UNITED BREWERIES LIMITED

July 17, 2023

To,

BSE Limited	National Stock Exchange of India Limited
Corporate Relationship Department	Listing Departments,
Phiroze Jeejeebhoy Towers	Exchange Plaza, 5th Floor, P. No. C/1, G Block
Floor 25, Dalal Street,	Bandra-Kurla Complex, Bandra (East),
Mumbai - 400001	Mumbai – 400051
Scrip: 532478	**Scrip: UBL**

Dear Sir,

Sub: **Annual Report for the Financial Year ended March 31, 2023 (Annual Report)**

This is further to our letter dated June 05, 2023 wherein the Company had informed that the 24th Annual General Meeting (AGM) of the Company is scheduled to be held on Thursday, August 10, 2023 at 1.00 p.m. (IST) through Video Conference/Audio-Visual Means, in accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

In compliance to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, we are submitting herewith the Annual Report of the Company including the Business Responsibility and Sustainability Report for the financial year ended March 31, 2023.

Further, copies of Notice of 24th AGM and Annual Report 2022-2023 have been sent to all shareholders through e-mail, whose email addresses are registered with the Company/Depository Participant(s) by our Registrar & Transfer Agent and Central Depository Services (India) Limited (CDSL) a Depository Participant of the Company on July 17, 2023.

The Annual Report 2022-2023 of the Company will be made available on the Company's website at https://www.unitedbreweries.com/pdf/InvestorReport/Annual-Report-2022-2023.pdf.

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully,
For **UNITED BREWERIES LIMITED**

Amit Khera
Digitally signed by Amit Khera
Date: 2023.07.17 18:38:20 +05'30'

AMIT KHERA
Company Secretary and Compliance Officer

UNITED BREWERIES LIMITED

ACCELERATE TOGETHER

ANNUAL REPORT
2022-2023

CONTENTS

KINGFISHER
STRONG
Heineken
HEINEKEN ORIGINAL
100% MALT LAGER

BOARD OF DIRECTORS

Radovan Sikorsky
Director & Chief Financial Officer
B C S Sp

Christiaan A J Van Steenbergen
Non-Executive Director
C N S Sp

Jan Cornelis van der Linden
Non-Executive Director
A R

Kiran Mazumdar Shaw
Independent Director
B C N

Geetu Gidwani Verma
Independent Director
A C N R S

Manu Anand
Independent Director
A B N R S

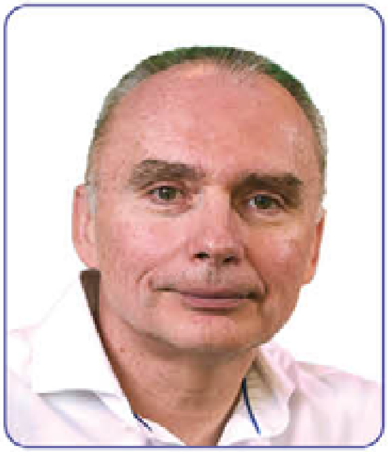
Anand Kripalu
Independent Director
A R S Sp

Subramaniam Somasundaram
Independent Director (w.e.f. 04.06.2023)
A

- A Audit Committee
- B Borrowing Committee
- C Corporate Social Responsibility/Environmental, Social and Governance Committee
- N Nomination & Remuneration Committee
- R Risk Management Committee
- S Stakeholders' Relationship/Share Transfer Committee
- Sp Special Purpose Committee

Chairman/Chairperson   Member

MANAGEMENT TEAM



Radovan Sikorsky
Director & Chief Financial Officer

Wiggert Deelen
Senior Director – Supply Chain

Kavita Singh
Director – People

Shelly Kohli
Director – Legal & Compliance

Vikram Bahl
Director – Marketing

Suresh Mandalika
Director – Digital & Technology

Monojit Mukherjee
Director – Corporate Affairs

THE BIGGEST AND THE BEST CHEERLEADER!

Kingfisher's recent campaign successfully spread joy and positivity among people after two years of the pandemic. The campaign featured Varun Dhawan and Rashmika Mandanna which garnered significant impact both on TV and retail outlets. Additionally, Kingfisher extended the campaign to popular social media platforms like Instagram, Moj, and Takatak by introducing a captivating hook-step challenge, which gained viral traction with the participation of over 100 influencers, taking Spread the Cheer to new heights.

IPL FEVER 2022

Kingfisher executed a comprehensive media campaign to strengthen the brand association and reinforce the essence of 'SPREAD THE CHEER.' To achieve this, they sponsored three renowned IPL teams and collaborated with top players such as Virat Kohli, Rohit Sharma, and KL Rahul. To boost visibility, the brand implemented an extensive point of sale drive via trade channels and engaged their on-trade partners through innovative tech solutions.

EVENTFUL TIE-UPS

Kingfisher has been a preferred beer partner for some of the largest events like Zomaland, Beered Up, and The Grub Fest. Kingfisher adds to the festive atmosphere, making every moment unforgettable, embodying the essence of Good Times.

MERCHANDISE STORE

Kingfisher launched its first branded merchandise store, kf. life for its loyal fans, offering a treasure trove of merchandise. This initiative enabled fans to embrace the Kingfisher lifestyle and revel in the true essence of good times.

KINGFISHER GAMING INITIATIVE

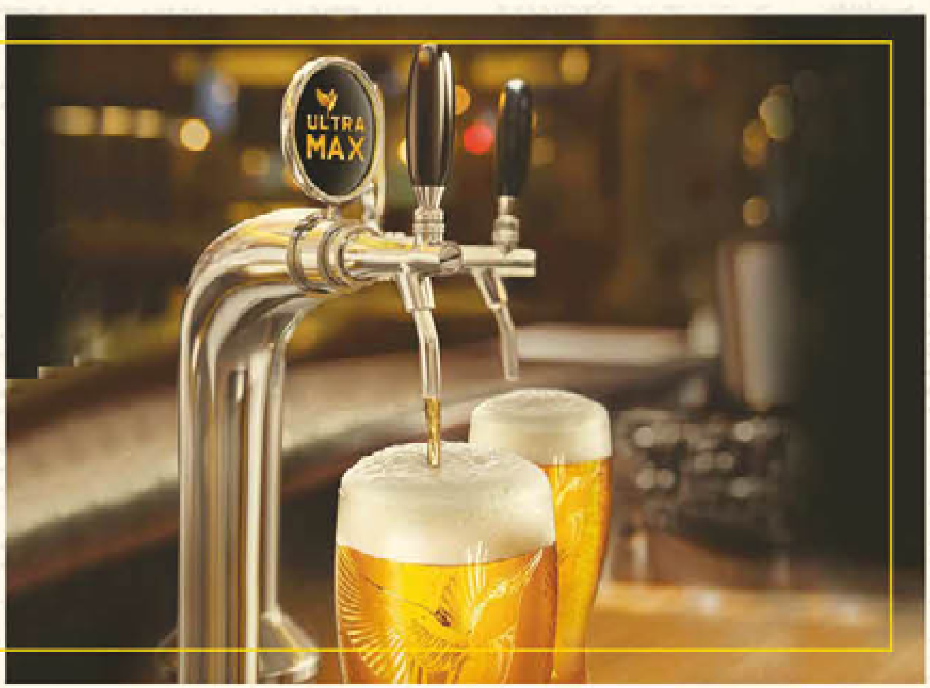
Kingfisher in India was the first to identify the growing interest and passion of GenZ with relation to gaming and hence collaborated with the largest Gaming & E-sports platform. This partnership achieved outstanding results, generating 88 million+ social media impressions, and reaching over 30 million people. The eventful two-day on-ground finale immersed fans in an unforgettable gaming experience, featuring tech-driven activations.

ULTRA LAUNCHES ITS MUSIC IP "ULTRA SOULFLYP AN IMMERSIVE CELEBRATION OF MUSIC"

In the financial year 2022-23, Kingfisher Ultra forayed further into the word of music by launching its own music IP - ULTRA SOULFLYP, a new groovy series to spark off discovery of cross-cultural sounds in the growing alternative music space, immersive technology, and holistic consumer experience. SOULFLYP was launched in 4 cities (Bangalore, Delhi, Goa, Mumbai) with top international (DJ Lag, IAMDDB) and domestic artists.

ULTRA MAX DRAUGHT LAUNCHED IN 2 STATES

After the successful launch of Ultra draught in Karnataka and Maharashtra last fiscal, the draught segment of the Ultra portfolio further expanded with the launch of Ultra Max draught in Punjab and Chandigarh this fiscal. It is further set to expand its footprint to other states like Haryana and Karnataka.



THE ULTRA FESTIVE CAMPAIGN AND KEY ASSOCIATIONS

In FY 2022-23, Kingfisher Ultra associated with more than 30+ events during the festive period of Diwali, New Year's, and Holi. Kingfisher Ultra also associated with Zomaland, the food & music festival of Zomato in 6 cities that witnessed over 1 lakh footfall, and other events like Alan Walker World Tour.

ULTRA WITBIER SPREADS ITS WINGS

In the financial year 2022-23, Kingfisher Ultra Witbierexpand-ed its footprint into the key mar-kets of Telangana.

#WELCOMETHESUMMER WITH WITBIER

#WELCOMETHESUMMER

campaign was taken live, establishing Ultra Witbier as the authentic, refreshing, go-to summer beer. The brand's strategic focus on driving awareness through social media communication, tactical promotions, brand-led experiential brunches at lighthouse outlets with beer, live music and food, and visibility drives at retail outlets has been instrumental in creating a strong brand presence.

INTRODUCING WITBIER ON TAP IN KARNATAKA

Another notable achievement has been the successful launch of Ultra Witbier on Tap in Karnataka, supported by a digital campaign that leveraged formats like reels and hyperlocal stories to optimize audience touchpoints. This launch has generated considerable interest among beer lovers in Karnataka, further strengthening the brand's presence in the region.

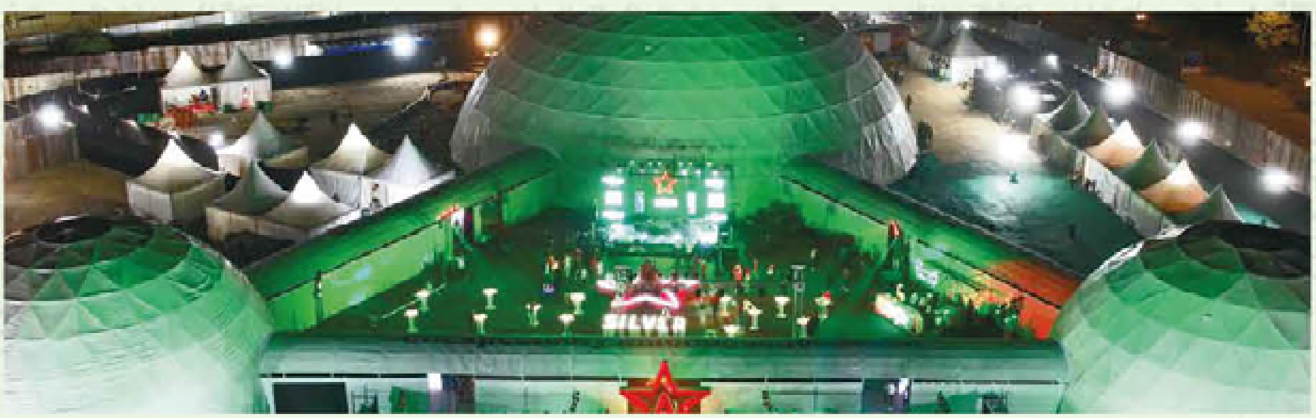
THE SMOOTHEST LAUNCH OF THE YEAR, HEINEKEN® SILVER

Heineken® Silver successfully entered the Indian market with its disruptive launches in Bangalore, Mumbai, and Goa, which caught the attention of consumers, customers, and internal stakeholders. These unique and grand launch events incorporated immersive technology, international music acts, and gaming experiences, leaving a lasting impression.

Before the official launch, the 'Unexpected Disappearance' campaign created a buzz as popular Instagram influencers disappeared during their regular reel content creation, only to reappear and unveil Heineken® Silver at "The Smoothest Mega Party." This campaign generated significant interest and excitement and provided Silver launch the desired impact.

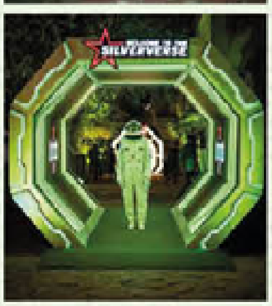
The Bangalore launch event captivated GenZs with AR and VR experiences. The iconic UB Tower was transformed with a 270° projection mapping, creating a visually stunning display. In Mumbai, Heineken® Silver was introduced through a futuristic tri-dome, engaging GenZs with the three key passion points of gaming, technology, and music. The event also had performances by popular international artists like Dash Berlin and Wolf Pack.

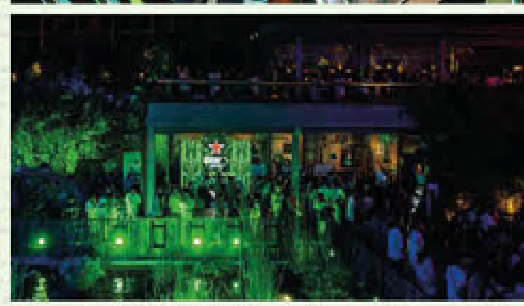
The innovative launches introduced Heineken® Silver to its intended audience in style, providing it the required attention and memorable experience. Heineken's popularity among consumers was further validated when it was voted the 'Most Desired Beer Brand Of The Year 2022' for the first time at the 8th edition of TRA's Brand Awards.



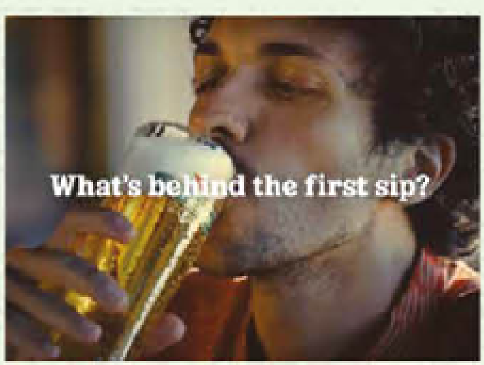
HEINEKEN® IMMERSIVE MUSIC ACTIVATION

Heineken® continued to invest in experiential space music to differentiate itself and remain relevant amongst the younger premium beer consumers. Through the #Silververse IP, Heineken® curated immersive experiences that catered to the passion points of GenZ, combining international music acts like Post Malone, FKJ, Solomun, and Bonobo with cutting-edge immersive technology and gaming. These activations allowed our consumers to create Instagrammable moments being entertained by renowned artists while enjoying their Heineken®.





HEINEKEN® CREDENTIALS CAMPAIGN: THE FIRST SIP



To emphasize Heineken's superior international quality and set it apart from other brands, the 'First Sip Campaign' was launched. This campaign highlighted the pure malt brew of Heineken®, crafted with natural ingredients, A-Yeast, and brewed in horizontal tanks, all contributing to its refreshing taste.

Heineken® continued with the always on digital approach to ensure driving relevance among premium beer consumers by seizing the contextual moment marketing opportunities on its Instagram page.

Our EverGreen strategy

OUR EVERGREEN STRATEGY

Our Values

Our Values are what we stand for:

Passion
for consumers and customers

Courage
to dream and pioneer

Care
for people and planet

Enjoyment
of life

Our Purpose

Our Purpose is our core reason for being, and it shapes our strategy and inspires our people:

"We brew the joy of true togetherness to inspire a better world."

We launched our EverGreen strategy with the goal to future-proof the business, adapting to new external dynamics.

EverGreen is a bold strategy to deliver superior and balanced growth and the next evolution of our HEINEKEN business. As a 158-year-old company, we think in generations and deliver long-term, sustainable value creation.

Our EverGreen strategy has been built on our value creation model, which we call the Green Diamond. This value creation model puts growth, profit and capital on equal footing with sustainability and responsibility.

Our Green Diamond

Using the lens of the Green Diamond we want to be clear on "what winning looks like". We aim to get the balance right between short-term delivery and long-term sustainability and between top-line growth and overall stakeholder value creation.

The Green Diamond encapsulates our balanced ambition including drivers on Growth, Profitability, Capital efficiency and Sustainability & Responsibility. At its heart EverGreen is a shift from superior growth to superior and balanced growth.

Our Dream

OUR DREAM:
"BREW A HAPPIER WORLD BY BUILDING INDIA'S MOST LOVED BRANDED SOCIAL BEVERAGES COMPANY"

Beer has been bringing people together for thousands of years. Since 1864, HEINEKEN has been doing its part to put a smile on consumers' faces while continuously renewing and adapting.

We are entering an incredible next era of innovation and expansion in the beer industry. Our best days are ahead of us as we continue to deliver superior and balanced growth with beer and beyond. New flavours, styles and trends are helping us reimagine and revitalise beer, bringing the joy of true togetherness to consumers across the world.

CORPORATE SOCIAL RESPONSIBILITY

Introduction

At United Breweries Limited (UBL), we are committed to meeting the interests of all our stakeholders. We take utmost care in improving the lives of the community around our breweries and thereby reducing the impact of our operations on the environment we draw our resources from. In FY 22-23, we continued our core Corporate Social Responsibility (CSR) programs targeted towards water conservation, safe drinking water, women empowerment, community development and responsible consumption of alcohol. Through partnerships with credible implementation partners, we aim to build a more equitable and sustainable future for our co-communities.

WATER

UBL is committed to water stewardship and makes conscious efforts to conserve and replenish water sources. Last year, we spent more than 70% of our CSR funds on water initiatives through ten large water conservation projects and one safe drinking water project. We undertook these projects in Rajasthan, Punjab, Haryana, Karnataka, Telangana, Tamil Nadu and Odisha.

Women Empowerment

At UBL, our aim is to create a more inclusive world and that is why we focuses on supporting marginalized and vulnerable women through various initiatives under women empowerment. These not only promote gender equality but also help in driving overall economic growth and development of the women beneficiaries.

Community Development

At UBL, we are committed to making a positive impact on the communities where we source from, manufacture our products and operate our breweries. Hence, community development is a critical CSR focus area for us. Under this, we understand specific needs and priorities of our co-communities, and accordingly, work for their betterment.

Responsible Consumption of Alcohol

Addressing harmful use of alcohol is of key importance to us. Therefore, through our initiatives, we aim to create awareness among masses about responsible consumption, focussing on behavioural change.

Awards and Recognition

UBL received the **Best CSR Impact Award** at the 6th Edition of CSR Summit & Awards organized by UBS Forums. The award is in recognition of our Haritha Samruddhi project implemented in Pudussery Gram Panchayat, Palakkad, Kerala.

Awards and Recognition

UBL was honoured with the **"Leadership Award 2022"** at the 13th CSR Leadership Summit organized by India CSR. The award is in recognition of our Water Conservation Project, which we successfully implemented in 4 villages of Thiruvallur, Tamil Nadu.

Awards and Recognition

UBL got a **Special Commendation in the Agriculture and Rural Development category** at the CSR Journal Excellence Awards 2022. The award was presented by Shri Mangal Prabhat Lodha, Honorable Minister of Tourism, Skill Development & Entrepreneurship, and Woman & Child Development – Maharashtra; and is in recognition of our project - Haritha Samruddhi at Pudussery Gram Panchayat, Palakkad, Kerala.

DIRECTORS' REPORT

Your Company's Directors are pleased to present this Annual Report on the business performance and operations of the Company along with the audited financial statements of United Breweries Limited ('UBL' or 'your Company' or 'the Company') for the financial year ended March 31, 2023 ('the year under review', 'the year' or 'FY23').

Management Summary

In FY23 our business saw a strong recovery post-Covid, and we are delighted to present the following highlights:

- Your Company reached all-time high full year volumes signaling continued category growth in India. Our flagship brand Kingfisher connected strongly with consumers after 2 years of Covid with an aspirational & iconic campaign 'Spread the Cheer' to bring positivity and cheer in consumers life. Kingfisher Ultra spearheaded the premiumisation agenda for the Kingfisher brand through its domestic premium mild, strong and wheat beer propositions, expanding its footprint and growing its brand equity and awareness with its consumers.
- From September 2022 onwards, your Company launched Heineken Silver in the India market. Heineken Silver is a sessionable, easy-to-drink premium lager that fits well in social occasions and appeals to the new generation of beer drinkers in India. The innovation was supported with the 'Unexpectedly Smooth' campaign and has successfully been introduced through disruptive launch events in Bangalore, Mumbai, and Goa.
- With sustainability at the heart of our business, your Company has launched its refreshed Sustainability strategy – 'Brew a Better India' (BaBI) aligning it to HEINEKEN's strategy of 'Brew a Better World' (BaBW). Our Sustainability report annexed to this report, will give a comprehensive overview of this strategy, our performance, and the strides we have made in driving a positive change in this year. Your Company has also introduced long-term incentive targets linked to sustainability progress for all our leaders.

Below you can find other highlights for the period:

- Volume growth of 31% with strong growth across most markets cycling Covid lockdowns. The Premium segment grew close to 60%.
- Net sales grew 28% with volume growth further supported by around 6% pricing though offset by negative state-mix effects.
- Gross Margin declined close to 700 bps driven by inflationary pressure on raw and packaging materials & EBIT declined 11% or around 260 bps as fixed cost leverage is partially mitigating the negative gross margin development.
- The change in the route to market operating models in the states of Tamil Nadu and Andhra Pradesh has seen volume decline which triggered the need for recording an impairment provision of Rs. 33 Crores. Subsequent to the financial year end close, Tamil Nadu has seen volume recovery.
- Capex investment of Rs.156 Crore in breweries and commercial assets to meet volume growth.
- The Board proposes a dividend of Rs. 7.50 per Equity Share, representing circa 65% pay out of profit after tax.

Our future depends on how we shoulder our present responsibilities and your Company, a responsible corporate citizen, aims to build an organisation that not just delivers value to shareholders but also works together to brew a better world with responsibility and sustainability at the heart of its agenda. Our glide path on freshwater reduction started in the year 2006 with 7.4 hl/hl and for this year we were at 3.4 hl/hl which we will drop down to our target of 2.6 hl/hl for water stressed area and 2.9 hl/hl for other region by 2030. We are gradually moving to renewable energy sources to support our carbon footprint reduction in addition to recycling our packaging materials. Renewable energy usage for the year has reached 82.4% of our total energy consumption.

We laid strong foundations for a modern Digital & Technology (D&T) strategy. Your Company created a future-fit D&T organisation with a clear ambition of being The Best-Connected Brewer. The foundational capabilities laid over the past year would help accelerate our Big Bets creating value through Growth, Efficiency, Resilience & Compliance.

