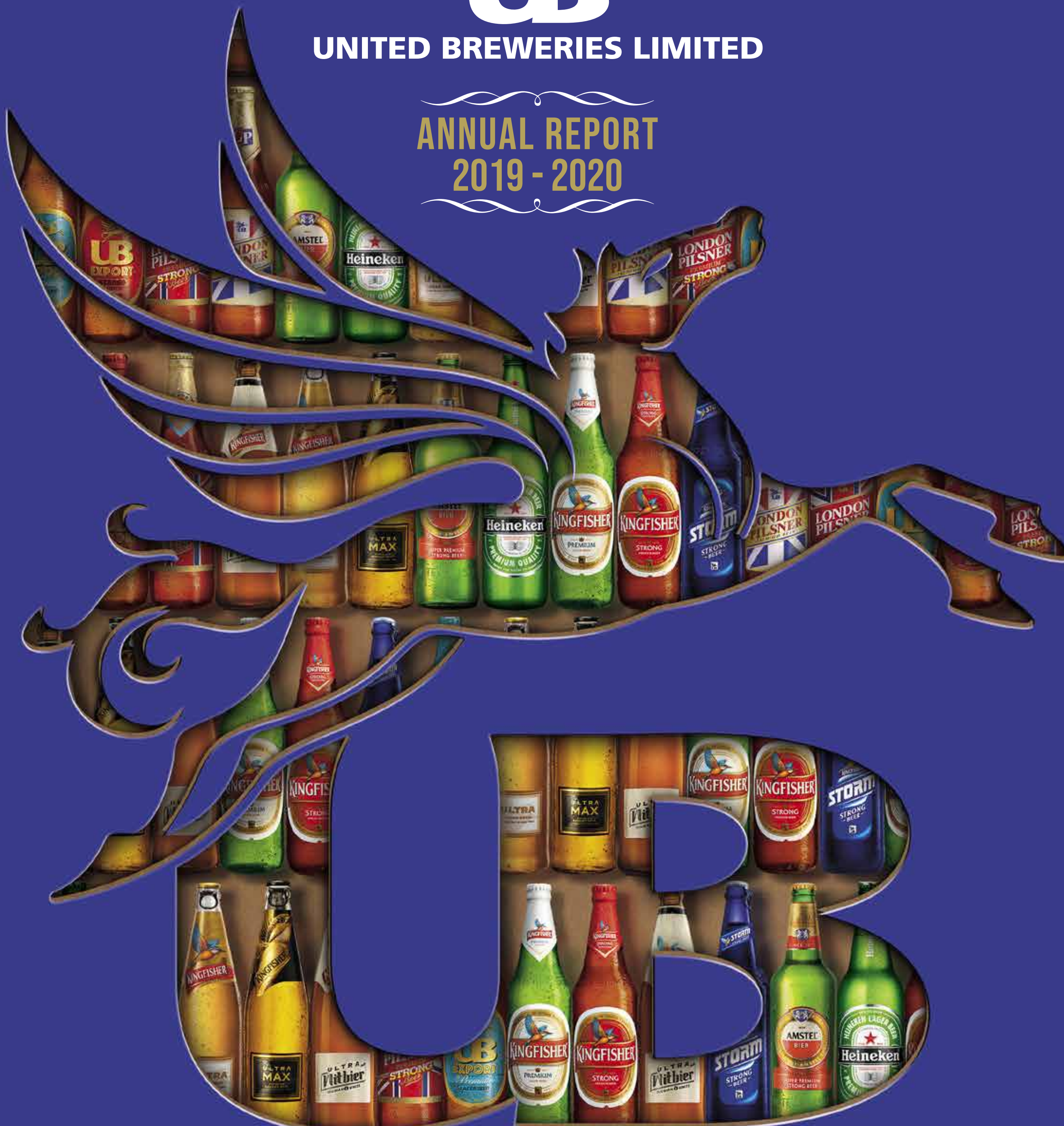
UNITED BREWERIES LIMITED

ANNUAL REPORT 2019 - 2020



BUILDING BRANDS. WINNING HEARTS.

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
A market leader in the truest sense

Brewing excellence since inception

The 'Kya Plan Hai' Campaign.

In yet another effective communication campaign that shows how Kingfisher stands for the Good Times, the brand launched its 'Kya Plan Hai' campaign in 2020. Featuring Vijay Raaz, the film brings to life how Kingfisher makes Good Times even better! The phrase 'Kya Plan Hai' acts as both a question and an answer to the plan and is universally relevant in everyday, real-life situations.

Divided By Screens. United By Kingfisher.

Kingfisher is all about bringing people together. During the lockdowns, friends were unable to meet in person. However, this didn't prevent them from coming together to have a good time over their screens, and Kingfisher played a significant role in propagating this.

We launched the 'Kingfisher Lockdown Anthem' that encouraged people to stay connected and catch up with friends, over digital screens in true Kingfisher style. The anthem captured the fun side of the lockdown, showing friends having a good time together, connected over screens and in the safety of their respective homes.

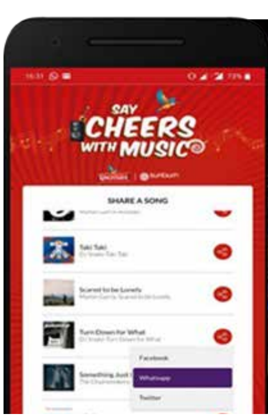
The classic 'Oo La La' jingle was reimagined with musical instruments that are easily available in our homes – guitars, plates, spoons and even beer bottles. The lyrics of the anthem captured the fun side of being at home like avoiding traffic jams, attending meetings in pajamas and taking lunch breaks at home. The 'Kingfisher Lockdown Anthem' culminated in the brand's point of view - Times Change. Good Times Don't. Divided by Screens. United by Kingfisher.

Glamour and Good Times!

Kingfisher's fashion and glamour property, the Kingfisher Calendar, launched its 18th edition in 2020. Shot in gorgeous Cape Town, South Africa, the brand launched a dazzling digital campaign #SheTurns18 to celebrate the launch of its 18th edition. Bringing both glitz and productivity onto phone screens in one move, the iconic Calendar was introduced this year as an app for Android and iOS. Fans can now plan their get-togethers on a fun and intuitive interface. The app made a splash across app stores, with an encouraging initial response.

Grooving with the King of Good Times!

As presenting sponsor to Asia's largest music festival Sunburn in 2019-20, Kingfisher was present at a total of 90 events, directly reaching half a million consumers on-ground. At the main edition of the festival in Goa, Kingfisher enthralled the audience with live performances, exciting games and photo opportunities at the 'Kingfisher World' lounge. The digital amplification of the association ensured the brand reached over 70 million consumers. Additionally, Kingfisher amplified its association with Sunburn with content integrations on music apps like Gaana and Wynk. Titled 'Say Cheers with Music', this innovation allowed over 200,000 fans to share their favourite tracks by Sunburn artists over WhatsApp.



Scoring a Goal with Kingfisher!

In a move that had Indian Super League (ISL) fans on their feet, Kingfisher along with the two teams it is associated with, Bengaluru FC and FC Goa, organised a unique engagement event that was held in Bangalore and Goa - 'Kingfisher Shootout'. Fans were given a once in a lifetime chance to play against key players from the two teams and win free tickets to future matches. This happened alongside online activities and an on-ground activation in Goa. Lucky fans won tickets to Bengaluru FC and FC Goa games. While the country waited in excitement for the ISL season, Kingfisher ran a cheeky 'Prank-Call' campaign to engage football lovers. Fans received a mock video call on their devices, which then opened to play pre-recorded video messages from their favourite football players!

#MyFisher

To ride on the trend of personalization along with the rising usage of Instagram, Kingfisher developed a repository of virtually customized beer bottles by modifying the labels using the first three letters of fans' names into the stickers. Thousands of such personalized stickers were made available on Instagram which were downloaded, scaled and used by our fans from across the country for their posts, resulting in a campaign with a reach of over 20 million.

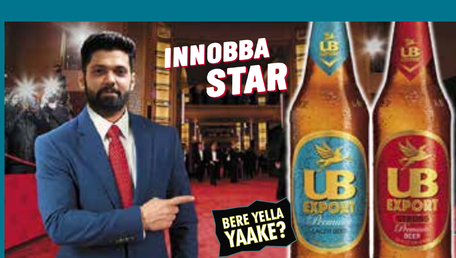
Kingfisher BYOB - A Party Like No Other!

Kingfisher launched BYOB (Build your own Beat) - an augmented reality innovation for Instagram that allowed fans to create music with facial gestures! Each facial gesture was linked to a beat of our jingle. 25,000 unique versions of our jingle were created during the campaign period, engaging a 33 million-strong audience.

A Partnership with Legendary English Cricketer - Ben Stokes.

This year, Maharashtra's own London Pilsner signed on world-famous English cricketer Ben Stokes as its very first brand ambassador! Just like London Pilsner, Ben Stokes is a true symbol of strength and pride. The brand looks forward to bowling its fans over with this association!

Partnership with a Star - Rakshit Shetty.



2020 saw Karnataka's favourite homegrown brand, UB Export signing on Sandalwood superstar Rakshit Shetty as its brand ambassador. The campaign was launched in 2020, to commemorate how two stars have come together. UB Export is all set to co-star with this much-loved celebrity who is sure to have fans at the edge of their seats! UB Export launched a 500ml can to strengthen its portfolio. It has become extremely popular with consumers.

The Smooth Choice Campaign Makes a Smooth Debut.

Kingfisher Ultra released its first integrated marketing campaign across different media - television, cinema, digital and OTT platforms along with on-ground communication with the newly launched Kingfisher Ultra Non-Alcoholic Beer. With Farhan Akhtar in the lead, the TVC follows the stories of three successful professionals who are defined not just by their work, but also by their passion. They made the smooth choice with Kingfisher Ultra.

New Beer on the Block: Ultra Draught.

Kingfisher Ultra launched its latest variant in the market in September 2019. It's a sessionable beer that's smooth and easy to drink. The brand is available in 3 SKUs - the Ultra glass, Ultra 1.5-litre tower and the Ultra 3-litre King Tower.

Ultra Draught is brewed from the finest imported malts and hops, making it a unique and unmissable experience. It has also created a niche for itself amid other draughts with its distinctive taste, bold brand imagery and stylish offering.

Currently, it's available to consumers across key cities of Karnataka.

Ultra Draught Gets the Game on.

As part of Ultra Draught's launch, the brand introduced a fun digital game for users to engage with. The task was to tilt the phone screen to pour the perfect pint of beer. Different angles led to different levels of froth. At the end of the game, Ultra would reveal how good your pour skills are. This activity gained over 5 million impressions among tap-beer enthusiasts and set the perfect stage to create a buzz around this newly launched draught beer.

Ultra Max Achieves One Million Cases.

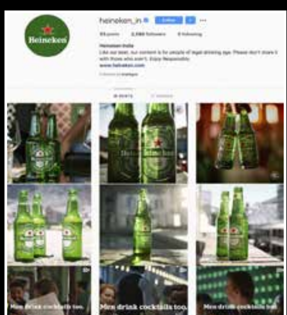
Ultra Max registered a growth of 23% in FY 19-20, to achieve an important milestone of over one million case sale. Ultra Max was also introduced in two key markets - Kerala and Rajasthan.

ULTRA

Heineken Paints the Indian Nightlife Green.

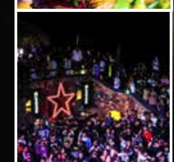
Heineken built brand salience by leveraging its strategic associations such as the lead sponsor of Indian Nightlife Convention and Awards (INCA), India's most respected and coveted platform to recognise the Food & Beverage and Nightlife industry. The brand, along with Sisterhood Soiree, proudly stood by and supported women in the nightlife industry, a first in the industry.

Heineken 0.0 continued its ATL-first approach with a widely appreciated 'Now You Can' campaign on TV and digital.



The year also saw the brand activating its social media presence with an India-specific Instagram page, to publish localised communication.

On International Beer Day, Heineken took over 200 bars across 7 cities with its mega activation drive, painting the Indian nightlife Green. It continued to engage music lovers from across the country, under its flagship platform 'Live Your Music'. One such success being Krank, Goa that provided a memorable Heineken experience to the consumers.



Keep It Strong. Keep It Smooth.

2019-20 was an important year for Amstel in India. The brand was launched in the markets of Andhra Pradesh and Tamil Nadu, thus cementing its presence across southern India. Amstel had captured the beer consumers' imagination, the proof was the robust growth across key markets. It had reached an important milestone of selling more than 1 million cases, in its first full year of operations.

Amstel Malt's first Indian TVC was launched in 2019, garnering attention among trade and consumers alike. The narrative helped build the International credentials of Amstel. It gave a glimpse of Amstel's popularity around the globe and its premium offering in India. 2020 holds great significance, as it celebrates 150 years of Amstel being part of people's lives. Popular in over 100 countries, Amstel has become the 7th largest beer brand in the world. Amstel's story in India has begun with a bang and it signals exciting times ahead.

A Storm of a Year!

Storm continued its strong growth in the financial year 2019-20, growing at over 16%.

Storm also created shock waves on the big screen by associating with regional blockbusters Lucifer (Kerala), Maharshi (Andhra Pradesh), and Password (West Bengal) in its key markets. With its Bollyboom music property, Storm took Swag to the soundwaves and delighted audiences with a host of memorable events and popular artists, including Guru Randhawa and Diljit Dosanjh among others! The brand kicked up a storm that was seen and heard across TV, outdoor, and digital in all its key markets for its Woofer campaign!

Say Hello to the New Brew in Town!

United Breweries' latest offering to the craft and variety space, Kingfisher Ultra Witbier was introduced in December 2019, kicking off to a great start and gaining popularity in a short span of time. Currently available in Karnataka and Goa, the brand has shown promising results within the first three months itself. Ultra Witbier has managed to successfully establish itself among the target group. Sales have been growing exponentially each month, making it a grand success on ground. Ultra Witbier also made headlines across digital and traditional media with great PR coverage, and a wide social media reach of over 35 million. PR meets with all the top media publications both national and regional helped us in reaching these numbers.

Satisfying a Growing Thirst for Non-Alcoholic Beverages.

In the year 2019-20, United Breweries continued to invest in its foray into non-alcoholic beverages. With the introduction of Heineken 0.0, Ultra Non-Alcoholic, Amstel Malt beverage and Kingfisher Malt beverage in 2019, UBL has strengthened its portfolio after the 2018 launch of Kingfisher Radler.

UBL believes the non-alcoholic beverage market is a highly viable opportunity, given that many consume beverages without alcohol. It is an extremely competitive market that requires patience and investment but will be rewarding once volumes scale up. The business is less restricted in distribution and marketing and less complex to operate post the introduction of the GST (Goods and Services Tax). With the power of its brands like Kingfisher and Heineken, UBL believes that it can unlock their full potential to access consumers and consumption occasions which are outside their current play area.

UBL looks to double its business every year for the next 3 years. This optimism is based on a growing trend among the Indian consumer towards health consciousness and a preference for healthier, low-calorie alternatives.

As we approached the new financial year of 2020-21, UBL took two significant steps to broaden its business in this segment. Firstly, it signed a distribution agreement with Indo-Nissin, a global food company with a strong presence in India, for greater distribution and accessibility. Secondly, the company has launched a small 200ml pack of Kingfisher Radler at just Rs.25, a price point matching similar offerings of cola and aerated lemon beverages.

HUMAN RESOURCES

Leveraging Technology to Improve HR Processes

UBL has always leveraged technology to improve its employee experience. Our new HR digital platform launched in association with People Strong is another step in the same direction.

The platform uses artificial intelligence, is user-friendly and can be accessed from anywhere using a smartphone. All critical areas of an employee life-cycle – right from recruitment, onboarding, attendance and exit management can be handled through this platform. Implementing this technology has resulted in standardised automated processes, improved productivity and an enhanced employee experience.

Users can access some modules such as attendance, tasks list, profiles, and interview schedules among others, through the mobile app downloaded on their smartphones.

Learning and Organisational Development

The continued conscious move towards organisational development has paved the way for structured interventions in the talent management area at UBL. To further strengthen its position as the market leader, UBL has made significant investments in talent development. UBL has taken a leap in developing its leaders and critical role holders.

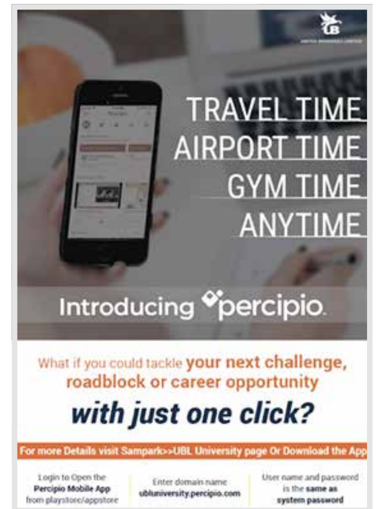
The journey that we began in the past year with the development of a contemporary behavioural competence framework has moved further this year. We developed a functional competency framework for sales and manufacturing functions. This framework is used along with the behavioural competency framework to develop middle management leaders for these functions.

To drive a performance-oriented culture in the organisation, great emphasis is being laid on providing timely feedback to employees. De-mystifying performance management workshops were conducted to enable People Managers to set the right goals, demonstrate effective feedback skills and handle difficult conversations appropriately. 240 People Managers attended the workshops.

Governance strengthening is another key focus area for UBL. Code of Business Conduct and Ethics workshops were organised to make new employees and management trainees aware of the UBL Code of Business Conduct and to help them develop an understanding of how these apply at the workplace. We have covered more than 280 employees across all our locations. The workshop was also extended to our vendors and suppliers to make them understand the tenets of the ethics and the mechanism by which they can report a violation to the designated committee.

Launch of New and Improved Online Learning Platform

We have launched a new and improved E-learning platform - Percepio. The platform allows a full range of self-paced learning preferences such as watching videos, reading books, or listening to audio books.



Industrial Relations

Industrial Relations continue to be harmonious and peaceful at all levels and locations of the company. We have no industrial disputes at 20 manufacturing locations.

Great Manager Awards

UBL was honoured to receive the 'Companies with Great Managers' award. This award is given to companies that demonstrate a high Managerial Effectiveness Quotient. Also, a few UBL employees were recognised as great managers and young leaders. The awards are conferred by an independent consulting firm, People Business, in collaboration with The Economic Times.

Engagement Survey 2020

UBL has been regularly participating in engagement surveys which have helped it measure the engagement levels across the organisation. This year we moved a step forward to measure sustainable engagement. The survey was conducted by an independent research and consulting firm, Willis Towers Watson. It is this firm that developed a methodology of measuring sustainable engagement. The survey witnessed 89% participation. As per the survey results UBL engagement scores are at par with the India manufacturing norm.

Sales Incentive Plan

UBL recognises the need to motivate its sales force to keep achieving the set sales targets. Sales Incentive Plan is one of the critical factors that is used and recognised globally as the key driver of sales performance.

UBL introduced its Sales Incentive Plan (SIP) in November 2019 for frontline sales force (TSE, STSE), supervisors (ASE) and field managers (ASM), covering close to 250 employees. Incentive principles are focused on enabling business growth, rewarding performance and providing a healthy earning potential for the sales personnel.

SUPPLY CHAIN

Safety First. Safety Always.

In FY 2019-20, UBL began laying the foundations for a cultural transformation in safety - pursuing the creation of a bright and lively workplace, free from accidents or illness. Our journey of creating a safe, healthy and environmentally-friendly workplace continues to set new standards in occupational human health, safety and compliance to environmental aspects.

Key Initiatives Taken for a Positive and Sustainable Legacy

- Planning of a roadmap for our cultural transformation in safety. This is based on world-class safety practices that will nurture a safety system, owned and managed by employees. This will take us from the level of dependent to interdependent, and finally independent in the coming years
- A long-term safety improvement plan has been prepared for the implementation of 15 elements of our Safety Management System
- Progressive and consistent improvement of the brewery safety standards is assessed by external experts for the implementation of our Safety Management System
- We have initiated the journey of a behaviour-based safety system in our Chamundi, Chennai and Mumbai breweries
- The Bradley Curve, a safety culture survey was conducted in Chamundi brewery as a pilot

Key Awards Won FY 19-20

1. UBL Palakkad was awarded for its good safety system practice by the Kerala State Factories & Boilers in large-scale industries for the year 2019
2. UBL Chamundi won the Platinum award at the 18th Annual Greentech Safety function 2019
3. UBL Srikakulam was awarded a three-star rating in appreciation to EHS practices at the CII-SR EHS Excellence Awards 2019
4. UBL Mangalore won the Green Award – 2019 from the KSPCB

Renewable Energy FY 19-20

UBL continued its focus on usage of green energy to reduce dependence on conventional fuels for energy generation.

- 96.1% of thermal energy generation was through agri-waste, thus minimising usage of fossil fuels
- 22.6% of total electric energy consumption for our own units was from renewable sources
  - Solar rooftops were installed in 12 breweries
  - Our breweries in Tamil Nadu and Karnataka continue to operate using a combination of solar and wind energy
- The usage of renewable energy has greatly reduced our carbon footprint and is equivalent to the planting of 1.31 million trees for the year 2019-20

In continuation with our journey of maximising our usage of renewable energy, we have plans to increase renewable energy usage in the upcoming year 2020-21 for Maharashtra and Tamil Nadu through open access. Also, the solar rooftops will be extended to Palakkad and Goa, along with additional solar rooftops at Golconda and Srikakulam. This will help us to increase our usage of renewable energy by 5-7% over the current usage.

Total Productive Management - My Way Is TPM Way

The brewery vision has been revised to incorporate key aspects of Customer Centricity and Lowest Cost Producer TPM Way. This vision continues to guide us in reaching new heights as per the long-term strategy of the organisation. In line with this, capability building is the key focus for our sustainable operational excellence journey.

Key Highlights 2019-20:

1. Provided a platform to showcase the improvements carried out at breweries through Internal TPM Competition – You Make the Difference
2. Equipment Reliability Workshop – strong focus on increased equipment availability, and developed standards for equipment health by a comprehensive preventive maintenance system
3. TPM improvement culture extended to purchased CO^2, caustic, dried yeast generation, etc., to aggressively reduce cost and add value to the business
4. Capability development by senior leadership team during brewery reviews to imbibe change management, adoption of pillar systems and effective usage of problem-solving routes

Grand Finale of TPM Competition - 19th July 2019

Capability building workshop – Planned Maintenance Pillar

Food Safety Management System

All our breweries are FSMS and FSSAI approved. In 2019-20, 8 breweries were re-certified, and 10 breweries successfully completed their annual surveillance audit. TUV SUD South Asia Private Ltd., a leading German international inspection and testing certification body, performed the audit. Currently, all our breweries are ISO 22000:2005 standard certified.

This standard will be upgraded to ISO 22000:2018 by September 2021. The revised standards will have additional benefits of process and business risk mitigation programs along with better food safety controls.

Supplier Quality Assurance

UBL has a robust supplier management system, wherein major focus is given to the quality of the material supplied by the suppliers. UBL ensures all the suppliers are FSSAI approved and food-safe. Supplier introduction to the system follows a strict 9-step approval process, which ensures the supplier is 100% compliant to UBL's requirements. All malt and adjunct suppliers have built laboratory facilities as per UBL's recommendation.

To achieve this, necessary training is given to supplier chemists on all analytical aspects. The efficiency of the supplier chemists has been evaluated periodically. Supplier audits are conducted once a year to assess the supplier facility, infrastructure and production processes. UBL evaluates suppliers based on quality, delivery, online performance and audit score.

CORPORATE SOCIAL RESPONSIBILITY

UBL firmly believes in creating social value through its business. Through our CSR initiatives, we address issues that are most relevant to our co-communities and make conscious efforts to implement projects that are both impactful and sustainable. Our major focus areas are Water Conservation, Safe Drinking Water, Quality Education and Responsible Consumption of Alcohol.

WATER

At UBL, we are committed to water stewardship - which includes both the sustainable management of water resources across our operating units, and also implementing projects that help in ground water recharge, rejuvenation of water bodies and provision of safe drinking water to co-communities. We have set meaningful goals to improve our water efficiency and we aim to become a water-neutral organisation by 2025. Through CSR, we are increasing our understanding of water-related risks and its impacts on the communities we serve. Some of our major projects in 2019-20 are:

Integrated Water Resource Management Project Nandi Gram Panchayat, Chikkaballapura District, Karnataka

This project was specifically designed to prepare for climate change through soil and water conservation. The project covered 5 villages of Nandi gram panchayat which were facing acute water scarcity and were dependent on rainwater for their requirements. Our key initiatives to mitigate the water woes include the following:

Rooftop Rainwater Harvesting Units

Non-availability of quality surface or ground water for drinking purposes is one of the major problems faced by the residents of these villages. In summer months, people are completely dependent on water tankers for the supply of drinking water. Although the government has provided drinking water facilities such as borewells and overhead water tanks in these villages, the decline in ground water level has made these facilities non-functional. Therefore, installing rainwater harvesting units has not only solved their water availability issues but in time will also help recharge the ground water level.

Sarojamma is a resident of Nandi village. Her family consists of 6 members and her husband is employed as a daily wage labourer. The family was completely dependent on the municipal tap water supply and Sarojamma had to travel 500 metres everyday just to fetch water. With the installation of a rooftop rainwater harvesting unit her family now has easy access to water.

Nandi Lake Rejuvenation at Nandi Gram Panchayat, Karnataka

Pre-Intervention

Post-Intervention

Restoration of Gunduthopu - a Community-protected Sacred Grove at Nandi Gram Panchayat, Karnataka


Pre-Intervention


Post-Intervention

Rejuvenation of Ponds

In the year 2019-20, we rejuvenated 8 ponds in the states of Punjab and Rajasthan.

Katani Kalan, Ludhiana District, Punjab

The pond at the Katani Kalan village was nothing more than a waste dumping yard for the residents of the village. Through this project, the pond was dewatered, cleaned and its storage capacity was increased by installing four artificial injection wells in the pond to assist with ground water recharge. In addition to this, a proper channel was developed to manage the wastewater of the village so that it does not flow towards the pond.


Pre-Intervention


Post-Intervention

Haritha Samruddhi - Sustainable Livelihood through Climate Resilience Practices - Pudussery Gram Panchayat, Palakkad District, Kerala

The project aims at training farmers to promote sustainable livelihood through organic farming and climate resilient farming practices and to also rejuvenate the available water resources to help the farmers with better irrigation facilities. Some of the activities implemented under this project are:

Nutrition Gardens

Pushpa is a single mother from Church Street, Chullimada, Pudussery gram panchayat. She has two sons and works as a daily wage farm labourer. Through our nutrition garden project, Pushpa was trained in kitchen gardening and received 15 saplings to start her own garden. Today, Pushpa grows cauliflower, cucumber, pumpkin, bell pepper, spinach, pea, tomato, brinjal, lady's finger and radish in her garden for her family's consumption, and she sells any surplus at the market. The garden has now become an extra source of income for her family.

Deepening of a Pond at Nandupathi Village

Pre-Intervention

Post-Intervention

Open Well Restoration at Vadhyachalla, Tribal Hamlet

Pre-Intervention

Post-Intervention

EDUCATION

UBL recognises the importance of quality education and aims to create enabling conditions for children coming from an underprivileged background. Through our education programs, we adopt government primary schools in the vicinity of our breweries and provide infrastructural support, mid-day meals and improved quality of education to enable a conducive learning environment for the students. Some of our key initiatives of 2019-20 are:

Mid-Day Meal Program - Mangalore, Karnataka

Through this program, we are reaching out to 1666 students from 23 schools in Mangalore district and providing them with nutritious meals every day. Ashwini is a Class 7 student from DKZP Higher Primary School, Mannaguda, Mangalore. She comes from a family of five, her father Basavaraj and mother Manjula are fisher-folk. She has two brothers studying in Class 2 and Class 5 at DKZP Primary School. Ashwini aims to be an IPS officer and UBL is nurturing her dreams by serving nourishing meals at her school.

School Renovation Project Nagpur, Maharashtra

UBL constructed a new school building equipped with facilities like a laboratory and a library to benefit 365 students enrolled in the school.

School Adoption Project
Alwar District, Rajasthan

As a part of this initiative, we have adopted 6 schools in Alwar district. Major activities include infrastructure development, digital literacy assistance and a computer lab set-up. This project benefits over 900 children from an underprivileged and vulnerable background studying in these schools. We also supported five schools by providing teacher salaries.

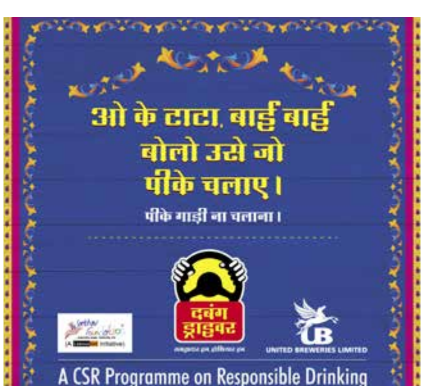
School Renovation Project
Nandi Gram Panchayat, Chikkaballapura District, Karnataka

At Nandi gram panchayat we have supported 3 government schools - Nandi Middle School, Nandi High School and Sultanpet Primary School.

We supported the schools with infrastructural refurbishment, which included painting and renovation of toilets. We also constructed rooftop rainwater harvesting systems to give students access to safer drinking water at school.

