assessment-reports.

4. **What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

   The Company's contribution towards development projects i.e., Water, Disaster Relief and other community initiatives during FY21 was Rs.138.3 Million. Details of the CSR initiatives undertaken by UBL in FY21 are provided in Annexure-B to the Directors' Report forming part of this Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. Community participation and ownership are essential components of UBL's CSR initiatives. Community is consulted before initiating any programme and need based assessment surveys form the basis for each project. The community also monitors the project work till its completion and thereafter the Panchayat takes complete responsibility for the smooth operations of the project.

Principle 9: Customer Relations

1. **What percentages of customer complaints/consumer cases are pending as on the end of financial year?**

   The Company has resolved all the customer complaints during the FY21. 35 cases are pending in consumer courts which constitute 100%.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   Yes. Additional information about the product is displayed on the labels, over and above what is mandated.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as of end of financial year? If so, provide details thereof, in about 50 words or so.**

   No cases have been filed against the Company by any Stakeholder for any unfair trade practices or irresponsible advertising during the last financial year. However, the following disclosure may be noted:

Advertisement Standards Council of India had raised objections to 4 brand advertisements which appeared in Social Media/Television. The objections inter alia pertained to not meeting certain criteria laid down by them. These objections were replied to with detailed reasoning and also explained during personal hearings.

In October 2018, the Competition Commission of India had registered a Suo-moto case bearing no. 06/2017 alleging anti-competitive behaviour. Hearings are now completed, and Order is awaited.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Our regional sales heads in the regions meet our important customers on a regular basis, ascertain business concern areas which require attention and resolve their concerns in a time bound manner. UBL periodically assesses consumer trends, consumer choice, preference, and consumer satisfaction through need based survey.

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ANNEXURE - B: ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

[Pursuant to Section 135 of the Companies Act, 2013 read with Clause (1) of Rule 8 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 further to amend the Companies (Corporate Social Responsibility) Rules, 2014.]

1. A brief outline on CSR Policy of the Company.

   The Board of Directors at its meeting held on May 27, 2014 adopted the CSR Policy pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Rule 5 of Companies (Corporate Social Responsibility Policy) Rules, 2014, (as amended). In line with the guidelines given under Schedule VII of the Companies Act, 2013, the CSR committee has identified activities primarily in four major areas viz., Primary Health, Primary Education, Water Conservation & Providing Safe Drinking Water and Responsible Consumption of Alcohol around which your Company focuses its CSR initiatives and channelizing the resources in a sustained manner.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Stephan Gerlich	Chairman/Independent Director	1	1
2.	Mr. Rishi Pardal*	Member/Managing Director	1	1
3.	Mr. A K Ravi Nedungadi	Member/Non-Executive Director	1	1
4.	Mr. Christiaan A J Van Steenbergen	Member/Non-Executive Director	1	1
5.	Ms. Kiran Mazumdar Shaw	Member/Independent Director	1	1

   *Consequent upon Mr. Shekhar Ramamurthy retiring from the position of Managing Director, he ceased to be Member of the Committee from August 01, 2020 and is replaced by Mr. Rishi Pardal, Managing Director.

3. The webpage where composition of CSR committee, CSR Policy and CSR projects are placed at https://www.unitedbreweries.com/csr under the head Corporate Social Responsibility.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.
   Impact Evaluation Report is available on https://www.unitedbreweries.com/csr/impact-assessment-reports

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (Rs. in Million)	Amount required to be set-off for the financial year, if any (Rs. in Million)
1.	2019-20	Nil	Nil
2.	2018-19	Nil	Nil
3.	2017-18	Nil	Nil
	TOTAL	**Nil**	**Nil**

6. Average net profit of the company as per section 135(5): Rs. 6841 (in Millions)

7. Financial Details

	Particulars	Amount (Rs. in Million)
a.	Two percentage of average net profit of the company as per section 135(5)	136.8
b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
c.	Amount required to be set-off for the financial year, if any	Nil
d.	Total CSR obligation for the financial year (7a+7b-7c)	136.8

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for Financial Year in Million	Amount Unspent (Rs. in Million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
138.3	—	—	—	—	—