Your Company will accelerate focus on robust innovations to solidify its market leadership and will further strive for appropriate price increase approvals in combination with other revenue management initiatives. Overall, your Company continues to remain optimistic on the long-term growth potential of the industry, driven by increasing disposable income, favorable demographics and premiumisation. Together with HEINEKEN we are well poised to shape the future of the Indian beer market.

UBL & HEINEKEN: ACCELERATING TOGETHER!

FINANCIAL SUMMARY

Financial performance for the year ended March 31, 2023 is below:

(Amount in Rupees million)

STANDALONE FINANCIAL RESULTS	Year ended March 31	
	2023	*2022*
Gross Turnover	**166,429**	*131,174*
Net Turnover	**74,917**	*58,319*
Other Income	**493**	*297*
EBITDA	**6,635**	*7,246*
Exceptional Items	**331**	—
Depreciation and amortization	**(2,103)**	*(2,169)*
EBIT	**4,201**	*5,077*
Interest	**(46)**	*(148)*
Profit before Taxation	**4,155**	*4,929*
Provision for Taxation	**(1,120)**	*(1,279)*
Profit after Tax available for appropriation	**3,035**	*3,650*
Appropriations:		
Dividend on Equity Shares (including taxes thereon)	**(2,776)**	*(132)*
Transfer to the General Reserve	—	—
Other Comprehensive Income/(Loss)	**34**	*6*
Balance carried to the Balance Sheet	**293**	*3,524*

The financial statements for the year ended March 31, 2023 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.

The Company generated strong Net turnover growth vs last year of 28%. However, margins were heavily impacted by increase in prices of raw and packing material. Despite the strong sales volumes, profits declined due to high prices of input materials and an impairment recorded in Q3. The Gross turnover for FY23 stood at Rs.166,429 million which grew by 27%. Your Company achieved a Net turnover of Rs. 74,917 million during FY23 as against Rs. 58,319 million during FY22. Interest cost was contained with effective working capital management. EBITDA for the year under review stood at Rs. 6,635 million as compared to Rs. 7,246 million in the previous year, declined by 8% over the previous year.

Profit before taxation for the year stood at Rs. 4,155 million. Profit after taxation stood at Rs. 3,035 million. Working capital increased due to higher inventories, particularly barley and receivables from higher revenue growth, however, overall, the working capital turnover ratio improved. As of March 31, 2023, the company continues to show a healthy net debt position.

DIVIDEND

We take pleasure in proposing a dividend of Rs. 7.50 per Equity Share of Re.1/- each for the year ended March 31, 2023. The dividend declared for the previous year was Rs. 10.50/- per Equity Share of Re.1/- each. The total dividend is Rs. 1,983 million, which amounts to about 65% of the Profit after Tax.

RESERVES

The Company does not propose to transfer any amount to 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, 2023 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 is one of the world's oldest beverage, possibly dating back to the 6th millennium BC. It's a drink which has brought people together for centuries and is immensely popular across the world. In India too, it is one of the key alcoholic beverages of choice. This in a situation where, unlike other emerging economies, the beer industry is highly regulated with high taxation.

Beer comprises around 10% of total alcohol consumed in India.* Compared to the global average of around 30 liters of beer consumption per capita (PCC), the PCC in India still hovers at only around 2 liters. However, the scope for growth in India continues to remain positive driven by increasing disposable income and favorable demographics, amongst others.

Beer in India can be categorized into Strong and Mild Beers. Also, like many other categories in India, with rising disposable income and aspiration there is a strong trend towards premiumisation. Premium beer is expected to grow at a faster pace than the overall category.*

Overall, the beer category continues to be in a strong place and your Company with its powerful brands and market leading position is well poised to not only take advantage of the opportunity but also to shape the overall category.

Sales and Marketing

In 2022, our business saw a strong recovery post-Covid, and we supported our mainstream and premium brand portfolio with a wide range of exciting brand communication and activation platforms, as well as bringing new innovations to Indian consumers.

Our flagship brand Kingfisher connected strongly with consumers after 2 years of Covid with an aspirational and iconic campaign 'Spread the Cheer' to bring positivity and cheer in consumer lives. The brand roped in 2 of the most iconic youth stars – Varun Dhawan and Rashmika Mandanna. The brand effectively utilised youth centric platforms (Insta, Moj, Takatak) and engaged with young consumers in a meaningful way through a 'hookstep challenge'.

In 2022, our association with IPL continued with 3 of biggest teams Royal Challengers Bangalore, Mumbai Indians and Lucknow Super Giants, where we extended our 'Spread the Cheer' campaign with India's most loved cricketers. The IPL integrated communication helped drive positive consumer connections and improve brand health metrics. In the minds of our consumers, Kingfisher remained one of the top recalled brands with respect to the IPL.

Kingfisher expanded its new packaging throughout the country. The new contemporary look which was launched with a brand-new campaign 'Good Times Never Looked So Good' garnered an encouraging response from our trade partners and consumers.

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* www.globaldata.com

Kingfisher partnered with India's largest gaming platform to launch its new initiative to drive connect with GenZs by tapping into their passion towards gaming. Kingfisher India Premiership helped the brand engage youth in a more contemporary way.

From September 2022 onwards, UBL launched Heineken Silver in the India market. Heineken Silver is a sessionable, easy-to-drink premium lager that fits well in social occasions and appeals to the new generation of beer drinkers in India. The innovation was supported with the 'Unexpectedly Smooth' campaign and has successfully been introduced through disruptive launch events in Bangalore, Mumbai, and Goa, featuring well-known international music artists, AR & VR gaming experiences, and innovative technology including a full projection mapping at the iconic UB Tower in Bangalore. The launch campaign included the disappearance and reappearance of celebrities at 'The Smoothest Mega Party' and received national news coverage.

In the on and off trade channels in the launch regions, Heineken Silver was introduced with a high-quality in-store visibility program and consumer trial activations at scale. The unique launch activities successfully introduced Heineken Silver to its target audience, generating trial and awareness among younger premium beer consumers.

Kingfisher Ultra spearheaded the premiumisation agenda for the Kingfisher brand through its domestic premium mild, strong and wheat beer propositions, expanding its footprint and growing its brand equity and awareness with its consumers.

The brand expanded its draught portfolio by launching Ultra MAX Draught in Punjab and Chandigarh to cater to the growing premium strong beer segment.

Ultra Witbier, the brand's craft-styled beer, expanded its presence into key market Telangana with a full-fledged launch supported with on-ground activations at retail and premium institutions. In addition, the Ultra Witbier Draught innovation in Karnataka was a notable achievement, achieving promising consumer acceptance.

Kingfisher Ultra ran digital media campaigns during peak consumption periods, and being anchored in the Celebration occasion, the brand activated festive campaigns during Diwali, end-of-year celebrations, and Holi. Ultra partnered with several top influencers in the lifestyle space and amplified these campaigns building stronger brand affinity with its consumers. Over the year, the brand hosted 30+ on-ground events across the country including festivals like Indie-Gaga, Alan Walker World Tour, Satellite Beachside music festival, and the Zomaland food and music festival, which saw a footfall of more than 1 lac+ in total.

Beyond this, Ultra launched its own Music IP 'Ultra Soulflyp', an immersive celebration of music tapping into the growing alternative music space. Following the launch in four metro cities with top international and domestic artists, Ultra Soulflyp is set to further expand its experiential music fest across the country with 50+ events lined up.

Lastly, Ultra Witbier was activated through the Welcome the Summer campaign to build brand awareness and relevance to seasonal occasions. The campaign was supported by digital media and scaled on-ground with impactful visibility and special consumer promotions. Experiential brunches were activated at premium institutions to increase brand trial.

Amstel beer's 'Taste Amsterdam in Every Sip' campaign utilised digital and social media to drive awareness and sampling in key markets. The 'Amstel Army' sales competition generated over 20,000 entries resulting in increased sales, visibility, and brand uplift.

Supply Chain

Manufacturing expenses for FY 23 amounted to Rs. 42,743 million, representing 57% of net sales, a substantial increase as against Rs. 29,327 million, in the previous financial year, which constituted 50% of net sales. The year volume was planned cautiously, informed by the immediate past Covid trends. Your company was, however, confronted with a sharp increase in consumption and coinciding unprecedented input cost inflationary pressure. The combination of both resulted in very challenging operating conditions. Focus was put on market deliveries, and while unable to satisfy all of the demand, the team stretched itself to the best of its abilities, quickly reacting to barley shortages. It must be noted that following the difficult Covid years, the teams found strength again to go over and beyond their duties to deliver. Ultimately a record production year was delivered.

This was delivered while input material costs and availability remained under pressure during the year. Barley-malt shortages prevailed in the market, and prices saw a sharp increase as farmers had chosen to grow alternative crops after the low demand Covid period. A part of the required quantity was imported. High prices of major commodities put pressure on the cost of packaging materials. Bottle supply came under increased stress due to demand outstripping local supply and heightened input costs. The recycled bottle supply chain still needed to be restored to pre-Covid conditions. Increased home consumption drove longer and less efficient recovery patterns, while labour shortage and continued high cullet prices impacted recovery volumes too. There was a continued focus on localisation and value engineering for cost optimisation.

In this turbulent environment, we continued our innovation agenda, culminating in the successful launch of Heineken Silver. The supply chain team has also delivered further expansion of production capacity and its speciality footprint to drive premiumisation across key markets. In line with this strategy, we successfully expanded Witbier's capacity at Mysore Brewery and added KF Ultra capability at our Dharuhera brewery in Haryana. Contract brewing agreements were expanded across geographies, including new co-pack agreements with a new contract brewery in Punjab, Orissa, and Assam. Some existing agreements were amended for higher allocations from contract breweries in Uttar Pradesh and Madhya Pradesh.

Your Company's renewable electricity usage for its own breweries stood at 33.3%. In addition, 97% of thermal energy comes from renewable sources, i.e., agricultural by-product biomasses. Our carbon emissions have reduced by 31,895 metric tons, a decline of ~43% over last FY.

<u>Input material costs and availability have remained under pressure during the entire year.</u>

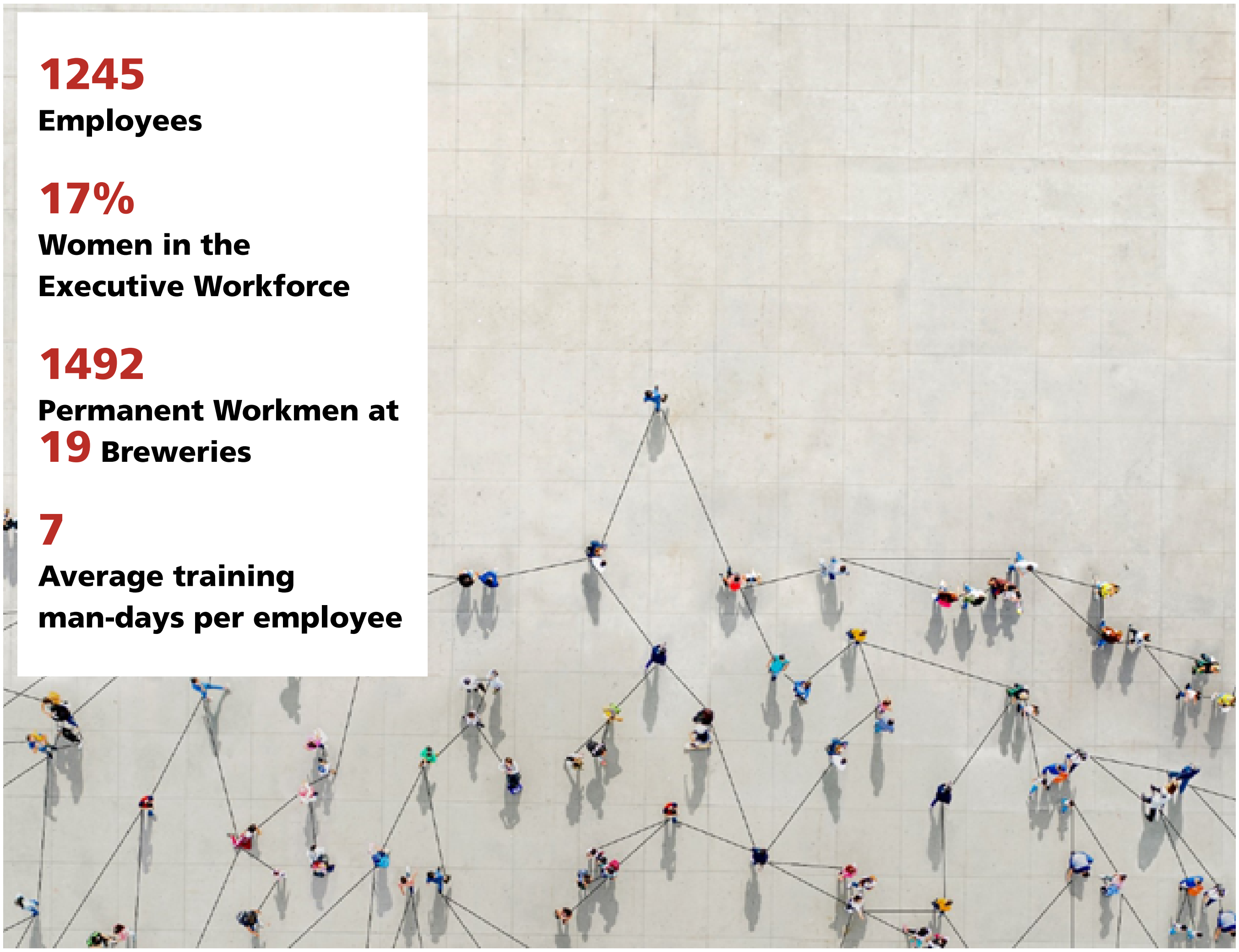
- Barley-malt prices of last year spilled over to the year under review. Many initiatives with alternative grains and production methods were deployed to partly mitigate the impact.
- Where last year farmers chose alternative crops to grow, the average of barley cultivation actually increased thanks to the attractive selling prices and a significant boost by our collaborative farming program. This is expected to provide relief for the following year.
- Weather conditions were favourable early in the growing season with a spell of cold weather but showers in March led to high moisture grain at the start of the harvest season. Next to traditional buyers, trading firms entered the barley market, leading to price support.
- Prices of all major packaging commodities like aluminium, paper, and steel continued to experience inflationary pressure.
- The biggest material cost element, 'Bottles' came under increased stress due to demand outstripping local supply and heightened input costs. The recycled bottle supply chain was not yet restored to pre-Covid conditions. Increased home consumption drove longer and less efficient recovery patterns, while labour shortage and continued high cullet prices impacted recovery volumes too.
- There was continued focus on localisation and value engineering for cost optimisation

Research and Development

Your Company'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

UBL provides a congenial working environment which enables success through ownership, camaraderie, freedom of through and action.



1245
Employees

17%
Women in the Executive Workforce

1492
Permanent Workmen at 19 Breweries

7
Average training man-days per employee

CELEBRATING OUR PEOPLE

At UBL, we strongly believe that our People are our most valuable asset, and it is our continuous endeavor to attract the right talent and develop the internal talent pool. We ensure that the employees are well-supported, engaged, and motivated in a healthy work environment that helps drive the organization's growth and success. We believe everyone has talent, and hence we provide fair access to opportunities for all and nurture a continuous learning journey. UBL encourages a work culture that is transparent and open, which not only promotes innovation but also cultivates an entrepreneurial mindset in every employee. Our company believes in the strength of winning teams that come together to celebrate victories, where all generations prosper, and leaders foster the development of the next group of leaders.

ENABLING A DIVERSE WORKFORCE

UBL strives to strengthen its diversity and inclusivity by creating a fair and respectful workplace for all employees. As an organization, we have been focusing on building more inclusive teams, developing infrastructure, and creating enabling policies that support our endeavour of brewing a better world.

Our focus is on crafting policies and practices that give precedence to the well-being of our employees, their work, and their families, and it also aligns with our fundamental value of 'care'. We recognise that a strong support system at home can positively impact an employee's performance and overall well-being. In this regard, we have the paternity leave policy which allows employees the time they need to bond with their new child and support their partner during this important phase in life. We understand that menstruation can be a challenging and often painful experience, which can affect not only physical health but also mental and emotional well-being. By introducing menstrual leave, we aim to provide a supportive and inclusive workplace environment that acknowledges and addresses the unique needs of our women employees.

UBL strives to have a diverse and inclusive workplace that helps us foster a positive culture that promotes creativity, innovation, and collaboration. The Inclusion and Diversity Council ensures a gender-balanced workplace through Queenfisher spotlighting, curated leadership programs, and a safe working environment. Our hiring practices are fair and compliant. We train our leaders on Inclusion, reducing unconscious bias, and on approach to acquire talent from a diverse pool purely based on aptitude and attitude. The unconscious bias workshops have helped employees mitigate their biases in hiring, promotion decisions, team dynamics, and for creating a more diverse and equitable organizational culture. We have enabled the 'Up! Surge' program to inspire, enable, and support women leaders to propel themselves into the C-Suite.

Unconscious Bias Workshop

9 Workshops covering ~300 employees.

All Inclusive Leadership

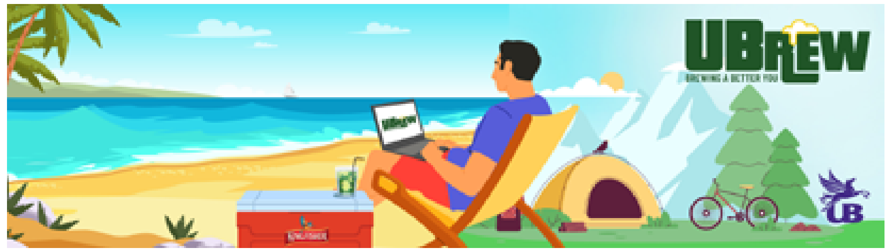
Trainings for People Managers have successfully completed the All-Inclusive training.

Fostering Safe culture

- POSH Awareness sessions at locations.
- Self-defense sessions at locations.

UNLOCKING POTENTIAL OF OUR PEOPLE

At UBL, we are committed to providing our employees with the tools and resources needed to succeed in their roles and develop their skills for long-term career growth. The learning programs are tailored to the individual needs of employees so that they can focus on the specific skills and knowledge relevant to their role and progress at their own pace.



Our online learning channel **UBrew – Brewing a Better You** provides employees with all the resources they need for brewing a better version of themselves. This platform includes functional learning resources, LinkedIn Learning, mandatory trainings, replays of past training sessions and a Leaderboard with the week's Super Learners. Employees are provided with the flexibility to access resources anytime and anywhere and embark on a continuous learning journey.

BREWING YOUNG MINDS

UBL believes that passionate, talented, remarkable people on our teams can and will continue to elevate our organization. We nurture young talent and groom them as future leaders for developing and engaging them. We approach the best minds on college campuses and provide them with a learning opportunity through a comprehensive development programme for Graduate Engineer Trainees (GETs) and Brewer Trainees (BTs), called **Brewing Young Minds**. This 9-month learning journey aims to provide the perfect blend of theoretical knowledge and practical experience on the shop floor to develop young leaders. The programme ensures an overall understanding of each function in manufacturing and overlaps to deliver value to the customer and contribute to the organizational goals at the same time. 20 Graduate Engineer Trainees and Brewer Trainees who joined us in 2022 were the first group of BYM programme members.

10-20-70 Principle of Brewing Young Minds

10% EDUCATION	20% EXPOSURE	70% EXPERIENCE
FORMAL TRAINING	INTERACTION WITH STAKEHOLDERS, MENTORING, PEER LEARNING ETC.	ACQUIRING KNOWLEDGE ON THE JOB

People Managers play a pivotal role in how our organization hires, develops, supports, and grows our people. To equip all managers with capabilities needed for essaying these responsibilities well, we have co-created a dedicated development programme for managers, Brewing Great Managers. The programme enables each people manager to align the efforts of their teams, develop and encourage them to give their personal best, getting them to work cohesively as a well-knit high performing team. This programme is a 5-month journey including a 1-day in-person workshop, followed by online learning and action planning, and pre- and post-program 270-degree feedback surveys. We have ~240 people managers participating in the programme.

BGM
Brewing Great Managers

A culture of learning can foster a more innovative and adaptable workforce, leading to improved organizational performance. Our leaders, by investing in their own learning, set an example for the employees for engaging in continuous learning and development. UBL provides opportunities for leaders to be part of the global programs at HEINEKEN such as HIMAC, WIN, and MTFT and facilitates their learning visits to other Operating Companies as part of these programs. The learning journeys are built around acceleration projects and business cases designed to allow for deep reflection on leadership challenges. These programmes engage the leaders in a virtual discovery expedition to get a fresh, disruptive, outside-in perspective on different organizations and business models.

We had the successful completion of the 1st batch of capability building training for our colleagues in operator roles at one of our breweries. The programme was spread across six months with a purpose of improving the technical skills of our operators that included permanent workmen. The programme witnessed great participation, engagement, and commitment that serves as a model for the subsequent batches.

LEVERAGING TECHNOLOGY TO IMPROVE PEOPLE PROCESSES: INTEGRATION OF MYHR INTO UBL SYSTEMS

With the rapidly evolving digital landscape, UBL ensures that our workforce is equipped with the necessary skills and resources. UBL has implemented MyHR as a global solution to connect all employees and permanent workmen covering the complete employee lifecycle on a single digital platform.

MyHR, with its intuitive self-service access, delivers a digital employee experience for our people and serves as a single source of truth for global people data for our business. The platform has also enabled a chatbot for employees and line managers to assist them with to-do items and actions.

Using MyHR, the users can manage their personal details, explore e-learning, manage their goals and performance, request time off, and apply for opportunities internally and in other Operating Companies. The line managers have comprehensive information on the employment information and the talent profile for their team members enabling them to have a meaningful performance and developmental conversation.

MyHR roll out was a huge success with an overall adoption rate of 91% (above 98% for the white collared employees). This could be made possible through reaching out to the entire workforce by setting up kiosks at all locations and comprehensive awareness sessions in local languages.

SPEAK-UP: GRIEVANCES AND FEEDBACK MECHANISM

UBL is committed to conducting business with integrity and fairness, respecting the law of the land, and upholding our values at the same time. We value the help of employees who identify and speak up about potential concerns that need to be addressed. The Speak Up policy helps raise concerns about suspected misconduct within the company, which is any violation of our Code of Business Conduct or the policies under which UBL operates. The organization has appointed trusted representatives as points of contact to raise concerns about suspected misconduct and ensure that the confidentiality of conversations is maintained. We also capture employee feedback through various interventions including CEO Connect, Townhalls, and one-on-one employee connects.

SPEAK UP!