RESPONSIBLE CONSUMPTION OF ALCOHOL

As a leading alcohol beverage company, promoting the message of responsible consumption of alcohol among the masses is a critical objective for UBL. Sensitisation and awareness generation is what we are working towards through our CSR program for responsible consumption. Through this program, we focus on behavioural change communication majorly targeted towards truck drivers. This year we reached out to 617 truck drivers through a series of workshops which were organised across 7 breweries in 6 states. At each location, a six-day workshop was organised wherein truck drivers were divided into batches. Each batch had a day-long session which included skits, group discussions, slogan writing and a survey of the truck drivers. The workshops were delivered in the local language to create an immersive and interactive experience for the participants.



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, 2020 ('the year under review', 'the year' or 'FY20').

FINANCIAL SUMMARY

Financial performance for the year ended March 31, 2020 is summarized below:

(Amounts in Rupees million)

STANDALONE FINANCIAL RESULTS	Year ended March 31	
	2020	*2019*
Gross Turnover	**146,465**	*141,368*
Net Turnover	**65,046**	*64,724*
Other Income	**91**	*317*
EBITDA	**8,835**	*11,695*
Depreciation and amortization	**2,850**	*2,598*
EBIT	**5,985**	*9,097*
Interest	**311**	*312*
Profit before Taxation	**5,674**	*8,785*
Provision for Taxation	**1,402**	*(3,157)*
Profit after Tax available for appropriation	**4,272**	*5,628*
Appropriations:		
Dividend on Equity Shares (including taxes thereon)	**796**	*637*
Transfer to the General Reserve	**427**	*563*
Indian Accounting Standards (Ind AS) 115 Adjustment	**—**	*55*
Other Comprehensive Loss	**(115)**	*(19)*
Balance your Directors propose to carry to the Balance Sheet	**2,934**	*4,354*
Total appropriations	**4,272**	*5,628*

The financial statements for the year ended March 31, 2020 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.

In a year where industry remained sluggish due to a variety of economic factors, your Company maintained its Net turnover with a marginal increase of 0.5% over the previous financial year. The Gross turnover of UBL grew by 3.6% mainly on account of increased duties imposed by the state governments and consequent cost of beer price increases in certain markets. Interest cost was contained at same level of previous year with effective working capital management. EBITDA for the year under review stood at Rs.8,835 million as compared to Rs.11,695 million in the previous year, reflecting a decrease of about 24%. Increased input cost and increase in price of beer to consumers due to increases in duties and consequent reduction in volumes, not only dampened the demand but were also instrumental in putting pressure on margins. Depreciation for the year was Rs.2,850 million as compared to Rs.2,598 million in the previous year which reflects increase in assets due to expansion of breweries.

Profit before Taxation for the year stood at Rs.5,674 million as compared to Rs.8,785 million in the previous year, reflecting a decrease of 35%. Profit after Taxation stood at Rs.4,272 million as against Rs.5,628 million in the previous year. Such decrease is due to the reasons mentioned above. The second half of March 2020 saw a rapid spread of

COVID in India where industry slowed down and effectively stopped functioning during the last 10 days. This had an adverse impact on despatches, sales as well as margins.

DIVIDEND

We take pleasure in proposing a dividend of Rs. 2.50 per Equity Share of Re.1/- each for the year ended March 31, 2020. The dividend declared for the previous year was Rs. 2.50/- per Equity Share of Re.1/- each. The total dividend is Rs.661 million, which amounts to about 12% of the Profit after Tax.

RESERVES

UBL proposes to transfer Rs.427 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 31,2020 remains unchanged at Rs.264.4 million comprising 26,44,05,149 Equity Shares of Re.1/- each.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

Beer comprises about 12%[1] of the total alcohol consumed in India. While the alcohol beverages industry in India has been dominated by spirits, beer remains the preferred alcoholic beverage for young Indians. Beer has registered robust growth in the last one and half decades. From a total industry consumption of about 100 million cases in 2005, the consumption crossed over 300 million cases in 2019. The current industry size is estimated to be over 320 million cases per annum. Three leading players contribute over 85% of the total industry sales with our Company being the market leader having a market share of about 52%[2].

The Indian beer market shrunk during the FY 20. As per our estimate, a number of markets across the country remained sluggish during the second half of last Financial Year. April and May 2019 saw General Elections in India in a phased manner in each State, where dry days were imposed for a few days before and after elections and during election results which had reduced sales. Restrictions on production during this period also curtailed our ability to service market demand. Generally, high-end consumer prices dampened sales during the year. In addition, due to COVID, retail was completely shut from March 23, 2020 with on-trade outlets being progressive closed in the weeks prior, causing a secular drop in sales for beer and spirits. The last 8 days of March 2020, when normally increased primary despatches happen due to start of the peak season, such despatches actually became negligible due to lockdown. It is expected that the initial months of the new financial year will remain very challenging as retail only reopened in many states in India during 1st week of May. Demand is likely to only gradually recover and is negatively impacted due to increased taxation and other impediments.

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 85% 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 and has grown at a Compounded Annual Growth Rate (CAGR) of almost 30 per cent over the last three years. The Indian beer market continues to grow in line with expectations. Industry volumes grew

1. https://www.statista.com/outlook
2. https://www.business-standard.com/company

wat a CAGR of about 7% during the last five years. However, during 2019-20, the Indian beer market shrunk slightly over the previous year, in part related to COVID.

Compared to the global average per capita consumption of about 30 litres, the per capita consumption in India still hovers around 2 litres[1]. However, the scope for growth in India continues to remain positive given the climate, young demographics and increasing disposable income. 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. Beer has become one of the most popular alcoholic beverages in the country over the past two decades. 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 meeting all these challenges and has introduced its own 'Kingfisher Witbier' thereby continuing to strengthen its position in the market.

Unlike other emerging economies, beer Industry in India continues to remain 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.

Sales and Marketing

UBL's Flagship Brand 'Kingfisher' is a widely accepted brand and is one of the strongest players in the Indian Beer market, in terms of volumes and brand equity. 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.

Kingfisher Strong is the largest brand in the country, with a volume of over 107 million cases. Kingfisher Premium with over 35 million cases is the first choice of mild beer consumers across the country. Kingfisher Ultra, Kingfisher Ultra Max and Heineken complete our brand portfolio in the super-premium segment. Kingfisher Ultra Max with a robust 23% growth, has crossed 1 million cases in sale in 2019-20.

UBL in 2019 entered the craft and variety segment with Kingfisher Ultra Witbier. Currently available in Karnataka and Goa, the early acceptance of the brand by the consumers has shown promise.

UBL's recent launch, Kingfisher Storm has continued to grow at a fast pace and in 2019-20 grew 16%. Kingfisher Storm has highly differentiated and disruptive packaging along with a smooth and refreshing taste profile.

Our first offering in speciality beer segment widens our footprint and provides another beverage option in the beer category. Consumers today expect more from their beers-in-terms of flavour, taste and experience.

Catering to the growing demand for a premium international strong beer in the Indian market, the Company launched the iconic Dutch beer brand Amstel. Amstel is a slow brewed and extra matured lager, internationally appreciated for its quality and enjoyed in over 110 countries across the globe. Amstel Strong has crossed 1 million cases in sale in its first full year in the market.

In the last quarter of 2018, the Company entered the 'Non-Alcoholic Beverages' segment by launching Kingfisher Radler, a non-alcoholic drink with 0% alcohol. Kingfisher Radler is available in three flavours namely, Ginger Lime,

1. https://www.niras.com/media

Lemon and Mint Lime. In 2019, the Company introduced Heineken 0.0, Amstel Malt Beverage and Kingfisher Ultra Non-Alcoholic and further strengthened its product portfolio offering.

The Company continues sustainable associations for Kingfisher in the fields of sports, music, food, and fashion. The Company is proud to be associated with several teams competing in the Indian Premier League T20 cricket tournament and supports two of the major teams participating in the Indian Super League club football tournament. The Company is a key partner of Sunburn India's largest music festival. The Company's association with restaurants/bars/pubs/clubs/star-hotels/nightclubs continues to thrive. Through its large portfolio of brands, the Company has creatively worked on digital and television communication around its various associations.

The Kingfisher Calendar continues to maintain its high aspirational value. Kingfisher has created excitement around this property and leveraged it on digital platforms in a large way. Kingfisher in 2020 launched the Calendar app, and this is open to download and use by anyone on the Android & iOS platforms. Kingfisher Ultra and Kingfisher Ultra Max continues to gain traction with their association with various Fashion and Style platforms. Kingfisher Ultra under its YouTube channel 'Cheers' has reached out to its fans with its relatable in-house content, in the form of multiple short stories and web series under the banner of 'Ultra-Shorts'. Kingfisher Ultra announced its association with the multi-talented and leading Bollywood celebrity Farhan Akhtar. Kingfisher Ultra launched its draught variant in 2019.

Heineken has established itself as one of India's most premium brands. It is being promoted by leveraging its association with global marketing platforms of Football (UEFA Champions League), James Bond and Music. Heineken in 2019 was a key partner to the Indian Nightlife Convention and Awards (INCA), one of India's most respected and coveted platforms to recognize the food, beverage and nightlife industry. Heineken along with Sisterhood Soiree, proudly stood by and supported women in the nightlife industry, a first of its kind initiative in the industry. London Pilsner announced its association with legendary English cricketer Ben Stokes. UB Export announced its association with leading Kannada film star Rakshit Shetty.

Supply Chain

Manufacturing expenses for the FY20 amounted to Rs. 31,603 million, representing 51% of net sales, as against Rs. 30,174 million in the previous financial year, which also constituted 49% of sales. Tight cost control measures, expanding footprint for premium brands and cost-saving projects across the manufacturing footprint have helped us achieve this in an environment of relatively high inflation especially for commodities and bottles.

Bottles remain our biggest cost element. Due to constrained domestic capacity during last year, import sources developed during 2018-19 were used to bridge the gap and cover our peak requirement. Strategic long-term contracts were executed/extended with domestic glass suppliers for period starting April' 20 to mitigate higher cost due to imports. This keeps us geared up for future volume growth. Recycled bottle collection continues to remain a key focus area. Increase in Cullet Prices in West & North India since last 2 years is impacting old bottle returns.

Value Engineering related to lower gauge cans, light weight ends and additional source from Ceylon Cans-Sri Lanka were established during the year. Share of local Ring pull Crowns and PSL Labels sourcing increased to optimise cost. Long Term Can Contracts executed with lower conversion cost & Aluminium prices to maximise benefits.

Capacity expansion has been done in our breweries in Telangana, Karnataka & Rajasthan. Manufacturing footprint for premium brands has been expanded significantly in FY20 to cater to increasing demand and gain benefit of favourable sourcing options.

Barley-malt, the basic raw material in the manufacture of beer, has been under stress due to higher prices of competitive crops. Apart from procuring barley-malt locally, Company also imports barley from other countries. Processing of malt from imported barley for Heineken brand has been started in FY20. This gives us significant advantage in cost against imported malt and flexibility in sourcing. New malts were developed locally for the various new brand variants.

We implemented domestic malt movement freight through reverse auction process which resulted in drop of malt freight. In addition, UBL established multi-modal transportation network (combination of surface & sea route) for Malt movement from North region to Palakkad & Mangalore units which resulted in savings in overall logistics cost. We also established multi-modal transportation network (combination of surface & rail route) for movement of beer consignments for export from brewery in Daman to Jawaharlal Nehru Port Trust.

Our engagement with farmers on barley cultivation is helping them cultivate good quality barley, as we provide them with better quality seeds and offer a package of good practices which is yielding superior results. We procured highest ever quantities of our own varieties of "two row barley" in FY20. Cultivated area under our varieties of barley increased by 47% in FY20. New variety UB-168 developed by the Company has been put to commercial cultivation in 2019 which resulted in 5% better yield than the existing variety with better malt quality.

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 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 innovation 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.

Learning is ingrained in the UBL culture and employees are constantly encouraged and given ample opportunities to upgrade their knowledge and skill. On-the-job training 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 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 3207 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. 4,998 million, as compared to Rs. 4,439 million in the previous year. This constituted 3.4% 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 37 times interest in 2018-19, has come down to 28 times in 2019-20, on account of EBITDA degrowth by 24% while interest costs is at same level.

<u>Debt Equity Ratio:</u> Net debt which was 6% of Shareholder funds as on March 31, 2019, stood at same level of 6% as on March 31, 2020, as a result of net debt increased by 15.75%, while shareholder funds increased 11%.

<u>Net Profit Ratio:</u> Net profit ratio decreased from 3.98% in 2018-19 to 2.92% in 2019-20, primarily on account of reduction in volumes.

<u>Return on Net worth:</u> Return on Net worth decreased from 18% in 2018-19 to 12% in 2019-20.

Impact of COVID

The entire world today is reeling under the threat and aftermath of the unprecedented Coronavirus (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.

The rippling 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.

As a fall out, various state governments have imposed measures negatively impacting the industry. For example, Andhra Pradesh imposed additional taxes thereby increasing consumer prices by 75%, Delhi increased Sales Tax from 20% to 25% impacting increase in Maximum Retail Price (MRP) by Rs.5/- per bottle, in Rajasthan additional excise duty increased by 10% and Epidemic Surcharge of Rs.20/- per bottle was imposed, which resulted increase in MRP by Rs.30/- per bottle, Uttar Pradesh imposed COVID Cess at Rs.20 per bottle, West Bengal imposed Retail Sales Tax of 30% thereby pushing consumer price by Rs.45/- per bottle of beer and Telangana levied a Special Retail Cess of Rs.30/- per bottle of beer. This was followed by Puducherry where price increase on certain brands were taken by the government.

Beer companies are reeling under pressure as the lock-down has come at the onset of the summer which comprises the bulk of sales. All these increases are likely to be a dampener, next to partial or full closure of bars & shops in an environment of overall lower economic growth and reduced consumer confidence.

The lockdown led to complete closure of all outlets for the period March 23, 2020 to May 04, 2020. On-trade sale was progressively closed in weeks leading up to March 23, 2020. Assessed profit impact for March 2020 comprises lost sales volumes estimated at Rs. 870 million and provision for obsolete stocks of Rs.160 million. Direct impact of COVID is therefore estimated at Rs. 1,030 million for the FY20. The Company has put in place addtional financing headroom since the start of the pandemic to ensure sufficient access to financial resources are in place under various business scenarios.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

UBL firmly believes in creating social value through its business. Through its CSR initiatives the Company is addressing issues that are most relevant to its co-communities and is making conscious efforts to implement projects that are both impactful and sustainable. The Company and its employees continue to be committed to social and environmental concerns of the nation, while working on the financial pursuits of the business.

UBL's intent is to ensure a close alignment between the core commercial goals of the business and the maximum possible social and economic benefit achievable. UBL deploys the 4R strategy of Reuse, Reduce, Recycle and Recharge for efficient use of water. The Company is moving towards extensive usage of energy generated from renewable sources to minimize environmental impact. It has also set out to address important issues associated with responsible consumption of alcohol. It has commenced this initiative with a programme to engage with key stakeholders of our business.

The Company operates out of a large number of locations across the country that are characterized by non-uniformity in levels of awareness, socio-economic development, education, poverty, practices and rituals. While India is a very large country with a multitude of social issues and concerns, your Company has decided to focus on communities residing in the vicinity of its breweries as a starting point for its CSR interventions.

Under the Safe Drinking Water Programme initiated in 2015, another 20 villages in the state of Rajasthan will have access to clean drinking water. The programme is ongoing and will benefit 20000 people through the 2 Safe Drinking Water Hubs that are being installed. In addition to implementing rainwater harvesting and watershed management projects in and around the breweries, recycling of the treated waste water continues within the breweries. The water initiatives have benefitted over 2,00,000 people.

Your Company intends to be a Water Neutral Organization by 2025 and the efforts have been focused in this direction. 20 water bodies have been rejuvenated in the States of Haryana, Punjab, Rajasthan, Karnataka and Kerala. In the cumulative effort to create ground water recharge potential, by March 2019, the Company was able to create a recharge potential of more than 52,75,000 KL water per year.

Besides this, 5 large new water conservation projects were launched in Telangana, Karnataka, Maharashtra, Kerala and Tamil Nadu which aims at creating groundwater recharge potential, sustainable livelihood through natural resource management and training of farmers to promote sustainable livelihood through organic farming and climate resilient farming practices.

UBL's initiatives in the field of education have been in tandem with its endeavours to enhance the educational experience and improve the quality of primary education for children, especially from the underprivileged sections. Breweries across the country have adopted neighbouring Government schools and supported them in meeting their requirements on a regular basis. In addition to this, focused education projects have been implemented in Rajasthan and Karnataka. Your Company continues to support 1 government school in Rajasthan. Infrastructure development for a tribal school in Nagpur, Maharashtra was completed. Mid-day meals have been supported for 1,666 children in 23 Government schools of Mangalore.

In the last year, your Company, conducted a week-long awareness programme on "Responsible Consumption of Alcohol" for truck drivers associated with UBL, at 3 of its breweries in Haryana, Odisha, and West Bengal. The awareness programme was conducted with a goal to make them aware of the implications of drunk driving on their financial and social wellbeing and received an overwhelming response in terms of positive feedback from the truck drivers. Over 617 truck drivers linked to the supply chain have been covered through this programme. UBL is strengthening its endeavours on promoting responsible consumption and water stewardship in the communities. The Company is proud of the fact that many of the leading rating agencies have recognized its achievements and progress with excellent ratings and have acknowledged us as one of the future ready companies. Building on this foundation, UBL will continue to work with the partners to promote sustainability along the entire value chain.

The Company has received recognitions on national platforms for its CSR initiatives. UBL water interventions were covered in Times of India "Make India Water Positive" initiative in the Bangalore edition in November 2019. They were also showcased in a TV episode in the CNBC TV 18 Changemakers series. UBL was one of the 3 finalists at the Rotary Karnataka CSR Awards–2020 nominated for the Nandi Lake rejuvenation project.

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.

Green Energy

UBL has adopted Green Energy usage to reduce dependence on conventional electrical power. During FY20, the Company utilised 11.43 million units of electricity from solar energy at eleven breweries and an additional 14.30 million units of electricity from wind energy at our five breweries in Karnataka and Tamil Nadu. This shift from conventional to renewable sources of energy has helped us reduce our carbon footprint substantially to the tune of 27,907 MT of equivalent CO_2 which is equivalent to 1.3 million trees.

Overall renewable energy consumption for electricity usage for FY20 stood at 22.6% out of total electrical power consumption for own breweries and 18.4% against total power consumption at our own and associate breweries.

Awards

1) **Pollution Control Board:**
   - Our brewery at Baikampaddy, Mangalore received "Green Excellence" award from Karnataka Pollution Control Board for its green initiatives.

2) **Safety:**
   - Our brewery at Nanjangud, Mysore received "Platinum" award at the 18th Annual Greentech Safety awards in breweries sector for outstanding achievement in safety management.
   - Our brewery at Palakkad received "Safety" award 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 breweries at Palakkad and Srikakulam received "EHS Excellence" award from CII.

4) **Others:**
   - Our brewery at Nanjangud, Mysore won the Gold category "National Energy Management" award at Society of Energy Engineers and Managers awards.
   - Kingfisher Storm produced by our brewery at Srikakulam won the award "The Country's Best" in World Beer Awards 2019, at United Kingdom.
   - Our brewery in Alwar, Rajasthan was bestowed with Bhamashah Award "Shiksha Bhushan" for the 5th consecutive year for exemplary work in the field of education under its CSR programme.
   - Our breweries in Tamilnadu received awards from Tiruvallur District Collector under "CSR MUMMARI SCHEME (Water Rejuvenation Project)" for its CSR activity.

OPPORTUNITIES, THREATS, RISKS & CONCERNS

In the alcohol space, beer is the most popular drink in India after spirits. However, for a variety of socio economic and religious reasons, India's current per capita consumption of beer still hovers around 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. Over 30% of the total population in India comprises youth and 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.

But for the COVID pandemic, there has been a steady growth of beer consumption in India. Except for the current 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 materials 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 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 healthily 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 challenge. During the year under review, the state of Andhra Pradesh introduced a new alcohol policy, which cancelled existing bar licenses and reduced the number of retail outlets by about 40%. Such a conservative and anti-industry approach in a few states poses a challenge for the Company.

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.

Prospects

In India, the beer sector is at its growth stage with competing companies in the market looking for further market expansion with introduction of new products and by strengthening their distribution network. The market has been growing mainly because of youth, higher 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, 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.

Beer market in India has evolved from manufacturing usual beers such as strong and lager to flavored beers owing to the adoption of trends and technologies from western markets. Today, there is a presence of more than 140 beer brands[1] in the Indian beer market, to address the palate of each customer segment.

The per capita beer consumption in India is still very low 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 and others. The industry may witness further acquisitions, entry of new players and brands, and tie-ups which will drive this market further towards growth. 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 to delink beer taxation from IMFL and encourage taxation on the basis of alcohol content, paving the way for incremental growth in the market.

The maturing beer market combined with the support of government incentives on exports will positively open up higher export potentials for Indian beer brands. For last three years, the Company has been directly exporting to Singapore, 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.

Barring the COVID impact, both in terms of revenues and sales volume, which may last during the current FY20 the market is expected to further grow going forward.

1. https://www.prnewswire.com/news-releases/india-beer-market-outlook

Risk Management

Though already established efficiency programmes apply to all aspects of our business, there is a constant drive to identify new ways to improving marketing capabilities with speed whilst reducing cost. Effective marketing strategies have helped us to retain our position as the clear market leader in the country. Consumer acceptance of our beers has led to further innovations and new product introductions.

The competitive environment is expected to remain intense. Your Company's strategy and focus remains consistent to robustly defend, strengthen its leadership and thereby maintain its position as the clear leader in the Indian Beer Market. UBL continues to invest in both capacities and brands year on year. Your Company is implementing several operational improvement projects that will ensure that it remains competitive in the market place at competitive, costs, to enable to manage the business in an even more dynamic manner.

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.

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 the 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. The SOPs and controls are reviewed by management and audited periodically.

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. Periodic reviews are carried out for identification of control deficiencies and opportunities for bridging gaps with best practices along with formalization of action plans to minimize risks.

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.

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 weblink:
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, 2020 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 2020-2021.

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 weblink http://unitedbreweries.com/pdf/policyandcodes/Policy%20on%20Related%20Party%20Transactions.pdf.

All transactions entered by the Company during FY20 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 weblink:
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 & 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 also 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. Chhaganlal Jain and Mr. Chugh Yoginder Pal, Independent Directors retired w.e.f. September 04, 2019.

Mr. Rudolf Gijsbert Servaas van Den Brink, a Heineken nominee Director resigned from the Board of the Company w.e.f. May 31, 2020 following change in his role in Heineken. In his place, Mr. Jan Cornelis van der Linden was appointed as an additional Director w.e.f. June 01, 2020 and a Resolution for regularisation of his appointment has been proposed for approval of Members at this Annual General Meeting (AGM).

Mr. Christiaan August Josef Van Steenbergen a Non-Executive Non-Independent Director retires by rotation at this AGM and, being eligible, has offered himself for re-appointment. Resolution for re-appointment of Mr. Christiaan August Josef Van Steenbergen is proposed at this AGM.

Consequent upon retirement of Mr. Shekhar Ramamurthy on July 31, 2020, Mr. Rishi Pardal has been appointed as Managing Director for a period of five years effective August 01, 2020.

Chief Financial Officer (Key Managerial Personnel)

Mr. Berend Odink has been appointed as Chief Financial Officer of the Company effective August 15, 2019 following transfer of Mr. Steven Bosch to a new assignment by Heineken N.V.

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 FY20, seven (7) Board Meetings were held. Other details including the composition of the Board and various Committees and Meetings thereof held in FY20 are given in the Corporate Governance Report forming part of this Report.

Meeting of the Independent Directors

During the year, one Meeting of Independent Directors was held on June 04, 2019. All Independent Directors have given a declaration that they meet the criteria of Independence and in the opinion of the Board, the Independent Directors fulfil 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 weblink http://unitedbreweries.com/pdf/policyandcodes/Directors%20Performance%20Evaluation%20Policy.pdf.

Performance Evaluation of Directors

Performance evaluation of Non-Independent Directors, Independent Directors, the Board as a whole and Committees of the Board has been 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, including 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 and confidentiality associated with the exercise, an external agency was engaged to anchor the process. As part of this process, customized questionnaires, were circulated to all Directors of the Company. Each Director was required to undertake a self-assessment. Additionally, the effectiveness of the Board and Committees was also evaluated by each Member of the Board and Committee. Responses from Directors were submitted through an electronic platform and were kept confidential.

In order to maintain confidentiality of the entire process, the exercise was carried out on an anonymous basis and summary of responses received from Directors was placed and discussed at a Board Meeting and individual scores circulated to the Director concerned. Discussions on a one-to-one basis with individual Directors were also organized for those Directors who wanted a more in-depth understanding. Recommendations arising from this entire process will be considered to improve overall effectiveness of individual Directors, Board and Committees.

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 FY20 total foreign exchange earnings of the Company stood at Rs.1,953 million (Previous Year: Rs. 2,467 million) and foreign exchange outgo stood at Rs.3,754 million (Previous Year: Rs. 2,882 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-9 on its website www.unitedbreweries.com and is available through the weblink http://unitedbreweries.com/pdf/AGM/Annual%20Return%20MGT-9%20-%202019-2020.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 Annual General Meeting (AGM) held on September 23, 2017 to hold office till the conclusion of the 23rd AGM. In terms of Section 139 of the Act as amended by the Companies (Amendment) Act, 2017, appointment of Auditors need not be ratified at every AGM. Therefore, 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, except for qualified opinion included in the Auditor's Report on Internal Financial Controls, relating to customer evaluation and credit assessment for export sales.

The Company has since strengthened its Internal Control System for export sales to operate effectively by implementing with strict Know Your Customer norms, has terminated the contract with its export agent and stopped supplies to a few exisitng overseas customers.

Secretarial Audit

Pursuant to the 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, to undertake Secretarial Audit of the Company for the FY20. The Secretarial Audit Report forms part of this Report and is annexed as **Annexure-E**.

There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report. However, the Secretarial Auditor has observed delay/deviation with respect to (i) disclosure on related party transactions for half year ended March 2019 to Stock Exchanges and (ii) non-intimation of Board Meeting held on August 13, 2019 to Stock Exchanges. Deviations in the nature of delay in submissions have been addressed by making requisite filings with the Stock Exchanges and the matters stand resolved.

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.

(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 Takeovers) 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 said report has been shared with UBL vide CCI order dated November 26, 2019 seeking comments/objections to the DG Report on behalf of UBL. The CCI had permitted UBL and other parties to the enquiry, to file their comments/objections to the DG Report by March 18, 2020 and appear for an oral hearing in the matter on March 25, 2020. Subsequently, the timeline for filing the comments/objections to the DG Report was extended till July 17, 2020. Due to lockdown and COVID situation, the timeline may get extended further. UBL will file its reply in due course and after hearing by CCI, the Order/demand will be issued. It is not practicable to state an estimate of its financial effect, if any at this stage. The Management, along-with its legal advisors, are in the continuous process of evaluating this matter and believe that there are likely mitigating circumstances to counter presumptions made against the Company by the CCI as contained in the Competition Act, 2002.

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, 2020, 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.

ACKNOWLEDGEMENTS 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

	Shekhar Ramamurthy	**Madhav Bhatkuly**
June 24, 2020	Managing Director	Director
Bengaluru	DIN: 00504801	DIN:00796367

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 (MD). The Board consists of eminent persons with considerable professional expertise and experience.

Executive Directors
Mr. Shekhar Ramamurthy (Managing Director)
Mr. Rishi Pardal (Managing Director Designate)*

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. Shekhar Ramamurthy	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. Shekhar Ramamurthy	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

Note: * Mr. Rishi Pardal has been appointed as Managing Director Designate with effect from June 12, 2020 and shall take charge as Managing Director effective August 01, 2020.

** Mr. Jan Cornelis van der Linden replaced Mr. Rudolf Gijsbert Servaas van den Brink with effect from June 01, 2020.

*** Mr. Berend Odink was appointed as Chief Financial Officer with effect from August 15, 2019.

Profile of Directors and their other Directorships

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
Mr. Shekhar Ramamurthy (DIN: 00504801) Mr. Shekhar Ramamurthy is an alumnus of IIT Delhi and IIM Calcutta. He has been with the UB Group since 1989 and has been in several roles across the Group. He joined in the Corporate Planning function and soon thereafter moved into a Marketing role with what is now United Spirits Limited. He spent over 9 years in the Spirits business in Marketing and Sales roles before joining United Breweries Limited as the Head of Marketing and Sales in October 1999. He took on greater responsibilities as the Deputy President of UBL from October 2007 and then as the Joint President of the Company from September 2012 till taking over as the Managing Director on August 01, 2015. He has been an integral part of the dynamic growth story of the Company that has seen brand Kingfisher establish itself as the number 1 choice of consumers in India.	**Other Directorship:** Kingfisher East Bengal Football Team Private Limited. **Other Committee Membership:** NIL **Areas of Expertise:** Business Strategy, Industry Knowledge, Brand Building, Leadership, Sales & Marketing and General Administration.
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.
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. 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.

<table>
<tr><th>Brief Resume</th><th>Other Directorships & Committee Memberships in India and Areas of Expertise</th></tr>
<tr><td>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 appointed on the Board of UBL effective June 01, 2020.</td><td>Other Directorship & Committee Membership:
NIL

Areas of Expertise:
Business Development, Business Strategy & Transformation, Marketing and Commercial.</td></tr>
<tr><td>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 is 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.</td><td>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.</td></tr>
</table>

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 2020. 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); - Narayana Hrudayalaya Limited; - Infosys Limited; - Biocon Biologics India Limited; - Biocon Pharma Limited; - Biocon Biosphere 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.