(b) Details of CSR amount spent against ongoing projects for the financial year (Rs. in Million)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for project as per Section 135(6)	Mode of Implement-ation Direct (Yes/No)	Mode of implementation – through Implementing Agency	
				State	Dist.						Name	CSR Registration Number
1.	Sustainable Livelihood through climate resilient practices	Ensuring environmental sustainability, conservation of natural resources maintaining quality of soil, air and water	Yes	Kerala	Palakkad	25 Months	15.59	15.59	Nil	No	United Way of Bengaluru	CSR00000324
2.	Water Conservation In Telangana, Karnataka		Yes	Telangana, Karnataka	Sangareddy, Bangalore Rural	30 Months	23.77	23.77	Nil	No	Action for Food Production	CSR00000747
3.	Water Conservation		Yes	Rajasthan	Alwar	24 Months	4.00	4.00	Nil	No	SM Sehgal Foundation	CSR00000262
4.	Water Conservation		Yes	Haryana	Rewari	24 Months	20.30	20.30	Nil	No	Akhil Bhartiya Gramin Uthan Samiti	CSR00002164
5.	Water Conservation		Yes	Punjab	Ludhiana	36 Months	13.05	13.05	Nil	No	Action for Food Production	CSR00000747
6.	Project Oxygen Hub-Tree plantation through Miyawaki Method	Ensuring environmental sustainability, ecological balance, and protection of flora and fauna	Yes	Maharashtra	Aurangabad	30 Months	1.76	1.76	Nil	No	Prayas Youth Foundation	CSR00001678
7.	Ganitha Kalika Andolan	Promotion of education	Yes	Karnataka	Mysore	10 Months	4.77	4.77	Nil	No	Akshara Foundation	Under Process
8.	Rajasthan School adoption Project	Promotion of education	Yes	Rajasthan	Alwar	21 Month	1.70	1.70	Nil	No	Sir Syed Trust	Under Process
	TOTAL						**84.94**	**84.94**				

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(Rs. in Millions)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of implementation Direct (Yes/No)	Mode of implementation – through Implementing Agency	
				State	Dist.			Name	CSR Registration Number
1.	Participatory water conservation through rejuvenation of water bodies		Yes	Tamil Nadu	Thiruvallur	4.38	No	Dilasa Janvikas	CSR00000098
2.	Rejuvenation work at Nandi Lake, Nandi Village and Restoration of Kalyani and Gunduthopu at Sultanpet	Ensuring environmental sustainability, conservation of natural resources and maintaining quality of soil, air and water	Yes	Karnataka	Chikkaballapur	4.69	No	United Way of Bengaluru	CSR00000324
3.	Integrated Water Resource Development Project		Yes	Maharashtra	Aurangabad	3.46	No	Dilasa Janvikas Pratishthan	CSR00000098
4.	Nutrition Programme	Eradicating hunger, poverty and malnutrition	Yes	Karnataka	Mangalore	2.01	No	Akshaya Patra Foundation	CSR00000286
5.	Amphan Disaster Relief	Disaster management, including relief, rehabilitation and reconstruction activities	No	West Bengal	South 24 Parganas	5.0	No	Inclusive India Foundation	Under Process
6.	Need Assessment	Needs Assessment of Water Project	Yes	West Bengal	Nadia	0.53	No	Soulace Consulting Pvt Ltd	Not Applicable
7.	Monitoring & Evaluation	Project Monitoring	Yes	Across India	Across India	0.42	No	Nextgen Project Management Services Pvt Ltd	Not Applicable
8.	Monitoring & Evaluation	Project Monitoring	Yes	Across India	Across India	1.42	No	Soulace Consulting Pvt Ltd	Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
9.	Covid Relief	Promotion of healthcare including preventive healthcare and disaster management	Yes	Punjab, Haryana, Rajasthan, West Bengal, Odisha, Maharashtra, Karnataka, Telangana, Tamil Nadu, Kerala.	Ludhiana, Rewari Alwar, Nadia, Khordha, Raigad, Aurangabad, Rural Bengaluru, Mysore, Sangareddy, Thiruvallur, Alappuzha	11.49	Yes	Not Applicable	Not Applicable
10.	Education	Promotion of education	Yes	Punjab, Haryana, Rajasthan, West Bengal, Bihar, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Maharashtra, Odisha, Goa	Ludhiana, Rewari Alwar, Nadia, Patna, Mangalore, Rural Bengaluru, Mysore, Thiruvallur, Srikakulam, Sangareddy, Medak, Raigad, Aurangabad, Khordha, North Goa	12.37	Yes	Not Applicable	Not Applicable
11.	Native Tree Plantation	Ensuring Environmental Sustainability, ecological balance, and protection of flora and fauna	Yes	Maharashtra	Aurangabad	0.30	Yes	Not Applicable	Not Applicable
12.	Water	Maintaining quality of water, Preventive healthcare	Yes	Bihar, Kerala, Telangana	Patna, Palakkad, Medak	1.67	Yes	Not Applicable	Not Applicable
	TOTAL					**47.74**			