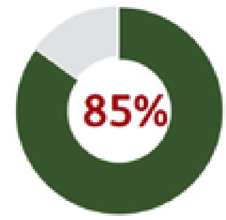
STAYING CONNECTED WITH OUR EMPLOYEES:

We champion a culture of belonging where all perspectives are heard, valued, and acted upon. The 2022 climate survey helped us capture valuable insight into the overall morale of the workforce and identifying opportunities for enhancing productivity, motivation, and retention of the employees at UBL.

91%
Employees find Teamwork and collaboration effective.

94%
Employees feel empowered to act on safety risk and have awareness about channels to Speak Up.

93%
Employees believe they have clear understanding of their objectives and can align them to Functions' objectives.



Employees feel engaged at the workplace

The survey results revealed that our employees feel strongly connected to one another, and they are confident in their ability to work together effectively. This is a testament to our company's commitment to fostering a culture of collaboration, where everyone's input is valued, and diverse perspectives are welcomed.

Furthermore, the survey showed that our employees are highly conscious of safety risks and are dedicated to promoting a safe work environment. The results also indicated that our employees have a clear understanding of our company's objectives and are aligned with our purpose and values. This is a critical factor in our company's success, as it ensures that everyone is working towards the same goals and is committed to achieving them.

INDUSTRIAL RELATIONS

Industrial relations continue to be harmonious and peaceful at all locations of the company. The organization has adopted a business imperatives-driven approach with a focus on upskilling and engaging the workmen to achieve a collaborative and motivated workforce. To keep the workmen motivated and improve efficiency in work, we have introduced the productivity-linked incentive schemes. We recognise the workmen as business partners rather than unionized employees and hence timely communications are shared with them on the performance of the company.

EMPLOYEE HEALTH AND SAFETY

Employees and workers are the backbone of our organisation, and their health, happiness, and safety at work are our utmost priorities. We stand by our motto of, "Safety first, Safety always."

Our primary aim is to enhance safety measures by concentrating on the aspects that we consider pose a high risk to safety because of the nature of the processes. These aspects include occupational safety, process safety, and in-plant traffic safety. We are committed to reducing and controlling risks through regular risk assessments. We have a robust system of controls in place for high-risk activities and have observed their effectiveness. Furthermore, we have implemented an operational risk reduction program to ensure the longevity of these controls.

We are persistent in performing a Process Hazard Analysis (PHA) as part of process risk reduction for new or expanded projects exclusively in the brew houses, package halls, and utility systems. The corporate safety team ensures conducting a prestart safety review (PSSR) before commissioning and handing over the system to the operation team in the breweries.

We made a significant improvement in managing the traffic system within the facilities. We performed a hazard identification (HAZID) analysis on the traffic flow and emergency evacuation procedures to facilitate the movement of the emergency response team in the event of an emergency at the breweries. Using the insights gained from

the study, we have begun implementing measures such as separating pedestrians, implementing dock-level parking, and reducing risks associated with the operation of powered truck trolleys (forklifts). These measures have reduced high-risk situations by 50%. Moving forward, we will continue to collaborate with our technological partner to develop advanced and reliable systems to further reduce risks.

In 2023, we introduced a new measure to report on our personal safety performance for reporting incidents across the sales and marketing functions. To benchmark our safety performance, we have modified our two KPIs (accident frequency rate and accident severity rate) in line with OSHA's (Occupational Safety and Health Administration) performance. A new term, "Hi-potential Near-miss," was recently introduced to draw attention to potentially life-altering injuries and to guide leaders on proper response protocols. This updated safety approach is built upon a consistent emphasis on human performance, which refers to the interaction between people, culture, equipment, work systems, and processes.

UBL aims to prevent incidents by maintaining safety barriers and providing training, including the introduction of the Life Saving Commitment (LSC). The LSC sets safety rules, acknowledging that mistakes happen, but we work on controls to fail safely and enhance safeguards, reducing the chance of serious injuries.

The organisation values people as key to solving problems. We use an open platform called Safety Committee to share lessons and enhance capabilities. Our 5Rs (Regularly, Recognize, Reward, Rarely, and Reprimand) of safety behavior encourage open communication.

We work with a large portfolio of contractors and suppliers and help them understand our safety requirements. Together, we seek to improve safety performance by building skills and expertise and creating an inclusive and safe work environment. We continue to strengthen the safety culture and leadership among our employees at all levels, including the contractor team. Multiple initiatives are taken across units to keep our employees and workers safe, happy, and healthy. These practices also cover the families of our workforce to ensure sustenance beyond the workplace.

UBL has 2,737 employees on its rolls across all locations as on March 31, 2023.

Total employee benefit expenses for the year stood at Rs. 5,914 million, as compared to Rs. 5,194 million in the previous year. This constituted 3.54% of gross revenue from operations. Your Directors place on record their sincere appreciation to all employees for their contribution towards the continued 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, along with detailed explanations therefor, including.

Debt service coverage ratio: Improvement in Debt service coverage ratio from 2.21 to 50.26 because of no debts other than lease liabilities and thereby no interest pay out.

Debtors Turnover: Improvement in Debtors Turnover ratio from 9.90 to 12.51 due to increase in sales as compared to previous year and Improvement in average collection period.

Net Profit Ratio: Net profit ratio decreased from 2.78% in 2021-2022 to 1.82% in FY23, primarily on account of increase in prices of Barley and bottles.

Working Capital Turnover Ratio: Improvement in working capital turnover ratio from 9.36 to 11.83 due to optimum utilization of funds.

CORPORATE SOCIAL RESPONSIBILITY & BUSINESS RESPONSIBILITY, AND SUSTAINABILITY REPORT

UBL strives to brew a better India and firmly believes in growing the business in a sustainable and responsible way that benefits both people and planet. At UBL, we are determined to meet the interests of all our stakeholders. Our key priorities are improving the lives of the community and reducing the impact of our operations on the environment we draw our resources from.

Thus, over the last year, we consistently continued to focus our core Corporate Social Responsibility (CSR) programs on water conservation, safe drinking water, women empowerment, community development initiatives, and responsible consumption of alcohol. Through partnerships with credible implementation partners, we aim to build a more resilient, equitable and sustainable future for our co-communities.

UBL is committed to water stewardship and makes conscious efforts to conserve and replenish water. Last year, we spent more than 70% of our CSR funds on water initiatives through ten large water conservation projects and one safe drinking water project. In addition to implementing large rainwater harvesting and watershed management projects in the vicinity of our breweries for water conservation, we also make extensive efforts to generate awareness in the communities on adopting rainwater harvesting practices, promoting climate resilient practices for agriculture, and incorporating necessary infrastructure to enable access for clean drinking water. We undertook these projects in Rajasthan, Punjab, Haryana, Karnataka, Telangana, Tamil Nadu, and Odisha.

Under our Community Development focus area, we initiated the second phase of our project to develop an Urban Dense Forest in the Waluj MIDC area in Aurangabad, Maharashtra. The first phase was initiated in FY21 and got completed last year. Under this phase, we planted 75,000 trees of 75+ native species in an area of 5 acres and improved the biodiversity in this region using the Miyawaki technique of afforestation. Through phase two we are trying to replicate our efforts by planting 50,000 trees of 80+ native species in an area of 4.94 acres. During the year, we also carried out relief and rehabilitation program near our Odisha brewery to support our co-communities during severe floods. We distributed ration and hygiene kits impacting 2,000 households.

UBL is also conscious of creating a more equal world, and this can only be achieved when women are given equal opportunities. During the year, under project Pragati – our scholarship program for girl students; we awarded scholarships to 516 meritorious female students across India to support their dreams and aspirations of a promising career. The awardees ranged from students of 9th grade to students pursuing under graduation. Under women empowerment we also implemented project Tarang, where we worked with 30 women farmers from Aurangabad district and trained them on agroforestry. Through this initiative we could encourage and have enabled a secondary source of livelihood for these women and have also improved the biodiversity in this area.

The Business Responsibility and Sustainability Report on the framework of the National Guidelines on Responsible Business Conduct (NGRBC) which are based on ESG parameters, compelling organizations to holistically engage with stakeholders and go beyond regulatory compliances in terms of business measures and their reporting 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**.

Environment and Sustainability

Weaving sustainability and responsibility into the fabric of our balanced growth strategy, we have aligned our Sustainability roadmap to HEINEKEN's sustainability strategy – Brew a Better World (BaBW), through which we have raised the bar across three pillars (Environmental, Social and Responsible), and nine ambition areas. We are building execution and operational momentum through various initiatives to bring our ambitions to life and Brew a Better India.

The BaBI strategy has had a profound impact on our business and the foundation on which we deliver the Sustainable Development Goals (SDGs). We continue to steer our focus on reducing carbon emissions, leading water stewardship initiatives, building circularity and enhancing our transparent reporting. From addressing climate change to water scarcity and creating a more equal and fair society, we are determined to play a part in addressing these challenges.

As part of the BaBI strategy, one of our most important ambitions is to reach Net Zero for all our production sites by 2030 and in our entire value chain by 2040. UBL has been consistently marching ahead in its journey of maximizing the usage of renewable energy. This journey demonstrates the organizational vision to lead the initiative by being proactive and contributing to environment protection.

For FY23, the Company sourced 33.3% of its electrical energy from renewable source. For the year ahead strategies have been put in place to make a significant leap forward. On the renewable sources of fuel for thermal energy UBL sourced 97% of its thermal energy from renewable sources. With these steps we have been able to reduce carbon emissions by 31,895 metric tons in production over the previous FY.

We strive to reduce freshwater consumption by consistently working on water efficiency projects and maximising reuse and recycle. Our glide path on reduction of freshwater use started in the year 2006 with 7.42 hl/hl and while in FY23 we are already at 3.4 hl/hl. Overall we have set our ambition to reduce our freshwater intake to 2.6 hl/hl in breweries in water stressed areas and 2.9 hl/hl in the remaining breweries by 2030. We will combine our drive for water efficiency with water recharge projects in water stressed areas to achieve complete water balancing in areas around our breweries.

On circularity, our sustainable waste management program aims to reuse and recycle to the maximum possible extent and balance solid waste is disposed of in landfill or through incineration. For the financial year, we have achieved 94.3% landfill free, and we aim to be 100% landfill free by 2025. We are persistent in recovering the used bottles from the market and keep the up usage of recycled bottles which is currently at ~60%. We continue to send all our by-products – spent grain and surplus drier yeast, for animal feed & poultry stock. Our packaging team is working tirelessly for sustainable packaging like carton box made from kraft paper, 80% recycle paper, improved glass bottle to withstand harsh environment and fully recyclable aluminium cans. As a socially responsible organization, we collectively ensure equivalent quantity of plastic used as part of our packaging materials are recycled through EPR (Extended Producer Responsibilities) and whatever plastics entered in our premises along with the raw materials are collected in-house and send to authorized recyclers.

While our ambitions inspire us, our actions define us. To raise the bar here too, we continuously evaluate and improve our ways of working, governance, and transparent reporting. We have refreshed our areas of focus for creating value – we call it our 'Green Diamond' – which now reflects sustainability and responsibility next to organic growth, profit, and capital efficiency.

Awards

1) Legal and Compliance:

- Our Legal Team was awarded "Alco-Bev Legal Team of the Year" at the 12th Annual Legal Era Indian Legal Awards 2022-2023.
- Ms. Shelly Kohli, Director Legal & Compliance, was awarded "Compliance Lawyer of the Year" at the 12th Annual Legal Era Indian Legal Awards 2022-2023.

2) Confederation of Indian Industry (CII) Environment, Health and Safety (EHS) Excellence Awards:

- Our brewery at Ellora, Aurangabad were awarded Jury Champion Award and Platinum Award (Muda-Waste Kaizen Category) at 13th CII National 3M Competition and Champion Trophy for 2022.
- Our brewery at Nelamangala, Karnataka was awarded Gold Award (Muri-Overburden Kaizen Category) at 13th CII National 3M Competition.

- Our brewery at Empee, Chennai was awarded Gold Award (Innovation and Renovation Kaizen Category) at 44th CII National Kaizen Competition.
- Our brewery at Balaji, Chennai was awarded Silver Award (Renovation Kaizen Category) at 44th CII National Kaizen Competition.

3) Corporate Social Responsibility:

- UBL received the Best CSR Impact Award organized by UBS Forums in recognition of Haritha Samruddhi Project implemented in Puducherry Gram Panchayat, Palakkad at Kerala.
- UBL was honored with the Leadership Award 2022 organized by India CSR in recognition of Water Conservation Project implemented in four villages of Thiruvallur at TamilNadu.
- UBL received a Special Commendation in the Agriculture and Rural Development Category at the CSR Journal Excellences Awards 2022 in recognition of Haritha Samruddhi Project implemented in Puducherry Gram Panchayat, Palakkad at Kerala.

OPPORTUNITIES, THREATS, RISKS & CONCERNS

India is soon expected to surpass China as the most populous country in the world with over 1.4 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 statistics from the United Nations, Department of Economic and Social Affairs. The sheer size of India's population and the resultant consumer base provides a massive opportunity for growth.

Rapid urbanization, rising incomes, change in societal perspective, the launch of new brands and technological advancements are a few factors that will propel market growth. Rise in celebratory occasions, substantial population entering the legal drinking age, higher domestic as well as international tourism and State's focus on keeping the Excise revenues buoyant would help in growing the market in a sustainable manner. The introduction of online order and ease of doorstep delivery in certain states could further drive the market. Should more State Governments proactively open and regulate the online sale of alcohol/home delivery, it would be favorable for the beer industry in the long term. India has all the necessary infrastructure required to further develop online sale of beer.

The consumption of alcoholic beverages is becoming more acceptable to consumers who are developing an interest for beer, which is a low alcoholic beverage and emerging as a social beverage in metros and tier two cities. Beer is gradually becoming a perfect after-work companion for corporate India as well.

Compared to various international markets including markets in Asia, beer penetration is very low in India. Beer accounts for a very low share of consumption compared to other alcohol beverage products and along with the current cultural evolution, higher disposable income and demographics, there is a great long-term opportunity for your Company to shape the beer industry in India. Focus on the availability of new and innovative products in line with consumer trends can further stimulate consumption and contribute to the growth of the Beer market.

Threats, Risks and Concerns

Competition is getting stronger through the introduction of new brands in various segments like craft and premium beer, and whilst this is good for the beer category, your Company is well poised to compete with its innovative brand offerings, product quality, distribution network and brand value. Together with HEINEKEN and its international brand portfolio, your Company is well positioned to compete and win with strong brand equity. Your Company continues to grow in the premium segment with an impressive 58% growth. New products like Heineken Silver have been launched in key markets like Karnataka, Maharashtra & Goa and have been very well accepted by the discerning customer.

A variety of taxes and levies are imposed on beer during and after production, transport, and sale by each state. Pricing regulations, inadequate market infrastructure and restrictions as well as additional taxes on inter-state movement of beer continue to pose a challenge to the industry. The regulatory pressure and constant changes in the political climate in the country, is also present. Your Company is proactively engaged with various state bodies in order to work together to ensure an optimal business climate.

Inflationary pressure on the cost base is expected to continue in the near term, and the ability to increase prices to compensate for inflation is challenging in the regulated environment. Your Company is seeking appropriate action to further mitigate the impact, evident from the strategic price revisions received in key States through active engagement with the Government along with strategic saving initiatives.

Changes in the availability, quality or price of raw and packaging materials, commodities, transportation, or monopolistic supply situations could result in shortage of sources and/or increased costs. Barley being a key ingredient is subject to market forces volatility. Your Company is exploring the option of collaborating farming. New Glass availability is constrained in India. Your Company is developing a strategic action plan to address long term supply risk of bottles. Discussion with incumbent & alternate suppliers is being pursued.

The effects of social and economic cataclysms in the market often make it difficult to predict demand cycles. To overcome these challenges, your company continue to remain cost conscious at all levels of operations, and work with a high level of agility and efficiency. Your company continues to invest in and expand the brand portfolio while continuing to be cost-efficient and quality focused. Your company continues to upgrade and adopt modern technologies and solutions to be able to respond with agility to current market demands, without losing focus on quality.

To cater to new consumers, capture market opportunities, compete with new launches by competitors and in continuous endeavor to offer new product ranges and cater to new occasions, your Company has expanded its "Kingfisher Ultra Draft" offering in the lighthouse market of Maharashtra and has received an encouraging response from consumers. Your Company plans to launch this offering in other relevant Northern markets in a phased manner.

The labour market in India is becoming more competitive. Your Company has taken various initiatives to be able to continue to attract the right talent, build a diverse and inclusive culture including the top management positions and continue to create an engaging place to work.

Non-availability of water, rationing of its supply and restrictions on withdrawal of ground water also pose major threat. Your company has built infrastructure which helps in reduction of water consumption in breweries as a sustainability initiative. Your Company has pro-actively managed sustainability under "3R" policy to reduce, recycle and recharge as well as look at opportunities for water conservation through Rainwater Harvesting to achieve a positive or at least neutral water balance. Your Company's focus on sustainability is poised to increase many folds, which would help in addressing Environmental, Social, and responsible concerns. Adoption of HEINEKEN Evergreen strategy would help meet short-term challenges and will ensure the long-term sustainability of our business to create lasting value for stakeholders.

Your Company also focuses on securing its IT operations and addresses associated risks of cyber security. This includes risks from IT security lapses, malware and ransomware attacks, disruptions in key Enterprise Processes and hacking, which could lead to disruptions in business operations and loss and/or leakage of confidential data. Your company now has a focused approach towards IT (Data & Technology) and has adopted Best-In-Class technology solutions to become the best-connected Brewer.

Prospects

The growth outlook for the Indian beer industry is optimistic and promising. The Indian Beer industry's growth rate in 2022 has been significantly high compared to the global beer industry average, growth rate, which can be attributed to several factors such as favorable climatic conditions, preference for low alcohol beverages and a younger population, which bode well for its future. Moreover, with the projected GDP growth rate of over 6%, an increase in disposable income, a growing middle and upper class, and shifts in consumer behavior, the Indian beer market is expected to continue expanding at a healthy pace. The instances of liberalization in retail and distribution further bolster the industry's growth prospects. Being a heavily underpenetrated market, the outlook for the Indian beer industry appears to be bright and full of potential.

Your Company's established brand equity provides a significant competitive advantage over other domestic and international brands. Your Company has built its position as the undisputed market leader in India with a strong network of breweries across the country and a fantastic portfolio with presence in rural as well as urban markets led by its iconic Kingfisher brand family, complemented by a strong HEINEKEN international brand portfolio. With such a competitive advantage, the company is poised for significant growth going forward.

The competitive environment is expected to remain intense, and your Company shall continue to focus on robust innovations to solidify its market leadership. Though a challenging commodity inflation environment will have an impact on costs, your Company shall continually strive for appropriate price increase approvals and achieve high operational efficiencies, and innovative long-term procurement strategies to offset the increase in costs. Augmenting capacities and strategic tie-ups in critical markets will continue to be a priority investment in the future too.

Your Company has a proven track record of managing its business efficiently, with a focus on delivering sustainable growth and strong financial performance. Your Company seeks to drive beer category penetration, drive further premiumization, reinforce the iconicity of Kingfisher while building the overall brand in addition to continued focus on efficiency & compliance, execution of the sustainability agenda, digitalization, and people development to build a highly motivated and skilled workforce.

Through these actions, we are confident that your Company will continue its leadership position, drive growth of the overall market and expand profit margins in the years to come.

Growth in premium retail trade and on-premises outlets in metropolitan cities has increased the range of beers and improved the retail environment. In a few States, the Government has issued additional licenses for the sale of beer which signals good growth prospects for the industry. Innovative introductions also help in penetrating untapped markets and consumer segments and your Company's new introductions have fared well.

Risk Management

Backed by strong internal control systems, the current Risk Management Framework consists of key elements laying down the roles and responsibilities in relation to risk management covering a range of responsibilities, from strategic to operational. These role definitions, inter alia, provide the foundation for appropriate risk management procedures, their effective implementation across your Company and independent monitoring and reporting.

The Risk Management Committee, constituted by the Board, monitors, and reviews the strategic risk management plans of your Company as a whole and provides necessary directions on the same.

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

Heightened safety protocols were implemented at all units that resumed operations, with end-to-end solutions from transportation of workmen, screening, regular deep cleaning and sanitisation, innovations to ensure safe distancing and strict adherence to hygiene standards and use of personal protective equipment where required.

The Company also focuses on IT Operational Resilience and management of cyber security risks in an increasingly connected world. The risks include external cyber attacks, security lapses, data privacy breaches which could lead to disruptions in business operations & loss of confidential data. We mitigate this through a 'Secure by culture' mindset replete with activations to drive user awareness, preventive controls, proactive threat monitoring and periodic business continuity & disaster recovery drills. Complementing this is Security Assurance discipline to drive up the scores against the action standards.

Your Company places high emphasis on regulatory compliance especially in the frequent evolving regulatory set-up and ensures that its operations are compliant line with relevant and applicable laws. Your Company has raised bar on its regulatory compliance and is committed to maintaining the highest standards of compliance by aligning the performance objectives with regulatory compliance requirements. The Company considers regulatory compliance crucial to build trust among its stakeholders, including investors, customers, employees, and the public at large. The Company has implemented effective controls, systems, policies, and procedures to ensures to identify, assess, and manage compliance risks on an ongoing basis. The Company also imparts regular training and guidance on compliance matters to its employees to ensure that they understand their responsibilities and obligations.

Your Company undertakes a comprehensive review of its compliance obligations periodically and takes effective steps to ensure that it is fully compliant with all relevant laws and regulations.

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

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

The Internal Financial Control framework of your Company is established in accordance with COSO (Committee of Sponsoring Organizations) framework and is commensurate with the size and operations of your Company's business. In addition to statutory mandate, Internal Audit evaluates and provides assurance of its adequacy and effectiveness through periodic reporting. Controls in place are routinely evaluated and audited by 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. Internal Control evaluates adequacy of segregation of duties, transparency in authorization of transactions, adequacy of records and documents, accountability & safeguarding of assets and reliability of the management information system. The systems, SOPs and controls are reviewed and audited by Internal Audit periodically for identification of control deficiencies and opportunities, whose findings and recommendations are reviewed by the Audit Committee and tracked through till implementation.

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

OTHER INFORMATION

Cash Flow Statement

A Cash Flow Statement for the year ended March 31, 2023 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 any 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.

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.

Fixed Deposits

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

Material changes and commitments

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements related and the date of this report.