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
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. 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.	**Other Directorships** - New Horizon Financial Research Private Limited - New Horizon Wealth Management Private Limited **Other Committee Membership:** NIL **Areas of Expertise:** Finance and Economics.
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.

Profile of New Director and his other Directorships

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
Mr. Rishi Pardal (DIN: 02470061) Mr. Rishi Pardal joined Avery Dennison Corporation, a Fortune 500 Company in November 2010 as Vice President and Managing Director of Retail Brand and Information Solutions, South Asia, where 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 present 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.	**Other Directorships:** Vitalink Technologies Private Limited*. **Other Committee Membership:** NIL **Areas of Expertise:** Business Strategy, Sales & Marketing, Customer Development, Corporate Governance, Brand Equity and Talent Development.

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
Mr. Rishi Pardal (DIN: 02470061) (contd.) 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 HBS (in-progress). Mr. Rishi has been appointed on the Board of UBL effective August 01, 2020.	

* Applied to the Registrar of Companies for Striking off.

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. Shekhar Ramamurthy	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	13	1 (Chairperson of 1 Committee)	8
Mr. Madhav Bhatkuly	2	NIL	NIL
Mr. Stephan Gerlich	NIL	NIL	NIL

Membership in Boards and Board Committees of New Director - other than UBL

Name of the Director	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

* 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.

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

Notes:

a) Mr. Shekhar Ramamurthy is a Director in 1 Private Limited Company. He is also on the Board of 1 Overseas Company.

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 5 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 13 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 8 Overseas Companies.

g) Mr. Madhav Bhatkuly is a Director in 2 Private Limited Companies. Mr. Bhatkuly is also on the Board of 1 Overseas Company.

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

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

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

Skills	Mr. Shekhar Ramamurthy	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	Mr. Rishi Pardal (effective August 01, 2020)
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, 2020, seven (7) Board Meetings were held on May 20, 2019, July 11, 2019, July 19, 2019, August 13, 2019, November 07, 2019, February 06, 2020 and March 17, 2020.

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 22.08.2019
Mr. Shekhar Ramamurthy	Managing Director	7	7	YES
Mr. A K Ravi Nedungadi	Director (NE)	7	7	YES
Mr. Christiaan A J Van Steenbergen	Director (NE)	7	7	YES
Mr. Rudolf Gijsbert Servaas van den Brink*	Director (NE)	7	6	YES
Mr. Chhaganlal Jain**	Director (IND)	7	4	YES
Mr. Chugh Yoginder Pal**	Director (IND)	7	3	YES
Mr. Sunil Alagh	Director (IND)	7	7	YES
Ms. Kiran Mazumdar Shaw	Director (IND)	7	6	YES
Mr. Madhav Bhatkuly	Director (IND)	7	7	YES
Mr. Stephan Gerlich	Director (IND)	7	7	YES

Notes: NE – Non Executive, IND – Independent.

* Mr. Rudolf Gijsbert Servaas van den Brink ceased to be a Director with effect from June 01, 2020.

** The term of Mr. Chhaganlal Jain and Mr. Chugh Yoginder Pal, Independent Directors ended on September 03, 2019 and they did not seek re-appointment.

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. Consequent upon Mr. Chhaganlal Jain and Mr. Chugh Yoginder Pal completing their term of appointment as Independent Directors of the Company and not seeking re-appointment from the Board effective close of business hours on September 03, 2019, the Committees of the Board have been reconstituted effective September 04, 2019 which are as 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 utilisation 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, 2020, eight (8) Audit Committee Meetings were held on May 20, 2019, July 11, 2019, August 13, 2019, August 22, 2019, October 07, 2019, November 06, 2019, February 05, 2020 and March 17, 2020.

Mr. Chugh Yoginder Pal and Mr. Chhaganlal Jain retired from the Board effective close of business hours on September 03, 2019. Attendance at Audit Committee Meetings for the period April 01, 2019 to September 03, 2019 is given below:

Names of the Directors	Category	Number of Audit Committee Meetings held	Number of Audit Committee Meetings attended
Mr. Chugh Yoginder Pal	Chairman	4	3
Mr. Chhaganlal Jain	Member	4	4
Mr. Sunil Alagh	Member	4	4

Consequent upon Mr. Chugh Yoginder Pal and Mr. Chhaganlal Jain completing their term as Independent Directors, the Audit Committee of the Board has been reconstituted effective September 04, 2019.

Attendance at Audit Committee Meetings for the period September 04, 2019 to March 31, 2020 after reconstitution is given below:

Names of the Directors	Category	Number of Audit Committee Meetings held	Number of Audit Committee Meetings attended
Mr. Madhav Bhatkuly	Chairman	4	4
Mr. Rudolf Gijsbert Servaas van den Brink*	Member	4	4
Mr. Sunil Alagh	Member	4	3

* Mr. Jan Cornelis van der Linden replaced Mr. Rudolf Gijsbert Servaas van den Brink as a Member of the Committee with effect from June 01, 2020.

Share Transfer Committee

The Share Transfer Committee comprises of Mr. Stephan Gerlich, Mr. Shekhar Ramamurthy, Mr. A K Ravi Nedungadi and Mr. Christiaan A J Van Steenbergen as Members. The Chairmanship of the Committee vests with Mr. Stephan Gerlich. Mr. Rishi Pardal shall replace Mr. Shekhar Ramamurthy as a Member of the Committee with effect from August 01, 2020.

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, 2020, four (4) Share Transfer Committee Meetings were held on May 20, 2019, August 13, 2019, November 07, 2019 and February 06, 2020 for approving the transactions falling within the Terms of Reference mentioned above.

Attendance at Share Transfer Committee Meetings for the period April 01, 2019 to September 03, 2019 is given below:

Names of the Directors	Category	Number of Share Transfer Committee Meetings held	Number of Share Transfer Committee Meetings attended
Mr. A K Ravi Nedungadi	Chairman	2	2
Mr. Shekhar Ramamurthy	Member	2	2

The Share Transfer Committee of the Board has been reconstituted effective September 04, 2019. Attendance for the period September 04, 2019 to March 31, 2020 after reconstitution is given below:

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

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 01-04-2019 to 31-03-2020 (These complaints pertained mainly to non-receipt of Share Certificates upon transfer, non-receipt of Annual Report, non-receipt of Dividend, etc.)	12
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, 2020, three (3) Stakeholders Relationship Committee Meetings were held on November 07, 2019, February 06, 2020 and February 27, 2020.

Attendance at Stakeholders Relationship Committee Meetings

Names of the Directors	Category	Number of Stakeholders Relationship Committee Meetings held	Number of Stakeholders Relationship Committee Meetings attended
Mr. Madhav Bhatkuly	Chairman	3	2
Mr. A K Ravi Nedungadi	Member	3	3
Mr. Sunil Alagh	Member	3	3
Mr. Stephan Gerlich	Member	3	2

Corporate Social Responsibility Committee

Your Company has been focussing on Corporate Social Responsibility (CSR) activities viz., Primary Health, Primary Education, Water Conservation, Providing Safe Drinking Water and Conducting Workshop on Responsible Consumption of Alcohol for truck drivers. 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. Shekhar Ramamurthy, 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. Mr. Rishi Pardal shall replace Mr. Shekhar Ramamurthy as a Member of the Committee with effect from August 01, 2020.

During the financial year ended March 31, 2020, one (1) Corporate Social Responsibility Committee Meeting was held on February 06, 2020 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. Shekhar Ramamurthy, 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. Mr. Rishi Pardal shall replace Mr. Shekhar Ramamurthy as a Member of the Committee with effect from August 01, 2020.

During the financial year ended March 31, 2020, two (2) Risk Management Committee Meetings were held on November 07, 2019 and February 06, 2020.

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. Shekhar Ramamurthy	Member	2	2
Mr. Rudolf Gijsbert Servaas van den Brink*	Member	2	2
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

* Mr. Jan Cornelis van der Linden replaced Mr. Rudolf Gijsbert Servaas van den Brink as a Member of the Committee with effect from June 01, 2020.

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, 2020, four (4) Borrowing Committee Meetings were held on June 13, 2019, June 20, 2019, August 30, 2019 and November 07, 2019.

Mr. Chhaganlal Jain retired from the Board effective close of business hours on September 03, 2019. Attendance at Borrowing Committee Meetings for the period April 01, 2019 to September 03, 2019 is given below:

Names of the Directors	Category	Number of Borrowing Committee Meetings held	Number of Borrowing Committee Meetings attended
Mr. Chhaganlal Jain	Chairman	3	3
Mr. A K Ravi Nedungadi	Member	3	3
Ms. Kiran Mazumdar Shaw	Member	3	3

Consequent upon Mr. Chhaganlal Jain completing his term as Independent Director, the Borrowing Committee of the Board has been reconstituted effective September 04, 2019:

Attendance at Borrowing Committee Meetings for the period September 04, 2019 to March 31, 2020 after reconstitution is given below:

Names of the Directors	Category	Number of Borrowing Committee Meetings held	Number of Borrowing Committee Meetings attended
Mr. A K Ravi Nedungadi	Chairman	1	1
Mr. Sunil Alagh	Member	1	1
Ms. Kiran Mazumdar Shaw	Member	1	1
Mr. Madhav Bhatkuly	Member	1	1
Mr. Stephan Gerlich	Member	1	1
Mr. Berend Odink	Member	1	1

Special Purpose Committee

The Special Purpose Committee was formed inter alia to review the reports on internal investigation on the 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, 2020, two (2) Special Purpose Committee Meetings were held on June 28, 2019 and August 12, 2019.

Attendance at Special Purpose Committee Meetings

Names of the Directors	Category	Number of Special Purpose Committee Meetings held	Number of Special Purpose Committee Meetings attended
Mr. Madhav Bhatkuly	Chairman	2	2
Mr. Christiaan A J Van Steenbergen	Member	2	2
Mr. Chhaganlal Jain*	Member	2	2
Mr. Chugh Yoginder Pal*	Member	2	2

* Consequent upon Mr. Chhaganlal Jain and Mr. Chugh Yoginder Pal completing their term as Independent Directors, they ceased to be Members of the Committee.

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, 2020, five (5) Nomination and Remuneration Committee Meetings were held on July 11, 2019, August 13, 2019, August 22, 2019, February 05, 2020 and March 17, 2020.

Mr. Chhaganlal Jain and Mr. Chugh Yoginder Pal retired from the Board effective close of business hours on September 03, 2019. Attendance at Nomination and Remuneration Committee Meetings for the period April 01, 2019 to September 03, 2019 is given below:

Names of the Directors	Category	Number of Nomination and Remuneration Committee Meetings held	Number of Nomination and Remuneration Committee Meetings attended
Mr. Sunil Alagh	Chairman	3	3
Mr. A K Ravi Nedungadi	Member	3	3
Mr. Christiaan A J Van Steenbergen	Member	3	3
Mr. Chhaganlal Jain	Member	3	3
Mr. Chugh Yoginder Pal	Member	3	3

Consequent upon Mr. Chhaganlal Jain and Mr. Chugh Yoginder Pal completing their term as Independent Directors, the Nomination and Remuneration Committee of the Board has been reconstituted effective September 04, 2019:

Attendance at Nomination and Remuneration Committee Meetings for the period September 04, 2019 to March 31, 2020 after reconstitution is given below:

Names of the Directors	Category	Number of Nomination and Remuneration Committee Meetings held	Number of Nomination and Remuneration Committee Meetings attended
Ms. Kiran Mazumdar Shaw	Chairperson	2	2
Mr. A K Ravi Nedungadi	Member	2	2
Mr. Christiaan A J Van Steenbergen	Member	2	1
Mr. Sunil Alagh	Member	2	2

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. 30 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 Personnels and other employees. The Policy is posted on the website of the Company and is available through the weblink http://unitedbreweries.com/pdf/policyandcodes/Remuneration-Policy.pdf.

For the financial year ended March 31, 2020, Mr. Shekhar Ramamurthy, (Managing Director) was paid remuneration as under:

(Rupees)

Name	Salary & Allowance	Variable Pay	Long Term Incentive Payment	Perquisites	Retiral Benefits
Mr. Shekhar Ramamurthy	5,58,42,960	1,52,84,719	3,75,05,903	2,04,83,814	1,31,09,947*

* Gratuity accrual amount of Rs. 4 million is not included.

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

Sitting fees to Directors during 2019-2020

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	11,50,000/-
3.	Mr. Rudolf Gijsbert Servaas van den Brink	11,00,000/-
4.	Mr. Chhaganlal Jain	13,50,000/-
5.	Mr. Chugh Yoginder Pal	10,00,000/-
6.	Mr. Sunil Alagh	21,00,000/-
7.	Ms. Kiran Mazumdar Shaw	11,00,000/-
8.	Mr. Madhav Bhatkuly	16,00,000/-
9.	Mr. Stephan Gerlich	11,50,000/-

* 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 2019-2020

Sl. No.	Name of the Directors	Commission (Rupees)**
1.	Mr. A K Ravi Nedungadi	86,83,481/-
2.	Mr. Chhaganlal Jain #	30,10,273/-
3.	Mr. Chugh Yoginder Pal #	30,10,273/-
4.	Mr. Sunil Alagh	86,83,481/-
5.	Ms. Kiran Mazumdar Shaw	86,83,481/-
6.	Mr. Madhav Bhatkuly	86,83,481/-
7.	Mr. Stephan Gerlich	86,83,481/-

Commission is paid on a pro rata basis to Mr. Chhaganlal Jain and Mr. Chugh Yoginder Pal as they have resigned from the Board effective close of business hours on September 03, 2019.

** 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.

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, 2020, one (1) Independent Directors Meeting was held on June 04, 2019.

Attendance at Independent Directors Meetings

Names of the Directors	Category	Number of Independent Directors Meetings held	Number of Independent Directors Meetings attended
Ms. Kiran Mazumdar Shaw	Member	1	1
Mr. Chhaganlal Jain *	Member	1	1
Mr. Chugh Yoginder Pal *	Member	1	1
Mr. Sunil Alagh	Member	1	1
Mr. Madhav Bhatkuly	Member	1	1
Mr. Stephan Gerlich	Member	1	1

* The term of Mr. Chhaganlal Jain and Mr. Chugh Yoginder Pal, Independent Directors ended on September 03, 2019 and they did not seek re-appointment.

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 22, 2019	11.00 a.m.	Level 1, UB Tower, UB City, #24, Vittal Mallya Road, Bengaluru - 560 001.	Four
September 17, 2018	12.00 noon	Level 1, UB Tower, UB City, #24, Vittal Mallya Road, Bengaluru - 560 001.	Nil
September 23, 2017	11.00 a.m.	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.

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 shareholders' 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, 2020 will be paid on or before September 25, 2020 to the Members whose names appear:

i. as Beneficial Owners as at the close of the business hours on Wednesday, August 19, 2020 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 Wednesday, August 26, 2020 after giving effect to all valid Share transfers in physical form which are lodged with the Company on or before Wednesday, August 19, 2020.

Unclaimed Dividend

Unclaimed Dividend for the financial year ended March 31, 2013, will be due for transfer to the Investor Education and Protection Fund (IEPF) on October 16, 2020 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 by the shareholders 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, 2020 as required under Schedule V (F) of the Listing Regulations is given hereunder:

No. of Shareholders holding unclaimed shares as on 01.04.2019	No. of unclaimed shares as on 01.04.2019	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 31.03.2020	Balance unclaimed shares as on 31.03.2020	Voting Rights Frozen (%)
1,748	303,125	343	69,306	1405 **	23,3819	0.09

** Out of the above, during the year the Company has transferred 46968 Equity Shares held by 292 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 22338 Equity Shares held by 51 shareholders and transfer of 46968 Equity Shares held by 292 shareholders to IEPF, effectively the Company holds 233819 Equity Shares held by 1405 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.16,17,618 as dividend for the year 2011-2012 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 1,487,053 Equity Shares held by 9,639 shareholders (including 1,039,169 Equity Shares held by 6,291 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 weblink http://unitedbreweries.com/investors. Out of 1,487,053 shares, IEPF has credited 14,965 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, 2020.

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 weblink 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.

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 weblink:
   http://unitedbreweries.com/pdf/policyandcodes/Policy%20on%20Related%20Party%20Transactions.pdf

3. During the financial year ended March 31, 2020, 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 weblink:
   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 had received one complaint in relation to Sexual Harassment and Conduct during the financial year 2019-2020 which stands resolved.

No. of Complaints filed during the year	No. of Complaints disposed during the year	No. of Complaints pending as on 31.03.2020
01	01	NIL

12. During the year, the Company has paid Rs.220 Lacs to the Statutory Auditors towards Statutory Audit and other services provided by them to the Company.
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.

    None of the Employees & 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. 32 of Directors Report.

General Shareholder Information

The Company's financial year begins on April 01 and ends on March 31 of immediately subsequent year.

Division of Financial Calendar	Declaration of Unaudited Results	
April 01 to June 30	1st Quarter	By August 14th
July 01 to September 30	2nd Quarter	By November 14th
October 01 to December 31	3rd Quarter	By February 14th
January 01 to March 31	4th Quarter*	By June 30th

* In view of COVID pandemic, the SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 relaxed Regulation 33 of the Listing Regulations, relating to financial results. As per the said Circular, the Company is required to publish Audited Results for the last quarter by June 30, 2020.

Annual General Meeting (AGM) Information

Board Meeting for consideration of Accounts	June 24, 2020
Cut-off-Date for ascertaining shareholders entitled for Notice	July 24, 2020
Cut-off-Date for determining the eligibility to vote by remote e-voting system	August 19, 2020 (close of business hours)
Book Closure dates	August 20, 2020 to August 26, 2020 (both days inclusive)
Remote E-voting starting date and time	August 23, 2020 at 9.00 a.m.
Remote E-voting closure date and time	August 25, 2020 at 5.00 p.m.
Date of Annual General Meeting	August 26, 2020
Time	12.30 p.m. IST
Venue	The Company is conducting Meeting through Video Conference/Other Audio-Visual Means pursuant to the Ministry of Corporate Affairs (MCA) 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 8542/43
Webcast and transcripts	http://www.unitedbreweries.com/investors
Dividend record date	August 19, 2020
Dividend payment date	September 25, 2020

In compliance with, the General Circular No.20/2020 dated May 05, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, Notice of the AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-2020 will also be available on the Company's website **"www.unitedbreweries.com"**, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Central Depository Services (India) Limited: www.evotingindia.com.

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 2020–2021. 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

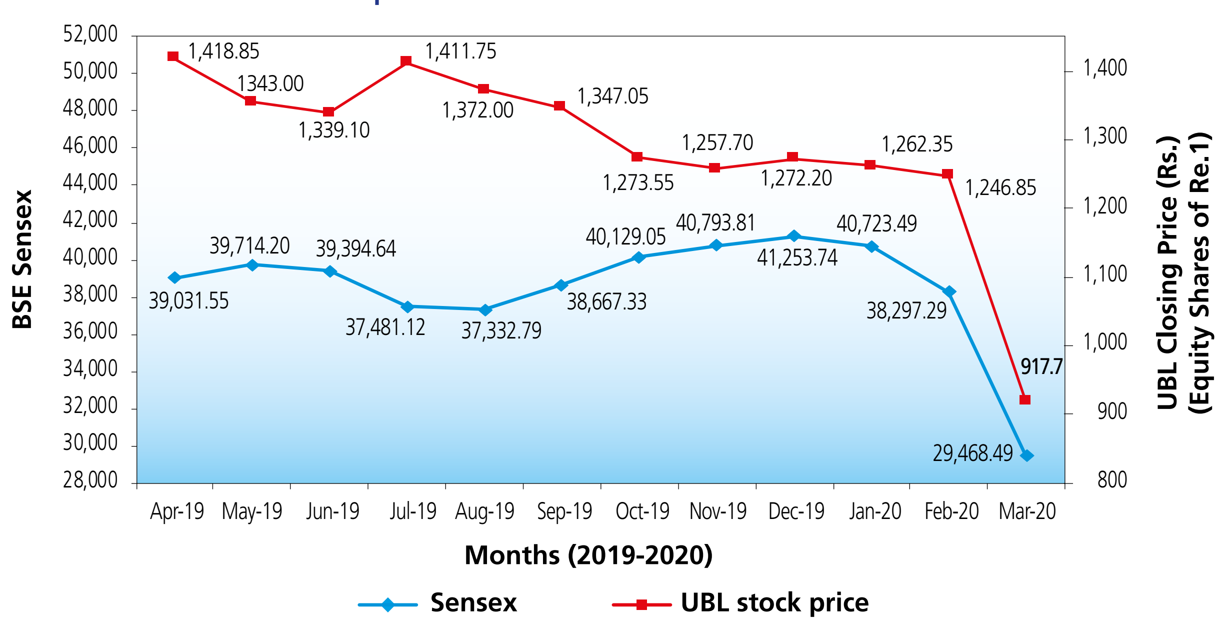
Market price data of the Company's Equity Shares traded on the BSE Limited (BSE), during the period April 2019 to March 2020

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Sensex – Close
April, 2019	1,464.55	1,391.65	1,418.85	39,031.55
May, 2019	1,483.55	1,300.00	1,343.00	39,714.20
June, 2019	1,383.70	1,296.00	1,339.10	39,394.64
July, 2019	1,443.70	1,342.00	1,411.75	37,481.12
August, 2019	1,425.00	1,259.00	1,372.00	37,332.79
September, 2019	1,403.25	1,218.75	1,347.05	38,667.33
October, 2019	1,400.00	1,246.35	1,273.55	40,129.05
November, 2019	1,297.95	1,194.05	1,257.70	40,793.81
December, 2019	1,312.75	1,184.85	1,272.20	41,253.74
January, 2020	1,320.00	1,241.00	1,262.35	40,723.49
February, 2020	1,355.90	1,212.00	1,246.85	38,297.29
March, 2020	1,273.50	758.75	917.70	29,468.49

(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:

Comparision - UBL Share Price Vs. BSE Sensex



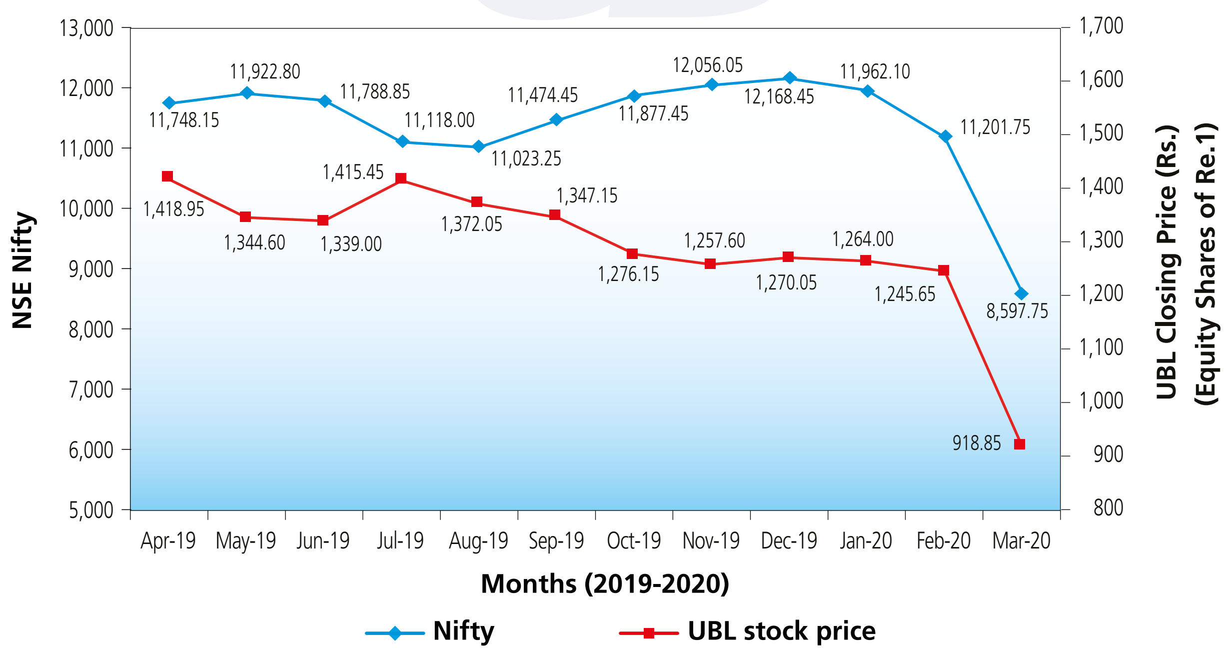
Market price data of the Company's Equity Shares traded on the National Stock Exchange of India Limited, (NSE) during the period April 2019 to March 2020

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Nifty – Close
April, 2019	1,466.40	1,392.80	1,418.95	11,748.15
May, 2019	1,483.70	1,319.00	1,344.60	11,922.80
June, 2019	1,383.95	1,294.00	1,339.00	11,788.85
July, 2019	1,438.50	1,341.00	1,415.45	11,118.00
August, 2019	1,428.00	1,258.30	1,372.05	11,023.25
September, 2019	1,396.00	1,218.25	1,347.15	11,474.45
October, 2019	1,365.00	1,246.00	1,276.15	11,877.45
November, 2019	1,298.50	1,194.20	1,257.60	12,056.05
December, 2019	1,313.70	1,185.00	1,270.05	12,168.45
January, 2020	1,318.00	1,240.15	1,264.00	11,962.10
February, 2020	1,356.00	1,211.05	1,245.65	11,201.75
March, 2020	1,272.00	749.50	918.85	8,597.75

(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:

Comparision – UBL Share Price Vs. NSE Nifty



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.

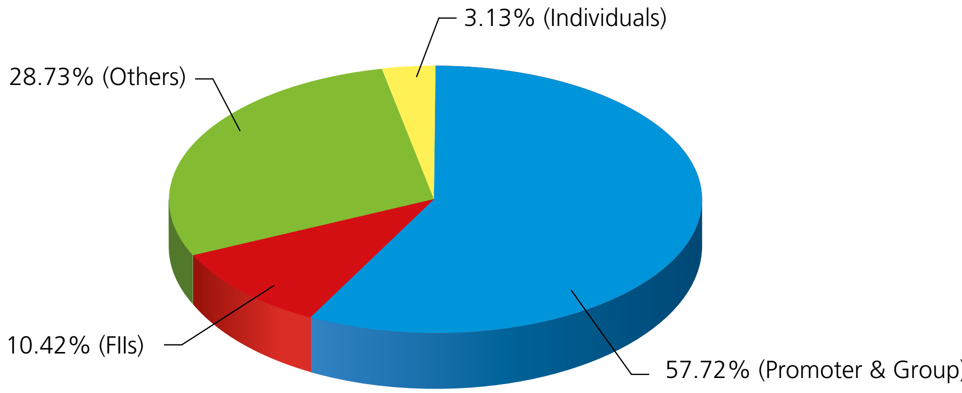
The distribution of shareholding as on March 31, 2020 is furnished below:

Category (Rs.)	No. of Shareholders	% (Percentage)	No. of Shares held	% (Percentage)
Up to 5000	43,720	99.07	7,172,737	2.71
5001 – 10000	124	0.28	894,153	0.34
10001 – 20000	92	0.21	1,312,367	0.05
20001 – 30000	31	0.07	774,086	0.29
30001 – 40000	13	0.03	458,542	0.17
40001 – 50000	12	0.03	554,808	0.21
50001 - 100000	29	0.07	2,135,581	0.81
100001 and Above	109	0.25	251,102,875	94.97
Total	**44,130**	**100.00**	**264,405,149**	**100.00**

Shareholding Pattern as on March 31, 2020

Category	No. of Shares held	Percentage of Shareholding
Promoters		
Indian	29,179,240	11.04
Foreign	123,437,545	46.68
Sub-Total	**152,616,785**	**57.72**
Foreign Institutional Investors (FIIs)	**27,551,091**	**10.42**
Individuals	**8,287,520**	**3.13**
Others		
IEPF	1,472,088	0.56
Mutual Funds	21,935,144	8.30
Banks / Financial Institution	75,626	0.03
Central / State Governments	42,704,758	16.15
Insurance Companies	2,349,143	0.89
Bodies Corporate	5,711,561	2.16
Trust	267,521	0.10
NRI	479,637	0.18
Clearing Members	410,192	0.16
Overseas Corporate Bodies	—	—
Qualified Foreign Investors	544,083	0.21
Sub-Total	**111,788,364**	**42.29**
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, 2020		As on March 31, 2019	
		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. Shekhar Ramamurthy	1,150	0.00	1,150	0.00
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 controlled 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. 32 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.

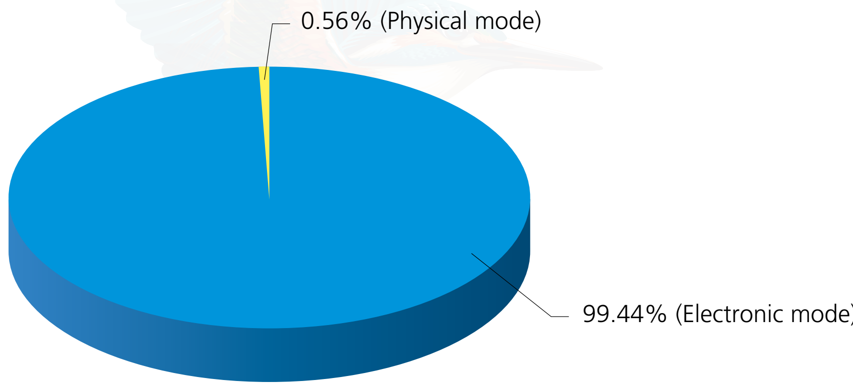
Effective April 01, 2019, transfer of Equity Shares of the Company held in physical form will not be processed and accepted in terms of the Listing Regulations, as amended by SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018. Members holding Equity Shares in 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 weblink:
http://unitedbreweries.com/pdf/investorinfodividend/Guidance%20Note_Dematerialise%20Shares.pdf

The status of Dematerialization of the Company's Shares as on March 31, 2020 is as under:

Mode	No. of Shares	% age	No. of Shareholders
Physical mode	1,492,366	0.56	5,262
Electronic mode	262,912,383	99.44	38,868
TOTAL	**264,405,149**	**100**	**44,130**

Shares held in physical and demat form as on March 31, 2020



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: bglsta@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, 2020, the Standalone Statement of Profit and Loss, including the Standalone Statement of Other Comprehensive Loss, 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, 2020, its profit including other comprehensive loss, 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 35(c) which more fully describes the uncertainty relating to the future outcome of ongoing investigation by the Competition Commission of India ("CCI");

(b) 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; and

(c) Note 44 which describes management's assessment of the impact of COVID-19 pandemic on these standalone Ind AS financial statements.