(d) Amount spent in Administrative Overheads : Rs. 4.0 (Million)

(e) Amount spent on Impact Assessment, if applicable : Rs. 1.62 (Million)

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 138.3 (Million)

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in Rs. Million)
(i)	Two percent of average net profit of the company as per section 135(5)	136.8
(ii)	Total amount spent for the Financial Year	138.3
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.5
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(Rs. in Millions)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule-VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1.	2019-20	4.7	1.5	Nil	Nil	Nil	4.7
2.	2018-19	Nil	Nil	Nil	Nil	Nil	Nil
3.	2017-18	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL	**4.7**	**1.5**	Nil	Nil	Nil	**4.7**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(Rs. in Millions)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project	Cumulative amount spent at the end of reporting Financial Year	Status of the project – Completed/ Ongoing
1.	–	Sustainable Livelihood through climate resilient practices	2019-20	25 Months	27.87	15.59	27.37	Ongoing
2.	–	Water Conservation in Telangana and Karnataka	2019-20	30 Months	40.20	23.77	32.85	Ongoing
3.	–	Participatory water conservation through rejuvenation of water bodies	2019-20	18 Months	14.91	4.38	14.91	Completed

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
4.	–	Rejuvenation work at Nandi Lake, Nandi Village and restoration of Kalyani and Gunduthopu at Sultanpet	2017-18	36 Months	35.04	4.69	35.04	Completed
5.	–	Rajasthan School adoption Project	2019-20	21 Month	5.68	1.70	5.68	Ongoing
6.	–	Integrated Water Resource Development Project	2019-20	13 Months	8.65	3.46	8.65	Completed
7.	–	Project Oxygen Hub-Tree plantation through Miyawaki Method	2019-20	30 Months	5.02	1.76	4.77	Ongoing
8.	–	Monitoring & Evaluation	2019-20	12 Months	1.65	0.42	1.65	Completed
	TOTAL				**139.02**	**55.77**	**130.92**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details):

(a)	Date of creation or acquisition of the capital asset(s)	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) – Not Applicable.

By Authority of the Board

April 27, 2021
Bengaluru

Chairman of CSR Committee / Managing Director / Chief Financial Officer
DIN: 00063222 DIN: 02470061

ANNEXURE - C: FORM AOC-I

[Pursuant to first Proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiary

(Amount in Rs. Million)

1.	Name of the Subsidiary	Maltex Malsters Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Not applicable
4.	Share capital	4.50
5.	Reserves & Surplus	71.75
6.	Total Assets	95.67
7.	Total Liabilities	95.67
8.	Investments	NIL
9.	Turnover	109.01
10.	Profit before taxation	17.70
11.	Provision for taxation	4.75
12.	Profit after taxation	12.95
13.	Proposed Dividend	4.50
14.	% of Shareholding	51%

1. Names of subsidiary which are yet to commence operations : Not Applicable.
2. Names of subsidiary which have been liquidated or sold during the year : Not Applicable.