Subsidiary

During the year, the Board of Directors reviewed the affairs of the subsidiary. In accordance with Section 129(3) of the Act, we have prepared the Consolidated financial statements of the Company, which forms part of this Report. Further, a statement containing the salient features of the financial statements of our subsidiary in the prescribed format AOC-1 is annexed as **Annexure-C** to the Report. The statement also provides details of the performance and financial position of each of the subsidiary, along with the changes that occurred, during FY23.

In accordance with Section 136 of the Act, the audited financial statements, including the Consolidated financial statements and related information of the Company and audited accounts of its subsidiary, are available on our website, at www.unitedbreweries.com.

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 along with the details relating to ratio of the remuneration of each Director and Key Managerial Personnel (KMP) as required under the Act to the median of employees' remuneration, excluding the remuneration drawn by certain employees over the threshold etc., as required under Section 197(12) of the Act read with Rule 5 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 which is annexed as **Annexure - D** to this report.

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 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

The Company has offered Shares to its eligible employees under HEINEKEN Senior Management Reward Programme.

Related Party Transactions

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

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

All transactions entered by the Company during FY23 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.

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 and 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 and is available through the webpage: https://www.unitedbreweries.com/pdf/policyandcodes/English_(US)_HEINEKEN_Speak_Up_Policy_UB.pdf.

None of the Employees and Directors have been denied access to the Chairman of the Audit Committee. There are no whistle blowing complaints leading to material fraud or which have an impact on the financials of the Company.

Internal Complaints Committee

UBL's goal has always been to create an open an safe workplace for every employee to feel empowered, irrespective of gender, sexual preference, and other factors, and contribute to the best of their abilities. Towards, this, the Company 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, and the committee includes external members from NGOs or with relevant experience. Investigations are conducted, and decision made by the ICC at the respective locations, and the constitution is as prescribed. The 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 and Sustainability Report of this 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-E** 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 Company's website:
https://www.unitedbreweries.com/pdf/policyandcodes/Policy_on_Code_of_Business_Conduct.pdf

Code for Prevention of Insider Trading

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

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

Directors

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

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

Ms. Geetu Gidwani Verma and Mr. Manu Anand were appointed as Additional Directors (in the capacity of Independent Directors) of the Company with effect from May 29, 2022 and their appointment was regularized and approved by the members of the Company at the AGM held on August 10, 2022.

Mr. Radovan Sikorsky was appointed as Director & Chief Financial Officer of the Company with effect from August 15, 2022.

Mr. Sunil Alagh and Mr. Stephen Gerlich, Independent Directors of the Company were voluntarily resigned with effect from June 13, 2022.

Mr. Anand Kripalu was appointed as an Additional Director (In the capacity of Independent Director) of the Company with effect from February 22, 2023 and the Resolution for regularization of his appointment has been approved by the Members of the Company through Postal Ballot process on May 16, 2023.

Mr. Madhav Bhatkuly, Independent Director of the Company has voluntarily resigned with effect from March 01, 2023.

Mr. Rishi Pardal, Managing Director & Chief Executive Officer of the Company has resigned with effect from close of business hours on May 04, 2023.

The Board of Directors place on record, its appreciation for Mr. Sunil Alagh, Mr. Stephen Gerlich and Mr. Madhav Bhatkuly for their invaluable contribution, guidance, and support provided by them during their tenure as Independent Directors of your Company.

Meetings of the Board of Directors and Committees of the Board

The Meetings of the Board and Committees are pre-scheduled, and a tentative calendar of the meetings finalized in consultation with the Directors is circulated to them in advance to facilitate them to plan their schedule. In case of special and urgent business needs, approval is taken by passing resolutions through circulation. The Board met eight (8) times during the financial year. Other details including the composition of the Board and various Committees and Meetings thereof held in FY23 are given in the Corporate Governance Report forming part of this Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act.

Declaration by the Independent Directors

During the year, one (1) Meeting of Independent Directors was held on October 14, 2022. The Company has received necessary declaration from each Independent Director under Section 149(7) of the Act, that they meet the criteria of independent laid down in Section 149(6), Code for Independent Directors of the Act, and the 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 are 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 are given in the Corporate Governance Report forming part of this Report.

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 and is available through the webpage:
https://www.unitedbreweries.com/pdf/policyandcodes/Dividend%20Distribution%20Policy%202016.pdf

Foreign Exchange Earnings and Outgo

During FY23 total foreign exchange earnings of the Company stood at Rs.1,723 million (Previous Year: Rs.1,684 million) and foreign exchange outgo stood at Rs.7,207 million (Previous Year: Rs.1,117 million).

Corporate Governance Report

Report on Corporate Governance forms a part of this Report along with Certificate from 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 webpage: https://www.unitedbreweries.com/pdf/AGM/Annual%20Return%20MGT-7-2022-2023.pdf.

Internal financial control and its adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. For more details, refer to the 'Internal control system' section in the Opportunities, Threats, Risks & Concerns, which forms part of this Report.

Auditors and the Audit Report

Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 008072S), was appointed as the Statutory Auditors of the Company by the Members at the 23rd AGM held on August 10, 2022, to hold office for a first term of five consecutive years till the conclusion of the 28th AGM to be held in 2027. In terms of Section 139 of the Act, as amended by the Companies (Amendment) Act, 2017 notified on May 07, 2018, appointment of Auditors need not be ratified at every AGM. Accordingly, the Notice convening the ensuing AGM does not carry any resolution for ratification of appointment of Statutory Auditors. The Auditors have confirmed that they continue to fulfill the criteria for appointment as Auditors 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 which require any clarification or explanation.

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.

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) Competition Commission of India (CCI):

On September 24, 2021, the CCI passed an order under Section 27 of the Competition Act, 2002 ("Competition Act") in Suo Motu Case No. 06 of 2017 and imposed penalty on three beer companies, including the Company for alleged contravention of Section 3 of the Act ("CCI Order"). Penalty imposed on the Company is Rs.751.83 Crores ("the Penalty"). The Company and other appellants filed appeals challenging the CCI Order before the National Company Law Appellate Tribunal ("NCLAT"). The NCLAT stayed CCI Order including recovery of the penalty amount imposed by the CCI, subject to deposit of 10% of the Penalty, by the Company. The NCLAT dismissed the appeals vide order dated December 23, 2022 ("NCLAT Order"). The Company and other appellants have filed appeals against NCLAT Order in Supreme Court of India ("Supreme Court"). The Supreme Court admitted the appeals vide order dated February 17, 2023 ("SC Order"), stayed the NCLAT Order and consequently, the CCI Order, subject to a deposit of additional 10% of the Penalty, over and above the amount already deposited with NCLAT. The Company has already deposited 20% of the Penalty by way of fixed deposits in favour of Registrar, NCLAT in pursuance of NCLAT Order and SC Order.

ii) Bihar Industrial Area Development Authority (BIADA):

BIADA had allotted 42 Acres land ("the Land") to the Company on June 3, 2011 in Kopakalan Industrial Area, Naubatpur, District Patna on lease basis for establishing brewery. The Company had established brewery over the Land which was closed from April 1, 2017 upon imposition of prohibition by the Bihar State Government. The Company restarted the unit over the Land and commenced production of non-alcoholic beverages in the unit in October 2018 after obtaining approvals from all statutory authorities. On June 25, 2022, BIADA issued a show cause notice for cancellation of allotment/lease of the Land due to non-operation of the unit. The Company replied that the production was temporarily stopped since it has sufficient stocks to meet demand of its products and sought extension to restart production. BIADA cancelled allotment of the Land vide order dated December 16, 2022 against which the Company filed a writ before the High Court of Patna. The High Court vide order dated January 25, 2023 directed BIADA to maintain status quo and directed the Company to file undertaking that it will commence commercial production in the unit. The Company has filed undertaking in High Court that it will start commercial production in the unit with BIADA recalling the order of cancellation. Subsequently, on February 8, 2023 the High Court directed BIADA to take a policy decision to deal with the situation arising out of the action of BIADA in present petition and identical matters. The matter is pending in High Court.

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

Directors' Responsibility Statement

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) and the provisions of the Act and guidelines issued by the SEBI. The Ind AS are prescribed under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto is use.

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

(a) In preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures;

(b) They 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) They have taken proper and sufficient care towards 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) They have prepared the annual accounts on a going concern basis;

(e) They have laid down internal financial controls, which are adequate and are operating effectively.

(f) They have devised proper systems to ensure compliance with the provisions of all applicable laws, and such system are adequate and operating effectively.

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

ACKNOWLEDGEMENT AND APPREICIATION

We thank our clients, customers, vendors, investors, shareholders, suppliers, bankers, business partners and associates, financial institutions, employee volunteers, central and state governments for their continued support and encouragement to the Company during the year. We place on record our appreciation for the contribution made by our employee at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation, and support.

By Authority of the Board

Rishi Pardal
Managing Director & CEO
DIN: 02470061

Radovan Sikorsky
Director & CFO
DIN: 09684447

May 04, 2023
Bengaluru

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 & Chief Executive Officer (CEO) and Director & Chief Financial Officer (CFO). The Board consists of eminent persons with considerable professional expertise and experience.

Executive Director

Mr. Rishi Pardal (Managing Director & CEO) @

Mr. Radovan Sikorsky (Director & CFO) *

Non-Executive Directors

Mr. Christiaan A J Van Steenbergen

Mr. Jan Cornelis van der Linden

Independent Directors

Ms. Kiran Mazumdar Shaw

Ms. Geetu Gidwani Verma **

Mr. Manu Anand **

Mr. Anand Kripalu ***

Company Secretary & Compliance Officer

Mr. Amit Khera ****

Audit Committee

Mr. Manu Anand	Chairman
Mr. Jan Cornelis van der Linden	Member
Ms. Geetu Gidwani Verma	Member
Mr. Anand Kripalu	Member

Nomination and Remuneration Committee

Ms. Kiran Mazumdar Shaw	Chairperson
Mr. Christiaan A J Van Steenbergen	Member
Ms. Geetu Gidwani Verma	Member
Mr. Manu Anand	Member

Corporate Social Responsibility/Environmental, Social and Governance Committee

Ms. Geetu Gidwani Verma	Chairperson
Mr. Rishi Pardal @	Member
Mr. Radovan Sikorsky	Member
Mr. Christiaan A J Van Steenbergen	Member
Ms. Kiran Mazumdar Shaw	Member

Stakeholders' Relationship/ Share Transfer Committee

Mr. Anand Kripalu	Chairman
Mr. Radovan Sikorsky	Member
Mr. Christiaan A J Van Steenbergen	Member
Ms. Geetu Gidwani Verma	Member
Mr. Manu Anand	Member

Risk Management Committee

Mr. Manu Anand	Chairman
Mr. Jan Cornelis van der Linden	Member
Ms. Geetu Gidwani Verma	Member
Mr. Anand Kripalu	Member

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

Auditor	Messrs. Deloitte Haskins & Sells is registered with the Institute of Chartered Accountants of India (ICAI) with Registration No. 008072S and is a part of Deloitte Haskins & Sells & Affiliates being the Network of Firms registered with the ICAI. *****
Registrar and Share Transfer Agent	Integrated Registry Management Services Private Limited is part of Integrated Group who is a leading share transfer agent in South India which serves more than 120 listed Companies and 2,500 unlisted Companies.

Notes:

@ Mr. Rishi Pardal has resigned as Managing Director & CEO effective close of business hour on May 04, 2023.

* Mr. Radovan Sikorsky was appointed as Director & CFO effective August 15, 2022.

** Ms. Geetu Gidwani Verma and Mr. Manu Anand were appointed as Independent Directors effective May 29, 2022.

*** Mr. Anand Kripalu was appointed as Independent Director effective February 22, 2023.

**** Mr. Amit Khera was appointed as Company Secretary & Compliance Officer effective March 15, 2023.

***** Messrs Deloitte Haskins & Sells, Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five years till the conclusion of 28th Annual General Meeting.

Profile of Directors and their other Directorships

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
Mr. Rishi Pardal (DIN: 02470061) Mr. Rishi joined UBL from Avery Dennison Corporation, a Fortune 500 Company which he joined in November 2010 as Vice President and Managing Director of Retail Brand and Information Solutions, South Asia. He championed significant growth and profitability improvement at businesses across India, Bangladesh, Sri Lanka, and Pakistan. In 2014, Mr. Rishi was appointed to the position of Vice President and General Manager, North Asia where he made equally significant progress. In June 2017, he was promoted to his last position i.e., Vice President of Global Apparel Solutions for Retail Brand and Information Solutions and was a Member of Corporate Leadership Team of Avery Dennison Corporation. As a Member of the Corporate Leadership Team, Mr. Rishi was engaged in contributing to strategy and initiatives that have a global and cross Business impact for Avery Dennison Corporation including sustainability, diversity, business policies etc. Prior to Avery Dennison Corporation, Mr. Rishi was Managing Director of Marico Bangladesh Limited, following a 14-year career in various Management roles with Hindustan Unilever Limited. He has extensive experience in sales and customer development, marketing, corporate governance, brand equity and talent development. Mr. Rishi has completed his Masters' Program in International Business from the Indian Institute of Foreign Trade, New Delhi. He has also completed various functional, leadership and Management Development Programs from Northwestern-Kellogg's, IMD and Harvard Business School (in-progress). Mr. Rishi Pardal was appointed on the Board of UBL effective August 01, 2020, and resigned effective close of business hours on May 04, 2023.	**Other Directorship & 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. Radovan Sikorsky (DIN: 09684447) Mr. Radovan joined HEINEKEN UK as Finance Director in September 2016. Prior to this he was Senior Director Regional Finance Americas from 2013, leading the regional Finance function in a period of quick-fire business expansion and transformation. Mr. Radovan has also held the role of Finance Director in Slovakian, Hungarian and Polish HEINEKEN Companies. Before joining HEINEKEN, Mr. Radovan worked for over three years with KPMG as Senior Audit Manager. Mr. Radovan is a B.Compt (Honours), University of South Africa – (UNISA); South African Institute of Chartered Accountant. Mr. Radovan has been on the Board of UBL since August 15, 2022.	**Other Directorship & Committee Membership:** NIL **Areas of Expertise:** Finance & Accounts
Mr. Christiaan A J Van Steenbergen (DIN: 07972769) Mr. Christiaan A J Van Steenbergen was appointed Chief Human Resources Officer of HEINEKEN in May 2014. Prior to that, he was Executive Vice President Corporate HR of Royal DSM since 2010 based in Heerlen, the Netherlands. He is a lawyer by training and has spent more than 20 years in Senior HR and operational roles. He was Chief Human Resources Officer Cadbury, President Europe Cadbury, for 8 years from 2002 to 2010. Prior to Cadbury, he held different positions in Quick Restaurants SA in Belgium as CEO and in Randstad Belgium as Managing Director. He retired from HEINEKEN effective March 01, 2021. Mr. Christiaan A J Van Steenbergen has been on the Board of UBL since November 08, 2017.	**Other Directorship & Committee Membership:** NIL **Areas of Expertise:** Legal and Human Resource, Business Strategy, Brand Building and Leadership
Mr. Jan Cornelis van der Linden (DIN: 08743047) Mr. Jan Cornelis van der Linden, is an MBA in Business Administration from Erasmus University, Rotterdam, Netherlands. He has completed various Management Development Programs from Harvard Business School, Wharton – University of Pennsylvania, INSEAD Business School and University of Michigan. He joined HEINEKEN in 1999 as Management Trainee, and since then has worked in increasingly senior international management positions in Sales, Marketing and General Management. From 1999-2008 he worked in Africa, Ireland and was part of the Management Team at Group Commerce, HEINEKEN International, in the capacity of Global Brand Director Amstel. In 2008 he became Executive Board Member of Nigerian Breweries Plc. and joined the Management Team at HEINEKEN UK in 2012. In 2015 he was appointed as Managing Director of HEINEKEN China and in August 2019 he was appointed as Managing Director of HEINEKEN Vietnam. Currently, Mr. van der Linden is President Asia Pacific, Heineken. Mr. Jan Cornelis van der Linden has been on the Board of UBL since June 01, 2020.	**Other Directorship & Committee Membership:** NIL **Areas of Expertise:** Business Development, Business Strategy & Transformation, Marketing and Commercial

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
Ms. Kiran Mazumdar Shaw (DIN: 00347229) Ms. Kiran Mazumdar Shaw is a pioneer of the biotechnology industry in India and the founder of the country's leading biotechnology enterprise, Biocon. Named among TIME magazine's 100 most influential people in the world, Ms. Mazumdar Shaw is recognised as a thought leader who has made her country proud by building a globally recognised biopharmaceutical enterprise that is committed to innovation and affordability in delivering best-in-class therapeutics to patients across the globe. As a global influencer, she is ranked among 'World's 25 Most Influential People in Biopharma' by Fierce Biotech, Forbes magazine's 'World's 100 Most Powerful Women' and Fortune's 'Top 25 Most Powerful Women in Asia-Pacific.' She has been recognised as the only Indian on Forbes' list of 'World's Self-Made Women Billionaires.' She has been featured in 'The Worldview 100 List' of the most influential visionaries by Scientific American magazine and named among the '100 Leading Global Thinkers' by Foreign Policy magazine. She has been ranked as one of the world's top 20 inspirational leaders in the field of biopharmaceuticals by The Medicine Maker Power List 2021, an index of the 100 most influential people across the globe in the field of medicine, where she has been featured consecutively since 2015. Ms. Mazumdar Shaw has been awarded with the EY World Entrepreneur of the Year 2020 Award, which is a testimony to her entrepreneurial journey of over four decades. 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 also been honoured with the Lifetime Achievement Award at the FICCI-Healthcare Excellence Awards 2019, in recognition of her valuable contribution and exemplary work in the field of healthcare. She has also been conferred the US India Business Council Global Leadership Award at the USIBC India Ideas Summit 2018, in recognition to her contributions and leadership across roles and sectors. She was felicitated with 'Advancing Women in Science and Medicine (AWSM) Award for Excellence' 2017 by The Feinstein Institute for Medical Research, USA. She has been named 'India's Most Respected Entrepreneur' for 2017 by the prestigious Hurun Report and felicitated as an exceptional woman achiever by Ministry of Women and Child Development, Govt. of India for being the first Indian businesswoman to reach USD 1 billion net worth. In January 2020, she was honoured with the Order of Australia, Australia's Highest Civilian Honour, for her significant service to advancing Australia's bilateral relationship with India, particularly in promoting commercial and educational links. In 2016, she was conferred with the highest French distinction – Chevalier de l'Ordre National de la Légion d'Honneur (Knight of the Legion of Honour). She was also bestowed with 'The Global Leadership in Engineering Award' by Los Angeles based USC Viterbi, School of Engineering in 2016 for excellence in biotechnology worldwide.	**Other Directorships:** • Biocon Limited (Executive Chairperson) • Syngene International Limited (Non-Executive Chairperson) • Biocon Biologics Limited (Whole Time Director) • Narayana Hrudayalaya Limited (Non-Executive Director) • Biocon Pharma Limited • Biocon Biosphere Limited • Biofusion Therapeutics Limited • Mazumdar Shaw Medical Foundation • Biocon Academy • Narayana Vaishno Devi Speciality Hospitals Private Limited • Immuneel Therapeutics Private Limited • Science Gallery Bangalore • CSEP Research Foundation **Other Committee Membership:** NIL **Areas of Expertise:** Biotechnology, General Management, Finance & Risk Management, Scientific Knowledge, Global Healthcare, Corporate Governance and Compliance

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
Ms. Kiran Mazumdar Shaw (DIN: 00347229) (contd.) The U.S. based Chemical Heritage Foundation has conferred her with the '2014 Othmer Gold Medal' and the Germany based Kiel Institute for the World Economy has awarded her its coveted '2014 Global Economy Prize' for Business. She has received two of India's highest civilian honours, the Padma Shri (1989) and the Padma Bhushan (2005). Ms. Mazumdar Shaw holds key positions in various industry, educational, government and professional bodies. She has been appointed as a member of the high-level expert committee constituted by the Department of Biotechnology (DBT) to review the autonomous organisations under the administrative control of the department and she is a Governing Council Member of the National Institute of Immunology, an autonomous research institute of the DBT. She has been appointed as Member of the Steering Committee of the National Biopharma Mission, an industry-academia collaborative mission of the DBT. She is Non-Executive Chairperson of the Association of Biotechnology Led Enterprises (ABLE), a not-for-profit pan-India forum representing the Indian biotechnology sector. She is a founder member of Karnataka's Vision Group on Biotechnology, which she currently chairs. She has also been appointed Chairperson of the Karnataka government's Vision Group to encourage pharma and medical devices units in the state. She has been appointed as the Vice Chair of the Global Board of Directors of U.S.-India Business Council (USIBC) and serves as Honorary Member of Indio-American Chamber of Commerce. She is a past member of Advisory Council of the UK-India Business Council. She has been appointed as Global Alumni Ambassador for Australia by the Department of Foreign Affairs and Trade, Australia and she has been appointed as the Victorian Business Ambassador by The State Govt. of Victoria, Australia. She served as the Board of Trustees of the US Pharmacopeia Convention and currently she is a Honorary member. She also served as a member of the Governing Body of the Indian Pharmacopoeia Commission. She is the Honorary Consul of Ireland in Bangalore. Ms. Mazumdar Shaw has been elected as a full-term member of the Board of Trustees of The MIT Corporation, USA, and is also on the advisory board of the Abdul Latif Jameel Clinic for Machine Learning in Health at MIT (J-Clinic), U.S., which seeks to transform healthcare with artifical intelligence and machine learning. She serves on the board of advisors for The National Society of High School Scholars, U.S., and is on the board of trustees of the Keck Graduate Institute in the U.S. She has been elected as a member of the prestigious U.S. based National Academy of Engineering (NAE), for her contribution to the development of affordable biopharmaceuticals and the biotechnology industry in India, and she is a first female Foreign Fellow to be elected as a member of the Australian Academy of Technology and Engineering (ATSE). She has been elected as the Fellow of the Royal Society of Edinburgh (RSE), Scotland's National Academy for the advancement of learning and useful knowledge.	