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, 2020. 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 the sale of products is recognised when control of the products has 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. 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, including the possible impact of COVID-19 pandemic on measurement of such estimates. • 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), 9 and 40(b) of the standalone Ind AS financial statements)	
Trade receivable balances represent significant portion of the total assets as at March 31, 2020. 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 actual 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 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.

Key audit matters	How our audit addressed the key audit matter
<u>Tax contingencies and provisions</u> (as described in Note 2.1(w), 16 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: • Assessed the design and operating effectiveness of management's key internal controls, on sample basis, over 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 loss, 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, 2020 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.

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 Loss, 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 (a) 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; 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 16, 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): 20208382AAAABF6368

Place of signature: Bengaluru
Date: June 24, 2020

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 14 to the accompanying standalone Ind AS financial statements for details) for securing the 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, 2020; and 3 immovable properties 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, 2020 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, service 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, 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.

Independent Auditor's Report contd.

(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:

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
		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
		1,697	1,697	2013-14, 2017-18 and 2018-19	High Court of Rajasthan
		619	613	2019-20	Excise Commissioner, Aligarh, Uttar Pradesh
		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
		5,571	753	2008-09 to 2013-14	Joint Commissioner of Commercial Taxes (Appeal), Maharashtra
		579	24	2012-13	The Appeal Authority, Commercial Taxes, Alwar
		488	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
		262	2	2008-09 to 2011-12, 2013-14 and 2014-15	Joint Commissioner of Commercial Taxes (Appeal), Patna
		186	—	2016-17	Joint Commissioner of Sales Tax, West Bengal
		166	2	2014-15 and 2015-16	Additional Commissioner of Sales Tax, West Bengal
		63	—	2002-03	Jt. Excise and Taxation Commissioner (Appeals), Faridabad

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	22	8	2003-04 and 2006-07	Maharashtra Sales Tax Tribunal
		21	2	2011-12 and 2012-13	Commissioner of Commercial Taxes, Bihar
		17	1	2011-12 to 2016-17	Deputy Commissioner Appeals, Alwar
		13	1	2008-09 and 2011-12	Commercial Taxes Tribunal, Bihar
		10	4	2005-06 to 2007-08	Sales Tax Appellate Tribunal, Andhra Pradesh
		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, 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, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(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, 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): 20208382AAAABF6368

Place of signature: Bengaluru
Date: June 24, 2020

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, 2020, 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 qualified 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements as at March 31, 2020:

The Company's internal control system with respect to customer evaluation and credit assessment for export sales needed to be strengthened to operate effectively.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements as of March 31, 2020, 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 issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as of March 31, 2020.

Explanatory Paragraph

We have also audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Standalone Balance Sheet as at March 31, 2020, and the related Standalone Statement of Profit and Loss, including the Standalone Statement of Other Comprehensive Loss, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. The aforesaid material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 standalone Ind AS financial statements of the Company and this report does not affect our report dated June 24, 2020, which expressed an unqualified opinion on those standalone Ind AS financial statements.

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): 20208382AAAABF6368

Place of signature: Bengaluru
Date: June 24, 2020

Standalone Balance Sheet as at March 31, 2020

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

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,87,682	1,72,525
Capital work-in-progress		19,912	18,992
Intangible assets	4	2,393	2,694
Financial assets			
(i) Investments	5	2,568	2,568
(ii) Others	6	4,897	5,828
Income tax assets (net)	17	18,945	17,493
Deferred tax asset (net)	17	2,771	—
Other non-current assets	7	19,706	17,786
		2,58,874	2,37,886
Current assets			
Inventories	8	1,09,229	1,03,080
Financial assets			
(i) Trade receivables	9	1,34,977	1,51,002
(ii) Cash and cash equivalents	10	2,899	1,898
(iii) Bank balances other than (ii) above	11	4,432	2,614
(iv) Others	6	366	71
Other current assets	7	42,885	41,309
		2,94,788	2,99,974
Assets held for sale	3(d)	714	—
		2,95,502	2,99,974
Total assets		**5,54,376**	5,37,860
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	2,644	2,644
Other equity	13	3,49,153	3,15,545
		3,51,797	3,18,189
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	890	7,543
(ii) Others	15	1,131	955
Provisions	16	1,658	163
Deferred tax liability (net)	17	—	1,147
		3,679	9,808
Current liabilities			
Financial liabilities			
(i) Borrowings	18	16,015	600
(ii) Trade payables	19		
- Total outstanding dues to micro and small enterprises		5,387	4,426
- Total outstanding dues of creditors other than micro and small enterprises		49,076	54,568
(iii) Others	15	56,609	70,025
Other current liabilities	20	62,835	72,151
Provisions	16	8,978	8,093
		1,98,900	2,09,863
Total equity and liabilities		**5,54,376**	5,37,860
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: June 24, 2020

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

Shekhar Ramamurthy
Managing Director
DIN: 00504801

Madhav Bhatkuly
Director
DIN: 00796367

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and
Company Secretary

Place: Bengaluru
Date: June 24, 2020

Standalone Statement of Profit and Loss for the year ended March 31, 2020

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

	Notes	March 31, 2020	March 31, 2019
INCOME			
Revenue from contracts with customers (including excise duty)	21	14,64,646	14,13,682
Other income	22	911	3,170
Total		**14,65,557**	14,16,852
EXPENSES			
Cost of materials consumed	23	2,97,486	2,92,714
Purchase of stock-in-trade	24	19,497	16,477
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(955)	(7,447)
Excise duty on sale of goods		8,14,191	7,66,439
Employee benefits expense	26	49,977	44,386
Finance costs	27	3,112	3,120
Depreciation and amortisation expense	28	28,497	25,978
Other expenses	29	1,97,010	1,87,337
Total		**14,08,815**	13,29,004
Profit before tax		**56,742**	87,848
Tax expense	30		
Current tax		17,550	32,234
Deferred tax (credit)		(3,531)	(664)
Total tax expense		**14,019**	31,570
Profit for the year		**42,723**	56,278
Other comprehensive income/(loss) (OCI)			
Items that will not be reclassified to the statement of profit and loss in subsequent periods			
Re-measurement (losses) on defined benefit plans		(1,538)	(293)
Income tax effect on above		387	102
Items that will be reclassified to the statement of profit and loss in subsequent periods			
Net movement in cash flow hedges	31	—	261
Income tax effect on above		—	(85)
		(1,151)	(15)
Total comprehensive income for the year		**41,572**	56,263
Earnings per share in Rs. [nominal value per share Re.1 (Previous year: Re.1)]	32		
Basic		16.16	21.29
Diluted		16.16	21.29
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: June 24, 2020

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

Shekhar Ramamurthy
Managing Director
DIN: 00504801

Madhav Bhatkuly
Director
DIN: 00796367

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and
Company Secretary

Place: Bengaluru
Date: June 24, 2020

Standalone Cash Flow Statement for the year ended March 31, 2020

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

		Notes	March 31, 2020	March 31, 2019
A	**Cash flow from operating activities**			
	Profit before tax		56,742	*87,848*
	Adjustments for:			
	Depreciation and amortisation expense		28,497	*25,978*
	Bad debts/advances written off		68	*334*
	Loss allowance for trade receivables		3,468	*392*
	Provision for doubtful advances/deposits		6	*54*
	Effect of adoption of new revenue recognition accounting standard Ind-AS 115		—	*(549)*
	Unrealised exchange differences (net)		305	*91*
	Net (gain) on sale of property, plant and equipment		(12)	*(28)*
	Liabilities no longer required written back		(88)	*(340)*
	Loss allowance for trade receivables, no longer required written back		(179)	*(1,894)*
	Provision for doubtful advances/deposits, no longer required written back		(7)	*(14)*
	Interest expense		3,047	*3,063*
	Interest income		(203)	*(686)*
	Dividend income		(23)	*(23)*
	Operating profits before working capital changes		**91,621**	*1,14,226*
	Movement in working capital:			
	(Increase)/decrease in Inventories		(6,149)	*(22,436)*
	(Increase)/decrease in Trade receivables		12,780	*49*
	(Increase)/decrease in Other financial assets		923	*683*
	(Increase)/decrease in Other assets		(4,651)	*(14,793)*
	Increase/(decrease) in Trade payables		(4,613)	*7,214*
	Increase/(decrease) in Other financial liabilities		(11,773)	*5,734*
	Increase/(decrease) in Other current liabilities and provisions		(8,474)	*12,660*
	Cash generated from operations		**69,664**	*1,03,337*
	Direct taxes paid (net of refund)		(19,002)	*(38,899)*
	Net cash flow from operating activities (A)		**50,662**	*64,438*
B	**Cash flow from investing activities**			
	Purchase of property, plant and equipment including capital work-in-progress, intantible assets and capital advances		(40,338)	*(43,766)*
	Proceeds from sale of property, plant and equipment		57	*130*
	Investments in equity shares		—	*(11)*
	Investments in bank deposits (having original maturity of more than three months)		(148)	*(528)*
	Redemption/maturity of bank deposits (having original maturity of more than three months)		39	*495*
	Interest received		194	*687*
	Dividend received from subsidiary company		23	*23*
	Net cash (used in) investing activities (B)		**(40,173)**	*(42,970)*

Cash Flow Statement contd.

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

	Notes	March 31, 2020	March 31, 2019
C Cash flow from financing activities			
Proceeds from long-term borrowings		—	49
Repayment of long-term borrowings - lease liabilities		(761)	—
Repayment of long-term borrowings - others		(13,006)	(5,671)
Proceeds from/(repayment of) short-term borrowings (net)		14,918	(4,678)
Interest paid		(2,675)	(3,131)
Dividend paid to equity shareholders*		(6,610)	(5,288)
Dividend distribution tax paid		(1,354)	(1,082)
Net cash flow (used in) financing activities (C)		**(9,488)**	(19,801)
*Includes amount transferred to separate bank accounts earmarked for unpaid dividend			
Net increase in cash and cash equivalents (A+B+C)		**1,001**	1,667
Cash and cash equivalents at the beginning of the year		1,898	231
Cash and cash equivalents at the end of the year		**2,899**	1,898
Components of cash and cash equivalents	10		
Cash on hand		8	12
Bank balances on current accounts		2,891	1,869
Bank balances on deposit accounts with original maturity of three months or less		—	17
Total cash and cash equivalents		**2,899**	1,898

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

	Notes	March 31, 2020	March 31, 2019
Long-term borrowings (including current maturities)			
At beginning of the year		20,549	25,928
Cash outflows - lease liabilities		(761)	—
Cash outflows - others		(13,006)	(5,622)
Non-cash changes - lease liabilities on addition of right-of-use assets		2,420	—
Non-cash changes - foreign exchange differences		—	243
At end of the year		**9,202**	20,549
Short-term borrowings			
At beginning of the year		600	5,278
Cash inflows/(outflows)		14,918	(4,678)
Non-cash changes - foreign exchange differences		497	—
At end of the year		**16,015**	600
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: June 24, 2020

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

Shekhar Ramamurthy
Managing Director
DIN: 00504801

Madhav Bhatkuly
Director
DIN: 00796367

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and
Company Secretary

Place: Bengaluru
Date: June 24, 2020

Standalone Statement of Changes in Equity for the year ended March 31, 2020

(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, 2020		*As at March 31, 2019*	
	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				Items of OCI	Total
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Cash flow hedge reserve	
	Note 13	Note 13	Note 13	Note 13	Note 13	
Balance as at April 1, 2018	24,690	62,938	31,301	1,47,448	(176)	2,66,201
Profit for the year	—	—	—	56,278	—	56,278
Effect of adoption of new revenue recognition accounting standard Ind AS 115	—	—	—	(549)	—	(549)
Other comprehensive income	—	—	—	(191)	176	(15)
Transfer from retained earnings	—	—	5,628	(5,628)	—	—
Cash dividends (Refer Note 13)	—	—	—	(5,288)	—	(5,288)
Dividend distribution tax	—	—	—	(1,082)	—	(1,082)
Balance as at April 1, 2019	**24,690**	**62,938**	**36,929**	**1,90,988**	**—**	**3,15,545**
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 13)	—	—	—	(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**

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. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the

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

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.

Cash flow hedge reserve - The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve are reclassified to the statement of profit and loss when the hedged item affects the statement of profit and loss.

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	Shekhar Ramamurthy Managing Director DIN: 00504801	Madhav Bhatkuly Director DIN: 00796367
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: June 24, 2020	Place: Bengaluru Date: June 24, 2020	

Notes to the standalone Ind AS financial statements for the year ended March 31, 2020

(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 June 24, 2020.

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, except for the changes in accounting policy for amendments to the standards that were issued effective for annual period beginning on or after April 1, 2019 relating to Ind AS 116 on Leases and Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments.

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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are 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.

Notes to the standalone Ind AS Financial Statements contd.

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

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).

Notes to the standalone Ind AS Financial Statements contd.

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

(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.

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

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.

(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 intangible 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 are 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 are 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 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.

(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	5

If ownership of the leased asset transfers 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 excluding 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

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 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)

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

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.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit and loss, unless designated as effective hedging instruments.

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.

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

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 non-financial assets

The 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 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 Changes to accounting policies and disclosures

The Company applied Ind AS 116 Leases for the first time for year ended March 31, 2020. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Certain other amendments and interpretations were also applied for the first time for the year ended March 31, 2020, but these did not have a material impact on the standalone Ind AS financial statements. The Company has not early adopted any standards or amendments that have been issued but are not yet effective as at year end.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases (including its appendices). This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application as April 1, 2019, and consequently comparatives for previous year have not been restated. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019 and applied the standard only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

This adoption of Ind AS 116 has resulted in recognition of right-of-use assets and corresponding lease liabilities of Rs. 1,631 Lakhs (excluding reclassification of leasehold land to right-of-use assets) as at April 1, 2019. The net effect of adopting this standard on the statement of profit and loss, other comprehensive income or earnings per share is not material. Refer disclosures included in Note 3 and 33 for details.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments

This Appendix addresses accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

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

Upon adoption, the Company considered whether it has any uncertain tax positions. The Company's tax filings include certain tax treatments which in past have been challenged by the taxation authorities. The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. Accordingly, this Appendix did not have a material impact on the standalone Ind AS financial statements.

2.3. Standards issued but not yet effective

There are no standards or amendments issued on or before March 31, 2020 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, 2019	Additions	Deletions (refer note d)	**As at March 31, 2020**	*As at April 1, 2019*	For the year	On Deletions (refer note d)	**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
Computers	*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
Total	***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**

Previous year

	Cost				Depreciation/Amortisation				Net book value
	As at April 1, 2018	*Additions*	*Deletions*	*As at March 31, 2019*	*As at April 1, 2018*	*For the year*	*On Deletions*	*As at March 31, 2019*	*As at March 31, 2019*
Freehold land (refer note a)	*20,066*	*137*	—	*20,203*	—	—	—	—	*20,203*
Leasehold land (refer note b)	*11,516*	*5,952*	—	*17,468*	*847*	*152*	—	*999*	*16,469*
Buildings (refer note c)	*61,177*	*1,008*	*149*	*62,036*	*18,385*	*1,861*	*149*	*20,097*	*41,939*
Leasehold improvements	*64*	—	—	*64*	*64*	—	—	*64*	—
Plant and equipment	*2,51,374*	*19,848*	*2,528*	*2,68,694*	*1,61,794*	*21,749*	*2,444*	*1,81,099*	*87,595*
Office equipments	*1,657*	*95*	*18*	*1,734*	*1,215*	*129*	*18*	*1,326*	*408*
Computers	*1,646*	*217*	*40*	*1,823*	*1,272*	*117*	*39*	*1,350*	*473*
Furniture and fixtures	*16,907*	*2,562*	*29*	*19,440*	*14,453*	*1,215*	*18*	*15,650*	*3,790*
Laboratory equipments	*3,339*	*272*	*52*	*3,559*	*1,962*	*242*	*50*	*2,154*	*1,405*
Vehicles	*1,030*	*89*	*101*	*1,018*	*805*	*67*	*97*	*775*	*243*
Total	***3,68,776***	***30,180***	***2,917***	***3,96,039***	***2,00,797***	***25,532***	***2,815***	***2,23,514***	***1,72,525***

(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, 2020. 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 titles 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. Leasehold land has been classified as right-of-use asset upon adoption of Ind AS 116.

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

	March 31, 2020	March 31, 2019
Gross block	28,174	27,261
Depreciation charge for the year*	911	777
Accumulated depreciation*	8,981	8,188
Net block	**19,193**	**19,073**

*Net of depreciation on deletions.

(d) Deletions include assets (leasehold land and buildings) with gross value of Rs. 809 Lakhs (Previous year: Nil) and net book value of Rs. 714 Lakhs (Previous year: Nil) classified as Assets held for sale at lower of carrying value and fair value less cost to sell.

(e) Refer Note 14 for details of property, plant and equipment pledged as security against borrowings.

4. INTANGIBLE ASSETS

	Cost				Amortisation				Net book value
	As at April 1, 2019	Additions	Deletions/ Adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Deletions/ Adjustments	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**

Previous year

	Cost				Amortisation				Net book value
	As at April 1, 2018	Additions	Deletions/ Adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Deletions/ Adjustments	As at March 31, 2019	As at March 31, 2019
Licenses and rights	10,571	614	—	11,185	8,045	446	—	8,491	2,694
Goodwill	6,543	—	6,543	—	6,543	—	6,543	—	—
Brands	631	—	631	—	631	—	631	—	—
Total	17,745	614	7,174	11,185	15,219	446	7,174	8,491	2,694

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Notes to the standalone Ind AS Financial Statements contd.

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

	As at March 31, 2020		As at March 31, 2019	
5. FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)				
(Unquoted)				
Trade investments (at cost) (fully paid-up)				
Equity instruments				
Investments in subsidiary company				
Maltex Malsters Limited ('MML') [22,950 (March 31, 2019: 22,950) equity shares of Rs. 100 each]	4,500		4,500	
Less: Provision for impairment in value of investments*	1,959	2,541	1,959	2,541
Investment in associate				
Kingfisher East Bengal Football Team Private Limited [4,999 (March 31, 2019: 4,999) equity shares of Rs. 10 each]		1		1
Non-trade investments (at fair value through profit or loss) (fully paid-up)				
Equity instruments				
The Zoroastrian Co-operative Bank Limited [2,000 (March 31, 2019: 2,000) equity shares of Rs. 25 each]		1		1
SABMiller India Limited (Formerly, Skol Breweries Limited) [300 (March 31, 2019: 300) equity shares of Rs. 10 each]**		—		—
Castle Breweries Ltd. (Formerly, Jupiter Breweries Industries Limited) [50 (March 31, 2019: 50) equity shares of Rs. 10 each]**		—		—
Mohan Meakin Limited [100 (March 31, 2019: 100) equity shares of Rs. 5 each]**		—		—
Blossom Industries Limited [100 (March 31, 2019: 100) equity shares of Rs. 3 each]**		—		—
Renew Wind Energy (Karnataka) Private Limited [8,400 (March 31, 2019: 8,400) equity shares of Rs. 100 each]		8		8
Mytrah Vayu (Manjira) Private Limited [144,000 (March 31, 2019: 144,000) equity shares of Rs. 10 each]		14		14
In government securities				
National savings certificate	18		18	
Less: Provision for impairment in value of investments	15	3	15	3
Total		**2,568**		2,568

* The fair value for the purpose of determination of impairment loss has been estimated 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. In view of management, no further provision for impairment is considered necessary as at March 31, 2020.

**Rounded off.

	As at March 31, 2020	As at March 31, 2019
Aggregate amount of unquoted investments (net)	2,568	2,568
Aggregate amount of impairment in value of investments	(1,974)	(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, 2020	*As at March 31, 2019*	**As at March 31, 2020**	*As at March 31, 2019*
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	4,703	5,626	—	—
Bank deposits with remaining maturity of more than 12 months	90	104	—	—
Margin money deposits towards bank guarantees	104	98	—	—
Interest accrued on bank and other deposits	—	—	80	71
	4,897	5,828	**366**	71
Unsecured, credit impaired				
Security deposits	71	74	—	—
Less: Loss allowance	71	74	—	—
	—	—	—	—
Total	**4,897**	5,828	**366**	71
7. OTHER ASSETS				
Unsecured, considered good				
Capital advances	5,502	6,622	—	—
Advances other than capital advances				
Advance to suppliers*	3,680	3,095	1,828	3,378
Advance to a related party (Refer Note 38)	—	—	116	268
Employees and other advances	83	94	220	234
Prepaid expenses	4,259	2,535	8,924	7,141
Balance with statutory/government authorities**	5,543	4,801	31,797	30,288
Government grant receivable***	639	639	—	—
	19,706	17,786	**42,885**	41,309
Unsecured, considered doubtful				
Capital advances	82	86	—	—
Advances other than capital advances				
Advance to suppliers	95	85	—	—
Balance with statutory/government authorities	318	322	—	—
Less: Provision for doubtful advances	495	493	—	—
	—	—	—	—
Total	**19,706**	17,786	**42,885**	41,309

* Non-current advance to suppliers includes an amount of Rs. 3,180 Lakhs (March 31, 2019: Rs. 3,095 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.

** 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.

Notes to the standalone Ind AS Financial Statements contd.

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

	As at March 31, 2020	As at March 31, 2019
8. INVENTORIES		
(valued at lower of cost and net realisable value)		
Raw materials [Includes in transit: Rs. 610 Lakhs (March 31, 2019: Rs. 917 Lakhs)]	23,294	26,412
Packing materials and bottles [Includes in transit: Rs. 642 Lakhs (March 31, 2019: Rs. 1,328 Lakhs)]	18,962	12,660
Work-in-progress	37,118	34,849
Finished goods [Includes in transit: Rs. 4,399 Lakhs (March 31, 2019: Rs. 4,920 Lakhs)]*	24,491	24,581
Stock-in-trade [Includes in transit: Rs. 84 Lakhs (March 31, 2019: Rs. 10 Lakhs)]	690	358
Stores and spares [Includes in transit: Rs. 223 Lakhs (March 31, 2019: Rs. 494 Lakhs)]	4,674	4,220
Total	**1,09,229**	1,03,080

*Net of provision for obsolete stock Rs. 2,227 Lakhs (March 31, 2019: Rs. 1,463 Lakhs).

During the year, an amount of Rs. 2,519 Lakhs (March 31, 2019: Rs. 1,555 Lakhs) was recognised as an expense for inventories carried at net realisable values.

	As at March 31, 2020	As at March 31, 2019
9. TRADE RECEIVABLES		
(Financial assets at amortised cost)		
Considered good		
Secured	2,489	1,006
Unsecured	1,32,488	1,49,996
	1,34,977	1,51,002
Credit impaired		
Unsecured	8,693	5,404
Less: Loss allowance	8,693	5,404
	—	—
Total	**1,34,977**	1,51,002

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 commission agents.

	As at March 31, 2020	As at March 31, 2019
10. CASH AND CASH EQUIVALENTS		
Bank balances on current accounts**	2,891	1,869
Bank deposits with original maturity of three months or less	—	17
Cash on hand	8	12
Total	**2,899**	1,898

**Includes balances in exchange earners foreign currency accounts of Rs. 263 Lakhs (March 31, 2019: Rs. 1,251 Lakhs)

	As at March 31, 2020	As at March 31, 2019
11. OTHER BANK BALANCES		
Bank balances on current accounts towards unpaid dividend	3,791	2,090
Bank deposits with original maturity of:		
Less than 12 months but more than 3 months	588	472
Greater than 12 months	53	52
Total	**4,432**	2,614

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 held with statutory/government authorities.

12. EQUITY SHARE CAPITAL

	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
4,12,98,00,000 (March 31, 2019: 4,12,98,00,000) equity shares of Re. 1 each	41,298	41,298
5,86,00,000 (March 31, 2019: 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, 2019: 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, 2020		As at March 31, 2019	
	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, 2020		As at March 31, 2019	
	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.

Notes to the standalone Ind AS Financial Statements contd.

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

	As at March 31, 2020	As at March 31, 2019
13. 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	36,929	*31,301*
Transfer from the statement of profit and loss	4,272	*5,628*
Closing balance	**41,201**	*36,929*
Cash flow hedge reserve		
Balance as per last standalone Ind AS financial statements	—	*(176)*
Net movement on cash flow hedges (net of tax) (Refer Note 31)	—	*176*
Closing balance	**—**	*—*
Retained earnings		
Balance as per last standalone Ind AS financial statements	1,90,988	*1,47,448*
Profit for the year	42,723	*56,278*
Effect of adoption of new revenue recognition accounting standard Ind AS 115 (net of tax)	—	*(549)*
Other comprehensive income	(1,151)	*(191)*
Appropriations		
Final equity dividend	(6,610)	*(5,288)*
Tax on equity dividend	(1,354)	*(1,082)*
Transfer to general reserve	(4,272)	*(5,628)*
Closing balance	**2,20,324**	*1,90,988*
Total reserves and surplus	**3,49,153**	*3,15,545*
Distribution made and proposed		
Cash dividends on equity shares declared and paid:		
Dividend for the year ended March 31, 2019: Rs. 2.50 per share (March 31, 2018: Rs. 2.00 per share)	6,610	*5,288*
Dividend distribution tax	1,354	*1,082*
	7,964	*6,370*
Proposed dividends on equity shares:		
Dividend for the year ended on March 31, 2020: Rs. 2.50 per share (March 31, 2019: Rs. 2.50 per share)	6,610	*6,610*
Dividend distribution tax	—	*1,359*
	6,610	*7,969*

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon, if applicable) as at year end.

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

	Non-current portion		Current portion	
	As at March 31, 2020	*As at March 31, 2019*	**As at March 31, 2020**	*As at March 31, 2019*
14. FINANCIAL LIABILITIES - BORROWINGS (NON-CURRENT) (at amortised cost)				
Secured				
Indian currency term loans from banks	37	*7,543*	*7,506*	*13,006*
	37	*7,543*	***7,506***	*13,006*
Unsecured				
Lease liabilities	853	—	*806*	—
	853	—	***806***	—
Less: Amount disclosed under the head "Other financial liabilities" (Refer Note 15)	—	—	*8,312*	*13,006*
Total	**890**	*7,543*	—	—

Secured

Nature of security	Repayment and other terms
Indian currency term loans	
BNP Paribas: Rs. Nil (March 31, 2019: Rs. 13,000 Lakhs) was secured by first pari-passu charge on all 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 8, 2019 and March 14, 2020. The loan carried interest of 8.35% and 8.60% per annum payable on monthly basis.
Cooperatieve Rabo Bank U.A.: Rs. 7,500 Lakhs (March 31, 2019: 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 carries interest of 6.70% to 8.50% per annum payable on monthly basis.
Daimler Financial Services India Private Limited: Rs.43 Lakhs (March 31, 2019: Rs. 49 Lakhs) secured by hypothecation of Car.	Repayable in 48 equal monthly instalments starting from October 2018. The loan carries 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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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, 2020	*As at March 31, 2019*	**As at March 31, 2020**	*As at March 31, 2019*
15. OTHER FINANCIAL LIABILITIES				
(at amortised cost)				
Current maturities of long-term borrowings (Refer Note 14)	—	—	8,312	*13,006*
Liability for capital goods	—	—	6,208	*5,054*
Interest accrued but not due on borrowings	—	—	569	*197*
Security deposits	—	—	3,705	*3,844*
Unpaid dividends*	—	—	3,791	*2,090*
Salaries and bonus payable	1,131	*955*	3,870	*4,397*
Freight expenses payable	—	—	6,509	*13,580*
Other expenses payable	—	—	23,645	*27,857*
Total	**1,131**	*955*	**56,609**	*70,025*

* 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, 2020	*As at March 31, 2019*	**As at March 31, 2020**	*As at March 31, 2019*
16. PROVISIONS				
Provision for employee benefits				
Gratuity	685	*163*	1,000	*1,000*
Provident fund	973	—	—	—
Compensated absences	—	—	4,426	*3,791*
	1,658	*163*	**5,426**	*4,791*
Other provisions				
Provision for litigations	—	—	3,552	*3,023*
Provision for claims	—	—	—	*279*
	—	—	**3,552**	*3,302*
Total	**1,658**	*163*	**8,978**	*8,093*

	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	3,023	531	—	2	3,552
	(3,233)	(89)	(77)	(222)	(3,023)
Provision for claims	279	—	—	279	—
	(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.