UNITED BREWERIES LIMITED

Part "B": Associates and Joint Ventures

(Amount in Rs. Million)

Name of Associates/Joint Ventures		Kingfisher East Bengal Football Team Private Limited
1.	Latest Audited Balance Sheet Date	March 31, 2021
2.	Shares of Associate held by company on the year end	Associate
	Number:	4,999 Equity Shares
	Amount of Investment in Associate/Joint Venture:	0.049
	Extend of Holding (%):	49.99%
3.	Description of how there is significant influence	By virtue of Investment in excess of 20% of voting rights.
4.	Reason why the Associate/Joint Ventures is not consolidated	The Company's interest in the associate has not been included in the consolidated financial statements as the same has not been considered as material.
5.	Net-worth attributable to Shareholding as per latest audited Balance Sheet	4.15
6.	Share capital	0.1
7.	Reserves & Surplus	8.20
8.	Total Assets	20.72
9.	Total Liabilities	20.72
10.	Investments	NIL
11.	Turnover	0.01
12.	Profit before taxation	(0.19)
13.	Provision for taxation	0.007
14.	Profit after taxation	(0.20)
15.	Proposed Dividend	NIL

1. Names of Associates or Joint Ventures which are yet to commence operations : Not Applicable.
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year : Not Applicable.

For and on behalf of the Board of Directors of
United Breweries Limited

	Govind Iyengar	**Berend Odink**	**Rishi Pardal**	**Sunil Kumar Alagh**
April 27, 2021	Senior Vice President – Legal	Chief Financial Officer	Managing Director	Director
Bengaluru	and Company Secretary		DIN: 02470061	DIN: 00103320

ANNEXURE - D: STATEMENT UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

(A) Conservation of energy

Electrical Energy:

- Conventional lighting replaced with LED lights in the units at Chopanki-Rajasthan, Taloja and Aurangabad (L-10 Waluj) - Maharashtra, Mallepally-Telangana, Kuthambakkam and Aranvoyal-Tamil Nadu, and Dharuhera-Haryana. Total average reduction in unit consumption is around 1 Lac units per month and net savings per year will be around Rs. 8.0 Million.
- Expansion projects at Mallepally-Telangana and Nanjangud-Karnataka is installed with LED lights.
- Dharuhera unit: To reduce captive power generation, tapping from independent feeder has been taken which resulted in captive power reduction from 15% to 8%. Net savings of Rs. 6.0 Million.
- Air regulation study has been carried out in Shahjahanpur-Rajasthan and reduced air set point for air compressor accordingly.
- High Volume Low Speed fans installed in Nanjangud-Karnataka and Mallepally-Telangana for the use of less power consumption instead of using heavy industrial fan application.
- Conventional motor replaced with IE3 in Kothalapur-Telangana for KC6 Comp, Effluent Treatment Plant (ETP) Buffer tank, Yeast dryer old blower and Cooling tower pump. In Mallepally-Telangana for cooling tower circulation pumps and in Khurda-Odisha, 3 motors and in Aurangabad (H3-8 Waluj) - Maharashtra, 2 conventional motors of 75kW.

Energy Conservation projects:

- Taloja unit: CO_2 vaporizer cold water utilization in refrigeration plant resulting savings of 80 thousand units per annum resulting in savings of Rs. 0.65 Million per annum.
- Taloja unit: Reduction of power consumption in bottle-washer by reducing speed of pump during ideal production mode (waiting for run condition) by modification resulting in net savings of Rs. 0.55 Million per annum.
- Kothalapur unit: Variable Frequency Drive (VFD) installed in boiler's Force Draft Fan, KC 6 comp, ETP blower, Cooling tower fan.
- Khurda unit: VFD installed for 100 cubic feet per minute air compressor, in ETP Equalization blower and in Aurangabad (L-10 Waluj) - Maharashtra has been installed for ETP Blower.
- Kuthambakkam unit: Line modification of 700 Tons of Refrigeration (TR) cooling tower condensate pump to 40 horse power (HP) instead of 60 HP resulting in savings of Rs. 0.8 Million per annum.
- Installation and commissioning of 300 TR Vapour Absorption Machine (VAM) has been completed in Mallepally to reduce the load on NH3 system and Evapco fan cut off based on NH3 discharge pressure to save energy. Consumption and savings under validation.
- In Palakkad, installation of 22 Kw VFD and Dissolved Oxygen (DO) sensor at Aeration tanks – Blower speed based on actual DO requirements, VAM Cooling tower fan operation interlocked with CT out temperature.
- Optimisation of fuel consumption at Boiler by installing Oxygen sensor at boiler outlet flue gas line is under validation.