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
Ms. Kiran Mazumdar Shaw (DIN: 00347229) (contd.) She is a Member of the Board of Governors of Indian Institute of Technology Bombay, founder member of the Society for the Institute for Stem Cell Biology and Regenerative Medicine, Bangalore and is the past Chairperson of the Board of Governors of the Indian Institute of Management, Bangalore. She is Non-Executive Director on the Board of Narayana Health and also served as the Lead Independent Member of the Board of Infosys from 2018 to 2023. She serves on the board of PureTech Health and Memorial Sloan Kettering Cancer Centre, and Lincoln Center for the Performing Arts, in the USA. She also serves as Board of Directors of Science Gallery Bengaluru, part of the Global Science Gallery Network pioneered by Trinity College Dublin. Ms. Mazumdar Shaw is involved in several charitable organisations. She serves on the Global Advisory Committee for the Women and the Green Economy Campaign (WAGE)™ initiative and is a member of the MIT Charter Society, USA, in honour of her philanthropic commitment to the Institute. She is also associated with The Live Love Laugh Foundation, a leading not-for-profit organisation spreading mental health awareness, as a member of its Board of Trustees. Most recently, she has been appointed as a Non- Executive Director on the Board of Directors of CSEP - The Centre for Social and Economic Progress, an independent, public policy think tank with a mandate to conduct research and analysis on critical issues facing India and the world and helps shape policies that advance sustainable growth and development. Ms. Mazumdar Shaw's commitment to affordable healthcare extends beyond business. Her philanthropic initiatives are directed at making a difference to the lives of the marginalised communities. Through Biocon Foundation's primary healthcare centres, telemedicine initiatives, health awareness programs, public health and sanitation initiatives and preventive screenings for oral and cervical cancer, she is making an enduring impact on society. She has also established the 1,400-bed Mazumdar-Shaw Medical Center in Bangalore to deliver affordable world-class cancer care services to patients irrespective of socio-economic status. She has also set up the Mazumdar Shaw Center for Translational Research, a non-profit research institute dedicated to developing scientific breakthroughs for treating a wide range of human diseases. Her philanthropic efforts have led her to be featured in the Forbes' List of 'Heroes of Philanthropy'. Ms. Mazumdar Shaw is also the second Indian to join the Giving Pledge global initiative created by Warren Buffett and Bill and Melinda Gates that encourages billionaires to give the majority of their wealth to philanthropic causes. Ms. Mazumdar Shaw holds a bachelor's degree in science (Zoology Hons.) from Bangalore University and has earned a master's degree in malting and brewing from Ballarat College, Melbourne University. She has been awarded with several honorary degrees from Ballarat (2004), University of Abertay (2007), University of Glasgow (2008), Heriot-Watt University (2008), National University of Ireland (2012) and Trinity College, Dublin (2012) for her pre-eminent contributions in the field of biotechnology. Ms. Mazumdar Shaw has been on the Board of UBL since October 26, 2009.	

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
Ms. Geetu Gidwani Verma (DIN: 00696047) Ms. Geetu Verma is a global business leader with close to 35 years' experience in the FMCG sector with Procter & Gamble, Pernod Ricard, PepsiCo and Unilever. Her experience pans launching breakthrough innovations, leading businesses of scale, turnaround assignments in developed and emerging markets – Asia, Europe. Ms. Verma is now a global management consultant, helping businesses with innovation, marketing strategy & new business models to create sustainable growth. She partners OxfordSM, a BCorp and a global strategic and marketing consultancy headquartered in the UK. She is also a strategy advisor to the Hindustan Unilever Foundation and other Companies in the nutrition and social impact space both in Netherlands and India. She is credited with turnarounds and the creation of iconic brands in the F&B space – Kissan, Brooke Bond, Red Label, Kwality Walls, Kurkure, Royal Stag. She has also led strategic business acquisitions in India and Europe. Ms. Verma has been recognised as among the most powerful women in Indian business by Business Today and ranked among the top 10 most influential marketers, several years in a row. She is an immensely respected FMCG industry voice, an ardent advocate on authentic leadership and a strong proponent of an inclusive culture that helps diversity thrive. Ms. Geetu Verma has been on the Board of UBL since May 29, 2022.	**Other Directorships:** • Philips India Limited • Trucap Finance Limited (Independent Director) **Other Committee Membership:** • Philips India Limited – Audit Committee **Areas of Expertise:** • Business strategy, brand building and innovation • Turning around scale businesses • Leading start-ups to scale • M&A and integration strategy
Mr. Manu Anand (DIN: 00396716) Mr. Manu Anand is a Chartered Accountant and has completed Advance Management Program from the Wharton School of the University of Pennsylvania, USA. Mr. Manu brings the experience of over three decades, out of which he has been in the General Manager roles for the last 20 years with a track record of building diverse teams, driving growth, managing multi-billion-dollar P&Ls, and leading change and transformation. He retired from Mondelez International in end 2018 and is now a Business Advisor and Company Director. In his last role prior to retirement from Mondelez International he was President Chocolates – AMEA, managing the Chocolate business operations across the Asia Pacific, Middle East, and Africa, covering a range of developed and developing markets. The role required managing the levers of P&L, driving top and bottom line and market share growth through a combination of region-wide and market-specific initiatives on the brands and innovation. In addition, he ran a consolidated supply chain with a complex manufacturing site network and worked closely with sales teams in markets to deliver sustained business performance. Mr. Manu was earlier leading the India business for Mondelez International as Managing Director for Cadbury India Limited.	**Other Directorships:** • Manjushree Technopack Limited • DFM Foods Limited (Non-Executive Director) • Glaxosmithkline Pharmaceuticals Limited (Independent Director) • Standard Chartered Research and Technology India Private Limited **Other Committee Membership:** Manjushree Technopark Limited: Audit Committee **Areas of Expertise:** General Management, Finance, Sales & Marketing in food and beverage industry

Brief Resume	Other Directorships & Committee Memberships in India and Areas of Expertise
Mr. Manu Anand (DIN: 00396716) (contd.) At PepsiCo India, Mr. Manu spent 19 years in various roles and is credited with building its food business virtually from scratch. In his last role at PepsiCo as the Chairman and CEO, PepsiCo India, Mr. Manu was responsible for PepsiCo's Beverage and Foods business in India and South Asia brands. Preceding this, Mr. Manu Anand was based in Bangkok as the President of South-East Asia and was responsible for the Beverage and Food businesses in Thailand, Vietnam, Malaysia, Indonesia, Singapore, Cambodia, and Laos. The Business Unit was a complex portfolio of different business models in the various stages of development across the markets. Prior to that Mr. Manu was the Managing Director for Frito- Lay India (the Snack Food Business of PepsiCo) and built this business from a start up to a market leader. Currently, Mr. Manu is the Senior Advisor to Advent and Director on four other boards. He has also been past chair on a number of committees of Confederation of Indian Industry (CII) and has experience as Chairman of PepsiCo India and Director on Board of Mondelez India. Mr. Manu Anand has been on the Board of UBL since May 29, 2022.	
Mr. Anand Kripalu (DIN: 00118324) Mr. Anand Kripalu has over 30 years of experience in the fastmoving consumer goods (FMCG) industry. Prior to joining Essel Propack Limited (EPL), he spent seven years as the Managing Director and CEO of Diageo India, India's leading beverage alcohol Company with $6.4 billion market cap, where he led the transformation of the Company. He was also a member of Diageo's Global Executive Committee. Before joining Diageo, Mr. Kripalu spent almost eight years with Mondelez International (earlier, Cadbury) as the President of the India and Southeast Asia business. He was responsible for accelerating Cadbury India's performance to deliver 25 percent y-o-y growth in revenue and profit over eight years. Before that, he spent 22 years at Unilever in various general management and sales and marketing roles. Mr. Kripalu has a Bachelor of Technology in Electronics from IIT, Madras. He also holds an MBA from IIM, Calcutta. He has received the distinguished alumnus award from both IIT Madras and IIM Calcutta. He has also completed the Advanced Management Program from Wharton Business School. Mr. Anand Kripalu has been on the Board of UBL since February 22, 2023.	**Other Directorships:** • EPL Limited (Managing Director) • PGP Glass Private Limited **Other Committee Membership:** Nil **Areas of Expertise:** Board management in Governance, Leadership, Strategy, Sales, Marketing, Knowledge of Alcobev Regulatory Environment

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

Membership in Boards and Board Committees - other than UBL

Name of the Directors	Membership in Boards other than UBL in India	Membership in Board Committees other than UBL	
		Prescribed for reckoning the limits under Regulation 26(1)(b) of Listing Regulations*	Other Committees not so prescribed**
Mr. Rishi Pardal	NIL	NIL	NIL
Mr. Radovan Sikorsky	NIL	NIL	NIL
Mr. Christiaan A J Van Steenbergen	NIL	NIL	NIL
Mr. Jan Cornelis van der Linden	NIL	NIL	NIL
Ms. Kiran Mazumdar Shaw	13	NIL	3
Ms. Geetu Gidwani Verma	2	1	2
Mr. Manu Anand	4	2	3
Mr. Anand Kripalu	2	NIL	1

* Audit Committee and Stakeholders' Relationship Committee.

** Nomination and Remuneration Committee, CSR/ ESG Committee and Other Committees.

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

Notes:

a) Mr. Rishi Pardal is not a Director in any other Company.

b) Mr. Radovan Sikorsky is not a Director in any other 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 10 Overseas Companies.

e) Ms. Kiran Mazumdar Shaw is on the Board of 13 Companies. Out of which 2 are Private Limited Companies and 4 are Section 8 Companies under the Act. Ms. Mazumdar is also on the Board of 10 Overseas Companies.

f) Ms. Geetu Gidwani Verma is on the Board of 2 Companies.

g) Mr. Manu Anand is on the Board of 4 Companies. Out of which 1 is a Private Limited Company.

h) Mr. Anand Kripalu is on the Board of 2 Companies. Out of which 1 is a Private Limited Company.

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

Skills	Mr. Rishi Pardal	Mr. Radovan Sikorsky	Mr. Christiaan A J Van Steenbergen	Mr. Jan Cornelis van der Linden	Ms. Kiran Mazumdar Shaw	Ms. Geetu Gidwani Verma	Mr. Manu Anand	Mr. Anand Kripalu
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				✓	✓			

Role of the Board of Directors

The primary role of the Board is that of trusteeship – to protect and enhance shareholder value. As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. Further, the Board is also responsible for:

- Exercising appropriate control to ensure that the Company is managed efficiently to fulfill stakeholders' aspirations and societal expectations.
- Monitoring the effectiveness of the Company's governance practices and making changes as necessary.
- Providing strategic guidance to the Company and ensuring effective monitoring of the Management.
- Exercising independent judgment on corporate affairs.
- Assigning a sufficient number of Non-Executive members of the Board to tasks where there is a potential for conflict of interest, to exercise independent judgment.
- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets, and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions, and divestments.

Responsibilities of the Board leadership

The Company believes that an active, well-informed, diversified, and independent board is necessary to ensure the highest standards of corporate governance. At UBL, the Board is at the core of our corporate governance practice. The Board oversees the Management's functions and protects the long-term interests of our stakeholders. The responsibilities and authority of the Managing Director & CEO is as under:

The Managing Director & CEO is responsible for executing corporate strategy in consultation with the Board, as well as for brand equity, planning, building external contacts and all matters related to the management of the Company. He/she is responsible for achieving annual and long-term business targets. The Managing Director & CEO also monitors the external and internal competitive landscape, and new industry developments and standards, identifies opportunities for expansion and acquisition, and builds relationships with customers and markets to enhance shareholder value and implementing the organization's vision, mission, and overall direction. The Managing Director & CEO acts as a link between the Board and the Management and is also responsible for leading and evaluating the work of other executive leaders.

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/Share Transfer Committee, Nomination and Remuneration Committee, Corporate Social Responsibility/ Environmental, Social and Governance 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 Act, 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, 2023, eight (8) Board Meetings were held on April 26, 2022, May 28, 2022, June 14, 2022, July 21, 2022, July 27, 2022, October 20, 2022, February 09, 2023, and February 17, 2023. During the financial year, Mr. Madhav Bhatkuly was the Acting Chairman of the Board from June 13, 2022 till March 01, 2023.

Attendance at Board Meetings and Annual General Meeting (AGM)

Names of the Directors	Category	Number of Board Meetings		Attendance at the last AGM held on 10.08.2022
		Held	Attended	
Mr. Rishi Pardal	Managing Director	8	7	YES
Mr. Radovan Sikorsky *	Director & CFO	8	3	N.A.
Mr. Christiaan A J Van Steenbergen	Director (NE)	8	8	YES
Mr. Jan Cornelis van der Linden	Director (NE)	8	8	YES
Ms. Kiran Mazumdar Shaw	Director (IND)	8	5	YES
Ms. Geetu Gidwani Verma **	Director (IND)	8	6	YES
Mr. Manu Anand **	Director (IND)	8	6	YES
Mr. Anand Kripalu ***	Director (IND)	8	N.A.	N.A.
Mr. Sunil Alagh @	Director (IND)	8	2	N.A.
Mr. Stephan Gerlich @	Director (IND)	8	2	N.A.
Mr. Berend Odink @	Director & CFO	8	5	YES
Mr. Madhav Bhatkuly @	Director (IND)	8	6	YES

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

* Mr. Radovan Sikorsky was appointed as Director & CFO with effect from August 15, 2022.

** Ms. Geetu Gidwani Verma and Mr. Manu Anand were appointed as Independent Directors with effect from May 29, 2022.

*** Mr. Anand Kripalu was appointed as an Independent Director with effect from February 22, 2023.

@ Mr. Sunil Alagh and Mr. Stephan Gerlich, Independent Directors resigned with effect from June 13, 2022. Mr. Berend Odink, Director & CFO and Mr. Madhav Bhatkuly, Independent Director resigned with effect from August 15, 2022, and March 01, 2023, respectively.

Board Support

The Company Secretary supports the Board to ensure that it has policies, processes, information, time, and resources it needs to function effectively and efficiently. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the agenda and convening of the Board and Committee Meetings. The Company Secretary attends all the Meetings of the Board and its Committees, in the capacity of Secretary of the Board/Committees. The Company Secretary advises/assures the Board and its Committees on compliance and governance principles and ensures appropriate recording of minutes of the Meetings.

With a view to leverage technology and reduce paper consumption, the Company has adopted a web-based application for transmitting Board/Committee Agenda and Pre-reads. The Directors of the Company receive the Agenda and Pre-reads in electronic form through this application, which can be accessed through web browser or iPad. The application meets high standards of security and integrity that are required for storage and transmission of Board/Committee Agenda and Pre-reads in electronic form.

COMMITTEES OF DIRECTORS

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

Audit Committee

The Audit Committee comprises of Mr. Manu Anand, Mr. Jan Cornelis van der Linden, Ms. Geetu Gidwani Verma and Mr. Anand Kripalu as Members, out of which three are Independent Directors and one is a Non-Executive Director. The Chairmanship of the Committee vests with Mr. Manu Anand.

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 Act;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgement by the Management;
- Significant adjustments made in the Financial Statements arising out of Audit findings;
- Compliance with listing and other legal requirements relating to Financial Statements;
- Disclosure of any related party transactions;
- Modified opinion(s) in the draft audit report;

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

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

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

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

ix) Scrutiny of inter-corporate loans and investments;

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

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

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

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

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

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

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

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

xviii) To review the functioning of Whistle Blower mechanism;

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

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

xxi) To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. and;

xxii) Carrying out any other function as is mentioned in term 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. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
3. Internal audit reports relating to internal control weaknesses;
4. The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
5. 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, 2023, six (06) Audit Committee Meetings were held on April 25, 2022, July 26, 2022, October 19, 2022, February 08, 2023, February 17, 2023, and March 21, 2023.

Attendance at Audit Committee Meetings

Names of the Directors	Category	Number of Audit Committee Meetings	
		Held	Attended
Mr. Manu Anand *	Chairman	6	5
Mr. Jan Cornelis van der Linden	Member	6	6
Ms. Geetu Gidwani Verma *	Member	6	5
Mr. Anand Kripalu **	Member	6	N.A.
Mr. Sunil Alagh @	Member	6	1
Mr. Madhav Bhatkuly @	Chairman	6	4

* Mr. Manu Anand and Ms. Geetu Gidwani Verma were appointed as Members of the Committee with effect from June 13, 2022. Mr. Manu Anand replaced Mr. Madhav Bhatkuly as Chairman of the Committee with effect from April 10, 2023.

** Mr. Anand Kripalu was appointed as Member of the Committee with effect from April 10, 2023. Hence, he was not part of the meetings held during the financial year ended March 31, 2023.

@ Mr. Sunil Alagh, Member and Mr. Madhav Bhatkuly, Chairman resigned from the Committee with effect from June 13, 2022, and March 01, 2023, respectively.

Stakeholders Relationship & Share Transfer Committee

The Stakeholders' Relationship & Share Transfer Committee was re-designed with effect from June 13, 2022. The Committee comprises of Mr. Anand Kripalu, Mr. Radovan Sikorsky, Mr. Christiaan A J Van Steenbergen, Ms. Geetu Gidwani Verma and Mr. Manu Anand as Members. The Chairmanship of the Committee vests with Mr. Anand Kripalu.

The 'Terms of Reference' of Stakeholders Relationship 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.

Number of Shareholders' complaints received from 01-04-2022 to 31-03-2023 (These complaints pertained mainly to non-receipt of Share Certificates upon transfer, non-receipt of Annual Report, non-receipt of Dividend, etc.)	3
Number of complaints not solved to the satisfaction of the Shareholders	NIL
Number of pending Share transfers	NIL

The 'Terms of Reference' of Share Transfer Committee are as under:

- To monitor Transfer, Transmission and Transposition of the Shares of the Company;
- Issue of letter of confirmation in place of Duplicate Share Certificates, in lieu of Certificates lost, misplaced, 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 thirty days.

The Board of Directors has delegated the power to approve transfers / transmission etc., up to 5,000 Shares to the Managing Director and the Company Secretary, who can act severally in the above matter.

The Compliance Officer is Mr. Amit Khera, Company Secretary & Compliance Officer.

During the financial year ended March 31, 2023, three (03) Stakeholders Relationship & Share Transfer Committee Meetings were held on July 22, 2022, October 19, 2022, and February 08, 2023, for approving the transactions falling within the 'Terms of Reference' mentioned above.

Attendance at Stakeholders Relationship & Share Transfer Committee Meetings

Names of the Directors	Category	Number of Stakeholders Relationship & Share Transfer Committee Meetings	
		Held	Attended
Mr. Anand Kripalu *	Chairman	3	N.A.
Mr. Radovan Sikorsky **	Member	3	1
Mr. Christiaan A J Van Steenbergen	Member	3	3
Ms. Geetu Gidwani Verma ***	Member	3	3
Mr. Manu Anand ***	Member	3	3
Mr. Berend Odink @	Member	3	1
Mr. Madhav Bhatkuly @	Chairman	3	3

* Mr. Anand Kripalu was appointed and replaced Mr. Madhav Bhatkuly as Chairman of the Committee with effect from April 10, 2023. Hence, he was not part of the meetings held during the financial year ended March 31, 2023.

** Mr. Radovan Sikorsky was appointed as Member of the Committee with effect from August 15, 2022.

*** Ms. Geetu Gidwani Verma and Mr. Manu Anand were appointed as Members of the Committee with effect from June 13, 2022.

@ Mr. Berend Odink, Member and Mr. Madhav Bhatkuly, Chairman resigned from the Committee with effect from August 15, 2022, and March 01, 2023, respectively.

Prior to redesignation of Stakeholders Relationship & Share Transfer Committee effective June 13, 2022, the Committee comprised of the following:

A) Stakeholders Relationship Committee comprised of Mr. Madhav Bhatkuly, Mr. Berend Odink, Mr. Sunil Alagh and Mr. Stephan Gerlich. The Chairmanship of the Committee vested with Mr. Madhav Bhatkuly.

   During the period April 01, 2022, to June 12, 2022, one (1) Stakeholders Relationship Committee Meeting was held on April 21, 2022, which was attended by all the Members; and

B) Share Transfer Committee comprised of Mr. Stephan Gerlich, Mr. Rishi Pardal, Mr. Berend Odink and Mr. Christiaan A J Van Steenbergen. The Chairmanship of the Committee vested with Mr. Stephan Gerlich.

   During the period April 01, 2022, to June 12, 2022, one (1) Share Transfer Committee Meeting was held on April 21, 2022, which was attended by all the Members.

Corporate Social Responsibility/Environmental, Social and Governance Committee

Your Company has been focusing on Corporate Social Responsibility (CSR) activities viz., water conservation, safe drinking water, women empowerment, community development and responsible consumption of alcohol. UBL has formulated a comprehensive CSR policy for supporting the communities where we operate. 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 CSR / ESG Committee comprises of Ms. Geetu Gidwani Verma, Mr. Rishi Pardal, Mr. Radovan Sikorsky, Mr. Christiaan A J Van Steenbergen, and Ms. Kiran Mazumdar Shaw as Members. The Chairmanship of the Committee vests with Ms. Geetu Gidwani Verma.

During the financial year ended March 31, 2023, two (2) CSR/ESG Committee Meetings were held on October 07, 2022, and February 20, 2023.

Attendance at CSR/ESG Committee Meetings

Names of the Directors	Category	Number of CSR/ESG Committee Meetings	
		Held	Attended
Ms. Geetu Gidwani Verma	Chairman	2	2
Mr. Rishi Pardal @	Member	2	2
Mr. Radovan Sikorsky	Member	2	1
Mr. Christiaan A J Van Steenbergen	Member	2	2
Ms. Kiran Mazumdar Shaw	Member	2	NIL

@ Mr. Rishi Pardal has resigned as Member of Committee effective close of business hours on May 04, 2023.

Risk Management Committee

The Risk Management Committee comprises of Mr. Manu Anand, Mr. Jan Cornelis van der Linden, Ms. Geetu Gidwani Verma and Mr. Anand Kripalu as Members. The Chairmanship of the Committee vests with Mr. Manu Anand.

The 'Terms of Reference' of Risk Management Committee are as under:

- To formulate a detailed risk management policy which shall include:
  a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  c. Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations, and actions to be taken.
- The appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

During the financial year ended March 31, 2023, two (02) Risk Management Committee Meetings were held on July 27, 2022, and October 20, 2022.

Attendance at Risk Management Committee Meetings

Names of the Directors	Category	Number of Risk Management Committee Meetings	
		Held	Attended
Mr. Manu Anand	Chairman	2	2
Mr. Jan Cornelis van der Linden	Member	2	2
Ms. Geetu Gidwani Verma	Member	2	2
Mr. Anand Kripalu *	Member	2	NIL
Mr. Rishi Pardal **	Member	2	2
Mr. Radovan Sikorsky **	Member	2	1
Mr. Christiaan A J Van Steenbergen **	Member	2	2
Ms. Kiran Mazumdar Shaw **	Member	2	NIL
Mr. Berend Odink @	Member	2	1
Mr. Madhav Bhatkuly @	Member	2	1

* Mr. Anand Kripalu was appointed as Member of the Committee with effect from April 10, 2023. Hence, he was not part of the meetings held during the financial year ended March 31, 2023.

** Mr. Rishi Pardal, Mr. Radovan Sikorsky, Mr. Christiaan A J Van Steenbergen and Ms. Kiran Mazumdar Shaw resigned as members of the Committee with effect from April 10, 2023.