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

	As at March 31, 2020	As at March 31, 2019
17. TAX ASSET/(LIABILITY) (NET)		
(a) Income tax assets (net)		
Balance at the beginning of the year	17,493	*10,828*
Less: Provision for the year	17,550	*32,234*
Add: Taxes paid (net of refund)	19,002	*38,899*
Closing balance (net)	**18,945**	*17,493*

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 and other comprehensive income	
	As at March 31, 2020	As at March 31, 2019	March 31, 2020	March 31, 2019
(b) Deferred tax asset/(liability) (net)				
Deferred tax asset				
Provision/allowance for receivables and advances	2,330	*2,087*	(243)	*510*
Provision for employee benefits	1,783	*1,731*	(52)	*(105)*
Fair valuation of cash flow hedges	—	—	—	*9*
Other provisions	1,326	*898*	(428)	*(21)*
	5,439	*4,716*	**(723)**	*393*
Deferred tax liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial	2,668	*5,863*	(3,195)	*(1,074)*
	2,668	*5,863*	**(3,195)**	*(1,074)*
Net deferred tax asset/(liability)	**2,771**	*(1,147)*		
Deferred tax (credit)			**(3,918)**	*(681)*

Reconciliation of movement in deferred tax asset/(liability) (net)

	March 31, 2020	March 31, 2019
Balance at the beginning of the year	(1,147)	*(1,828)*
Tax credit during the year		
Recognised in the statement of profit and loss	3,531	*664*
Recognised in OCI	387	*17*
	3,918	*681*
Balance at the end of the year	**2,771**	*(1,147)*

The Company has not recognised deferred tax asset on provision for impairment in value of investments amounting to Rs. 1,974 Lakhs (March 31, 2019: Rs. 1,974 Lakhs), considering uncertainty that sufficient future taxable capital gains would be available against which such tax credits can be utilised.

Notes to the standalone Ind AS Financial Statements contd.

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

	As at March 31, 2020	As at March 31, 2019
18. FINANCIAL LIABILITIES - BORROWINGS (CURRENT)		
(at amortised cost)		
Secured		
Indian currency working capital demand loans from banks	6,100	600
	6,100	600
Unsecured		
Foreign currency buyer's credit from bank	9,915	—
	9,915	—
Total	**16,015**	600

(a) Indian currency 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 6.52% to 6.75% per annum.

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

19. FINANCIAL LIABILITIES - TRADE PAYABLES

	As at March 31, 2020	As at March 31, 2019
(at amortised cost)		
Total outstanding dues of micro and small enterprises (Refer Note 36 for details)	5,387	4,426
Total outstanding dues of creditors other than micro and small enterprises (including acceptances)*	49,076	54,568
Total	**54,463**	58,994

*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, 2020	As at March 31, 2019
Statutory dues payable**	56,957	64,220
Contract liabilities - Advances from customers***	3,146	7,239
Advance against assets held for sale	2,069	—
Advance from commission agents	663	692
Total	**62,835**	72,151

**Includes liability for excise duty on closing stock of work-in-progress and finished goods.

***Revenue recognised from amounts included in contract liabilities at the beginning of the year is Rs. 6,716 Lakhs (March 31, 2019: Rs. 1,229 Lakhs)

Notes to the standalone Ind AS Financial Statements contd.

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

	March 31, 2020	March 31, 2019
21. REVENUE FROM CONTRACTS WITH CUSTOMERS (INCLUDING EXCISE DUTY)		
Revenue from operations		
Sale of products (including excise duty)	14,38,774	13,86,627
Sale of services	998	1,060
Other operating revenues	24,874	25,995
Total	**14,64,646**	14,13,682
(a) Disaggregated revenue information		
Sale of products (including excise duty)		
Beer	14,25,777	13,77,043
Non-alcoholic beverages	2,033	808
Others (Input materials)	10,964	8,776
	14,38,774	13,86,627
Sale of services	998	1,060
Royalty income	**998**	1,060
Other operating revenues		
Income from contract manufacturing units	14,174	16,427
Scrap sales	10,250	8,783
Others	450	785
	24,874	25,995
(b) Timing of revenue recognition		
Products transferred at a point in time	14,49,474	13,96,195
Services rendered at a point in time	15,172	17,487
	14,64,646	14,13,682
(c) Reconciliation of amount of revenue recognised with contract price		
Revenue as per contracted price	15,07,275	14,54,762
Adjustments (Variable considerations, etc.)	(42,629)	(41,080)
Revenue from contracts with customers	**14,64,646**	14,13,682

(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, 2020 is adjusted for reversals in variable considerations of Rs. 1,702 Lakhs (Previous year: Rs. 2,091 Lakhs).

(f) Also refer Note 9 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, 2020	March 31, 2019
22. OTHER INCOME		
Interest income on bank and other deposits	203	686
Dividend income on investment in subsidiary company	23	23
Net gain on sale of property, plant and equipment	12	28
Liabilities no longer required written back	88	340
Loss allowance for trade receivables, no longer required written back	179	1,894
Provision for doubtful advances/deposits, no longer required written back	7	14
Other non-operating income	399	185
Total	**911**	3,170
23. COST OF MATERIALS CONSUMED		
Raw materials		
Inventories at the beginning of the year	26,412	20,178
Add: Purchases	1,07,097	1,13,720
Less: Inventories at the end of the year	23,294	26,412
Consumption	**1,10,215**	1,07,486
Packing materials and bottles		
Inventories at the beginning of the year	12,660	10,550
Add: Purchases	1,93,573	1,87,338
Less: Inventories at the end of the year	18,962	12,660
Consumption	**1,87,271**	1,85,228
Total	**2,97,486**	2,92,714
24. PURCHASES OF STOCK-IN-TRADE		
Beer	18,866	16,402
Non-alcoholic beverages	631	75
	19,497	16,477
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the beginning of the year		
Finished goods*	26,044	14,591
Work-in-progress	34,849	32,118
Stock-in-trade	358	6
	61,251	46,715
Less: Inventories at the end 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
Increase in inventories	**(3,275)**	(14,536)
Increase in excise duty on inventories	**2,320**	7,089
Total	**(955)**	(7,447)

*Before provision for obsolete stock. Refer Note 8.

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

	March 31, 2020	March 31, 2019
26. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	43,431	38,426
Gratuity expense [refer note (i) below]	989	788
Contribution to provident and other funds [refer notes (i) and (ii) below]	2,263	1,957
Staff welfare expenses	3,294	3,215
Total	**49,977**	**44,386**

(i) The Company operates two defined benefit plans i.e., gratuity and provident fund for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 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 benefit expenses and the funded status for respective plans:

	Gratuity		Provident fund	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
a) Changes in the present value of the defined benefit obligation				
Obligations at beginning of the year	10,244	9,351	13,474	12,467
Current service cost - employer contribution	943	744	907	770
Employee contribution	—	—	1,923	1,298
Interest cost	701	661	1,236	1,028
Benefits paid	(727)	(832)	(1,044)	(2,149)
Liability transferred	—	(9)	—	—
Actuarial loss	408	329	604	60
Obligations at end of the year	**11,569**	10,244	**17,100**	13,474
b) Change in fair value of plan assets				
Plan assets at the beginning of the year	9,081	8,258	13,516	12,570
Return on plan assets	655	617	1,239	1,035
Contributions during the year	1,000	1,002	2,817	2,060
Benefits paid	(727)	(832)	(1,044)	(2,149)
Actuarial gain/(loss)	(125)	36	(401)	—
Plan assets at end of the year	**9,884**	9,081	**16,127**	13,516
c) Benefit asset/(liability)				
Fair value of plan assets	9,884	9,081	16,127	13,516
Less: Present value of the defined benefit obligations	11,569	10,244	17,100	13,474
Benefit asset/(liability)	**(1,685)**	(1,163)	**(973)**	42

Notes to the standalone Ind AS Financial Statements contd.

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

	Gratuity		Provident fund	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
d) Cost charged to the statement of profit and loss under employee cost				
Current service cost - employer contribution	943	*744*	907	*770*
Interest cost	701	*661*	1,236	*1,028*
Return on plan assets	(655)	*(617)*	(1,239)	*(1,035)*
Net employee benefit expense*	**989**	*788*	**904**	*763*

*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 loss which is recognised in other comprehensive income).

	Gratuity		Provident fund	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
e) Re-measurement loss/(gain) recognised in other comprehensive income				
Actuarial loss/(gain)				
Change in financial assumption	458	*197*	563	—
Experience variance (actual vs assumption)	(50)	*132*	41	—
Return on plan assets (excluding amount recognised in net interest expense)	125	*(36)*	401	—
Net actuarial loss	**533**	*293*	**1,005**	—
f) Major category of plan assets included in percentage of fair value of plan assets				
Government securities	—	—	9,600	*7,472*
Corporate bonds	—	—	6,030	*6,044*
Fund balance with insurance companies	9,884	*9,081*	—	—
Others	—	—	497	—
Total	**9,884**	*9,081*	**16,127**	*13,516*

g) The principal assumptions used in determining gratuity and provident fund obligations for the Company plans are as shown below:

	Gratuity		Provident fund	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
Discount rate	6.30%	*7.10%*	6.30%	*7.10%*
Salary increase rate	9.50%-10.50%	*10.00%-10.50%*	9.50%-10.50%	*10.00%-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		7.80%	*8.50%*

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, 2020		March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (Gratuity) - Increase/(decrease) in liability				
Discount rate	(729)	830	(629)	713
Salary increase rate	793	(713)	699	(630)
Employee turnover	(168)	186	(118)	131
Impact on defined benefit obligation (Provident fund) - Increase/(decrease) in liability				
Expected return on exempt fund	(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, 2019: Rs. 1000 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Within next 12 months	2,104	1,000	4,106	1,810
Between 2 to 5 years	4,332	4,795	6,530	5,354
Between 5 to 10 years	8,610	7,761	4,359	3,556
Total	**15,046**	13,556	**14,995**	10,720

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

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

	March 31, 2020	March 31, 2019
Provident fund	1,557	1,341
Superannuation fund	670	565
Employees state insurance fund	36	51
Total	**2,263**	1,957

27. FINANCE COSTS

Interest expense (including on lease liabilities)	3,047	3,063
Other borrowing costs	65	57
Total	**3,112**	3,120

28. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of property, plant and equipment (including right-of-use assets)	28,001	25,532
Amortisation of intangible assets	496	446
Total	**28,497**	25,978

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

29. OTHER EXPENSES

		March 31, 2020		March 31, 2019
Consumption of stores and spares		13,446		13,311
Power and fuel		17,295		18,355
Rent		3,972		4,475
Repairs and maintenance				
Plant and machinery		4,941		4,836
Buildings		404		481
Others		1,606		1,498
Insurance		1,453		1,102
Rates and taxes		27,488		23,873
Legal and professional charges		4,811		4,798
Auditor's remuneration				
Statutory audit fee	141		141	
Limited review fee	27		27	
Tax audit fee	19		19	
Others	33	220	95	282
Sales promotion expenses [net of reversal of Rs. 185 Lakhs (Previous year: Rs. 3 Lakhs)]		36,728		34,911
Outward freight, halting and breakage expenses		37,225		39,310
Distribution expenses [net of reversal of Rs. 304 Lakhs (Previous year: Rs. 606 Lakhs)]		24,458		22,715
CSR expenditure (refer details below)		1,224		1,074
Bad debts/advances written off		68		334
Loss allowance for trade receivables		3,468		392
Provision for doubtful advances/deposits		6		54
Exchange differences (net)*		422		91
Miscellaneous expenses		17,775		15,445
Total		**1,97,010**		1,87,337
Details of CSR expenditure				
Gross amount required to be spent by the Company during the year		1,224		942
Amount spent during the year (other than on construction/ acquisition of any asset)		1,162		1,074
Amount yet to be spent/paid		62		—
Total		**1,224**		1,074

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

Notes to the standalone Ind AS Financial Statements contd.

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

	March 31, 2020	March 31, 2019
30. 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	17,550	*32,234*
Deferred tax (credit)	(3,531)	*(664)*
Total	**14,019**	*31,570*
Other comprehensive income		
Deferred tax charge/(credit) on		
Re-measurement of defined benefit plans	(387)	*(102)*
Net movement in cash flow hedges	—	*85*
Total	**(387)**	*(17)*
Reconciliation of tax expense with accounting profit multiplied by statutory income tax rate:		
Accounting profit before income tax	**56,742**	*87,848*
Tax as per statutory income tax rate of 25.17% (Previous year: 34.94%)	14,282	*30,698*
Effect of change in tax rate*	(321)	—
Allowances/exemptions under Income tax	(400)	*(316)*
Non-deductible expenses for tax purposes		
CSR expenditure	308	*375*
Other non-deductible expenses	150	*813*
Income tax expense reported in statement of profit and loss account	**14,019**	*31,570*

*The Company 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 for the year and re-measured its Deferred tax asset/liability basis the rate prescribed in the said section.

31. NET MOVEMENT IN CASH FLOW HEDGES

	March 31, 2020	March 31, 2019
Fair value loss on cross currency interest rate swaps and forward contracts	—	*18*
Less: Reclassified to statement of profit and loss	—	*243*
	—	*261*
Deferred tax effect on above	—	*(85)*
Net movement in cash flow hedges	**—**	*176*

32. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation:

	March 31, 2020	March 31, 2019
Net profit attributable to equity shareholders	42,723	*56,278*
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.)	**16.16**	*21.29*

Notes to the standalone Ind AS Financial Statements contd.

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

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.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application as April 1, 2019, and consequently comparatives for previous year have not been restated and hence not disclosed.

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, 2020
At the beginning of the year (recognised on transition to Ind AS 116)	1,631
Additions	789
Accretion of interest	142
Payments (including interest)	(903)
At the end of the year	**1,659**
Current	806
Non-current	853
Total	**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:

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

The Company had total cash outflows for leases of Rs. 4,875 Lakhs for the year ended March 31, 2020. The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 789 Lakhs during the year ended March 31, 2020. 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. 160 Lakhs. There are no termination options which are expected to be exercised but not included in lease term.

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

The total lease rentals expense for the year ended March 31, 2019 was Rs. 4,475 Lakhs and the future minimum rentals payable under non-cancellable operating leases as at March 31, 2019 was as follows:

	March 31, 2019
Within one year	*378*
After one year but not more than five years	*147*
More than five years	*—*
Total	*525*

The reconciliation of aforesaid operating lease commitments disclosed under Ind AS 17 with lease liabilities recognised on transition to Ind AS 116 is as below:

Non-cancellable operating lease commitments as on March 31, 2019	*525*
Non-cancellable short-term leases included above	(288)
Impact of discounting above lease commitments (other than short-term leases)	*(39)*
Lease liabilities recognised for cancellable leases and period beyond non-cancellable term	*1,433*
Total lease liabilities recognised on April 1, 2019	*1,631*

	March 31, 2020	*March 31, 2019*
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	14,038	*9,826*
b) Commitments under contracts for malt conversion	4,212	*—*
c) Commitments under power purchase agreements	7,032	*3,679*
d) Other contractual commitments	2,304	*2,474*
Total	**27,586**	*15,979*

For commitments relating to lease arrangements, refer Note 33.

35. CONTINGENT LIABILITIES		
a) Claims against the Company not acknowledged as debts*		
Income tax	45,166	*35,370*
Service tax	2,599	*22,930*
Sales tax	14,464	*13,784*
Excise duty	13,717	*12,316*
Water charges	3,180	*3,095*
Employee state insurance/provident fund	84	*84*
Others	9,409	*9,389*
b) Other money for which the Company is contingently liable		
Bank guarantees	6,068	*6,960*
Letter of credit	3,185	*3,471*
Total	**97,872**	*1,07,399*

* The Company is contesting these demands and the management, based on advise of its advisors, 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.

Notes to the standalone Ind AS Financial Statements contd.

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

(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 has submitted its investigation report to the CCI for consideration which was also communicated to the Company on December 13, 2019, followed with an updated report on March 19, 2020 for filing its suggestion / objections, if any. The Company has not received any demand order in respect of this matter, hence management is of the view that it is not practicable to state an estimate of its financial effect, if any. Management, along-with its legal advisors, are reviewing the aforesaid report and evaluating this matter; and believe that there are mitigating circumstances to counter presumptions made against the Company by the CCI as contained in the Competition Act, 2002.

(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.

(e) The Company has received an authorisation for a value of Rs. 9,237 Lakhs (March 31, 2019: Nil) for import/ indigenous procurement upto December 2020, under Advance Authorisation Scheme ("the Scheme") notified by the Government under the Foreign Trade Policy, 2015-20, as amended, with an export obligation of Rs. 26,535 Lakhs (March 31, 2019: Nil). As at March 31, 2020, the Company has procured inputs of Rs. 254 Lakhs (March 31, 2019: Nil) for which export obligation is pending to be fulfilled.

	March 31, 2020	*March 31, 2019*
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	5,387	*4,426*
- Interest due on above	83	*68*
Total	**5,470**	*4,494*
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	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year	64	*539*
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	871	*807*

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.

	March 31, 2020	*March 31, 2019*
Segment revenue		
Beer	14,62,613	*14,12,874*
Non-alcoholic beverages	2,033	*808*
Total revenue	**14,64,646**	*14,13,682*
Segment results		
Beer	94,841	*1,06,545*
Non-alcoholic beverages	(4,838)	*(2,298)*
Total segment results	**90,003**	*1,04,247*
Other income	911	*3,170*
Finance costs	(3,112)	*(3,120)*
Other unallocable expenses	(31,060)	*(16,449)*
Profit before tax	**56,742**	*87,848*
Information about geographical areas is as below:		
Revenue from external customers (including excise duty)		
India	14,43,759	*13,89,014*
Outside India	20,887	*24,668*
Total	**14,64,646**	*14,13,682*
The above information is based on the location of customers.		
Non-current operating assets		
India	2,09,987	*1,94,211*
Outside India	—	—
Total	**2,09,987**	*1,94,211*

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. 303,021 Lakhs (Previous year: Rs. 463,065 Lakhs) from 1 customer (Previous year: 2 customers).

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 exists:

Subsidiary	: Maltex Malsters Limited ('MML')

Related parties under Ind AS 24 with whom transactions have taken place:

Associate	: Kingfisher East Bengal Football Team Private Limited ('KEBFTPL')
Enterprises having significant influence	: Scottish & Newcastle India Limited, UK ('SNIL')
Key management personnel (KMP)	: Mr. Shekhar Ramamurthy, Managing Director Mr. Berend Cornelis Roelof Odink, Chief Financial Officer (effective August 15, 2019) Mr. Steven Bosch, Director and CFO (till December 31, 2018) Mr. P A Poonacha, Senior Vice-President Finance & Accounts - CFO (effective January 1, 2019 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 Limtied ('DBG') Kingfisher Beer Europe Limited ('KBE')
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. Rudolf Gijsbert Servaas Van Den Brink (effective November 14, 2018) Mr. Chugh Yoginder Pal (till September 3, 2019) Mr. Chhaganlal Jain (till September 3, 2019) Mr. Frans Erik Eusman (till November 14, 2018)

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')* United Breweries International (UK) Limited, UK ('UBIUK') H. Parson Private Limited ('HPPL')

*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, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
Transactions during the year												
Sale of products (net)												
MML	—	3	—	—	—	—	—	—	—	—	—	—
HPPL	—	—	—	—	—	—	—	—	—	—	4,847	5,380
	—	3	**—**	—	**—**	—	**—**	—	**—**	—	**4,847**	5,380
Royalty income												
KBE	—	—	—	—	—	—	—	—	83	44	—	—
DBL	—	—	—	—	—	—	—	—	53	—	—	—
DBG	—	—	—	—	—	—	—	—	10	—	—	—
UBIUK	—	—	—	—	—	—	—	—	—	—	—	11
HPPL	—	—	—	—	—	—	—	—	—	—	—	2
	—	—	**—**	—	**—**	—	**—**	—	**146**	44	**—**	13
Purchase of materials												
HAPEP	—	—	—	—	—	—	—	—	867	—	—	—
HAPBPL	—	—	—	—	—	—	—	—	23	—	—	—
HAPPL	—	—	—	—	—	—	—	—	—	110	—	—
HSCBV	—	—	—	—	—	—	—	—	6	12	—	—
	—	—	**—**	—	**—**	—	**—**	—	**896**	122	**—**	—
Processing charges paid												
MML	955	1,126	—	—	—	—	—	—	—	—	—	—
	955	1,126	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—
Sales promotion expenses												
KEBFTPL	—	—	—	58	—	—	—	—	—	—	—	—
HPPL	—	—	—	—	—	—	—	—	—	—	15	122
	—	—	**—**	58	**—**	—	**—**	—	**—**	—	**15**	122
Rent expense												
UBHL	—	—	—	—	—	—	—	—	—	—	96	144
	—	—	**—**	—	**—**	—	**—**	—	**—**	—	**96**	144
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, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
Royalty paid												
HBBV	—	—	—	—	—	—	—	—	558	*604*	—	—
Amstel	—	—	—	—	—	—	—	—	267	*64*	—	—
	—	—	**—**	—	**—**	—	**—**	—	**825**	*668*	**—**	—
Consultancy fees paid												
HSCBV	—	—	—	—	—	—	—	—	137	*89*	—	—
KBE	—	—	—	—	—	—	—	—	28	—	—	—
HIBV	—	—	—	—	—	—	—	—	14	—	—	—
	—	—	**—**	—	**—**	—	**—**	—	**179**	*89*	**—**	—
Reimbursements received												
HAPEP	—	—	—	—	—	—	—	—	4	—	—	—
UBHL	—	—	—	—	—	—	—	—	—	—	18	—
	—	—	**—**	—	**—**	—	**—**	—	**4**	—	**18**	—
Reimbursements paid												
HIBV	—	—	—	—	—	—	—	—	234	*216*	—	—
HPPL	—	—	—	—	—	—	—	—	—	—	54	*79*
MML	8	*2*	—	—	—	—	—	—	—	—	—	—
	8	*2*	**—**	—	**—**	—	**—**	—	**234**	*216*	**54**	*79*
Remuneration paid [Refer (b) below]												
Mr. Shekhar Ramamurthy	—	—	—	—	—	—	1,422	*1,247*	—	—	—	—
Mr. Berend Cornelis Roelof Odink	—	—	—	—	—	—	379	—	—	—	—	—
Mr. Steven Bosch	—	—	—	—	—	—	—	*354*	—	—	—	—
Mr. Govind Iyengar	—	—	—	—	—	—	261	*227*	—	—	—	—
Mr. P A Poonacha	—	—	—	—	—	—	87	*30*	—	—	—	—
	—	—	**—**	—	**—**	—	**2,149**	*1,858*	**—**	—	**—**	—
Sitting fee paid												
Mr. A K Ravi Nedungadi	—	—	—	—	—	—	16	*18*	—	—	—	—
Mr. Stephan Gerlich	—	—	—	—	—	—	12	*6*	—	—	—	—
Mrs. Kiran Majumdar Shaw	—	—	—	—	—	—	11	*8*	—	—	—	—
Mr. Madhav Bhatkuly	—	—	—	—	—	—	16	*24*	—	—	—	—
Mr. Sunil Alagh	—	—	—	—	—	—	21	*21*	—	—	—	—

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, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
Mr. Christiaan August J Van Steenbergen	—	—	—	—	—	—	12	*21*	—	—	—	—
Mr. Rudolf Gijsbert Servaas Van Den Brink	—	—	—	—	—	—	11	*2*	—	—	—	—
Mr. Chugh Yoginder Pal	—	—	—	—	—	—	10	*32*	—	—	—	—
Mr. Chhaganlal Jain	—	—	—	—	—	—	14	*27*	—	—	—	—
Mr. Frans Erik Eusman	—	—	—	—	—	—	—	*3*	—	—	—	—
	—	—	**—**	—	**—**	—	**123**	*162*	**—**	—	**—**	—
Director Commission paid*												
Mr. A K Ravi Nedungadi	—	—	—	—	—	—	87	*109*	—	—	—	—
Mr. Stephan Gerlich	—	—	—	—	—	—	87	*109*	—	—	—	—
Mrs. Kiran Majumdar Shaw	—	—	—	—	—	—	87	*109*	—	—	—	—
Mr. Madhav Bhatkuly	—	—	—	—	—	—	87	*109*	—	—	—	—
Mr. Sunil Alagh	—	—	—	—	—	—	87	*109*	—	—	—	—
Mr. Chugh Yoginder Pal	—	—	—	—	—	—	30	*109*	—	—	—	—
Mr. Chhaganlal Jain	—	—	—	—	—	—	30	*109*	—	—	—	—
	—	—	**—**	—	**—**	—	**495**	*763*	**—**	—	**—**	—
Dividend accrued/paid on equity shares												
SNIL	—	—	—	—	2,250	*1,800*	—	—	—	—	—	—
HIBV	—	—	—	—	—	—	—	—	613	*343*	—	—
HUL	—	—	—	—	—	—	—	—	212	*170*	—	—
Dr. Vijay Mallya (including joint holdings) [Refer (c) below]	—	—	—	—	—	—	—	—	—	—	534	*427*
UBHL [Refer (c) below]	—	—	—	—	—	—	—	—	—	—	—	*148*
	—	—	**—**	—	**2,250**	*1,800*	**—**	—	**825**	*513*	**534**	*575*
Dividend received												
MML	23	*23*	—	—	—	—	—	—	—	—	—	—
	23	*23*	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—
Contributions made												
UBL Gratuity Fund Trust	—	—	—	—	—	—	—	—	—	—	1,000	*1,002*
UBL Provident Fund Trust**	—	—	—	—	—	—	—	—	—	—	2,817	*2,060*
UBL Superannuation Fund	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	670	*565*
	—	—	—	—	—	—	—	—	—	—	**4,487**	*3,627*

Notes to the standalone Ind AS Financial Statements contd.

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

	March 31, 2020	March 31, 2019
Compensation of key management personnel [Refer (b) below]		
Short-term employee benefits	2,149	1,858
Post-employment gratuity and medical benefits	—	—
Termination benefits	—	—
Share-based payment transactions	—	—
Total compensation paid to key management personnel	**2,149**	1,858

*Excludes Goods and Services Tax (GST) paid by the Company under reverse charge mechanism.
**Includes both employer and employee contributions to the fund.

	Subsidiary		Associate		Enterprises having significant influence		Directors, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
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	1,959	1,959	—	—	—	—	—	—	—	—	—	—
	1,959	1,959	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—
Trade receivables (gross)												
DBL	—	—	—	—	—	—	—	—	53	—	—	—
KBE	—	—	—	—	—	—	—	—	15	16	—	—
DBG	—	—	—	—	—	—	—	—	10	—	—	—
HPPL	—	—	—	—	—	—	—	—	—	—	—	5
	—	—	**—**	—	**—**	—	**—**	—	**78**	16	**—**	5
Advance received from customer												
HPPL	—	—	—	—	—	—	—	—	—	—	273	—
	—	—	**—**	—	**—**	—	**—**	—	**—**	—	**273**	—
Security deposits (asset)												
UBHL	—	—	—	—	—	—	—	—	—	—	65	65
	—	—	**—**	—	**—**	—	**—**	—	**—**	—	**65**	65

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, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
Advance to supplier												
MML	116	*268*	—	—	—	—	—	—	—	—	—	—
	116	*268*	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—
Trade payables												
HIBV	—	—	—	—	—	—	—	—	491	*522*	—	—
HAPEP	—	—	—	—	—	—	—	—	365	—	—	—
HBBV	—	—	—	—	—	—	—	—	239	*141*	—	—
Amstel	—	—	—	—	—	—	—	—	93	*15*	—	—
HAPBPL	—	—	—	—	—	—	—	—	23	—	—	—
HSCBV	—	—	—	—	—	—	—	—	16	*27*	—	—
KBE	—	—	—	—	—	—	—	—	19	—	—	—
HAPPL	—	—	—	—	—	—	—	—	—	*88*	—	—
UBHL	—	—	—	—	—	—	—	—	—	—	201	*211*
HPPL	—	—	—	—	—	—	—	—	—	—	—	*13*
	—	—	**—**	—	**—**	—	**—**	—	**1,246**	*793*	**201**	*224*

(a) Property, plant and equipment with gross block of Rs. 275 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.

(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, without its prior permission. Accordingly, the Company has withheld payment of Rs. 1,534 Lakhs (net of payment of Rs. 784 Lakhs to the official liquidator of United Breweries (Holdings) Limited) relating to dividend on aforesaid shares. The Company would also withhold payment of proposed dividend for the year ended March 31, 2020 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, 2020				
Financial assets measured at fair value				
Foreign exchange forward contract	286	286	—	—
As at March 31, 2019				
Financial assets measured at fair value				
Forward exchange forward contract	—	—	—	—

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.

The management assessed that the carrying values of investments, 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.

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.

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

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, after the impact of hedge accounting. 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, 2020		March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(236)	236	(211)	211

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 Company has hedged exposure to fluctuations in foreign exchange rates for all of its foreign currency borrowing with foreign exchange forward contract therefore the changes in the currency rates for borrowing will not have impact on future cash flows.

The summary of derivative instruments and unhedged foreign currency exposure is as below:

Derivatives outstanding as at March 31, 2020 includes foreign exchange forward contract of USD 13,143,660 (March 31, 2019: USD Nil).

Un-hedged foreign currency exposure (gross amounts) as at the reporting date:

	As at March 31, 2020	As at March 31, 2019
Trade receivables	4,844	3,567
Advances to suppliers	221	2,168
Balance in exchange earners foreign currency bank accounts	263	1,251
Capital advances	140	247
Trade payables	2,439	3,822
Liability for capital goods	943	436

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, 2020		March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	21	(21)	30	(30)

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.

Notes to the standalone Ind AS Financial Statements contd.