Water Conservation:

- Backwash recovery for Water Treatment Plant pre-treatment has been installed at Mallepally and tentative water reduction is around 75000 m3 per annum resulting in savings to the tune of Rs. 15 Million per annum.

Digitalization:

- As part of our digitalization journey, first phase of Bottling line digitalization has been implemented at Nanjangud unit.
- All the equipments have been integrated which has resulted in identification of minor stops and improvement in OPI NONA.

Capital investment on Energy Conservation:

- During FY21 UBL approved Rs.12 Million on Energy Conservation equipment.

(B) Technology absorption

Research & Development

- The company has continued its Research & Development program in development of two row malting variety of Barley.

Expenditure on Research & Development

- During FY21 UBL spent Rs.3.66 Million on Research & Development for Barley.

(C) Foreign Exchange Earnings and Outgo

	(Amount in Rs. Million)
Foreign Exchange earned	768
Foreign Exchange used	1,641

ANNEXURE - E: FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
United Breweries Limited, Bangalore

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by UNITED BREWERIES LIMITED (CIN: L36999KA1999PLC025195) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by United Breweries Limited ("the Company") for the financial year ended on March 31, 2021 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI'):

   (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (No instances for compliance requirements during the year);

   (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (No instances for compliance requirements during the year);

   (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (No instances for compliance requirements during the year);

   (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (No instances for compliance requirements during the year);

   (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (No instances for compliance requirements during the year); and

   (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

vi. Various State Excise Laws to the extent applicable to brewing/alcohol industry;

vii. Legal Metrology Act, 2009 & and Rules thereunder;

viii. Food Safety and Standards Act, 2006 and applicable Rules and Regulations made thereunder;

ix. All other Labour, Employee and Industrial or factory and environmental Laws to the extent of necessary permissions, licenses, compliance mechanisms, controls and any violations noted by the respective authorities as applicable to the Company;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above wherever applicable.

In the matter before the Competition Commission of India (CCI), hearings before the CCI have been concluded on March 02, 2021 and the Company has filed its post hearing written submissions with CCI. The Order from CCI is awaited.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notices were given to all Directors to schedule the Board meetings, agenda and detailed note on agenda were sent at least seven days in advance and with necessary compliance wherever sent at shorter period and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried through majority and recorded in the minutes and there were no dissenting views.

I further report that there are adequate systems and processes in the company commensurate with size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As we have noted from the board and committee meeting minutes, so far as a related party transaction (not covered under Section 188 of the Companies Act, 2013) is concerned, the reporting system need to be strengthened for bringing up the noted item before the board or committees on a timely basis. The Company has taken necessary steps in understanding and reporting the same appropriately and the matter as since been regularised.

I further report that during the audit period there were no specific actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

SUDHIR VISHNUPANT HULYALKAR
Company Secretary in Practice
FCS No.: 6040 and C P No.: 6137
Peer Review Certificate No. 607/2019
UDIN: F006040C000188948

Place: Bangalore
Date: 27/04/2021

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
United Breweries Limited,
Bangalore

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

SUDHIR VISHNUPANT HULYALKAR
Company Secretary in Practice
FCS No.: 6040 and C P No.: 6137
Peer Review Certificate No. 607/2019
UDIN: F006040C000188948

Place: Bangalore
Date: 27/04/2021

ANNEXURE - F: ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE REPORT

Own Manufacturing Network

ANDHRA PRADESH – SRIKAKULAM	TAMIL NADU – KUTHAMBAKKAM & ARANVOYAL
TELANGANA – MALLEPALLY & KOTHLAPUR	PUNJAB – LUDHIANA
GOA – PONDA	WEST BENGAL – KALYANI
KERALA – CHERTHALA* & PALAKKAD	RAJASTHAN – CHOPANKI & SHAHJAHANPUR
KARNATAKA – MANGALORE, NELMANGALA & MYSORE	MAHARASHTRA – TALOJA & AURANGABAD (2) UNITS
ODISHA – KHURDA	BIHAR – NAUBATPUR
HARYANA – DHARUHERA	

* Not in Operation.