@ Mr. Berend Odink and Mr. Madhav Bhatkuly resigned as Members of the Committee with effect from August 15, 2022, and March 01, 2023, respectively.

Borrowing Committee

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

The Borrowing Committee comprises of Mr. Manu Anand, Mr. Radovan Sikorsky, and Ms. Kiran Mazumdar Shaw as Members. The Chairmanship of the Committee vests with Mr. Manu Anand.

During the financial year ended March 31, 2023, there was no Borrowing Committee Meeting held.

Special Purpose Committee

A non-mandatory Special Purpose Committee was formed inter-alia to review the investigation/matters with respect to Competition Commission of India. The Special Purpose Committee comprises of Mr. Christiaan A J Van Steenbergen, Mr. Radovan Sikorsky, Mr. Anand Kripalu and Ms. Shelly Kohli. The Chairmanship of the Committee vests with Mr. Christiaan A J Van Steenbergen.

During the financial year ended March 31, 2023, one (1) Special Purpose Committee Meeting was held on January 19, 2023.

Attendance at Special Purpose Committee Meeting

Names of the Directors	Category	Number of Special Purpose Committee Meetings	
		Held	Attended
Mr. Christiaan A J Van Steenbergen	Chairman	1	1
Mr. Radovan Sikorsky	Member	1	NIL
Mr. Anand Kripalu *	Member	1	N.A.
Ms. Shelly Kohli *	Member	1	N.A.
Mr. Rishi Pardal @	Member	1	1
Mr. Madhav Bhatkuly @	Chairman	1	1

* Mr. Anand Kripalu and Ms. Shelly Kohli were appointed as Members of the Committee with effect from May 4, 2023. Hence, they were not part of the meetings held during the financial year ended March 31, 2023.

@ Mr. Madhav Bhatkuly, Chairman and Mr. Rishi Pardal, Member resigned from the Committee with effect from March 01, 2023 and, May 4, 2023 respectively.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Ms. Kiran Mazumdar Shaw, Mr. Christiaan A J Van Steenbergen, Ms. Geetu Gidwani Verma and Mr. Manu Anand as Members. The Chairperson of the Committee vests with Ms. Kiran Mazumdar Shaw.

The 'Terms of Reference' of Nomination and Remuneration Committee 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;
- For appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities

required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. The Committee for the purpose of identifying suitable candidates may:

a) use the services of an external agencies, if required;

b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

c) consider the time commitments of the candidates.

- 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 Act, 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, 2023, six (06) Nomination and Remuneration Committee Meetings were held on April 20, 2022, July 25, 2022, October 06, 2022, January 16, 2023, January 31, 2023, and February 17, 2023.

Attendance at Nomination and Remuneration Committee Meetings

Names of the Directors	Category	Number of Nomination and Remuneration Committee Meetings	
		Held	Attended
Ms. Kiran Mazumdar Shaw	Chairperson	06	05
Mr. Christiaan A J Van Steenbergen	Member	06	06
Ms. Geetu Gidwani Verma *	Member	06	05
Mr. Manu Anand *	Member	06	04
Mr. Sunil Alagh @	Member	06	01

* Ms. Geetu Gidwani Verma and Mr. Manu Anand were appointed as Members of the Committee with effect from June 13, 2022.

@ Mr. Sunil Alagh resigned as Member of the Committee with effect from June 13, 2022.

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

Succession planning

The Nomination and Remuneration Committee works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and to senior management positions. The Company strives to maintain an appropriate balance of skills and experience within the organisation and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity. In addition, promoting senior management within the organisation fuels the ambitions of the talent force to earn future leadership roles.

Board Evaluation

In terms of the requirement of the Act, and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees.

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, confidentiality is ensured. As part of this process, customised questionnaires were circulated to all Directors of the Company. Each Director is required to undertake a self-assessment. Additionally, the effectiveness of the Board and Committees is also evaluated by each Member of the Board and Committee through an electronic platform and kept confidential. The recommendations were discussed with the Board and individual feedback was provided. Progress on recommendations from last year and the current year's recommendations were discussed.

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

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 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 the appointment and removal of Directors, KMP and Senior Management. The Policy also prescribes the criteria and manners 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 and is available through the webpage: https://www.unitedbreweries.com/pdf/policyandcodes/Remuneration-Policy.pdf

For the financial year ended March 31, 2023, Mr. Rishi Pardal, Managing Director & CEO, Mr. Berend Odink, and Mr. Radovan Sikorsky, Director & CFO were paid remuneration as Director as under:

(Amount in INR ₹)

Name	Salary & Allowance	Variable Pay	Perquisites	Retiral Benefits
Mr. Rishi Pardal	6,69,82,986	2,09,60,877	73,87,248	91,26,181
Mr. Berend Odink (April 01, 2022, to August 14, 2022)	1,12,85,420	NIL	48,89,777	17,18,303
Mr. Radovan Sikorsky (August 15, 2022 to March 31, 2023)	2,62,27,426	NIL	1,08,72,954	37,96,738

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

Sitting fees to Directors

(Amount in INR ₹)

Sl. No.	Name of the Directors	Sitting fees paid *
1.	Mr. Christiaan A J Van Steenbergen	2,00,000/-
2.	Mr. Jan Cornelis van der Linden	2,00,000/-
3.	Mr. Sunil Alagh	3,00,000/-
4.	Ms. Kiran Mazumdar Shaw	50,000/-
5.	Mr. Madhav Bhatkuly	2,50,000/-
6.	Mr. Stephan Gerlich	2,00,000/-

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

The above sitting fees is for the period April 01, 2022, to April 26, 2022, which was paid @ Rs.1,00,000/- for attending Board Meetings and Audit Committee Meetings and Rs.50,000/- for attending other Committee Meetings.

Commission to Directors

The Commission payable to Non-Executive Directors including Independent Directors is limited to a fixed amount per year as determined and approved by the Board, the sum of which does not exceed 1% of net profit for the year, calculated as per the provisions of the Act.

Shareholders at their 21st AGM held on August 26, 2020, approved a sum not exceeding 1% of the net profit of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act, to be paid and distributed among Directors other than Managing Director or Director(s) in the whole-time employment of the Company in a manner decided by the Board. Additionally, Non-Executive Directors including Independent Directors are also reimbursed for expenses incurred in the performance of their official duties.

During the financial year 2022-2023, the Company moved to a new remuneration structure of compensating Non-Executive Directors including Independent Directors by way of fixed remuneration instead of sitting fees and commission paid earlier. The new remuneration structure was effective April 27, 2022, and is as under:

(Amount in US $)

Fixed Board Fee	Audit Committee		Nomination & Remuneration Committee		Mandatory Committees	
	Chairman	Member	Chairman	Member	Chairman	Member
50,000	25,000	15,000	20,000	12,500	15,000	10,000

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 paid during 2022-2023

(Amount in INR ₹)

Sl. No.	Name of the Directors	Commission#
1.	Ms. Kiran Mazumdar Shaw	75,18,694/-
2.	Ms. Geetu Gidwani Verma *	75,65,063/-
3.	Mr. Manu Anand *	69,07,623/-
4.	Mr. Anand Kripalu **	4,27,786/-
5.	Mr. Sunil Alagh @	17,34,010/-
6.	Mr. Stephan Gerlich @	14,43,003/-
7.	Mr. Madhav Bhatkuly @	75,83,988/-

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.

Notes:

- 1 US$ = INR ₹ 82.18 as on March 31, 2023.
- Commission is paid on a pro rata basis to the below Directors:
  - * Ms. Geetu Gidwani Verma and Mr. Manu Anand appointed as Independent Directors with effect from June 29, 2022.
  - ** Mr. Anand Kripalu appointed as Independent Director with effect from February 22, 2023.
  - @ Mr. Sunil Alagh and Mr. Stephan Gerlich, Independent Directors resigned with effect from June 13, 2022. Mr. Madhav Bhatkuly, Independent Director resigned with effect from March 01, 2023.

Independent Directors

The Act, and the Listing Regulations as amended, define an 'Independent Director' as a person who, including his/her relatives, is or was not a promoter or employee or KMP of the Company or its subsidiaries. Further, the person and his/her relatives should not have a material pecuniary relationship or transactions with the Company or its subsidiaries, during the three immediate preceding financial years or during the current financial year, apart from receiving remuneration as an Independent Director. The Company abides by these definitions of an Independent Director.

The Independent Directors of the Company viz., Ms. Kiran Mazumdar Shaw, Ms. Geetu Gidwani Verma, Mr. Manu Anand and Mr. Anand Kripalu 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 Act, and Listing Regulations and are independent of the Management.

During the year, based on the recommendation of Nomination and Remuneration Committee, the Board has appointed Ms. Geetu Gidwani Verma, Mr. Manu Anand and Mr. Anand Kripalu as Independent Directors of the Company.

The Board considered the domain knowledge and experiences of Ms. Geetu Gidwani Verma, Mr. Manu Anand and Mr. Anand Kripalu in the areas of marketing/ digital, finance and strategy respectively while approving their appointment as Independent Directors on the Board of the Company. The Board is of the opinion that Ms. Geetu Gidwani Verma, Mr. Manu Anand, and Mr. Anand Kripalu Independent Directors possesses requisite qualification, experience, expertise and holds high standards of integrity and is independent of the Management of the Company and fulfils the conditions specified under the Act, read with Rules thereunder and the Listing Regulations for their appointment as Independent Directors of the Company. Being eligible, Ms. Geetu Gidwani Verma, Mr. Manu Anand and Mr. Anand Kripalu have offered themselves to be appointed as Independent Directors of your Company. As per the provisions of the Act, the Independent Directors shall not be liable to retire by rotation.

Mr. Sunil Alagh, Mr. Stephan Gerlich, and Mr. Madhav Bhatkuly Independent Directors considering their long tenure on the UBL Board and due to other personal commitments, that they have now, have voluntarily relinquished their position as Board members with effect from June 13, 2022, and March 01, 2023, respectively. The Board places on record its appreciation for Mr. Sunil Alagh, Mr. Stephan Gerlich, and Mr. Madhav Bhatkuly for their invaluable contribution, guidance and support provided by them during their tenure as Independent Directors. The Independent Directors have confirmed that there are no other material reasons for their resignations as Independent Directors other than those stated above.

During the financial year ended March 31, 2023, one (1) Independent Directors Meeting was held on October 14, 2022, which was attended by all the Members viz., Ms. Kiran Mazumdar Shaw, Mr. Madhav Bhatkuly, Ms. Geetu Gidwani Verma and Mr. Manu Anand.

Directors' Induction and Familiarisation

The Board Familiarisation Programme comprises of the following:

- Induction Programme for Directors including Non-Executive Directors;
- Immersion sessions on business and functional issues; and
- Strategy sessions.

All Directors on their appointment are taken through a detailed induction and familiarisation programme when they join the Board of the Company. The induction programme is an exhaustive one that covers the history, culture and background of the Company and its growth over the last few decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions, business model of the Company etc. The programme also covers the progress on Company's Environmental, Social and Governance Goals.

The Company Secretary is responsible for ensuring that induction and training programmes are conducted for Directors. The Managing Director & CEO, provides an overview of the organisation, its history, culture, values and purpose. The Management team takes the Directors through their respective businesses and functions. As a part of the induction programme, the Directors undertake market visits to understand the operations of the Company. The Directors are exposed to the Board constitution, procedures, matters reserved for the Board and major risks facing the business and mitigation programmes. The Independent Directors are made aware of their roles and responsibilities at the time of their appointment and a detailed Letter of Appointment is issued to them.

In the Board Meetings, immersion sessions deal with different parts of the business and bring out all facets of the business besides the shape of the business. These immersion sessions provide a good understanding of the business to the Directors. Similar immersion sessions are also convened for various functions of the Company. These sessions also provided an opportunity for the Board to interact with the next level of management. There are opportunities for Independent Directors to interact amongst themselves and many themes for such immersion sessions come through on account of these structured interactions and Meetings of Independent Directors. The process of Board Evaluation also throws up areas where the Board desires focused sessions.

The details of the Familiarization programme for Independent Directors is disclosed on the Company's website at the webpage: https://www.unitedbreweries.com/pdf/policyandcodes/Familiarisation-Programme-2023.pdf.

SHAREHOLDERS' INFORMATION

General Body Meetings

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

Date	Time	Venue	Special Resolutions Passed
August 10, 2022	01.00 p.m. (IST)	Video Conference/Other Audio-Visual Means	Two
July 29, 2021	01.00 p.m. (IST)	Video Conference/Other Audio-Visual Means	Two
August 26, 2020	12.30 p.m. (IST)	Video Conference/Other Audio-Visual Means	Two

All the Resolutions set out in respective Notices were passed by the Members at the above AGMs.

Postal Ballot

During the year, the Company passed one special resolution through Postal Ballot through e-voting.

Date of postal ballot notice	Resolution passed	Approval date	Scrutinizer	Percentage of total votes	
				In favour	Against
July 27, 2022	Appointment of Mr. Radovan Sikorsky as Director & CFO	November 08, 2022	Pramod SM (Membership No. FCS: 7834) CP No. 13784) Practicing Company Secretaries	97.28	2.72

The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time. The above Resolution was passed with requisite majority.

Remote E-voting

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

Dividend

Dividend at the rate of Rs.7.50 per Equity Share of Re.1/- each (i.e.,750%) for the financial year ended March 31, 2023, after declaration at this AGM shall be paid to the Members whose names appear:

i. as Beneficial Owners as at the close of the business hours on Thursday, August 03, 2023, 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 Thursday, August 03, 2023.

Unclaimed Dividend

Unclaimed Dividend for the financial year ended March 31, 2016, will be due for transfer to the Investor Education and Protection Fund (IEPF) on November 09, 2023, in terms of the applicable provisions of the Act. Members who have not encashed the Dividend Warrants for the aforesaid Dividend are requested to approach the Registrar and Share Transfer Agent of the Company. Further, the Equity Shares held by the Shareholders (either in physical form or in demat form) in respect of such unclaimed dividend which has not been encashed and in respect of which dividend has not been claimed for last seven consecutive years shall also be transferred to the IEPF in terms of provisions of the Act, 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, UBL has 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, 2023, as required under Schedule V(F) of the Listing Regulations is given hereunder:

No. of Shareholders holding unclaimed Shares as on 01.04.2022	No. of unclaimed Shares as on 01.04.2022	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 31.03.2023	Balance unclaimed Shares as on 31.03.2023	Voting Rights Frozen (%)
1,372	225,153	21	6,382	1,351*	218,771	0.08%

* During the year, the Company credited 6,382 Equity Shares held by 21 Shareholders in unclaimed suspense account. As on March 31, 2023, the Company holds 218,771 Equity Shares held by 1,351 Shareholders in unclaimed suspense account.

Investor Education and Protection Fund (IEPF)

As per Section 124(5) of the Act, 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 transferred Rs.11,86,314/- as dividend for the year 2014-2015 to IEPF which remained unclaimed for a period of seven years.

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

Pursuant to the said provisions, the Company has transferred 1,658,357 Equity Shares held by 10,507 Shareholders to IEPF after following due procedure laid down under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the Rules). Details of Dividend and Equity Shares transferred to IEPF is uploaded on the website of the Company and is available through the webpage: http://unitedbreweries.com/investors. Out of 1,658,357 Equity Shares, IEPF has credited 44,540 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.

Media Releases

The Company's news releases and presentations made at investor conferences and to analysts are posted on the Company's website.

Designated Email-id

The Company has designated an exclusive Email-ID viz., ublinvestor@ubmail.com for the purpose of registering complaints from 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, 2023.

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

Secretarial Audit

The Company has undertaken Secretarial Audit for the financial year 2022-2023 which inter-alia, includes audit of compliance with the Act, and the Rules made thereunder, Listing Regulations, applicable Regulations prescribed by Securities and Exchange Board of India (SEBI), Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of Company Secretaries of India.

The Company had appointed Mr. Sudhir Hulyalkar, Company Secretary in Practice, as Auditor for the audit of the practices and procedures followed by the Company as prescribed to undertake a Secretarial Audit of the Company for the financial year 2022-2023. The Secretarial Audit Report forms part of this report and is annexed as **Annexure - F.**

Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2022-2023 for all applicable compliances as per SEBI Regulations and Circulars/ Guidelines issued thereunder.

The Annual Secretarial Compliance Report for financial year 2022-2023 shall be submitted to the stock exchanges as per the timelines prescribed under Listing Regulations.

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 any 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.

Secretarial Standards

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

Governance of 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 on the date of this Report, having an income or net worth exceeding 10% of the consolidated income or net worth respectively, of the Company.

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

The minutes of the Board meetings of the subsidiary Company along with the details of significant transactions and arrangements entered into by the subsidiary Company is shared with the Board of Directors on a quarterly basis. The consolidated financial statements of the Company including the financial statements of its subsidiary forms part of this Report in terms of the Act and the Listing Regulations.

Disclosures

1. Management Discussion and Analysis forms part of the Directors' Report.
2. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions which is placed on the website of the Company www.unitedbreweries.com and is available through the webpage:
   https://www.unitedbreweries.com/pdf/policyandcodes/Policy%20on%20Related%20Party%20Transactions.pdf.

   There have been no materially significant related party transactions that may have potential conflict with the interests of listed entity at large.
3. During the financial year ended March 31, 2023, 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 / SEBI / other Statutory Authorities.
5. The Company did not suffer from any levies and there were no strictures on any Capital market related matters. 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'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 obtained a certificate from Messrs 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 SEBI, MCA, or any such other Statutory Authority. The certificate forms part of this Report.
10. The Company has received seven complaints in relation to Sexual Harassment during the financial year 2022-2023.

No. of Complaints filed during the year	No. of Complaints disposed during the year	No. of Complaints pending as on March 31, 2023
07	06	01

11. During the year, the total audit fee amounts to Rs. 443 Lacs (including Group Reporting and Limited review fee paid to erstwhile statutory auditors SRB Associates of Rs. 56 Lacs). Amount paid to network firm/entities of erstwhile statutory auditors SRB Associates is Rs. 26 lacs.
12. 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.
13. 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 victimisation of whistle blowers. The details of establishment of the vigil mechanism are disclosed on the website of the Company.
14. None of the Employees and Directors have been denied access to the Chairman of the Audit Committee.

General Shareholder Information

The Company's financial year begins on April 01 and ends on March 31 of immediately subsequent year. During financial year 2022-2023, the meetings of the Board of Directors, for approval of quarterly financial results, were held on the following dates within statutory time limits:

Division of Financial Calendar	Declaration of Results	
April 01 to June 30	First Quarter Results	July 27, 2022
July 01 to September 30	Second Quarter and Half yearly Results	October 20, 2022
October 01 to December 31	Third Quarter Results	February 09, 2023
January 01 to March 31	Fourth Quarter and Annual Results	May 04, 2023

AGM Information

Board Meeting for consideration of Accounts	Thursday, May 04, 2023
Cut-off-Date for ascertaining Shareholders entitled for Notice	Friday, July 07, 2023
Cut-off-Date for determining the eligibility to vote by remote e-voting system	Thursday, August 03, 2023 (Close of business hours)
Book Closure dates	Friday, August 04, 2023, to Thursday August 10, 2023 (both days inclusive)
Remote E-voting starting date and time	Monday, August 07, 2023, at 09.00 a.m.
Remote E-voting closure date and time	Wednesday, August 09, 2023, at 05.00 p.m.
Date of AGM	Thursday, August 10, 2023
Time	01.00 p.m. (IST)
Venue	The Company is conducting Meeting through Video Conference / Other Audio-Visual Means pursuant to the MCA Circulars and as such there is no requirement to have a venue for the AGM. For details please refer to the Note below.
Participation through video conference	Services provided by Central Depository Services (India) Limited (CDSL) and login through e-voting portal of CDSL.
Helpline number for video conference participation	Toll free No. 022-2305 8738 and 022-2305 8542/43
Webcast and transcripts	http://www.unitedbreweries.com/investors
Dividend record date	Thursday, August 03, 2023
Dividend payment date	Saturday, September 09, 2023

Note:

The MCA, inter-alia, vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, General Circular Nos. 02/2021 dated January 13, 2021, General Circular Nos. 19/2021 dated December 8, 2021, General Circular Nos. 20/2021 December 14, 2021, General Circular Nos. 02/2022 May 5, 2022, and the latest being General Circular Nos. 10/2022 dated December 28, 2022 (collectively referred to as 'MCA Circulars') has permitted the holding of the AGM through Video Conferencing ('VC') or through Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue.

Further, SEBI, vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, and January 5, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the Listing Regulations.

In compliance with the applicable provisions of the Act, Listing Regulations and MCA Circulars, the 24th AGM of the Company is being held through VC/OAVM on Thursday, August 10, 2023, at 01:00 p.m. (IST). The Notice and the Annual Report 2022-2023 are being sent only by electronic mode to those Members whose Email addresses are registered with the Company / Depository Participant(s). Members may also note that the Notice and the Annual Report 2022-2023 are also available on the Company's website, www.unitedbreweries.com and website of the Central Depository Services (India) Limited (CDSL) viz., https://www.evotingindia.com and the websites of the Stock Exchanges i.e., BSE Limited, and National Stock Exchange of India Limited, at https://www.bseindia.com and https://www.nseindia.com respectively.

Listing with Stock Exchanges

The Equity Shares of UBL are listed with BSE Limited and National Stock Exchange of India Limited (NSE). UBL has paid the Annual Listing Fee to all these Stock Exchanges for the year 2023-2024. All price sensitive information and matters that are material to Shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communications to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS), NSE Digital Exchange platform and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the website of the Company at www.unitedbreweries.com.

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
NSE LIMITED Address: Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai - 400 051	UBL

SEBI and Stock Exchange' Investor Grievance Redressal System

SCORES platform of SEBI, 'Investor Complaints' sections of BSE and NSE websites facilitate investors to file complaints online and get end-to-end status update of their grievances. The Company endeavours to redress the grievances of the investors as soon as it receives the same from the respective forums.