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

The following table shows the effect of price changes in Barley:

	March 31, 2020		*March 31, 2019*	
	1% increase	1% decrease	*1% increase*	*1% decrease*
Impact on profit before tax	(358)	358	*(311)*	*311*

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 and other receivables. 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 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, 2020	*March 31, 2019*
Balance at the beginning of the year	5,404	*6,906*
Provision recognised/(reversed) during the year, net	3,289	*(1,502)*
Balance at the end of the year	**8,693**	*5,404*

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, 2020					
Lease liabilities	806	273	115	465	1,659
Other non-current borrowings	—	7	30	—	37
Current borrowings	16,015	—	—	—	16,015
Trade payables	54,463	—	—	—	54,463
Other financial liabilities	55,803	1,131	—	—	56,934
Total	**1,27,087**	**1,411**	**145**	**465**	**1,29,108**
March 31, 2019					
Non-current borrowings	—	7,543	—	—	7,543
Current borrowings	600	—	—	—	600
Trade payables	58,994	—	—	—	58,994
Other financial liabilities	70,025	955	—	—	70,980
Total	**1,29,619**	**8,498**	**—**	**—**	**1,38,117**

The Company has utilised the existing borrowing limits based on requirements and has also obtained sanction of additional borrowing limits subsequent to the year end.

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

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, 2020	*As at March 31, 2019*
Non-current borrowings	14	890	*7,543*
Current maturities of non-current borrowings	15	8,312	*13,006*
Current borrowings	18	16,015	*600*
Less: Cash and cash equivalents	10	2,899	*1,898*
Less: Other bank balances (excluding unpaid dividend amounts)	11	641	*524*
Net debt		**21,677**	*18,727*
Equity share capital	12	2,644	*2,644*
Other equity	13	3,49,153	*3,15,545*
Total capital		**3,51,797**	*3,18,189*
Gearing ratio		**6%**	*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, 2020 and March 31, 2019.

42. The Company had received emails from certain persons raising allegations in relation to its export business including the services of an export management service provider. The Company has completed its internal review and issued a notice of termination to the aforesaid export management service provider as well as a letter reserving its rights to claims, if any.

43. The Bihar State Government ("the Government") vide its notification dated April 5, 2016 had imposed ban on trade and consumption of foreign liquor 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 and all its inventories lying with Bihar State Beverages Corporation Limited (BSBCL) were drained / destroyed. The matter is currently pending before the Supreme Court for final conclusion.

The financial impact on current assets arising from aforesaid matter was fully provided for. Also, 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 in order to maintain the assets in running condition at Bihar using its existing property, plant and equipment at Bihar which has carrying value of Rs. 17,411 Lakhs (March 31, 2019: Rs. 19,633 Lakhs) as at March 31, 2020. Management believes that the carrying amount of these property, plant and equipment do not exceed their recoverable amount and accordingly no provision has been considered necessary by the management in this regard.

Notes to the standalone Ind AS Financial Statements contd.

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

44. In March 2020, the World Health Organisation declared Coronavirus (COVID-19) to be a pandemic and consequently on March 24, 2020, the Government of India ordered a nationwide lockdown, which got extended in phases. The outbreak of COVID-19 pandemic in India has caused significant disturbance and slowdown of economic activities. The Company's business operations have been significantly impacted by way of interruption of production, supply chain, etc.

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. The impact of COVID-19 pandemic on the overall economic environment being uncertain, may affect the underlying assumptions and estimates used in preparation of these standalone Ind AS financial statements, which may differ from those 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. During May 2020, the Company has resumed its business activities in a phased manner in line with directives issued by the central and state governments.

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: June 24, 2020

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

Shekhar Ramamurthy
Managing Director
DIN: 00504801

Madhav Bhatkuly
Director
DIN: 00796367

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and
Company Secretary

Place: Bengaluru
Date: June 24, 2020

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, 2020, the Consolidated Statement of Profit and Loss, including the Consolidated Statement of Other Comprehensive Loss, 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 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, 2020, their consolidated profit including other comprehensive loss, 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 35(c) which more fully describes the uncertainty relating to the future outcome of ongoing investigation by the Competition Commission of India ("CCI");

(b) 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; and

(c) Note 45 which describes management's assessment of the impact of COVID-19 pandemic on these consolidated Ind AS financial statements.

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, 2020. 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.

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 and by other auditors of components not audited by us, as reported by them in their audit report furnished to us by the management, 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
Revenue from sale of products (as described in Note 2.1(f), (y) and 21 of the consolidated Ind AS financial statements)	
Revenue from the sale of products is recognised when control of the products has 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. 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, including the possible impact of COVID-19 pandemic on measurement of such estimates. • 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.
Provision for trade receivables (as described in Note 2.1(y), 9 and 41(b) of the consolidated Ind AS financial statements)	
Trade receivable balances represent significant portion of the total assets as at March 31, 2020. 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. Timing of collection of dues from customers may differ from the actual 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 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 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 consolidated Ind AS financial statements for compliance with disclosure requirements.

<table>
<tr><td colspan="2"><u>Tax contingencies and provisions</u>
(as described in Note 2.1(y), 16 and 35(a) of the consolidated Ind AS financial statements)</td></tr>
<tr><td>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.</td><td>Our procedures included the following:
• Assessed the design and operating effectiveness of management's key internal controls, on sample basis, over 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.</td></tr>
</table>

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.

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 loss, 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, 2020 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. 939 Lakhs as at March 31, 2020, and total revenues of Rs. 1,350 Lakhs and net cash inflows of Rs. 15 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, 2020 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 Loss, 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 (a) of Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 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, 2020 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, 2020 has been paid / provided by the Holding Company and its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act; 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 16, 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, 2020.

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): 20208382AAAABG6624

Place of signature: Bengaluru
Date: June 24, 2020

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, 2020, 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 qualified 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.

Qualified Opinion

According to the information and explanations given to us, based on our audit 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, the following material weakness has been identified in the operating effectiveness of the Holding Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements as at March 31, 2020:

The Holding Company's internal control system with respect to customer evaluation and credit assessment for export sales needed to be strengthened to operate effectively.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Holding Company and its subsidiary company, which is a company incorporated in India have, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements as of March 31, 2020, based on the internal controls 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, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding Company and its subsidiary company, which is a company incorporated in India, internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as of March 31, 2020.

Explanatory Paragraph

We have also audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the consolidated Ind AS financial statements of the Group, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the related Consolidated Statement of Profit and Loss, including the Consolidated Statement of Other Comprehensive Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. The aforesaid material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 consolidated Ind AS financial statements of the Group and this report does not affect our report dated June 24, 2020, which expressed an unqualified opinion on those consolidated Ind AS financial statements.

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, 2020 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): 20208382AAAABG6624

Place of signature: Bengaluru
Date: June 24, 2020

Consolidated Balance Sheet as at March 31, 2020

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

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,87,794	1,72,599
Capital work-in-progress		19,912	18,992
Intangible assets	4	2,393	2,694
Goodwill on consolidation	4	2,421	2,421
Financial assets			
(i) Investments	5	27	27
(ii) Others	6	4,929	6,231
Income tax assets (net)	17	18,946	17,516
Deferred tax asset (net)	17	2,777	—
Other non-current assets	7	19,739	17,824
		2,58,938	2,38,304
Current assets			
Inventories	8	1,09,393	1,03,246
Financial assets			
(i) Trade receivables	9	1,35,038	1,51,099
(ii) Cash and cash equivalents	10	2,936	1,920
(iii) Bank balances other than (ii) above	11	4,923	2,697
(iv) Others	6	366	71
Other current assets	7	42,775	41,104
		2,95,431	3,00,137
Assets held for sale	3(d)	714	—
		2,96,145	3,00,137
Total assets		**5,55,083**	5,38,441
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	2,644	2,644
Other equity	13	3,49,382	3,15,733
Equity attributable to equity holders of parent company		**3,52,026**	3,18,377
Non-controlling interest	13	**334**	304
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	890	7,543
(i) Others	15	1,131	955
Provisions	16	1,658	163
Deferred tax liability (net)	17	—	1,144
		3,679	9,805
Current liabilities			
Financial liabilities			
(i) Borrowings	18	16,015	600
(ii) Trade payables	19		
- Total outstanding dues to micro and small enterprises		5,387	4,426
- Total outstanding dues of creditors other than micro and small enterprises		49,117	54,596
(iii) Others	15	56,699	70,079
Other current liabilities	20	62,840	72,157
Provisions	16	8,986	8,097
		1,99,044	2,09,955
Total equity and liabilities		**5,55,083**	5,38,441
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: June 24, 2020

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

Shekhar Ramamurthy
Managing Director
DIN: 00504801

Madhav Bhatkuly
Director
DIN: 00796367

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and Company Secretary

Place: Bengaluru
Date: June 24, 2020

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

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

	Notes	March 31, 2020	March 31, 2019
INCOME			
Revenue from contracts with customers (including excise duty)	21	14,65,115	14,13,982
Other income	22	930	3,201
Total		**14,66,045**	14,17,183
EXPENSES			
Cost of materials consumed	23	2,96,605	2,91,731
Purchase of stock-in-trade	24	19,497	16,477
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(989)	(7,442)
Excise duty on sale of goods		8,14,191	7,66,439
Employee benefits expense	26	50,412	44,843
Finance costs	27	3,112	3,120
Depreciation and amortisation expense	28	28,510	25,986
Other expenses	29	1,97,815	1,88,098
Total		**14,09,153**	13,29,252
Profit before tax		**56,892**	87,931
Tax expense	30		
Current tax		17,597	32,261
Deferred tax (credit)		(3,534)	(661)
Total tax expense		**14,063**	31,600
Profit for the year		**42,829**	56,331
Other comprehensive income/(loss) (OCI)			
Items that will not be reclassified to the consolidated statement of profit and loss in subsequent periods			
Re-measurement (losses) on defined benefit plans		(1,538)	(293)
Income tax effect on above		387	102
Items that will be reclassified to the consolidated statement of profit and loss in subsequent periods			
Net movementin cash flow hedges	31	—	261
Income tax effect on above		—	(85)
		(1,151)	(15)
Total comprehensive income for the year		**41,678**	56,316
Profit for the year attributable to:			
Equity shareholders of the Holding Company		42,773	56,294
Non-controlling interest		56	37
		42,829	56,331
Total comprehensive income for the year attributable to:			
Equity shareholders of the Holding Company		41,622	56,279
Non-controlling interest		56	37
		41,678	56,316
Earnings per share in Rs. [nominal value per share Re.1 (Previous year: Re.1)]	32		
Basic		16.18	21.30
Diluted		16.18	21.30
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: June 24, 2020

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

Shekhar Ramamurthy
Managing Director
DIN: 00504801

Madhav Bhatkuly
Director
DIN: 00796367

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and Company Secretary

Place: Bengaluru
Date: June 24, 2020

Consolidated Cash Flow Statement for the year ended March 31, 2020

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

	Notes	March 31, 2020	March 31, 2019
A Cash flow from operating activities			
Profit before tax		56,892	87,931
Adjustments for:			
Depreciation and amortisation expense		28,510	25,986
Bad debts/advances written off		68	338
Loss allowance for trade receivables		3,468	392
Provision for doubtful advances/deposits		6	54
Effect of adoption of new revenue recognition accounting standard Ind AS 115		—	(549)
Unrealised exchange differences (net)		305	91
Net (gain) on sale of property, plant and equipment		(12)	(28)
Liabilities no longer required written back		(88)	(348)
Loss allowance for trade receivables, no longer required written back		(179)	(1,894)
Provision for doubtful advances/deposits, no longer required written back		(7)	(14)
Interest expense		3,047	3,063
Interest income		(241)	(731)
Operating profits before working capital changes		**91,769**	1,14,291
Movement in working capital:			
(Increase)/decrease in Inventories		(6,147)	(22,446)
(Increase)/decrease in Trade receivables		12,816	260
(Increase)/decrease in Other financial assets		921	440
(Increase)/decrease in Other assets		(4,741)	(14,997)
Increase/(decrease) in Trade payables		(4,604)	7,348
Increase/(decrease) in Other financial liabilities		(11,737)	5,730
Increase/(decrease) in Other current liabilities and provisions		(8,471)	12,660
Cash generated from operations		**69,806**	1,03,286
Direct taxes paid (net of refund)		(19,027)	(38,982)
Net cash flow from operating activities (A)		**50,779**	64,304
B Cash flow from investing activities			
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances		(40,391)	(43,793)
Proceeds from sale of property, plant and equipment		59	130
Investments in equity shares		—	(11)
Investments in bank deposits (having original maturity of more than three months)		(183)	(984)
Redemption/maturity of bank deposits (having original maturity of more than three months)		39	888
Interest received		232	732
Net cash (used in) investing activities (B)		**(40,244)**	(43,038)

Consolidated Cash Flow Statement contd.

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

	Notes	March 31, 2020	March 31, 2019
C Cash flow from financing activities			
Proceeds from long-term borrowings		—	49
Repayment of long-term borrowings - lease liabilities		(761)	—
Repayment of long-term borrowings - others		(13,006)	(5,428)
Proceeds from/(repayment of) short-term borrowings (net)		14,918	(4,678)
Interest paid		(2,675)	(3,131)
Dividend paid*		(6,632)	(5,313)
Dividend distribution tax paid		(1,363)	(1,091)
Net cash flow (used in) financing activities (C)		**(9,519)**	(19,592)
*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)		**1,016**	1,674
Cash and cash equivalents at the beginning of the year		1,920	246
Cash and cash equivalents at the end of the year		**2,936**	1,920
Components of cash and cash equivalents	10		
Cash on hand		8	12
Bank balances on current accounts		2,928	1,891
Bank balances on deposit accounts with original maturity of three months or less		—	17
Total cash and cash equivalents		**2,936**	1,920
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		20,549	25,928
Cash outflows - lease liabilities		(761)	(5,379)
Cash outflows - others		(13,006)	—
Non-cash changes - lease liabilities on addition of right-of-use assets		2,420	—
At end of the year		**9,202**	20,549
Short-term borrowings			
At beginning of the year		600	5,278
Cash inflows/(outflows)		14,918	(4,678)
Non-cash changes - foreign exchange differences		497	—
At end of the year		**16,015**	600
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: June 24, 2020

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

Shekhar Ramamurthy
Managing Director
DIN: 00504801

Madhav Bhatkuly
Director
DIN: 00796367

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and
Company Secretary

Place: Bengaluru
Date: June 24, 2020

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(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, 2020		*As at March 31, 2019*	
	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				Items of OCI	Total	Non-controlling interests
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Cash flow hedge reserve		
	Note 13	Note 13	Note 13	Note 13	Note 13		Note 13
Balance as at April 1, 2018	24,690	62,938	31,578	1,47,352	(176)	2,66,382	294
Profit for the year	—	—	—	56,294	—	56,294	37
Effect of adoption of new revenue recognition accounting standard Ind AS 115	—	—	—	(549)	—	(549)	—
Other comprehensive income	—	—	—	(191)	176	(15)	—
Transfer from retained earnings	—	—	5,653	(5,653)	—	—	—
Cash dividends (Refer Note 13)	—	—	—	(5,288)	—	(5,288)	(23)
Dividend distribution tax	—	—	—	(1,091)	—	(1,091)	(4)
Balance as at March 31, 2019	**24,690**	**62,938**	**37,231**	**1,90,874**	**—**	**3,15,733**	**304**
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 13)	—	—	—	(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**

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 Group 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.

Consolidated Statement of Changes in Equity contd.

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

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. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Holding Company for that year, then the total dividend distribution is less than the total distributable results for that year. 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.

Cash flow hedge reserve - The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve are reclassified to the consolidated statement of profit and loss when the hedged item affects the consolidated statement of profit and loss.

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: June 24, 2020

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

Shekhar Ramamurthy
Managing Director
DIN: 00504801

Madhav Bhatkuly
Director
DIN: 00796367

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and
Company Secretary

Place: Bengaluru
Date: June 24, 2020

Notes to consolidated Ind AS financial statements for the year ended March 31, 2020

(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"), 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 June 24, 2020.

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, except for the changes in accounting policy for amendments to the standards that were issued effective for annual period beginning on or after April 1, 2019 relating to Ind AS 116 on Leases and Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments.

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, 2020	As at March 31, 2019
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 all entities used for the purpose of consolidation are 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.

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

(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 are 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

Notes to Consolidated Ind AS Financial Statements contd.

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

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 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).

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

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).

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

(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 intangible 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 are 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 are 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.

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	5

If ownership of the leased asset transfers 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 excluding 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 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.

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

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.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated statement of profit and loss, unless designated as effective hedging instruments.

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.

(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.

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 non-financial assets

The 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.

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

2.2 Changes to accounting policies and disclosures

The Group applied Ind AS 116 Leases for the first time for year ended March 31, 2020. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Certain other amendments and interpretations were also applied for the first time for the year ended March 31, 2020, but these did not have a material impact on the consolidated Ind AS financial statements. The Group has not early adopted any standards or amendments that have been issued but are not yet effective as at year end.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases (including its appendices). This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17.

The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application as April 1, 2019, and consequently comparatives for previous year have not been restated. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019 and applied the standard only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

This adoption of Ind AS 116 has resulted in recognition of right-of-use assets and corresponding lease liabilities of Rs. 1,631 Lakhs (excluding reclassification of leasehold land to right-of-use assets) as at April 1, 2019. The net effect of adopting this standard on the consolidated statement of profit and loss, consolidated other comprehensive income or consolidated earnings per share is not material. Refer disclosures included in Note 3 and 33 for details.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments

This Appendix addresses accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

Upon adoption, the Group considered whether it has any uncertain tax positions. The Group's tax filings include certain tax treatments which in past have been challenged by the taxation authorities. The Group determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. Accordingly, this Appendix did not have a material impact on the consolidated Ind AS financial statements.

2.3. Standards issued but not yet effective

There are no standards or amendments issued on or before March 31, 2020 and not yet effective, which may have any material impact on the consolidated Ind AS financial statements of the Group.

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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, 2019	Additions	Deletions (refer note d)	**As at March 31, 2020**	*As at April 1, 2019*	For the year	On Deletions (refer note d)	**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
Computers	*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
	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**

Previous year

	Cost				Depreciation/Amortisation				Net book value
	As at April 1, 2018	*Additions*	*Deletions*	*As at March 31, 2019*	*As at April 1, 2018*	*For the year*	*On Deletions*	*As at March 31, 2019*	*As at March 31, 2019*
Freehold land (refer note a)	*20,067*	*137*	—	*20,204*	—	—	—	—	*20,204*
Leasehold land (refer note b)	*11,516*	*5,952*	—	*17,468*	*847*	*152*	—	*999*	*16,469*
Buildings (refer note c)	*61,318*	*1,008*	*149*	*62,177*	*18,503*	*1,863*	*149*	*20,217*	*41,960*
Leasehold improvements	*64*	—	—	*64*	*64*	—	—	*64*	—
Plant and equipment	*2,51,968*	*19,873*	*2,528*	*2,69,313*	*1,62,360*	*21,753*	*2,444*	*1,81,669*	*87,644*
Office equipments	*1,658*	*97*	*18*	*1,737*	*1,216*	*130*	*18*	*1,328*	*409*
Computers	*1,646*	*217*	*40*	*1,823*	*1,272*	*117*	*39*	*1,350*	*473*
Furniture and fixtures	*16,912*	*2,562*	*29*	*19,445*	*14,458*	*1,215*	*18*	*15,655*	*3,790*
Laboratory equipments	*3,339*	*272*	*52*	*3,559*	*1,962*	*242*	*50*	*2,154*	*1,405*
Vehicles	*1,068*	*89*	*101*	*1,056*	*840*	*68*	*97*	*811*	*245*
Total	*3,69,556*	*30,207*	*2,917*	*3,96,846*	*2,01,522*	*25,540*	*2,815*	*2,24,247*	*1,72,599*

(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, 2020. 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.

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

(b) The titles 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. Leasehold land has been classified as right-of-use asset upon adoption of Ind AS 116.

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

	March 31, 2020	March 31, 2019
Gross block	28,174	27,261
Depreciation charge for the year*	911	777
Accumulated depreciation*	8,981	8,188
Net block	**19,193**	19,073

*Net of depreciation on deletions.

(d) Deletions include assets (leasehold land and buildings) with gross value of Rs. 809 Lakhs (Previous year: Nil) and net book value of Rs. 714 Lakhs (Previous year: Nil) classified as Assets held for sale at lower of carrying value and fair value less cost to sell.

(e) Refer Note 14 for details of property, plant and equipment pledged as security against borrowings.

4. INTANGIBLE ASSETS AND GOODWILL

(a) Intangible assets

	Cost				Amortisation				Net book value
	As at April 1, 2019	Additions	Deletions/ Adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Deletions/ Adjustments	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**

Previous year

	Cost				Amortisation				Net book value
	As at April 1, 2018	Additions	Deletions/ Adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Deletions/ Adjustments	As at March 31, 2019	As at March 31, 2019
Licenses and rights	10,571	614	—	11,185	8,045	446	—	8,491	2,694
Goodwill	6,543	—	6,543	—	6,543	—	6,543	—	—
Brands	631	—	631	—	631	—	631	—	—
Total	17,745	614	7,174	11,185	15,219	446	7,174	8,491	2,694

	As at March 31, 2020	As at March 31, 2019
(b) Goodwill on consolidation		
Gross amount	4,380	4,380
Less: Provision for impairment	1,959	1,959
	2,421	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. In view of management, no further provision for impairment is considered necessary as at March 31, 2020.

Notes to Consolidated Ind AS Financial Statements contd.

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

		As at March 31, 2020		As at March 31, 2019
5. FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)				
(unquoted)				
Trade investments (at cost) (fully paid-up)				
Equity instruments				
Investment in associate				
Kingfisher East Bengal Football Team Private Limited [4,999 (March 31, 2019: 4,999) equity shares of Rs. 10 each]		1		*1*
Non-trade investments (at fair value through profit or loss) (fully paid-up)				
Equity instruments				
The Zoroastrian Co-operative Bank Limited [2,000 (March 31, 2019: 2,000) equity shares of Rs. 25 each]		1		*1*
SABMiller India Limited (Formerly, Skol Breweries Limited) [300 (March 31, 2019: 300) equity shares of Rs. 10 each]*		—		—
Castle Breweries Ltd. (Formerly, Jupiter Breweries Industries Limited) [50 (March 31, 2019: 50) equity shares of Rs. 10 each]*		—		—
Mohan Meakin Limited [100 (March 31, 2019: 100) equity shares of Rs. 5 each]*		—		—
Blossom Industries Limited [100 (March 31, 2019: 100) equity shares of Rs. 3 each]*		—		—
Renew Wind Energy (Karnataka) Private Limited [8,400 (March 31, 2019: 8,400) equity shares of Rs. 100 each]		8		*8*
Mytrah Vayu (Manjira) Private Limited [144,000 (March 31, 2019: 144,000) equity shares of Rs. 10 each]		14		*14*
In government securities				
National savings certificate	18		*18*	
Less: Provision for impairment in value of investments	15	3	*15*	*3*
Total		**27**		*27*
* Rounded off.				
Aggregate amount of unquoted investments (net)		27		*27*
Aggregate amount of impairment in value of investments		(15)		*(15)*

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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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
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	4,735	5,656	—	—
Bank deposits with remaining maturity of more than 12 months	90	477	—	—
Margin money deposits towards bank guarantees	104	98	—	—
Interest accrued on bank and other deposits	—	—	80	71
	4,929	**6,231**	**366**	71
Unsecured, credit impaired				
Security deposits	71	74	—	—
Less: Loss allowance	71	74	—	—
	—	—	—	—
Total	**4,929**	**6,231**	**366**	71
7. OTHER ASSETS				
Unsecured, considered good				
Capital advances	5,502	6,622	—	—
Advances other than capital advances				
Advance to suppliers*	3,680	3,095	1,831	3,434
Employees and other advances	83	94	221	234
Prepaid expenses	4,259	2,535	8,926	7,148
Balance with statutory/ government authorities**	5,576	4,839	31,797	30,288
Government grant receivable***	639	639	—	—
	19,739	17,824	**42,775**	41,104
Unsecured, considered doubtful				
Capital advances	82	86	—	—
Advances other than capital advances				
Advance to suppliers	95	85	—	—
Balance with statutory/government authorities	318	322	—	—
Less: Provision for doubtful advances	495	493	—	—
	—	—	—	—
Total	**19,739**	17,824	**42,775**	41,104

* Non-current advance to suppliers includes an amount of Rs. 3,180 Lakhs (March 31, 2019: Rs. 3,095 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.

** 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, 2020	As at March 31, 2019
8. INVENTORIES		
(valued at lower of cost and net realisable value)		
Raw materials [Includes in transit: Rs. 610 Lakhs (March 31, 2019: Rs. 917 Lakhs)]	23,294	*26,412*
Packing materials and bottles [Includes in transit: Rs. 642 Lakhs (March 31, 2019: Rs. 1,328 Lakhs)]	18,962	*12,660*
Work-in-progress	37,219	*34,916*
Finished goods [Includes in transit: Rs. 4,399 Lakhs (March 31, 2019: Rs. 4,920 Lakhs)]*	24,491	*24,581*
Stock-in-trade [Includes in transit: Rs. 84 Lakhs (March 31, 2019: Rs. 10 Lakhs)]	690	*358*
Stores and spares [Includes in transit: Rs. 223 Lakhs (March 31, 2019: Rs. 494 Lakhs)]	4,737	*4,319*
Total	**1,09,393**	*1,03,246*

*Net of provision for obsolete stock Rs. 2,227 Lakhs (March 31, 2019: Rs. 1,463 Lakhs).

During the year, an amount of Rs. 2,519 Lakhs (March 31, 2019: Rs. 1,555 Lakhs) was recognised as an expense for inventories carried at net realisable values.

9. TRADE RECEIVABLES		
(Financial asset at amortised cost)		
Considered good		
Secured	2,489	*1,006*
Unsecured	1,32,549	*1,50,093*
	1,35,038	*1,51,099*
Credit impaired		
Unsecured	8,693	*5,404*
Less: Loss allowance	8,693	*5,404*
	—	—
Total	**1,35,038**	*1,51,099*

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 commission agents.

10. CASH AND CASH EQUIVALENTS		
Bank balances on current accounts**	2,928	*1,891*
Bank deposits with original maturity of three months or less	—	*17*
Cash on hand	8	*12*
Total	**2,936**	*1,920*

**Includes balance in exchange earners foreign currency accounts of Rs. 263 Lakhs (March 31, 2019: Rs. 1,251 Lakhs)

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

	As at March 31, 2020	As at March 31, 2019
11. OTHER BANK BALANCES		
Bank balances on current accounts towards unpaid dividend	3,791	2,090
Bank deposits with original maturity of:		
Less than 12 months but more than 3 months	676	555
Greater than 12 months	456	52
Total	**4,923**	2,697

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 held with statutory/government authorities.

12. EQUITY SHARE CAPITAL

	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
4,12,98,00,000 (March 31, 2019: 4,12,98,00,000) equity shares of Re. 1 each	41,298	41,298
5,86,00,000 (March 31, 2019: 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, 2019: 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, 2020		As at March 31, 2019	
	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, 2020		As at March 31, 2019	
	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, 2020	As at March 31, 2019
13. 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	37,231	31,578
Transfer from the consolidated statement of profit and loss	4,312	5,653
Closing balance	**41,543**	37,231
Cash flow hedge reserve		
Balance as per last consolidated Ind AS financial statements	—	(176)
Net movement on cash flow hedges (net of tax) (Refer Note 31)	—	176
Closing balance	**—**	—
Retained earnings		
Balance as per last consolidated Ind AS financial statements	1,90,874	1,47,352
Consolidated profit for the year	42,773	56,294
Effect of adoption of new revenue recognition accounting standard Ind AS 115 (net of tax)	—	(549)
Other comprehensive income	(1,151)	(191)
Appropriations		
Final equity dividend	(6,610)	(5,288)
Tax on equity dividend	(1,363)	(1,091)
Transfer to general reserve	(4,312)	(5,653)
Closing balance	**2,20,211**	1,90,874
Total reserves and surplus	**3,49,382**	3,15,733
Distribution made and proposed		
Cash dividends on equity shares declared and paid:		
Dividend for the year ended March 31, 2019: Rs. 2.50 per share (March 31, 2018: Rs. 2.00 per share)	6,610	5,288
Dividend distribution tax	1,363	1,091
	7,973	6,379
Proposed dividends on equity shares:		
Dividend for the year ended on March 31, 2020: Rs. 2.50 per share (March 31, 2019: Rs. 2.50 per share)	6,610	6,610
Dividend distribution tax	—	1,359
	6,610	7,969

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon, if applicable) as at year end.