Contract Manufacturing Network

UTTAR PRADESH – ALIGARH	ASSAM – GUWAATI
DAMAN AND DIU – DAMAN	SIKKIM – RANGPO
MADHYA PRADESH – INDORE	MEGHALAYA – SHILLONG
JAMMU AND KASHMIR – SAMBA	JHARKHAND – RANCHI
WEST BENGAL – HOOGLY	RAJASTHAN – ALWAR

REGISTERED OFFICE:
"UB TOWER", UB CITY, No. 24, VITTAL MALLYA ROAD, BENGALURU - 560 001.
Phone: (91-80) 45655000, Fax No. (91-80) 22211964, 22229488
Email: ublinvestor@ubmail.com, Website: www.unitedbreweries.com
CIN: L36999KA1999PLC025195, Cable: UBEEGEE

Discretionary Requirements

a) **The Board:**
The Chairman/Chairperson of the Board is entitled to maintain his/her office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his/her duties. Currently there is no permanent Chairperson on the Board.

b) **Shareholder Rights:**
The Company's half yearly results are published in English and Kannada Newspapers having wide circulation and are also displayed on the Company's website. Press releases are also issued which are carried by a few newspapers and also displayed on the Company's website. Hence, same are not sent to the shareholders.

c) **Modified opinion in audit report:**
There is no modified opinion in the Auditor's Report.

d) **Separate posts of Chairperson and CEO:**
The position of Chairperson and Managing Director are held by separate individuals.

e) **Reporting of Internal Auditor:**
The Internal Auditor reports to the Audit Committee Chairman on matters arising out of audit and makes presentation to the Audit Committee on a quarterly basis

Compliance with Code of Business Conduct and Ethics

In accordance with Regulation 17(5)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it is hereby confirmed that during the year 2020-2021, all the members of the Board of Directors and Senior Managerial personnel have affirmed their Compliance with the Company's Code of Business Conduct and Ethics.

Rishi Pardal
Managing Director
DIN: 02470061

Place: Bengaluru
Date: April 27, 2021

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
Members of United Breweries Limited

We have examined the compliance of conditions of Corporate Governance by United Breweries Limited ("the Company"), for the purpose of certifying of the Corporate Governance under Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period April 01, 2020 to March 31, 2021. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BMP & Co. LLP
Company Secretaries

Pramod SM
Partner
FCS: 7834/CP No. 13784
UDIN: F007834C000189312

Date: April 27, 2021
Place: Bangalore

Board of Directors

Mr. Rishi Pardal *(Managing Director)*

Mr. A. K. Ravi Nedungadi *(Non-Executive Director)*

Mr. Christiaan A J Van Steenbergen *(Non-Executive Director)*

Mr. Jan Cornelis van der Linden (*Non-Executive Director)*

Mr. Sunil Alagh *(Independent Director)*

Ms. Kiran Mazumdar Shaw *(Independent Director)*

Mr. Madhav Bhatkuly *(Independent Director)*

Mr. Stephan Gerlich *(Independent Director)*

Senior Leadership Team

Mr. Berend Odink *(Chief Financial Officer)*

Mr. Kiran Kumar *(Chief Sales Officer)*

Mr. Shalabh Seth *(Chief Supply Chain Officer)*

Mr. Debabrata Mukherjee *(Chief Marketing Officer)*

Mr. Perry Goes (*Chief Strategy & Business Analytic Officer)*

Mr. Ramesh Viswanathan (*Chief New Business Officer)*

Ms. Kavita Singh *(Chief Human Resource Officer)*

Mr. Anand Vijay Jha *(Head, Corporate Affairs & Communication)*

Company Secretary

Mr. Govind Iyengar *(Senior Vice President - Legal & Company Secretary)*

UNITED BREWERIES LIMITED

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CIN: L36999KA1999PLC025195 | E-mail: ublinvestor@ubmail.com
Website: www.unitedbreweries.com