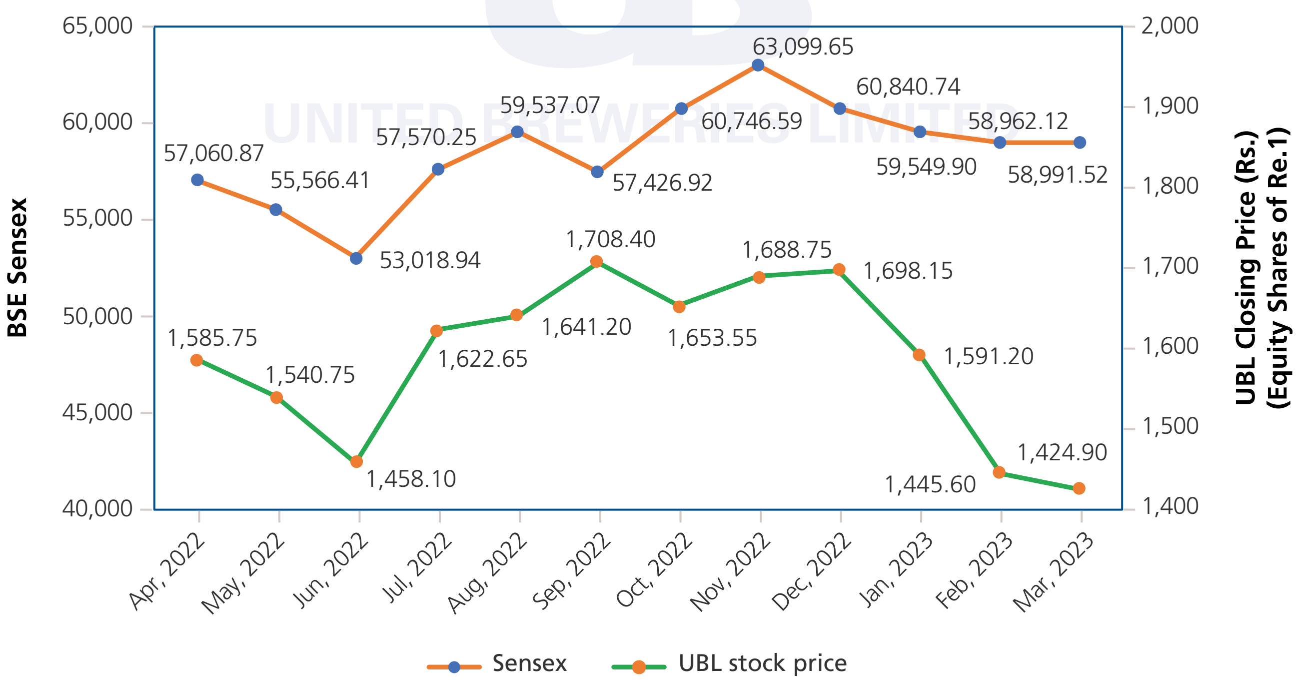
Market price data of the Company's Equity Shares traded on the BSE Limited (BSE), during the period April 2022 to March 2023

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Sensex – Close
April, 2022	1,615.00	1,450.85	1,585.75	57,060.87
May, 2022	1,603.20	1,407.70	1,540.75	55,566.41
June, 2022	1,559.85	1,410.70	1,458.10	53,018.94
July, 2022	1,709.80	1,440.00	1,622.65	57,570.25
August, 2022	1,720.45	1,570.95	1,641.20	59,537.07
September, 2022	1,731.70	1,609.40	1,708.40	57,426.92
October, 2022	1,754.00	1,591.25	1,653.55	60,746.59
November, 2022	1,727.50	1,626.25	1,688.75	63,099.65
December, 2022	1,805.00	1,600.05	1,698.15	60,840.74
January, 2023	1,695.45	1,529.50	1,591.20	59,549.90
February, 2023	1,639.75	1,421.25	1,445.60	58,962.12
March, 2023	1,478.40	1,398.50	1,424.90	58,991.52

(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



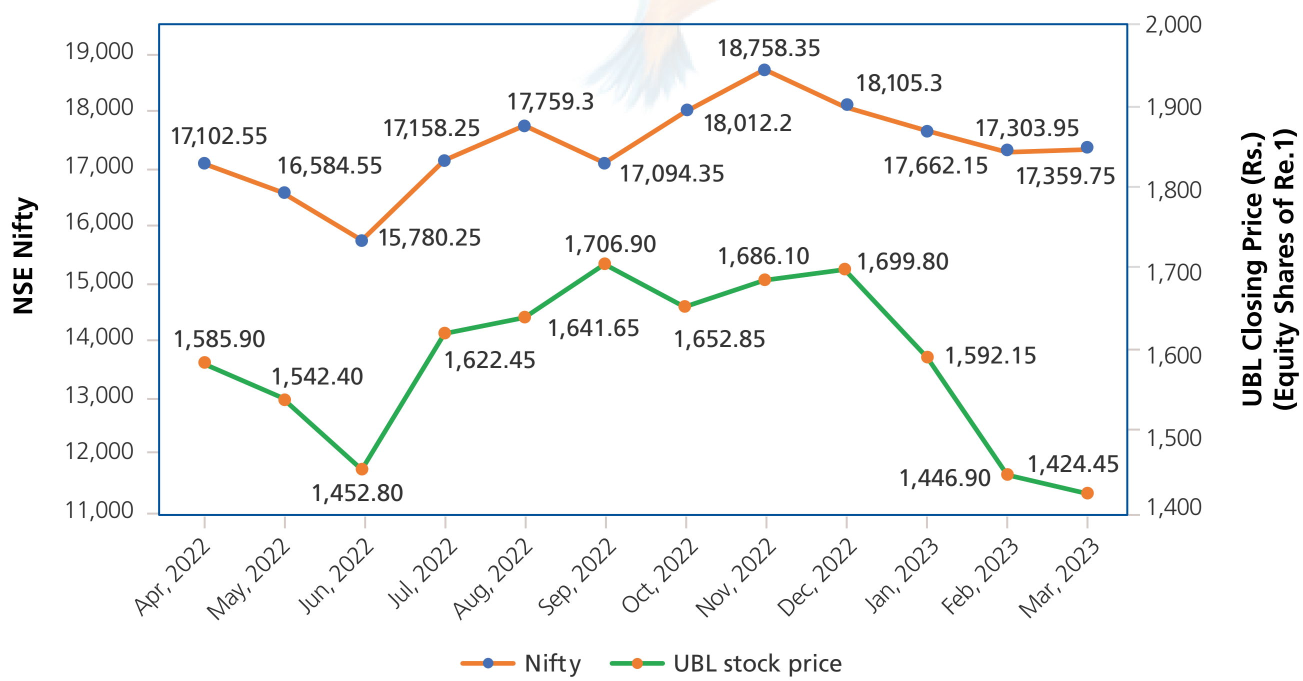
Market price data of the Company's Equity Shares traded on the National Stock Exchange of India Limited, (NSE) during the period April 2022 to March 2023

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Nifty – Close
April, 2022	1,615.00	1,450.05	1,585.90	17,102.55
May, 2022	1,593.75	1,406.65	1,542.40	16,584.55
June, 2022	1,561.00	1,410.00	1,452.80	15,780.25
July, 2022	1,707.20	1,440.00	1,622.45	17,158.25
August, 2022	1,721.30	1,572.00	1,641.65	17,759.30
September, 2022	1,733.60	1,610.40	1,706.90	17,094.35
October, 2022	1,754.30	1,591.65	1,652.85	18,012.20
November, 2022	1,728.00	1,623.50	1,686.10	18,758.35
December, 2022	1,806.45	1,661.40	1,699.80	18,105.30
January, 2023	1,709.20	1,530.35	1,592.15	17,662.15
February, 2023	1,604.80	1,420.30	1,446.90	17,303.95
March, 2023	1,477.00	1,398.00	1,424.45	17,359.75

(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.

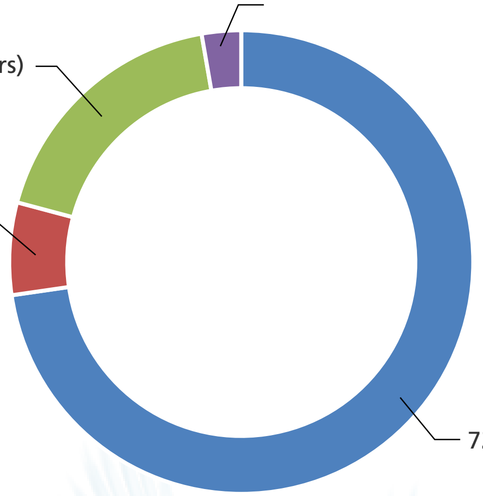
The distribution of shareholding as on March 31, 2023 is furnished below:

Category (Rs.)	No. of Shareholders	Percentage	No. of Shares held	Percentage
Up to 5,000	63,082	99.37	64,31,659	2.43
5,001 – 10,000	113	0.18	8,15,910	0.31
10,001 – 20,000	75	0.12	10,88,077	0.41
20,001 – 30,000	27	0.04	6,93,997	0.26
30,001 – 40,000	15	0.02	5,22,052	0.20
40,001 – 50,000	11	0.02	4,88,286	0.18
50,001 – 1,00,000	37	0.06	26,67,505	1.01
1,00,001 and Above	120	0.19	25,16,97,663	95.20
Total	**63,480**	**100.00**	**26,44,05,149**	**100.00**

Shareholding Pattern as on March 31, 2023

Category	No. of Shares held	Percentage of Shareholding
Promoters		
Indian	2,91,79,240	11.03
Foreign	16,30,81,891	61.68
Sub-Total	**19,22,61,131**	**72.71**
Foreign Institutional Investors (FIIs)	**1,70,18,187**	**6.44**
Individuals	**72,40,430**	**2.74**
Others		
IEPF	16,13,817	0.61
Mutual Funds	3,48,74,474	13.19
Banks / Financial Institution	3,82,040	0.14
Central / State Governments	30,60,412	1.16
Insurance Companies	20,62,778	0.78
Bodies Corporate	42,25,421	1.60
Trust	2,54,370	0.10
NRI	4,35,150	0.16
Clearing Members	1,91,863	0.07
Provident Funds/ Pension Funds	7,85,076	0.30
Sub-Total	**4,78,85,401**	**18.11**
Total	**26,44,05,149**	**100.00**

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, 2023		As on March 31, 2022	
		No. of Shares	% of Total	No. of Shares	% of Total
Promoters					
1.	Scottish & Newcastle India Limited	8,99,94,960	34.04	8,99,94,960	34.04
2.	Heineken International B.V.	6,41,69,921	24.27	6,41,69,921	24.27
3.	Heineken UK Limited	84,89,270	3.21	84,89,270	3.21
4.	Dr. Vijay Mallya (singly & jointly)	2,13,53,620	8.08	2,13,53,620	8.08
5.	McDowell Holdings Limited	45,51,000	1.72	4551000	1.72
6.	Kamsco Industries Limited	32,74,000	1.24	32,74,000	1.24
7.	Pharma Trading Company Private Limited	620	0.00	620	0.00
8.	UB Overseas Limited	4,27,740	0.16	4,27,740	0.16
9.	United Breweries (Holdings) Limited	NIL	NIL	NIL	NIL
10.	Mallya Private Limited	NIL	NIL	NIL	NIL
11.	The Gem Investment & Trading Company Private Limited	NIL	NIL	NIL	NIL
12.	Devi Investments Private Limited	NIL	NIL	NIL	NIL
13.	Vittal Investments Private Limited	NIL	NIL	NIL	NIL
	Total	**19,22,61,131**	**72.71**	**19,22,61,131**	**72.71**
Directors & Key Managerial Personnel					
1.	Mr. Rishi Pardal	NIL	NIL	NIL	NIL
2.	Mr. Radovan Sikorsky	NIL	NIL	NIL	NIL
3.	Mr. Amit Khera	NIL	NIL	NIL	NIL

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

As per disclosures received by UBL, 4,27,04,758 Equity Shares held by a few Promoter Companies promoted by Dr. Vijay Mallya viz., United Breweries (Holdings) Limited, Devi Investments Private Limited, Vittal Investments Private Limited, Kamsco Industries Private Limited, Mallya Private Limited, McDowell Holdings Limited, Pharma Trading Company Private Limited, and The Gem Investment and Trading Company Private Limited 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. These Equity Shares were later on transferred by ED to Recovery Officer-I, DRT-II, Bengaluru.

On June 23, 2021, the Recovery Officer-I, DRT-II, Bengaluru, had sold 3,96,44,346 (14.99%) Equity Shares out of 4,27,04,758 (16.15%) Equity Shares of the Company through the block deal window of the BSE Ltd. HEINEKEN International B.V. acquired these Shares from the Recovery Officer, DRT (under sale proclamation) through a block deal taking HEINEKEN Group Shareholding in the Company from 46.52% to 61.52%. HEINEKEN Group has therefore become a majority promoter Shareholder.

Dematerialisation of Shares

The Company has set up requisite facilities for dematerialisation 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.

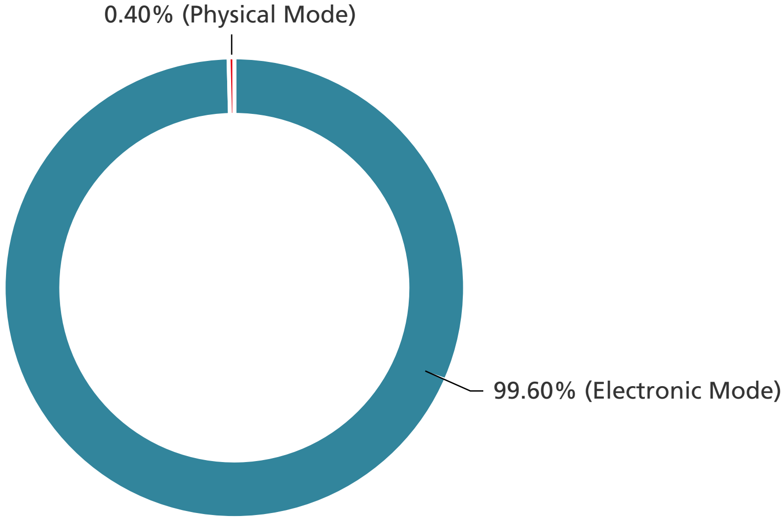
The Company obtains an Annual Certificate from a Practising Company Secretary as per the requirement of Regulation 40(9) of Listing Regulations. The same is filed with the Stock Exchanges and is also available on the website of the Company.

With effect from January 24, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issuance of duplicate share certificates, exchange/subdivision/split/consolidation of securities, transmission/transposition of securities and claim from Suspense Escrow Demat Account. Vide its Circular dated January 25, 2022, SEBI has clarified that listed entities/RTAs shall issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service requests.

The status of Dematerialisation of the Company's Shares as on March 31, 2023 is as under:

Mode	No. of Shares	% age	No. of Shareholders
Physical mode	10,49,780	0.40	3,754
Electronic mode	26,33,55,369	99.60	59,726
TOTAL	**26,44,05,149**	**100.00**	**63,480**

Shares held in physical and demat form as on March 31, 2023



Simplified Norms for processing Investor Service Requests

SEBI, vide its Circular dated November 03, 2021, as amended from time to time, had made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. The timeline provided by SEBI to furnish/update the above details was March 31, 2023, which has now been extended till September 30, 2023. Folios wherein any one of the above-mentioned details are not registered by October 01, 2023, shall be frozen.

Members who are yet to update their KYC details are therefore urged to furnish PAN, KYC and Nomination/ Opt-out of Nomination by submitting the prescribed forms duly filled, by email from their registered email id to blr@integratedindia.in or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to Registrar and Share Transfer Agent of the Company.

In accordance with the SEBI circular dated March 16, 2023, the Company has sent out intimations to those Members, holding shares in physical form, whose folios are incomplete with PAN, KYC and/or Nomination details, requesting them to update the details so as to avoid freezing of the folios.

Address for Correspondence

For any assistance regarding Share Transfers, Transmissions, Change of address, Letter of confirmation in place of duplicate/lost Share Certificates/exchange of Share Certificate/Dematerialisation and other relevant matters, please write to the Registrar and Share Transfer Agent of the Company, at the address given below.

The Company's dedicated e-mail address for Investors' Complaints and other communications is:
ublinvestor@ubmail.com

INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED

Unit: UNITED BREWERIES LIMITED

30, RAMANA RESIDENCY, 4TH CROSS, SAMPIGE ROAD, MALLESWARAM, BENGALURU-560 003.

Phone: (91-80) 2346 0815 to 2346 0818
Fax No.: (91-80) 2346 0819

CIN: U74900TN2015PTC101466;

Email: blr@integratedindia.in

Contact Person: Mr. Vijayagopal

INVESTOR SECRETARIAL DEPARTMENT

UNITED BREWERIES LIMITED

"UB TOWER", UB CITY, NO. 24,
VITTAL MALLYA ROAD, BENGALURU-560 001.

Phone: (91-80) 4565 5000
Fax No. (91-80) 2221 1964, 2222 9488

CIN: L36999KA1999PLC025195,

Email: ublinvestor@ubmail.com

Contact Person: Mr. Amit Khera

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CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
Members of United Breweries Limited

We have examined the compliance of conditions of Corporate Governance by United Breweries Limited (CIN: L36999KA1999PLC025195) ("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, 2022, to March 31, 2023. 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 draw attention of Members to the following:

On 24th September 2021, the Competition Commission of India ("CCI") passed an order under Section 27 of the Competition Act, 2002 ("Act") in Suo Motu CaseNo. 06 of 2017 and imposed penalty on three beer companies, including the Company for alleged contravention of Section 3 of the Act ("CCI Order"). Penalty imposed on the Company is Rs.751.83 Crores ("the Penalty"). The Company and other appellants filed appeals challenging the CCI Order before the National Company Law Appellate Tribunal ("NCLAT"). The NCLAT stayed CCI Order including recovery of the penalty amount imposed by the CCI, subject to deposit of 10% of the Penalty, by the Company. The NCLAT dismissed the appeals vide order dated 23rd December 2022 ("NCLAT Order"). The Company and other appellants have filed appeals against NCLAT Order in Supreme Court of India ("Supreme Court"). The Supreme Court admitted the appeals vide order dated 17th February 2023 ("SC Order"), stayed the NCLAT Order and consequently, the CCI Order, subject to a deposit of additional 10% of the Penalty, over and above the amount already deposited with NCLAT. The Company has already deposited 20% of the Penalty by way of fixed deposits in favour of Registrar, NCLAT in pursuance of NCLAT Order and SC Order.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BMP & Co. LLP
Company Secretaries

Pramod SM
Partner
FCS: 7834 / CP No. 13784
UDIN: F007834E000252430

Date: May 04, 2023
Place: Bangalore

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
Members of United Breweries Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of United Breweries Limited having CIN L36999KA1999PLC025195 and having registered office at "UB Tower", UB City, 24, Vittal Mallya Road, Bangalore 560001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated for the Financial Year ended on March 31, 2023 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.

Sr No.	Name of the Director	DIN	Date of Appointment
1	Mr. Rishi Pardal	02470061	August 01, 2020
2	Mr. Radovan Sikorsky	09684447	August 15, 2022
3	Mr. Christiaan August J Van Steenbergen	07972769	November 08, 2017
4	Mr. Jan Cornelis van der Linden	08743047	June 01, 2020
5	Ms. Kiran Mazumdar Shaw	00347229	October 26, 2009
6	Ms. Geetu Gidwani Verma	00696047	May 29, 2022
7	Mr. Manu Anand	00396716	May 29, 2022
8	Mr. Anand Kripalu	00118324	February 22, 2023

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BMP & Co. LLP
Company Secretaries

Pramod SM
Partner
FCS: 7834 / CP No. 13784
UDIN: F007834E000252496

Date: May 04, 2023
Place: Bangalore

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

INDEPENDENT AUDITOR'S REPORT

To The Members of United Breweries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of United Breweries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matters

(a) As described in Note 40, the Company has evaluated the carrying value of the property, plant and equipment aggregating to INR 8,797 lakhs based on fair value less cost of disposal after considering its contractual rights under the BIADA Act, pending the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India.

(b) As described in Note 33 (a), the NCLAT dismissed the appeals filed by the Company and the appellants contesting Competition Commission of India (CCI) Order relating to contravention of Section 3 of the Competition Act and levy of penalty of Rs. 75,183 Lakhs. The Company filed an appeal against the NCLAT order before the Supreme Court of India on January 30, 2023. The Supreme Court issued an order on February 17, 2023 and granted stay on the recovery proceedings. The Management of the Company has represented that the Company has a strong case on merits supported by external legal advice. Pending outcome of the matter, the Company is not in position to reliably estimate, the obligation relating to penalties, if any. Accordingly, no provision has been recorded in the books of account and amount is disclosed as contingent liability.

Our opinion is not modified in respect of the 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 financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Evaluation of provisions and contingencies towards taxes and other litigations** (Refer Notes 2.1 (v), 8, 16 and 33 to the standalone financial statements) The Company has material disputes with respect to direct tax, indirect tax and competition law matters which involves significant judgment to determine the possible outcome of these disputes. Therefore, we have considered these as a key audit matter.	**Principal Audit Procedures** Our audit procedures relating to the evaluation of the outcome of direct tax, indirect tax and competition law matters included the following, among others: (1) We have obtained an understanding of the processes with respect to (i) recognition of provision, (ii) disclosure of contingencies and (iii) ensuring completeness of litigations. (2) We have tested the effectiveness of controls over (i) recognition of provisions, (ii) disclosure of contingencies and (iii) ensuring completeness of litigations. (3) We read correspondences between the Company and the various authorities and where applicable, the opinions from external advisors and evaluated the reasonableness of the estimate in relation to the possible outcome of the disputed matters based on applicable laws and judicial precedence by involving our internal specialists, as needed.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 financial 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 standalone 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 the 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 standalone 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 financial statements of the current period 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 Section 143(3) of the Act, based on our audit, 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
    e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
    f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

        In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
    h) 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 financial statements - Refer Note 33 to the standalone financial statements.
        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Independent Auditor's Report contd.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 42(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 42(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

As stated in note 14 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDES6779

Place: Bengaluru
Date: May 04, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of United Breweries Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements 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 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone 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 control with reference to standalone 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 with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements 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 issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDES6779

Place: Bengaluru
Date: May 04, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i)(b) Some of the Property, Plant and Equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(i)(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and non-current assets held for sale, according to the information and explanations given to us and based on the examination of the registered sale deed / conveyance deed / lease deed provided to us and based on the confirmation received from the Bank, where applicable, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of property	Gross carrying value (Rs. in Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in name of Company
Freehold land (9.04 acres at Kutthambakkam, Tamilnadu)	80	Tamil Nadu State Marketing Corporation Ltd.	No	2010-11	Application for registration of title deed is pending with the state government for approval
Freehold land (63.07 acres at Kothlapur, Telangana)	654	UB Nizam Breweries Private Limited*	No	2010-11	Application for registration of name change is pending with the state government for approval
Freehold land (0.533 acres at Nanjangud, Karnataka)	22	United Breweries Limited	No	2009-10	There are some matters ongoing with these properties which include review of court order, case of encroachment and dispute ongoing between original landowners.