	As at March 31, 2020	As at March 31, 2019
Non-Controlling interest		
Balance as per last consolidated Ind AS financial statements	304	294
Profit for the year	56	37
Cash dividends	(22)	(23)
Dividend distribution tax	(4)	(4)
Closing balance	**334**	304

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

	Non-current portion		Current portion	
	As at March 31, 2020	*As at March 31, 2019*	As at March 31, 2020	*As at March 31, 2019*
14. FINANCIAL LIABILITIES - BORROWINGS (NON-CURRENT) (at amortised cost)				
Secured				
Indian currency term loans from banks	37	*7,543*	*7,506*	*13,006*
	37	*7,543*	***7,506***	*13,006*
Unsecured				
Lease liabilities	853	—	*806*	—
	853	—	***806***	—
Less: Amount disclosed under the head "Other financial liabilities" (Refer Note 15)	—	—	*8,312*	*13,006*
Total	**890**	*7,543*	—	—

Secured

Nature of security	Repayment and other terms
Indian currency term loan	
BNP Paribas: Rs. Nil (March 31, 2019: Rs. 13,000 Lakhs) was secured by first pari-passu charge on all 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 8, 2019 and March 14, 2020. The loan carried interest of 8.35% and 8.60% per annum payable on monthly basis.
Cooperatieve Rabo Bank U.A.: Rs. 7,500 Lakhs (March 31, 2019: 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 carries interest of 6.70% to 8.50% per annum payable on monthly basis.
Daimler Financial Services India Private Limited: Rs. 43 Lakhs (March 31, 2019: Rs. 49 Lakhs) secured by hypothecation of Car.	Repayable in 48 equal monthly instalments starting from October 2018. The loan carries 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, 2020	*As at March 31, 2019*	**As at March 31, 2020**	*As at March 31, 2019*
15. OTHER FINANCIAL LIABILITIES				
(at amortised cost)				
Current maturities of long-term borrowing (Refer Note 14)	—	—	8,312	*13,006*
Liability for capital goods	—	—	6,208	*5,054*
Interest accrued but not due on borrowings	—	—	569	*197*
Security deposits	—	—	3,711	*3,850*
Unpaid dividends*	—	—	3,791	*2,090*
Salaries and bonus payable	1,131	*955*	3,892	*4,421*
Freight expenses payable	—	—	6,509	*13,580*
Other expenses payable	—	—	23,707	*27,881*
Total	**1,131**	*955*	**56,699**	*70,079*

*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, 2020	*As at March 31, 2019*	**As at March 31, 2020**	*As at March 31, 2019*
16. PROVISIONS				
Provision for employee benefits				
Gratuity	685	*163*	1,000	*1,000*
Provident fund	973	—	—	—
Compensated absences	—	—	4,434	*3,795*
	1,658	*163*	**5,434**	4,795
Other provisions				
Provision for litigations	—	—	3,552	*3,023*
Provision for claims	—	—	—	*279*
	—	—	3,552	*3,302*
Total	**1,658**	*163*	**8,986**	*8,097*

	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	3,023	531	—	2	3,552
	(3,233)	(89)	(77)	(222)	(3,023)
Provision for claims	279	—	—	279	—
	(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.

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

	As at March 31, 2020	As at March 31, 2019
17. TAX ASSET/(LIABILITY) (NET)		
(a) Income tax assets (net)		
Balance at the beginning of the year	17,516	*10,795*
Less: Provision for the year	17,597	*32,261*
Add: Tax paid (net of refund)	19,027	*38,982*
Closing balance	**18,946**	*17,516*

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 and consolidated other comprehensive income	
	As at March 31, 2020	As at March 31, 2019	March 31, 2020	March 31, 2019
(b) Deferred tax asset/(liability) (net)				
Defered tax assets				
Provision/allowance for receivables and advances	2,330	*2,087*	(243)	*510*
Provision for employee benefits	1,783	*1,731*	(52)	*(105)*
Fair valuation of cash flow hedges	—	—	—	*9*
Other provisions	1,326	*898*	(428)	*(21)*
	5,439	*4,716*	**(723)**	*393*
Deferred tax liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	2,662	*5,860*	(3,198)	*(1,071)*
	2,662	*5,860*	**(3,198)**	*(1,071)*
Net deferred tax asset/(liability)	**2,777**	*(1,144)*		
Deferred tax (credit)			**(3,921)**	*(678)*
Reconciliation of movement in deferred tax asset/(liability) (net)				
Balance at the beginning of the year	(1,144)	*(1,822)*		
Tax credit during the year				
Recognised in consolidated statement of profit and loss	3,534	*661*		
Recognised in consolidated OCI	387	*17*		
	3,921	*678*		
Balance at the end of the year	**2,777**	*(1,144)*		

The Group has not recognised deferred tax asset on provision for impairment in value of goodwill amounting to Rs. 1,959 Lakhs (March 31, 2019: 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.

Notes to Consolidated Ind AS Financial Statements contd.

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

	As at March 31, 2020	As at March 31, 2019
18. FINANCIAL LIABILITIES - BORROWINGS (CURRENT)		
(at amortised cost)		
Secured		
Indian currency working capital demand loans from banks	6,100	*600*
	6,100	*600*
Unsecured		
Foreign currency buyer's credit from bank	9,915	—
	9,915	—
Total	**16,015**	*600*

(a) Indian currency 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 6.52% to 6.75% per annum.

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

	As at March 31, 2020	As at March 31, 2019
19. FINANCIAL LIABILITIES - TRADE PAYABLES		
(at amortised cost)		
Total outstanding dues of micro and small enterprises (Refer Note 36 for details)	5,387	*4,426*
Total outstanding dues of creditors other than micro and small enterprises (including acceptances)*	49,117	*54,596*
Total	**54,504**	*59,022*

*Includes dues to related parties (Refer Note 38)

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

	As at March 31, 2020	As at March 31, 2019
20. OTHER CURRENT LIABILITIES		
Statutory dues payable**	56,961	*64,224*
Contract liabilities - Advances from customers***	3,147	*7,241*
Advance against assets held for sale	2,069	—
Advance from commission agents	663	*692*
Total	**62,840**	*72,157*

**Includes liability for excise duty on closing stock of work-in-progress and finished goods.

***Revenue recognised from amounts included in contract liabilities at the beginning of the year is Rs. 6,718 Lakhs (March 31, 2019: Rs. 1,229 Lakhs)

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	March 31, 2020	March 31, 2019
21. REVENUE FROM CONTRACTS WITH CUSTOMERS (INCLUDING EXCISE DUTY)		
Revenue from operations		
Sale of products (including excise duty)	14,38,911	13,86,735
Sale of services	1,264	1,209
Other operating revenues	24,940	26,038
Total	**14,65,115**	14,13,982
(a) Disaggregated revenue information		
Sale of products (including excise duty)		
Beer	14,25,777	13,77,043
Non-alcoholic beverages	2,033	808
Others (Input materials)	11,101	8,884
	14,38,911	13,86,735
Sale of services	998	1,060
Royalty income	266	149
Others	**1,264**	1,209
Other operating revenues		
Income from contract manufacturing units	14,174	16,427
Scrap sales	10,316	8,826
Others	450	785
	24,940	26,038
(b) Timing of revenue recognition		
Products transferred at a point in time	14,49,677	13,96,346
Services rendered at a point in time	15,438	17,636
	14,65,115	14,13,982
(c) Reconciliation of amount of revenue recognised with contract price		
Revenue as per contracted price	15,07,744	14,55,062
Adjustments (Variable considerations, etc.)	(42,629)	(41,080)
Revenue from contracts with customers	**14,65,115**	14,13,982

(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, 2020 is adjusted for reversals in variable considerations of Rs. 1,702 Lakhs (Previous year: Rs. 2,091 Lakhs).

(f) Also refer Note 9 for Trade receivables, Note 20 for Contract liabilities and Note 37 for Segment information.

Notes to Consolidated Ind AS Financial Statements contd.

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

	March 31, 2020	March 31, 2019
22. OTHER INCOME		
Interest income on bank and other deposits	241	731
Net gain on sale of property, plant and equipment	12	28
Liabilities no longer required written back	88	348
Loss allowance for receivables, no longer required written back	179	1,894
Provision for doubtful advances/deposits, no longer required written back	7	14
Other non-operating income	403	186
Total	**930**	3,201
23. COST OF MATERIALS CONSUMED		
Raw materials		
Inventories at the beginning of the year	26,412	20,178
Add: Purchases	1,06,216	1,12,737
Less: Inventories at the end of the year	23,294	26,412
Consumption	**1,09,334**	1,06,503
Packing materials and bottles		
Inventories at the beginning of the year	12,660	10,550
Add: Purchases	1,93,573	1,87,338
Less: Inventories at the end of the year	18,962	12,660
Consumption	**1,87,271**	1,85,228
Total	**2,96,605**	2,91,731
24. PURCHASES OF STOCK-IN-TRADE		
Beer	18,866	16,402
Non-alcoholic beverages	631	75
	19,497	16,477
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRES AND STOCK-IN-TRADE		
Inventories at the beginning of the year		
Finished goods*	26,044	14,591
Work-in-progress	34,916	32,190
Stock-in-trade	358	6
	61,318	46,787
Less: Inventories at the end 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
Increase in inventories	**(3,309)**	(14,531)
Increase in excise duty on inventories	2,320	7,089
Total	**(989)**	(7,442)

*Before provision for obsolete stock. Refer Note 8.

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

	March 31, 2020	March 31, 2019
26. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	43,848	38,861
Gratuity expense [refer note (i) below]	989	788
Contribution to provident and other funds [refer note (i) and (ii) below]	2,276	1,973
Staff welfare expenses	3,299	3,221
Total	**50,412**	**44,843**

(i) The Group operates two defined benefit plans i.e., gratuity and provident fund for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
a) Changes in the present value of the defined benefit obligation				
Obligations at beginning of the year	10,244	9,351	13,474	12,467
Current service cost - employer contribution	943	744	907	770
Employee contribution	—	—	1,923	1,298
Interest cost	701	661	1,236	1,028
Benefits paid	(727)	(832)	(1,044)	(2,149)
Liability transferred	—	(9)	—	—
Actuarial loss	408	329	604	60
Obligations at end of the year	**11,569**	10,244	**17,100**	13,474
b) Change in fair value of plan assets				
Plan assets at the beginning of the year	9,081	8,258	13,516	12,570
Return on plan assets	655	617	1,239	1,035
Contributions during the year	1,000	1,002	2,817	2,060
Benefits paid	(727)	(832)	(1,044)	(2,149)
Actuarial gain/(loss)	(125)	36	(401)	—
Plan assets at end of the year	**9,884**	9,081	**16,127**	13,516
c) Benefit asset/(liability)				
Fair value of plan assets	9,884	9,081	16,127	13,516
Less: Present value of the defined benefit obligations	11,569	10,244	17,100	13,474
Benefit asset/(liability)	**(1,685)**	(1,163)	**(973)**	42

Notes to Consolidated Ind AS Financial Statements contd.

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

	Gratuity		Provident fund	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
d) Cost charged to the consolidated statement of profit and loss under employee cost				
Current service cost - employer contribution	943	*744*	907	*770*
Interest cost	701	*661*	1,236	*1,028*
Return on plan assets	(655)	*(617)*	(1,239)	*(1,035)*
Net employee benefit expense*	**989**	*788*	**904**	*763*

*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 loss which is recognised in other comprehensive income).

	Gratuity		Provident fund	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
e) Re-measurement loss/(gain) recognised in other comprehensive income				
Actuarial loss/(gain)				
Change in financial assumption	458	*197*	*563*	—
Experience variance (actual vs assumption)	(50)	*132*	*41*	—
Return on plan assets (excluding amount recognised in net interest expense)	125	*(36)*	*401*	—
Net actuarial loss	**533**	*293*	**1,005**	—
f) Major category of plan assets included in percentage of fair value of plan assets				
Government securities	—	—	9,600	*7,472*
Corporate bonds	—	—	6,030	*6,044*
Fund balance with insurance companies	9,884	*9,081*	—	—
Others	—	—	497	—
Total	**9,884**	*9,081*	**16,127**	*13,516*

	Gratuity		Provident fund	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
g) The principal assumptions used in determining gratuity and provident fund obligations for the Company plans are as shown below:				
Discount rate	6.30%	*7.10%*	6.30%	*7.10%*
Salary increase rate	9.50%-10.50%	*10.00%-10.50%*	9.50%-10.50%	*10.00%-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		7.80%	*8.50%*

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.

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

	March 31, 2020		March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (Gratuity) - Increase/(decrease) in liability				
Discount rate	(729)	830	(629)	713
Salary increase rate	793	(713)	699	(630)
Employee turnover	(168)	186	(118)	131
Impact on defined benefit obligation (Provident fund) - Increase/(decrease) in liability				
Expected return on exempt fund	(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, 2019: 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Within next 12 months	2,104	1,000	4,106	1,810
Between 2 to 5 years	4,332	4,795	6,530	5,354
Between 5 to 10 years	8,610	7,761	4,359	3,556
Total	**15,046**	13,556	**14,995**	10,720

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

	March 31, 2020	March 31, 2019
Provident fund	1,570	1,357
Superannuation fund	670	565
Employees state insurance fund	36	51
Total	**2,276**	1,973

27. FINANCE COSTS

Interest expense (including on lease liabilities)	3,047	3,063
Other borrowing costs	65	57
Total	**3,112**	3,120

28. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of property, plant and equipment (including right-of-use assets)	28,014	25,540
Amortisation of intangible assets	496	446
Total	**28,510**	25,986

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

		March 31, 2020		March 31, 2019
29. OTHER EXPENSES				
Consumption of stores and spares		13,531		13,302
Power and fuel		17,892		18,975
Rent		3,979		4,482
Repairs and maintenance				
Plant and machinery		5,001		4,929
Buildings		420		481
Others		1,606		1,498
Insurance		1,455		1,104
Rates and taxes		27,491		23,875
Legal and professional charges		4,811		4,798
Auditor's remuneration				
Statutory audit fee	143		143	
Limited review fee	27		27	
Tax audit fee	19		19	
Others	34	223	95	284
Sales promotion expenses [net of reversal of Rs. 185 Lakhs (Previous year: Rs. 3 Lakhs)]		36,728		34,911
Outward freight, halting and breakage expenses		37,225		39,310
Distribution expenses [net of reversal of Rs. 304 Lakhs (Previous year: Rs. 606 Lakhs)]		24,458		22,715
CSR expenditure (refer details below)		1,224		1,074
Bad debts/advances written off		68		338
Loss allowance for trade receivables		3,468		392
Provision for doubtful advances/deposits		6		54
Exchange differences (net)*		422		91
Miscellaneous expenses		17,807		15,485
Total		**1,97,815**		1,88,098
Details of CSR expenditure				
Gross amount required to be spent by the Group during the year		1,224		942
Amount spent during the year (other than on construction/ acquisition of any asset)		1,162		1,074
Amount yet to be spent/paid		62		—
Total		**1,224**		1,074

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

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

	March 31, 2020	March 31, 2019
30. TAX EXPENSES		
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	17,597	*32,261*
Deferred tax (credit)	(3,534)	*(661)*
Total	**14,063**	*31,600*
Other comprehensive income		
Deferred tax charge/(credit) on		
Re-measurement of defined benefit plans	(387)	*(102)*
Net movement in cash flow hedges	—	*85*
Total	**(387)**	*(17)*
Reconciliation of tax expense with accounting profit multiplied by statutory income tax rate:		
Accounting profit before income tax	**56,892**	*87,931*
Tax as per statutory income tax rate of 25.17% (Previous year: 34.94%)	14,320	*30,723*
Effect of change in tax rate*	(321)	—
Allowances/exemptions under Income tax	(400)	*(316)*
Non-deductible expenses for tax purposes	—	—
CSR expenditure	308	*375*
Other non-deductible expenses	156	*818*
Income tax expense reported in consolidated statement of profit and loss account	**14,063**	*31,600*

*The Group 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 Group has recognised Provision for Income Tax for the year and re-measured its Deferred tax asset/liability basis the rate prescribed in the said section.

31. NET MOVEMENT IN CASH FLOW HEDGES

	March 31, 2020	March 31, 2019
Fair value loss on cross currency interest rate swaps and forward contracts	—	*18*
Less: Reclassified to consolidated statement of profit and loss	—	*243*
	—	*261*
Deferred tax effect on above	—	*(85)*
Net movement in cash flow hedges	**—**	*176*

32. EARNINGS PER SHARE (EPS)

	March 31, 2020	March 31, 2019
The following reflects the profit and share data used in the basic and diluted EPS computation:		
Net profit attributable to equity shareholders of the parent	42,773	*56,294*
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.)	**16.18**	*21.30*

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 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.

The Group has adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application as April 1, 2019, and consequently comparatives for previous year have not been restated and hence not disclosed.

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, 2020
At the beginning of the year (recognised on transition to Ind AS 116)	1,631
Additions	789
Accretion of interest	142
Payments	(903)
At the end of the year	**1,659**
Current	806
Non-current	853
Total	**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:

Depreciation expense of right-of-use assets	1,034
Interest expense on lease liabilities	142
Expense relating to short-term leases (included in rent expenses)	3,653
Expense relating to leases of low-value assets (included in rent expense)	326
Total amount recognised in the consolidated statement of profit and loss	**5,155**

The Group had total cash outflows for leases of Rs. 4,882 Lakhs for the year ended March 31, 2020. The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 789 Lakhs during the year ended March 31, 2020. 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. 160 Lakhs. There are no termination options which are expected to be exercised but not included in lease term.

The total lease rentals expense for the year ended March 31, 2019 was Rs. 4,482 Lakhs and the future minimum rentals payable under non-cancellable operating leases as at March 31, 2019 was as follows:

	March 31, 2019
Within one year	385
After one year but not more than five years	164
More than five years	—
Total	**549**

The reconciliation of aforesaid operating lease commitments disclosed under Ind AS 17 with lease liabilities recognised on transition to Ind AS 116 is as below:

Non-cancellable operating lease commitments as on March 31, 2019	549
Non-cancellable short-term leases included above	(312)
Impact of discounting above lease commitments (other than short-term leases)	(39)
Lease liabilities recognised for cancellable leases and period beyond non-cancellable term	1,433
Total lease liabilities recognised on April 1, 2019	**1,631**

	March 31, 2020	March 31, 2019
34. CAPITAL AND OTHER COMMITMENTS		
(a) Estimated amount of contract remaining to be executed (net of capital advances) on capital account and not provided for	14,038	9,836
(b) Commitment under contracts for malt conversion	4,212	—
(c) Commitments under power purchase agreements	7,032	3,679
(d) Other contractual commitments	2,304	2,474
Total	**27,586**	15,989
For commitments relating to lease arrangements, refer Note 33.		
35. CONTINGENT LIABILITIES		
(a) Claims against the Group not acknowledged as debts*		
Income tax	45,173	35,370
Service tax	2,616	22,947
Sales tax	14,464	13,784
Excise duty	13,879	12,397
Water charges	3,180	3,095
Employee state insurance/provident fund	84	84
Others	9,409	9,389
(b) Other money for which the Group is contingently liable		
Bank guarantees	6,068	6,960
Letter of credit	3,185	3,471
Total	**98,058**	1,07,497

* The Group is contesting these demands and the management, based on advise of its advisors, 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.

Notes to Consolidated Ind AS Financial Statements contd.

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

(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 has submitted its investigation report to the CCI for consideration which was also communicated to the Holding Company on December 13, 2019, followed with an updated report on March 19, 2020 for filing its suggestion / objections, if any. The Holding Company has not received any demand order in respect of this matter, hence management is of the view that it is not practicable to state an estimate of its financial effect, if any. Management, along-with its legal advisors, are reviewing the aforesaid report and evaluating this matter; and believe that there are mitigating circumstances to counter presumptions made against the Holding Company by the CCI as contained in the Competition Act, 2002.

(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.

(e) The Holding Company has received an authorisation for a value of Rs. 9,237 Lakhs (March 31, 2019: Nil) for import/indigenous procurement upto December 2020 under advance authorisation scheme ("the Scheme") notified by the Government under the Foreign Trade Policy, 2015-20, with an export obligation of Rs. 26,535 Lakhs (March 31, 2019: Nil). As at March 31, 2020, the Holding Company has procured inputs of Rs. 254 Lacs (March 31, 2019: Nil) for which export obligation is pending to be fulfilled.

	March 31, 2020	*March 31, 2019*
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	5,387	*4,426*
- Interest due on above	83	*68*
Total	**5,470**	*4,494*
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	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year	64	*539*
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	871	*807*

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.

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

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.

	March 31, 2020	March 31, 2019
Segment revenue		
Beer	14,63,082	14,13,174
Non-alcoholic beverages	2,033	808
Total revenue	**14,65,115**	14,13,982
Segment results		
Beer	94,972	1,06,597
Non-alcoholic beverages	(4,838)	(2,298)
Total segment results	**90,134**	1,04,299
Other income	930	3,201
Finance costs	(3,112)	(3,120)
Other unallocable expenses	(31,060)	(16,449)
Profit before tax	**56,892**	87,931
Information about geographical areas is as below:		
Revenue from external customers (including excise duty)		
India	14,44,228	13,89,314
Outside India	20,887	24,668
Total	**14,65,115**	14,13,982
The above information is based on the location of customers.		
Non-current operating assets		
India	2,10,099	1,94,285
Outside India	—	—
Total	**2,10,099**	1,94,285

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. 303,021 Lakhs (Previous year: Rs. 463,065 Lakhs) from 1 customer (Previous year: 2 customers).

Notes to Consolidated 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 parties under Ind AS 24 with whom transactions have taken place:

Associate	: Kingfisher East Bengal Football Team Private Limited ('KEBFTPL')
Enterprises having significant influence	: Scottish & Newcastle India Limited, UK ('SNIL')
Key management personnel (KMP)	: Mr. Shekhar Ramamurthy, Managing Director Mr. Berend Cornelis Roelof Odink, Chief Financial Officer (effective August 15, 2019) Mr. Steven Bosch, Director and CFO (till December 31, 2018) Mr. P A Poonacha, Senior Vice-President Finance & Accounts - CFO (effective January 1, 2019 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 Limtied ('DBG') Kingfisher Beer Europe Limited ('KBE')
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. Rudolf Gijsbert Servaas Van Den Brink (effective November 14, 2018) Mr. Chugh Yoginder Pal (till September 3, 2019) Mr. Chhaganlal Jain (till September 3, 2019) Mr. Frans Erik Eusman (till November 14, 2018)

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 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')* United Breweries International (UK) Limited, UK ('UBIUK') H. Parson Private Limited ('HPPL')

*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, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
Transactions during the year										
Sale of products (net)										
HPPL	—	—	—	—	—	—	—	—	4,847	*5,380*
	—	—	**—**	—	**—**	—	**—**	—	**4,847**	*5,380*
Royalty income										
KBE	—	—	—	—	—	—	83	*44*	—	—
DBL	—	—	—	—	—	—	53	—	—	—
DBG	—	—	—	—	—	—	10	—	—	—
UBIUK	—	—	—	—	—	—	—	—	—	*11*
HPPL	—	—	—	—	—	—	—	—	—	*2*
	—	—	**—**	—	**—**	—	**146**	*44*	**—**	*13*
Purchase of materials										
HAPEP	—	—	—	—	—	—	867	—	—	—
HAPBPL	—	—	—	—	—	—	23	—	—	—
HAPPL	—	—	—	—	—	—	—	*110*	—	—
HSCBV	—	—	—	—	—	—	6	*12*	—	—
	—	—	**—**	—	**—**	—	**896**	*122*	**—**	—
Sales promotion expenses										
KEBFTPL	—	*58*	—	—	—	—	—	—	—	—
HPPL	—	—	—	—	—	—	—	—	15	*122*
	—	*58*	**—**	—	**—**	—	**—**	—	**15**	*122*
Rent expense										
UBHL	—	—	—	—	—	—	—	—	96	*144*
	—	—	**—**	—	**—**	—	**—**	—	**96**	*144*
Technical service fees										
HIBV	—	—	—	—	—	—	600	*600*	—	—
	—	—	**—**	—	**—**	—	**600**	*600*	**—**	—

Notes to Consolidated Ind AS Financial Statements contd.

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

	Associate		Enterprises having significant influence		Directors, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
Royalty paid										
HBBV	—	—	—	—	—	—	558	*604*	—	—
Amstel	—	—	—	—	—	—	267	*64*	—	—
	—	—	**—**	—	**—**	—	**825**	*668*	**—**	—
Consultancy fees paid										
HSCBV	—	—	—	—	—	—	137	*89*	—	—
KBE	—	—	—	—	—	—	28	—	—	—
HIBV	—	—	—	—	—	—	14	—	—	—
	—	—	**—**	—	**—**	—	**179**	*89*	**—**	—
Reimbursements received										
HAPEP	—	—	—	—	—	—	4	—	—	—
UBHL	—	—	—	—	—	—	—	—	18	—
	—	—	**—**	—	**—**	—	**4**	—	**18**	—
Reimbursements paid										
HIBV	—	—	—	—	—	—	234	*216*	—	—
HPPL	—	—	—	—	—	—	—	—	54	*79*
	—	—	**—**	—	**—**	—	**234**	*216*	**54**	*79*
Remuneration paid [Refer (a) below]										
Mr. Shekhar Ramamurthy	—	—	—	—	1,422	*1,247*	—	—	—	—
Mr. Berend Cornelis Roelof Odink	—	—	—	—	379	—	—	—	—	—
Mr. Steven Bosch	—	—	—	—	—	*354*	—	—	—	—
Mr. Govind Iyengar	—	—	—	—	261	*227*	—	—	—	—
Mr. P A Poonacha	—	—	—	—	87	*30*	—	—	—	—
Ms. Kanta Labroo	—	—	—	—	36	*23*	—	—	—	—
	—	—	**—**	—	**2,185**	*1,881*	**—**	—	**—**	—
Sitting fee paid										
Mr. A K Ravi Nedungadi	—	—	—	—	16	*18*	—	—	—	—
Mr. Stephan Gerlich	—	—	—	—	12	*6*	—	—	—	—
Mrs. Kiran Majumdar Shaw	—	—	—	—	11	*8*	—	—	—	—
Mr. Madhav Bhatkuly	—	—	—	—	16	*24*	—	—	—	—
Mr. Sunil Alagh	—	—	—	—	21	*21*	—	—	—	—
Mr. Christiaan August J Van Steenbergen	—	—	—	—	12	*21*	—	—	—	—

Notes to Consolidated Ind AS Financial Statements contd.

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

	Associate		Enterprises having significant influence		Directors, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
Mr. Rudolf Gijsbert Servaas Van Den Brink	—	—	—	—	11	*2*	—	—	—	—
Mr. Chugh Yoginder Pal	—	—	—	—	10	*32*	—	—	—	—
Mr. Chhaganlal Jain	—	—	—	—	14	*27*	—	—	—	—
Mr. Frans Erik Eusman	—	—	—	—	—	*3*	—	—	—	—
	—	—	**—**	—	**123**	*162*	**—**	—	**—**	—
Director Commission paid*										
Mr. A K Ravi Nedungadi	—	—	—	—	87	*109*	—	—	—	—
Mr. Stephan Gerlich	—	—	—	—	87	*109*	—	—	—	—
Mrs. Kiran Majumdar Shaw	—	—	—	—	87	*109*	—	—	—	—
Mr. Madhav Bhatkuly	—	—	—	—	87	*109*	—	—	—	—
Mr. Sunil Alagh	—	—	—	—	87	*109*	—	—	—	—
Mr. Chugh Yoginder Pal	—	—	—	—	30	*109*	—	—	—	—
Mr. Chhaganlal Jain	—	—	—	—	30	*109*	—	—	—	—
	—	—	**—**	—	**495**	*763*	**—**	—	**—**	—
Dividend accrued/paid on equity shares										
SNIL	—	—	2,250	*1,800*	—	—	—	—	—	—
HIBV	—	—	—	—	—	—	613	*343*	—	—
HUL	—	—	—	—	—	—	212	*170*	—	—
Dr. Vijay Mallya (including joint holdings) [Refer (b) below]	—	—	—	—	—	—	—	—	534	*427*
UBHL [Refer (b) below]	—	—	—	—	—	—	—	—	—	*148*
	—	—	**2,250**	*1,800*	**—**	—	**825**	*513*	**534**	*575*
Contributions made										
UBL Gratuity Fund Trust	—	—	—	—	—	—	—	—	1,000	*1,002*
UBL Provident Fund Trust**	—	—	—	—	—	—	—	—	2,817	*2,060*
UBL Superannuation Fund	—	—	—	—	—	—	—	—	670	*565*
	—	—	—	—	—	—	—	—	**4,487**	*3,627*

Compensation of key management personnel [Refer (b) below]	**March 31, 2020**	*March 31, 2019*
Short-term employee benefits	2,185	*1,881*
Post-employment gratuity and medical benefits	—	—
Termination benefits	—	—
Share-based payment transactions	—	—
Total compensation paid to key management personnel	**2,185**	*1,881*

*Excludes Goods and Services Tax (GST) paid by the Holding Company under reverse charge mechanism.

**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, KMP & their relatives		Enterprises over which investing parties or KMP have significant influence		Others	
	March 31, 2020	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*	**March 31, 2020**	*March 31, 2019*
Balances outstanding as at year end										
Investment in equity shares										
KEBFTPL	1	*1*	—	—	—	—	—	—	—	—
	1	*1*	**—**	—	**—**	—	**—**	—	**—**	—
Trade receivables (gross)										
DBL	—	—	—	—	—	—	53	—	—	—
KBE	—	—	—	—	—	—	15	*16*	—	—
DBG	—	—	—	—	—	—	10	—	—	—
HPPL	—	—	—	—	—	—	—	—	—	*5*
	—	—	**—**	—	**—**	—	**78**	*16*	**—**	*5*
Advance received from customer										
HPPL	—	—	—	—	—	—	—	—	273	—
	—	—	**—**	—	**—**	—	**—**	—	**273**	—
Security deposits (asset)										
UBHL	—	—	—	—	—	—	—	—	65	*65*
	—	—	**—**	—	**—**	—	**—**	—	**65**	*65*
Trade receivables										
HIBV	—	—	—	—	—	—	491	*522*	—	—
HAPEP	—	—	—	—	—	—	365	—	—	—
HBBV	—	—	—	—	—	—	239	*141*	—	—
Amstel	—	—	—	—	—	—	93	*15*	—	—
HAPBPL	—	—	—	—	—	—	23	—	—	—
HSCBV	—	—	—	—	—	—	16	*27*	—	—
KBE	—	—	—	—	—	—	19	—	—	—
HAPPL	—	—	—	—	—	—	—	88	—	—
UBHL	—	—	—	—	—	—	—	—	201	*211*
HPPL	**—**	—	**—**	—	**—**	—	**—**	—	**—**	*13*
	—	—	**—**	—	**—**	—	**1,246**	*793*	**201**	*224*

(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 for the Group companies as a whole.

(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, without its prior permission. Accordingly, the Holding Company has withheld payment of Rs. 1,534 Lakhs (net of payment of Rs. 784 Lakhs to the official liquidator of United Breweries (Holdings) Limited) relating to dividend on aforesaid shares. The Holding Company would also withhold payment of proposed dividend for the year ended March 31, 2020 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 payments 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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(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, 2020

	Net assets i.e. total assets minus total liabilities		Share in consolidated profit or loss		Share in consolidated other comprehensive (loss)		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 (loss)	Amount	As a % of consolidated total comprehensive income	Amount
United Breweries Limited, Parent	99.79%	3,51,608	99.73%	42,714	100.00%	(1,151)	99.72%	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**

	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
March 31, 2019								
United Breweries Limited, Parent	99.70%	3,17,755	99.86%	56,255	100.00%	(15)	99.86%	56,240
Maltex Malsters Limited, Indian subsidiary	0.20%	622	0.07%	39	—	—	0.07%	39
Non-controlling interest in subsidiary	0.10%	304	0.07%	37	—	—	0.07%	37
Total	**100.00%**	**3,18,681**	**100.00%**	**56,331**	**100.00%**	**(15)**	**100.00%**	**56,316**

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

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

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, 2020				
Financial assets measured at fair value				
Foreign exchange forward contract	286	286	—	—
As at March 31, 2019				
Financial assets measured at fair value				
Foreign exchange forward contract	—	—	—	—

There has been no transfers between levels during the year.

The fair values of foreign exchange forward contracts are derived from quoted market prices in active markets.

The management assessed that the carrying values of investments, 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 rates 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, after the impact of hedge accounting. 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, 2020		*March 31, 2019*	
	1% increase	**1% decrease**	*1% increase*	*1% decrease*
Impact on consolidated profit before tax	(236)	236	*(211)*	*211*

Notes to Consolidated Ind AS Financial Statements contd.

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

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 Group has hedged exposure to fluctuations in foreign exchange rates for all of its foreign currency borrowing with forward exchange forward contracts, therefore the changes in the currency rates for borrowing will not have impact on future cash flows.

The summary of derivative instruments and unhedged foreign currency exposure is as below:

Derivatives outstanding as at March 31, 2020 includes foreign exchange forward contract of USD 13,143,660 (March 31, 2019: USD Nil).

Un-hedged foreign currency exposure (gross amounts)as at the reporting date:

	As at March 31, 2020	As at March 31, 2019
Trade receivables	4,844	3,567
Advances to suppliers	221	2,168
Balance in exchange earners foreign currency bank accounts	263	1,251
Capital advances	140	247
Trade payables	2,439	3,822
Liability for capital goods	943	436

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, 2020		March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Impact on consolidated profit before tax	21	(21)	30	(30)

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, 2020		March 31, 2019	
	1% increase	1% decrease	1% increase	1% decrease
Impact on consolidated profit before tax	(358)	358	(311)	311

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 and other receivables. 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 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, 2020	*March 31, 2019*
Balance at the beginning of the year	5,404	*6,906*
Provision recognised/(reversed) during the year, net	3,289	*(1,502)*
Balance at the end of the year	**8,693**	*5,404*

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, 2020					
Lease liabilities	806	273	115	465	1,659
Other non-current borrowings	—	7	30	—	37
Current borrowings	16,015	—	—	—	16,015
Trade payables	54,504	—	—	—	54,504
Other financial liabilities	55,893	1,131	—	—	57,024
Total	**1,27,218**	**1,411**	**145**	**465**	**1,29,239**
March 31, 2019					
Non-current borrowings	—	7,543	—	—	7,543
Current borrowings	600	—	—	—	600
Trade payables	59,022	—	—	—	59,022
Other financial liabilities	70,079	955	—	—	71,034
Total	**1,29,701**	**8,498**	—	—	**1,38,199**

The Group has utilised the existing borrowing limits based on requirements and has also obtained sanction of additional borrowing limits subsequent to the year end.

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Notes to Consolidated Ind AS Financial Statements contd.

(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, 2020	*As at March 31, 2019*
Non-current borrowings	14	890	*7,543*
Current maturities of non-current borrowings	15	8,312	*13,006*
Current borrowings	18	16,015	*600*
Less: Cash and cash equivalents	10	2,936	*1,920*
Less: Other bank balances (excluding unpaid dividend amounts)	11	1,132	*607*
Net debt		**21,149**	*18,622*
Equity share capital	12		
Other equity	13	2,644	*2,644*
Total capital		3,49,382	*3,15,733*
Gearing ratio		**3,52,026**	*3,18,377*
		6%	*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, 2020 and March 31, 2019.

43. The Holding Company had received emails from certain persons raising allegations in relation to its export business including the services of an export management service provider. The Holding Company has completed its internal review and issued a notice of termination to the aforesaid export management service provider as well as a letter reserving its rights to claims, if any.

44. The Bihar State Government ("the Government") vide its notification dated April 5, 2016 had imposed ban on trade and consumption of foreign liquor 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 and all its inventories lying with Bihar State Beverages Corporation Limited (BSBCL) were drained / destroyed. The matter is currently pending before the Supreme Court for final conclusion.

The financial impact on current assets arising from aforesaid matter was fully provided for. Also, during the financial year 2018-19, in order to maintain the assets in running condition, the Holding Company has commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment at Bihar with carrying value of Rs. 17,411 Lakhs (March 31, 2019: Rs. 19,633 Lakhs) as at March 31, 2020. Management believes that the carrying amount of these property, plant and equipment do not

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

exceed their recoverable amount and accordingly no provision has been considered necessary by the management in this regard.

45. In March 2020, the World Health Organisation declared Coronavirus (COVID-19) to be a pandemic and consequently on March 24, 2020, the Government of India ordered a nationwide lockdown, which got extended in phases. The outbreak of COVID-19 pandemic in India has caused significant disturbance and slowdown of economic activities. The Group's business operations have been significantly impacted by way of interruption of production, supply chain, etc.

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), trade and other receivables, inventories and other financial statement captions. The impact of COVID-19 pandemic on the overall economic environment being uncertain, may affect the underlying assumptions and estimates used in preparation of these consolidated Ind AS financial statements, which may differ from those 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. During May 2020, the Group has resumed its business activities in a phased manner in line with directives issued by the central and state governments.

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: June 24, 2020

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

Shekhar Ramamurthy
Managing Director
DIN: 00504801

Madhav Bhatkuly
Director
DIN: 00796367

Berend Cornelis Roelof Odink
Chief Financial Officer

Govind Iyengar
Senior Vice-President Legal and
Company Secretary

Place: Bengaluru
Date: June 24, 2020

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 1, 2019 – March 31, 2020 (or "FY20")
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 regulate 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 4 International locations viz., United Kingdom (including supplies to European countries), Australia, New Zealand and Nepal.

   ii. **Number of National Locations** : The Company operates through 20 owned manufacturing units and 11 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 31.03.2020)** : 264.41 million
2. **Total Turnover (INR)** : 1,46,465 million
3. **Total profit after taxes (INR)** : 4,272 million
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**
   UBL spent Rs.116 Million on CSR activities during the FY20, which constitutes 2.72% 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 Primary Health, Primary Education, Water Conservation & Providing Safe Drinking Water and conducting Workshop on Responsible Consumption of Alcohol for truck drivers.

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 and 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%]**
   About 30%, of the transporters of the Company have been engaged through "Don't Drink and Drive" workshop for truck drivers at its breweries. 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	00504801	Managing Director

   b) Details of the Business Responsibility head:

Sl. No.	Particulars	Details
1.	DIN Number	00504801
2.	Name	Mr. Shekhar Ramamurthy
3.	Designation	Managing Director
4.	Telephone Number	080-4565 5002
5.	E-mail ID	shr@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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company has framed various Policies which inter-alia cover all the aspects of NVGs in one section or another.								
2.	Has the Policy been formulated in consultation with the relevant Stakeholders?	Policies have been formulated keeping in view the interest of all Stakeholders though a few Stakeholders may have not been directly involved in Policy formulation.								
3.	Does the Policy conform to any national/ international standards? If yes, specify?	Yes. Policies confirm to all the applicable laws and National and International Standards in letter and spirit. 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). The brands of the Company have been bestowed with various quality awards.								
4.	Has the Policy been approved by the Board? If yes, has it been signed by MD/Owner/ CEO/appropriate Board of Directors?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Yes. All the Policies are approved by the Board. The MD/CEO and/or the Company Secretary authenticate the Policies approved by the Board.								
5.	Does the Company have a specified committee of the Board / Director/Official to oversee the Implementation of the Policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Board has framed various Committees whose role includes formulation and implementation of Policies within their terms of reference. Certain Internal Committees are also in place to 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. Other internal Policies are restricted and can be viewed by employees only on Company's Intranet portal https://sampark.ublnet.in/Pages/HRPolicies.								
7.	Has the Policy been formally communicated to all relevant internal and external Stakeholders?	Policies have been communicated to key internal Stakeholders of the Company. It is an on-going process whereby the Stakeholders are informed about the Company's Policies.								
8.	Does the Company have in-house structure to implement the Policy /Policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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), Internal Complaints Committee etc. to address stakeholders' grievances within their terms of reference. Also, the Stakeholders Relationship Committee of the Board 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, Internal and External Auditors as well as 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	Not Applicable.								
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, More than 1 year.

   The Board of Directors of UBL assess various initiatives forming part of the Business Responsibility performance of the Company bi-annually. 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 of Directors of the Company meets bi-annually to oversee the functioning of CSR activities and implementation of projects. Also, the Risk Management Committee meets twice a year to oversee the business responsibility and risks associated with the operations.

   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?

   UBL publishes its Business Responsibility/CSR activities/performance in its quarterly in-house magazine/periodicals viz., 'Beer Update' and also publishes the same on the internal portal of the Company viz., https://sampark.ublnet.in/. CSR activities undertaken by UBL are also published in the official website of the Company viz., www.unitedbreweries.com. Details of the CSR initiatives undertaken by UBL in FY20 are provided in **Annexure-B** to the Director's Report forming part of this Annual Report. Internal periodicals are available on the Intranet portal. UBL has also published its Sustainability 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, Employees, Suppliers and other Stakeholders. While the Code provides for obligations of the employees with respect to non-disclosure of confidential information, accounting and payment practices, accurate financial disclosures, etc., the Gift & Entertainment Policy provides guidelines for dealing with gifts or entertainment to maintain high standard of integrity and avoid conflict of interest.

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.**

   During FY20, Twelve (12) Investors' complaints and 163 customer complaints were received which have been resolved satisfactorily. Details of customer complaints and consumer cases are given in reply 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 your Company and it has always been the endeavour to develop and deliver good quality of your products that are inherently safe to consume and have minimal impact on the environment. The Company has procedures and policies in place for selecting vendors who 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. The cullet so 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 60% of all input cost and power and fuel constitutes about 6% of cost.

   The efforts in the direction of recycling plastic wastes has taken positive steps and we have a structure in place to segregate and sell the plastic waste to an approved statutory 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 led to consciously adopt dedicated vehicles fully fitted with GPS to track and monitor movement of vehicles in an effort to reduce the turn around and ensure vehicle is loaded on its forward and return journey in an endeavour to reduce fuel 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 of 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 responsible sourced supply chains of 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 3R's principles i.e. 'Reduce', 'Recycle' and 'Recover' 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. 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 11% of the treated waste water into the ancillary applications.

The Company reuses patented glass bottles for bottling Beer. About 70% of the bottles are reused thereby protecting environment. Broken glass cullet are sold to glass manufacturers. All the aluminium cans used for beer, are recycled by scrap dealers directly back into Aluminium manufacturing companies. Paper scrap largely find 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 are also in negotiations with cement or brick manufacturers to make use of the ash generated from boilers in a constructive manner. 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, 2020 (excluding temporary/contractual/casual basis) is 3207.

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, 2020 is 6191.

3. **Please indicate the Number of permanent women employees:**
   As on March 31, 2020, there were 149 permanent women employees.

4. **Please indicate the Number of permanent employees with disabilities:**
   The number of permanent employees with disabilities as on March 31, 2020 is 25.

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 99.17% (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	01	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 "Complaints Committee" 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	80%	100%
2.	Permanent Women Employees	56%	100%
3.	Casual/Temporary/Contractual Employees	100%	100%
4.	Employees with Disabilities	100%	100%

Principle 4: Stakeholders' Engagement

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, as a result of regular and extensive stakeholder engagement over many years, the Company's business operations have evolved, balancing business priorities and responsibility towards economic, environmental and social sustainability. The Company builds trust through productive relationships, fosters working partnerships and considers stakeholders both internal and external as integral to its business.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes. In certain cases.

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.

The Company's initiatives include providing equal opportunity for employment for differently-abled people in local communities at its various Unit locations (breweries) in compliance with the Rights of Persons with Disabilities Act, 2016, giving effect to the United Nations Convention on the rights of persons with disabilities. All the CSR activities including, Primary Health, Primary Education, Water Conservation & Providing Safe Drinking Water and Don't Drink and Drive workshops for truck drivers are directed at the disadvantaged, vulnerable and marginalised communities. Safety training programs which are conducted for employees and workmen are also extended to contractual employees.

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?

It covers only the Company. UBL upholds human values in every interaction and complies with applicable laws 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 reply to Principle 1 and Principle 9 of this Report, no complaints were received during the FY20.

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 Environment, Health and Safety (EHS) Policy of the Company is focused on nurturing and safeguarding the environment for sustainable business. Employees and other stakeholder groups such as contractors, suppliers and customers are engaged for their shared responsibilities towards environment protection. UBL gives high importance to compliance of environment laws of the country.

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 sixteen of its breweries with a vision to implement such energy harnessing mechanisms 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.

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 web page 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 several 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 prescribed by Central Pollution Control Board/State Pollution Control Board (CPCB/SPCB) during FY20. Abnormalities were regularized when noticed.

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 four Show Cause Notices. The same have been satisfactorily responded to, without any further queries till date.

Principle 7: Policy Advocacy

1. **Is your Company a 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.

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 Policies, 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, among others. The All India Brewers' Association (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 use of alcoholic beverages. The Policy also articulates Company's views on usage of alcoholic beverages and express 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 our NGO associates.

Principle 8: Inclusive Growth - CSR

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, Primary Health, Primary Education, Water Conservation & Providing Safe Drinking Water and Don't Drink and Drive workshop for its truck drivers under its responsible Consumption of Alcohol programme. Particulars of the CSR initiatives undertaken by UBL in FY20 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/NGOs who can implement projects in the vicinity of our brewery locations. Such projects are aligned with UBL's initiative towards creating inclusive growth and welfare of communities residing in the vicinity.

3. **Have you done any impact assessment of your initiative?**

   Field visits and regular reporting are used as tools to ensure effective implementation of the projects. Indicators have been developed to enable effective impact assessment in the future. Goodera's tech platform is being used to track the programs through M&E indicators. As part of the Sustainability reporting exercise, CSR initiatives were reviewed, Stakeholder Meetings were conducted by KPMG India.

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 community development projects i.e., Primary Health, Primary Education, Water Conservation & Providing Safe Drinking Water and Don't Drink & Drive workshops for truck drivers under its Responsible Consumption of Alcohol programme during FY20 was Rs.116 Million. Details of the CSR initiatives undertaken by UBL in FY20 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 to form the basis for each project. The community 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 received during the FY20. Out of 37 pending consumer cases in Consumer Courts, 4 consumer cases have been resolved during the financial year which constitutes 11%.

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 on 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 years. During FY20, the Competition Commission of India has registered a Suo-moto case bearing No. 06/2017 alleging anti-competitive behaviour, the hearing of which is pending.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Yes. UBL organizes awareness events periodically to redress grievances and to assess consumer trend, choice and consumer satisfaction survey.

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ANNEXURE - B: ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

[Pursuant to Section 135 of the Companies Act, 2013 read with Clause (1) of Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014.]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   The Board of Directors at its meeting held on 27th May, 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 channelizes the resources in a sustained manner.

   The CSR Policy is placed on the Company's website www.unitedbreweries.com and the CSR Projects/Programmed undertaken by the Company can be accessed through the weblink www.unitedbreweries.com/csr under the head Corporate Social Responsibility.

2. The composition of the CSR committee is as follows:

   Mr. Stephan Gerlich - Chairman
   Mr. Shekhar Ramamurthy - Member
   Mr. A K Ravi Nedungadi - Member
   Mr. Christiaan A J Van Steenbergen - Member
   Ms. Kiran Mazumdar Shaw - Member

Financial Details Rs. in Million

3.	Average net profit of the company for last three financial years	6,107
4.	Prescribed CSR Expenditure (two percent of the above average net profit)	122
5.	**Details of CSR spent during the financial year:**	
	(a) Total amount to be spent for the financial year	116
	(b) Amount unspent, if any	6

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(c) Manner in which the amount spent during the financial year is detailed below:

Rs. in Million

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Project or programs (1)Local area or other (2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) District expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	**Primary Education** Vocational training to students, providing of uniforms, books, note books, stationary, Teachers' Salary, Computer Education, etc.	Promotion of education and vocational skills	1. Local area in the vicinity of our Brewery locations. 2. **State and Units:** Rajasthan (Chopanki, Alwar District), Karnataka (Nanjangud Industrial Area, Mysore District & Baikampady Industrial Area, Mangalore District), Andhra Pradesh (Srikakulam), Telangana (Sangareddy 2 units), West Bengal (Kalyani), Tamil Nadu (Thiruvallur), Kerala (Palakkad & Cherthala), Maharashtra (Aurangabad 1 Unit and Taloja, Raigad District), Goa (Ponda), Haryana (Dharuhera) and Punjab (Ludhiana)	8.17	(1) 8.17 (2) NIL	8.17	Direct
	School Infrastructure Development and Enhancing Quality of Education		Rajasthan (6 villages in Tijara Block of Alwar District)	3.98	(1) 3.18 (2) 0.80	12.15	Sir Syed Trust
			Kamathi village of Nagpur district in Maharashtra	9.94	(1) 9.04 (2) 0.90	22.09	Dilasa Janvikas Pratishthan
2.	**Water Management** Maintaining quality of water and providing water tanks and safe drinking water and conservation.	Water Conservation, Safe drinking water and Environmental Sustainability	1. Local Area in the vicinity of our Brewery locations. 2. **State and Units:** Karnataka (Nelemangala, Bengaluru Rural District), Maharashtra (Aurangabad District and Taloja, Raigad District), Kerala (Palakkad), Telangana (Sangareddy District), Tamil Nadu (Thiruvallur), Odisha (Khurda) and Rajasthan (Chopanki)	1.98	(1) 1.98 (2) NIL	24.07	Direct
	Safe Drinking Water: Project 1	Safe drinking water	Elever villages in Nanjungad Taluka, Mysore District of Karnataka State.	2.23	(1) 1.98 (2) 0.25	26.30	ASSIST
	Safe Drinking Water: Project 2		Twenty villages in Tijara block, Rajasthan	11.27	(1) 9.94 (2) 1.33	37.57	ABGUS

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Project or programs (1)Local area or other (2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) District expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
2.	Water conservation through Lake rejuvenation	Safe drinking water	Villages near UBL EMPEE and Chennai, Thiruvallur district, Tamilnadu	10.54	(1) 9.58 (2) 0.96	48.11	DILASA Janvikas Pratishthan
	Integrated Water Resource development		Ambelohol village, Auranagabad, Maharashtra	5.19	(1) 4.72 (2) 0.47	53.30	DILASA Janvikas Pratishthan
	Rejuvenation of lake and Rain Harvesting		Nandi Lake at Chikkaballapura District of Karnataka State and Restoration of Kalyani and Gundutopu lakes	14.06	(1) 12.78 (2) 01.28	67.36	United Way Bengaluru
	Climate resilience Infrastructure development		Pudussary village, Palakkad, Kerala	11.78	(1) 10.15 (2) 01.63	79.14	United Way Bengaluru
	Integrated water resource development		Sangareddy(Telangana) and Neelamangala (Karnataka)	9.09	(1) 7.70 (2) 1.39	88.23	AFPRO
	Water Conservation and Ground Water recharge		Three villages at Rewari district of Haryana State- Rejuvenation of four water bodies	2.20	(1) 1.91 (2) 0.29	90.43	ABGUS
	Project Oxygen Hub- Tree plantation through Miyawaki Method		MIDC, Aurangabad, Maharashtra	3.01	3.01	93.44	Prayas
	Environment Sustainability		Mumbai (Maharashtra), Sangareddy (Andhra Pradesh)	1.11	1.11	94.55	Direct

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Project or programs (1)Local area or other (2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) District expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
3.	**Primary Health** Free Medicine for underprivileged people, Health Care activities, Health awareness camps	Preventive Health Care and Sanitation	1. Local Area in the vicinity of our Brewery locations. 2. **State and Units:** Tamilnadu (Chennai), Karnataka (Mysore and Neelamangala), Srikakulam (Andhra Pradesh)	0.52	(1) 0.52 (2) NIL	95.07	Direct
4.	**Mid-Day Meal Programme**	Eradicating Hunger and Poverty	Twelve villages in Mangalore, Dakshina Kannada District of Karnataka State.	2.02	(1) 2.02 (2) NIL	97.09	Akshaya Patra Foundation
5.	**Responsible Consumption of Alcohol**	"Don't Drink and Drive" Workshop for Truck Drivers	1. Three breweries 2. **State and Units:** Dharuhera (Haryana), Khurda (Odisha) and Kalyani (West Bengal)	2.67	(1) 2.38 (2) 0.29	99.76	Sambhav Foundation
		Awareness Generation		1.32	(1) 1.32 (2) NIL	101.08	Direct
6.	**Monitoring and Reporting of CSR Programme**	Project Monitoring	Across India	1.65	(1) 1.65 (2) NIL	102.73	Nextgen Project Management Services Pvt. Ltd.
	Impact Evaluation of CSR Programme	Impact measurement	Across India	1.97	1.97	104.70	Sattva Consulting Pvt. Ltd.
7.	**Needs Assessment**	Needs Assessment for Water Project	Kalyani (West Bengal)	0.35	(1) 0.35 (2) NIL	105.05	Soul Ace Consulting Pvt. Ltd.

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Project or programs (1)Local area or other (2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) District expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
8.	**CSR Communication**	—	Across India	3.87	1) 3.87 (2) NIL	108.92	Direct
	SUB TOTAL			108.92	—	108.92	
9.	**Administrative Expenses**	Personnel Expenses	—	7.08	7.08	116.00	
	TOTAL			**116.00**	**116.00**	**—**	

6. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company.

By Authority of the Board

June 24, 2020
Bengaluru

Chairman of CSR Committee / Managing Director / Chief Financial Officer
DIN: 00063222 DIN: 00504801

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

(Amounts 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	63.63
6.	Total Assets	93.92
7.	Total Liabilities	25.80
8.	Investments	NIL
9.	Turnover	139.16
10.	Profit before taxation	15.91
11.	Provision for taxation	4.46
12.	Profit after taxation	11.45
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.

Part "B": Associates and Joint Ventures

(Amounts in Rs. Million)

Name of Associates/Joint Ventures		Kingfisher East Bengal Football Team Private Limited
1.	Latest Audited Balance Sheet Date	March 31, 2020
2.	Shares of Associate/Joint Ventures held by the 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 Venture 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	8.47
6.	Share Capital	0.1
7.	Reserves & Surplus	8.37
8.	Total Assets	20.91
9.	Total Liabilities	12.4
10.	Investments	NIL
11.	Turnover	0.07
12.	Profit before taxation	-0.20
13.	Provision for taxation	0.005
14.	Profit after taxation	0.21
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	Shekhar Ramamurthy	Madhav Bhatkuly
June 24, 2020	Senior Vice President – Legal	Chief Financial Officer	Managing Director	Director
Bengaluru	and Company Secretary		DIN: 00504801	DIN: 00796367

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 Choupanki (Rajasthan), Taloja (Maharashtra) and Mallepally (Telangana).
- Changed conventional conductors to cables to minimize transmission loss/frequent tripping.
- Replacement of standard motors with IE3 (International efficiency 3 level class) motors at the units at Aurangabad (Maharashtra), Ponda (Goa), Palakkad (Kerala) and Dharuhera (Haryana).
- In Nanjangud unit, about 180 nos. of new bottling line motors are equipped with IE3 (High efficient motors).

Energy Conservation projects:

- Variable Frequency Drives for Compressor in the unit at Kothlapur, Telangana.
- Refrigeration Plant/Evapco fans, Labeller & Tape Sealer improvement and Upgradation & Automation of CO_2 plant in the unit at Mallepally, Andhra Pradesh.
- Evaporative Condenser for 250TR Glycol and Air Compressor 500 Cubic Feet per Minute in the unit at Tiruvallur and Pressure less Comiber b/n EBI & Filler in the unit at Kuthambakkam, Chennai.
- VAM-Higher capacity in the unit at Kalyani, West Bengal.
- Surface Blow water down system in the unit at Mangalore, Karnataka.
- Taping from nearby independent feeder in the unit at Dharuhera, Haryana.
- New external wort boiler for wort boiling in the unit at Ponda, Goa.
- Yeast drier of 500 kgs/day capacity in the unit at Ludhiana, Punjab.
- Steam flow meters at all the units.

Water Conservation:

- Water Treatment Plant (WTP) upgradation and backwash recovery for WTP filters at Golconda, Telangana unit.

Digitalization:

- As part of our digitalization journey, first phase of Bottling line digitalization has been implemented at the unit at Nanjangud, Mysore.
- All the equipment's have been integrated to monitor the line performance real time.
- The digitalization performance and benefits are under validation for horizontal deployment.

Capital investment on Energy Conservation:

- During FY20 UBL approved Rs. 44.4 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 FY20 UBL spent Rs. 5.99 Million on Research & Development.

(C) Foreign Exchange Earnings and Outgo

	(Rupees in Million)
Foreign Exchange earned	1,953
Foreign Exchange used	3,754

ANNEXURE - E: FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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

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, 2020, 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, 2020 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) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

vi. Various State Excise Laws relating 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. The Environment (Protection) Act, 1986 and Rules thereunder;
x. The Water (Prevention & Control of Pollution) Act, 1974;
xi. The Air (Prevention & Control of Pollution) Act,1981;
xii. The Factories Act, 1948 and Rules thereunder;
xiii. All other Labour, Employee and Industrial Laws to the extent 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 generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above wherever applicable. There was delay in disclosure in the prescribed format on related party transactions for the half year ended on March 31, 2019 and also for the prior intimation of Board meeting held on August 13, 2019 for the approval of the unaudited financial results for the quarter ended June 30, 2019 as required under Regulations 23 and 29 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 respectively.

In the matter before the Competition Commission of India (CCI), as reported by me during the previous year, the Director General, CCI (DG) has concluded its investigation and has filed its investigation report (DG Report) with the CCI with the findings of violation of the provisions of the Competition Act, 2002 by the Company and its few employees during May 2009 to October 2018. The non-confidential version of the DG Report, after due consideration by the CCI has been shared with the Company vide CCI order dated 26 November 2019 seeking comments/objections to the DG Report. The CCI had permitted the Company and other parties to the enquiry, to file their comments/objections to the DG Report by 18 March 2020 and appear for an oral hearing in the matter on 25 March 2020. Subsequently, based on an application filed in the matter, the CCI in accordance with the provisions for maintaining confidentiality of information under the Act, directed certain parts of the DG Report to be redacted and a revised DG Report be issued to the parties. The timelines for filing the comments/objections to the DG Report and for oral hearing in the matter have therefore been extended until after the receipt of the revised DG Report by the entities under enquiry. The revised DG Report was received by the Company in April 2020 and the timelines for filing of comments/objections to the DG Report and for oral hearing has been further deferred by the CCI to July 2020.

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 wherever sent at shorter period, the requisite consent from the directors was obtained 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, unless stated otherwise, have been unanimous. Decision has been taken by majority in all Board meetings during the year.

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.

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
UDIN: F006040B000374650

Place: Bangalore
Date: 24/06/2020

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	

* Operation suspended for commercial reasons.

Contract Manufacturing Network

UTTAR PRADESH – ALIGARH	ASSAM – GAUHATI
DAMAN AND DIU – DAMAN	SIKKIM – RANGPO
MADHYA PRADESH – INDORE	MEGHALAYA – SHILLONG
JAMMU AND KASHMIR – SAMBA	JHARKHAND – RANCHI
WEST BENGAL – HOOGLY	ANDHRA PRADESH – NELLORE
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, except for qualified opinion on Auditors' Report on Internal Financial Controls.

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 2019-2020, 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.

Shekhar Ramamurthy
Managing Director
DIN: 00504801

Place: Bengaluru
Date: June 24, 2020

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, 2019 to March 31, 2020. 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

Date: 24th June 2020
Place: Bangalore
UDIN: F007834B000372429

Board of Directors

Mr. Shekhar Ramamurthy *(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)*

Mr. Rishi Pardal (Managing Director, effective August 01, 2020)

Chief Financial Officer

Mr. Berend Odink

Company Secretary

Mr. Govind Iyengar *(Senior Vice President - Legal & Company Secretary)*

UB

UNITED BREWERIES LIMITED

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