Independent Auditor's Report contd.

Description of property	Gross carrying value (Rs. in Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in name of Company
Freehold land (0.006 acres at Nelamangala, Karnataka)	1	United Breweries Limited	No	2006-07	There are some matters ongoing with these properties which include review of court order, case of encroachment and dispute ongoing between original landowners.
Freehold land (1.002 acres at Mallepally, Telangana)	21	United Breweries Limited	No	2010-11	
Leasehold land (25.71 acres at Aurangabad, Maharashtra)	1,189	Inertia Industries Limited*	No	2010-11	Application for adjudication of stamp duty for name change in the lease deed is pending with the concerned authorities
Leasehold land (18.02 acres at Aurangabad, Maharashtra)**	597	Aurangabad Breweries Limited*	No	2011-12	

*Erstwhile entity which merged with the Company.
** The Company is not in possession of the original lease deed for this leasehold land. We understand that the same has been submitted to MIDC (Maharashtra Industrial Development Corporation) for change in name in the lease deed.

(i)(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(i)(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made thereunder.

(ii)(a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties, the Company obtains confirmations during the year at regular intervals and in respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(ii)(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has not provided any other loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties during the year, except for, the loans or advances in the nature of unsecured loans, granted to any other parties during the year by the Company in respect of which:

(iii) (a) The Company has provided loans or advances aggregating to Rs. 435 Lakhs in the nature of loans during the year to other parties (employees) and the balance outstanding as at March 31, 2023 is Rs. 345 Lakhs.

(iii) (b) The terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(iii) (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation. These loans are interest free.

(iii) (d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no amount overdue for more than 90 days at the balance sheet date.

(iii) (e) There were no loans or advances in the nature of loans granted to other parties (employees) which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances given to the same parties.

(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to other parties (employees). Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made. There are no loans, guarantees, and securities in respect of which provisions of Sections 185 and 186 of the Act are applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under Section 148(1) of the Companies Act, 2013.

(vii) (a) In respect of statutory dues:

Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(vii)(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Rs. in Lakhs

Name of the Statute	Nature of the dues	Amount (including interest and penalty)	Payment under protest	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax/tax deducted at source	24,382	6,579	FY 2001-02 to FY 2013-14 FY 2015-16 to FY 2017-18	Assessing Officer
		2,865	2,242	FY 2003-04, FY 2006-07 to FY 2013-14	High Court of Karnataka

Independent Auditor's Report contd.

Name of the Statute	Nature of the dues	Amount (including interest and penalty)	Payment under protest	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax/tax deducted at source	30,335	368	FY 2005-06, FY 2008-09 to FY 2009-10, FY 2011-12 to FY 2013-14, FY 2017-18 to FY 2020-21	Commissioner of Income Tax (Appeals)
		20	—	FY 2018-19	Commissioner of Income Tax (TDS)
		22,585	702	FY 2006-07 to FY 2009-10, FY 2014-15 to FY 2016-17	Income Tax Appellate Tribunal
		4,962	154	FY 2001-02 to FY 2009-10	High Court of Madras
		206	46	FY 2007-08 to FY 2009-10	High Court of Andhra Pradesh
State Excise Act (various states)	Excise duty, storage and privilege fees, etc.	11,146	150	FY 1999-2000 to FY 2005-06 FY 2015-16	High Court of Karnataka
		2,809	2,776	FY 2014-15, FY 2015-16 FY 2016-17 FY 2017-18 to FY 2022-23	High Court of Rajasthan
		619	613	FY 2019-20	Excise Commissioner, Aligarh, Uttar Pradesh
		390	49	FY 2019-20	Excise commissioner, Rajasthan
		400	50	FY 2007-08 to FY 2011-12, FY 2016-17 to FY 2022-23	High Court of Bombay
		102	—	FY 2014-15 to FY 2015-16	Rajasthan Tax Board, Ajmer (Rajasthan)
		56	—	FY 2015-16	Excise Commissioner, Guwahati
		43	13	FY 1998-99	High Court of Calcutta
		38	38	FY 2011-12 to FY 2015-16	High Court of Goa
		36	—	FY 1999-00 to FY 2014-15	The Commissioner of Prohibition and Excise, Chennai
		19	5	FY 2008-09 to FY 2012-13	High Court of Madhya Pradesh.

Name of the Statute	Nature of the dues	Amount (including interest and penalty)	Payment under protest	Period to which the amount relates	Forum where dispute is pending
State Excise Act (various states)	Excise duty, storage and privilege fees, etc.	8	—	FY 2017-18	Office of Accountant General, Revenue Audit Wing, Bengaluru
		376	—	FY 2000-01 to FY 2003-04, FY 2004-05- FY 2018-19	Excise Commissioner, Karnataka
The Central Excise Act, 1944	Excise duty/ disallowance of cenvat credit	112	3	FY 2006-07 - FY 2007-08 FY 2012-13 FY 2014-15 to FY 2015-16	Commissioner (Appeals), Central Excise,
		82	—	FY 2010-11 to FY 2015-16	Commissioner of Customs, Central Excise & Service tax Appellate Tribunal
		58	—	FY 2013-14 to FY 2014-15	Customs, Excise and Service Tax Appellate Tribunal
		48	1	FY 2016-17 to FY 2017-18	Commissioner of Customs, Central Excise & Service tax (Appeals)
		11	1	FY 2015-16	Assistant Commissioner of Goods and Service tax (Appeals)
		18	—	FY 2015-16	Assistant Commissioner, appeals, Jaipur
		4	—	2016 -17 to 2017-18	Assistant Commissioner of Customs, Central Excise & Service tax (Appeals)
The Central Excise Act, 1944	Excise duty/ disallowance of cenvat credit	16	—	FY 2016-17	Custom, excise and service tax Appellate Tribunal, New Delhi
		5	—	FY 2013-14	The Commissioner (Appeals), Central excise, Jaipur
		1	—	FY 2007-08	Commissioner (Appeals), Central Excise, Chandigarh-II
The Finance Act, 1994	Service tax	2,192	—	FY 2009-10 to FY 2011-12	High Court of Bombay
		401	—	FY 2008-09 to FY 2010-11	Customs, Excise and Service Tax Appellate Tribunal

Independent Auditor's Report contd.

Name of the Statute	Nature of the dues	Amount (including interest and penalty)	Payment under protest	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax	32	2	FY 2016-17	Assistant Commissioner of Central Excise, Sadashivpet Division
		6	—	FY 2014-15	Assistant Commissioner, CGST Bhubaneswar
The Central Goods and Services Tax Act, 2017	Goods and Services Tax	215	40	FY 2020-21	Commissioner Appeals GST, Bihar
		35	24	FY 2017-18 to FY 2021-22	Commissioner Appeals GST, Goa
		29	29	FY 2017-18 to FY 2021-22	Commissioner Appeals GST, Andhra Pradesh
Sales Tax Act (various statutes)	Sales tax/value added tax	27,489	—	FY 2018-19	Deputy Commissioner of State Tax, Maharashtra GST Department
		5,890	2,400	FY 2013-14 FY 2013-14 to FY 2016-17	Central Sales Tax Appellate Authority, New Delhi
		910	—	FY 2019-20	Commissioner Appeals, UP
		397	—	FY 2003-04 and FY 2004-05	Supreme Court of India
		383	3	FY 2005-06 to 2008-09, 2016-17 to 2017-18	The West Bengal Sales Tax Appellate And Revisional Board
		353	—	FY 2010-11	VAT Commissioner, Jharkhand
		326	5	FY 2012-13	Tax Board, Ajmer
		301	—	FY 2012-13 to 2013-14 2017-18 to 2018-19	Joint Commissioner of Sales tax, West Bengal
		278	—	FY 2018-19	Assistant Commissioner, Hyderabad
		261	8	FY 2006-07	Deputy Commissioner of Sales Tax, Aurangabad
		202	—	FY 2009-10 2013-14, 2015-16	Additional Commissioner of Sales Tax, West Bengal
		58	58	FY 2007-08 to 2014-15, 2019-20	Additional Commissioner of Commercial tax, Tamil Nadu
		142	2	FY 2016-17 and 2019-20	Additional Commissioner, Commercial tax, Goa
		167	20	FY 2011-12 to 2016-17	Telangana High Court

Name of the Statute	Nature of the dues	Amount (including interest and penalty)	Payment under protest	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act (various statutes)	Sales tax/value added tax	71	71	FY 2013-14	Joint Commissioner of Commercial Taxes (Appeal), Maharashtra
		63	—	FY 2002-03	Jt. Excise and Taxation Commissioner (Appeals), Faridabad
		40	—	FY 2015-16	Commissioner of sales tax, West Bengal
		20	8	FY 2011-12 to 2013-14	Commissioner of Commercial tax, Bihar
		14	2	FY 2009-10 to 2010-11, 2015-16	Joint Commissioner of Commercial Taxes (Appeal), Patna
		3	—	FY 2008-09	The Commercial taxes Tribunal, Bihar
The Customs Act, 1962	Levy of customs on import of Nepalese beer	53	—	FY 2002-03	High court, Bihar
Employees' Provident Fund Act, 1952 PF Act	Demand raised by PF authorities	26	—	FY 2011-12 to FY 2012-13	EPF Tribunal, Delhi
		2	—	FY 2009-10 to FY 2013-14	Regional PF commissioner
		24	—	FY 2009-10 to FY 2011-12, FY 2015-16	Assistant PF Commissioner and Recovery Officer
		12	6	FY 2010-11 to FY 2011-12	PF Southern Tribunal
Employees State Insurance Act, 1948 ESI Act	Demand raised by ESI authorities	3	—	FY 2005-06 to FY 2006-07	Regional Director, Employees State Insurance Corporation
		24	2	FY 2004-05 to FY 2007-08	Labour Court
Goa Panchayat Raj Act, 1994	Demand raised for Building tax	115	—	FY 2019-20 to FY 2022-23	Village Panchayat, Goa
The Mathadi Act of 1969	Demand for labour charges	27	—	FY 1993-94 to FY 2006-07	Court of Hon'ble Civil Judge, Senior Division, 5th Joint Aurangabad
		21	—	FY 2010-11 to FY 2020-21	Mathadi Board Aurangabad
		187	—	FY 2009-10 to FY 2015-16	High Court of Judicature of Bombay Bench at Aurangabad

Independent Auditor's Report contd.

Name of the Statute	Nature of the dues	Amount (including interest and penalty)	Payment under protest	Period to which the amount relates	Forum where dispute is pending
Rajasthan Agriculture Produce Market Act, 1961	Mandi Cess	7	—	FY 2015-16	High Court of Rajasthan
Transfer of Property Act, 1882	Demand for property tax	61	—	FY 2020-21	Panvel Municipal Corporation
Labour Act	Demand for labour cess	14	—	FY 2010-11 to FY 2011-12 and FY 2016-17	Labour Commissioner

(viii) According to the information and explanations provided to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)(a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.

(ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix)(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(ix)(d) The Company has not raised funds on short-term basis and hence, reporting under clause (ix)(d) of the Order is not applicable to the Company.

(ix)(e) The Company has not made any investment in or given any new loan or advances to its subsidiary or associate during the year and hence, reporting under clause (ix)(e) of the Order is not applicable. The Company does not have any joint venture.

(ix)(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x)(a) The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments) during the year and hence, reporting under clause (x)(a) of the Order is not applicable.

(x)(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi)(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(xi)(b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(xi)(c) We have taken into consideration the whistle blower complaints received by the Company during the year and upto the date of this report and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv)(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(xiv)(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2023 and the draft of the internal audit reports where issued after the balance sheet date covering the period April 1, 2022 to March 31, 2023 for the period under audit.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)(a), (b), (c) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(xvi)(d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, for the year ended March 31, 2023 in compliance with second proviso to sub section 5 of Section 135 of the Act. This matter has been disclosed in Note 27 to the standalone financial statements.

(xx) (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of Section 135(6) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDES6779

Place: Bengaluru
Date: May 04, 2023

Standalone Balance Sheet as at March 31, 2023

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

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment (including right of use assets)	3(a)	1,83,089	1,88,838
Capital work-in-progress	3(b)	7,708	10,989
Intangible assets	4	1,223	1,638
Financial assets			
(i) Investments	5	1,570	1,600
(ii) Other financial assets	6	4,078	4,417
Income tax assets (net)	7	22,134	20,195
Deferred tax asset (net)	7(b)	4,496	3,843
Other non-current assets	8	34,427	25,012
		2,58,725	2,56,532
Current assets			
Inventories	9	1,42,597	93,441
Financial assets			
(i) Trade receivables	10	1,40,707	1,25,450
(ii) Cash and cash equivalents	11	32,952	86,238
(iii) Bank balances other than (ii) above	12	6,543	4,536
(iv) Other financial assets	6	104	115
Other current assets	8	45,009	27,271
		3,67,912	3,37,051
Assets held for sale	3(c)	486	488
		3,68,398	3,37,539
Total assets		**6,27,123**	5,94,071
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,644	2,644
Other equity	14	3,93,482	3,90,557
		3,96,126	3,93,201
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	31	1,074	606
(ii) Other financial liabilities	15	1,845	2,497
Provisions	16	417	441
		3,336	3,544
Current liabilities			
Financial liabilities			
(i) Lease liabilities	31	488	368
(ii) Trade payables			
- Total outstanding dues of micro and small enterprises	17	9,529	9,144
- Total outstanding dues of creditors other than micro and small enterprises	17	62,110	54,625
(iii) Other financial liabilities	15	77,821	55,719
Other current liabilities	18	67,514	67,256
Provisions	16	10,199	10,214
		2,27,661	1,97,326
Total liabilities		**2,30,997**	2,00,870
Total equity and liabilities		**6,27,123**	5,94,071
Summary of significant accounting policies	2.1		

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

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Firm Registration Number: 008072S)

Gurvinder Singh
Partner

Place: Bengaluru
Date: May 04, 2023

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

Rishi Pardal
Managing Director
DIN: 02470061

Radovan Sikorsky
Director and Chief Financial Officer
DIN: 09684447

Manu Anand
Director
DIN: 00396716

Amit Khera
Company Secretary

Place: Bengaluru
Date May 04, 2023

Standalone Statement of Profit and Loss for the year ended March 31, 2023

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

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from contracts with customers (including excise duty)	19	16,64,288	13,11,741
Other income	20	4,927	2,966
Total Income		**16,69,215**	13,14,707
EXPENSES			
Cost of materials consumed	21	4,23,321	2,71,394
Purchase of traded goods	22	9,247	19,582
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(5,140)	2,289
Excise duty on sale of products		9,15,117	7,28,548
Employee benefits expense	24	40,776	38,379
Contract employee expense	24a	18,368	13,557
Finance costs	25	464	1,478
Depreciation and amortisation expense	26	21,032	21,691
Other expenses	27	2,01,173	1,68,500
Total		**16,24,358**	12,65,418
Profit before exceptional items and tax		**44,857**	49,289
Exceptional items	28	(3,312)	—
Profit before tax		**41,545**	49,289
Tax expense	29		
Current tax		11,967	13,159
Deferred tax (credit)		(768)	(371)
Total tax expense		**11,199**	12,788
Profit for the year		**30,346**	36,501
Other comprehensive income (OCI)			
Items that will not be reclassified to the statement of profit and loss in subsequent periods			
Re-measurement gains on defined benefit plans		457	80
Income tax effect on above		(115)	(20)
Total other comprehensive income, net of tax		**342**	60
Total comprehensive income for the year (net of tax)		**30,688**	36,561
Earnings per share in Rs. [nominal value per share Re.1 (Previous year: Re.1)]	30		
Basic		11.48	13.81
Diluted		11.48	13.81
Summary of significant accounting policies	2.1		

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

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Firm Registration Number: 008072S)

Gurvinder Singh
Partner

Place: Bengaluru
Date: May 04, 2023

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

Rishi Pardal
Managing Director
DIN: 02470061

Radovan Sikorsky
Director and Chief Financial Officer
DIN: 09684447

Manu Anand
Director
DIN: 00396716

Amit Khera
Company Secretary

Place: Bengaluru
Date May 04, 2023

Standalone Statement of Cash Flows for the year ended March 31, 2023

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

		Notes	For the year ended March 31, 2023	*For the year ended March 31, 2022*
A	**Cash flow from operating activities**			
	Profit before tax		41,545	*49,289*
	Adjustments for:			
	Depreciation and amortisation expense		21,032	*21,691*
	Bad debts/advances written off		—	*301*
	Loss allowance for trade receivables		818	*1,720*
	Provision for doubtful advances/deposits		181	*620*
	Unrealised foreign exchange differences (net)		(148)	*48*
	Net (gain) on disposal of property, plant and equipment		(146)	*(11)*
	Profit on sale of investments		—	*(54)*
	Liabilities no longer required written back		(297)	*(479)*
	Loss allowance for trade receivables, no longer required written back		(4)	*(217)*
	Impairment loss on property, plant and equipment (included under exceptional items)		3,312	*—*
	Interest expense		443	*1,464*
	Interest income		(3,312)	*(1,499)*
	Dividend income		(23)	*(23)*
	Operating profits before working capital changes		**63,401**	*72,850*
	Changes in working capital:			
	(Increase)/decrease in Inventories		(49,156)	*20,088*
	(Increase)/decrease in Trade receivables		(16,143)	*12,188*
	(Increase)/decrease in Other financial assets		307	*(77)*
	(Increase)/decrease in Other assets		(27,565)	*(4,510)*
	Increase/(decrease) in Trade payables		8,361	*1,689*
	Increase/(decrease) in Other financial liabilities		21,960	*6,612*
	Increase/(decrease) in Other current liabilities and provisions		676	*(5,975)*
	Cash generated from operations		**1,841**	*102,865*
	Direct taxes paid (net of refund)		(13,906)	*(12,958)*
	Net cash from/(used in) operating activities (A)		**(12,065)**	*89,907*
B	**Cash flow from investing activities**			
	Purchase of property, plant and equipment including capital work–in–progress, intangible assets and capital advances		(15,614)	*(17,333)*
	Proceeds from sale of property, plant and equipment		203	*79*
	Investments in equity and debt securities		—	*(300)*
	Proceeds from sale of investments		30	*125*
	Investments in bank deposits (having original maturity of more than three months)		(56)	*(150)*
	Redemption/maturity of bank deposits (having original maturity of more than three months)		46	*122*
	Interest received		3,323	*1,468*
	Dividend received from subsidiary company		23	*23*
	Net cash used in investing activities (B)		(12,045)	*(15,966)*

Standalone Statement of Cash Flows contd.

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

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
C Cash flow from financing activities			
Repayment of long-term borrowings (refer note a below)		—	(25,000)
Payment of principal portion of lease liabilities (refer note b below)		(998)	(492)
Repayment of short-term borrowings (net) (refer note c below)		—	(17)
Interest paid		(415)	(1,812)
Dividend paid to equity shareholders*		(27,763)	(1,322)
Net cash used in financing activities (C)		**(29,176)**	(28,643)
*Includes amount transferred to separate bank accounts earmarked for unpaid dividend			
Net increase in cash and cash equivalents (A+B+C)		**(53,286)**	45,298
Cash and cash equivalents at the beginning of the year		86,238	40,940
Cash and cash equivalents at the end of the year		**32,952**	86,238
Components of cash and cash equivalents	11		
Cash on hand		2	2
Bank balances on current accounts		7,950	14,736
Bank balances on deposit accounts with original maturity of three months or less		25,000	71,500
Total cash and cash equivalents		**32,952**	86,238

Notes:

The summary of cash flow and non-cash flow changes in respect of financial liabilities is as below:

a) Long-term borrowings (including current maturities)			
At beginning of the year		—	25,000
Proceeds from borrowings		—	—
Repayment of borrowings		—	(25,000)
At end of the year		—	—
b) Lease liabilities			
At beginning of the year		974	1,180
Accretion of Interest		92	91
Cash outflows		(1,090)	(583)
Non-cash changes – Addition of right-of-use assets		1,586	286
At end of the year		**1,562**	974
c) Short-term borrowings			
At beginning of the year		—	17
Repayment of borrowings		—	(17)
Non-cash changes – foreign exchange differences		—	—
At end of the year		—	—

d) The above standalone cash flow statement has been prepared under indirect method in accordance with the Indian accounting standard (Ind AS) 7 on "Statement of Cash Flow".

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

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Firm Registration Number: 008072S)

Gurvinder Singh
Partner

Place: Bengaluru
Date: May 04, 2023

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

Rishi Pardal
Managing Director
DIN: 02470061

Radovan Sikorsky
Director and Chief Financial Officer
DIN: 09684447

Manu Anand
Director
DIN: 00396716

Amit Khera
Company Secretary

Place: Bengaluru
Date May 04, 2023

Standalone Statement of Changes in Equity for the year ended March 31, 2023

(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, 2023		*As at March 31, 2022*	
	Numbers	Rs. in Lakhs	*Numbers*	*Rs. in Lakhs*
Balance at the beginning of the year	26,44,05,149	2,644	*26,44,05,149*	*2,644*
Changes during the year	—	—	—	—
Balance at the end of the year	**26,44,05,149**	**2,644**	*26,44,05,149*	*2,644*

b) Other equity

	Reserves and surplus				Total
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	
	Note 14	Note 14	Note 14	Note 14	
Balance as at April 1, 2021	24,690	62,938	42,330	2,25,360	3,55,318
Profit for the year	—	—	—	36,501	36,501
Other comprehensive income	—	—	—	60	60
Dividends (Refer Note 14)	—	—	—	(1,322)	(1,322)
Balance as at March 31, 2022	**24,690**	**62,938**	**42,330**	**2,60,599**	**3,90,557**
Balance as at April 1, 2022	24,690	62,938	42,330	2,60,599	3,90,557
Profit for the year	—	—	—	30,346	30,346
Other comprehensive income	—	—	—	342	342
Dividends (Refer Note 14)	—	—	—	(27,763)	(27,763)
Balance as at March 31, 2023	**24,690**	**62,938**	**42,330**	**2,63,524**	**3,93,482**

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

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

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

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

There are no changes in equity share capital and other equity due to accounting policy changes or prior period errors.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Firm Registration Number: 008072S)

Gurvinder Singh
Partner

Place: Bengaluru
Date: May 04, 2023

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

Rishi Pardal
Managing Director
DIN: 02470061

Radovan Sikorsky
Director and Chief Financial Officer
DIN: 09684447

Manu Anand
Director
DIN: 00396716

Amit Khera
Company Secretary

Place: Bengaluru
Date May 04, 2023

Notes to standalone financial statements for the year ended March 31, 2023

(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 having CIN number L36999KA1999PLC025195. 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 financial statements were approved by the Board of Directors of the Company on May 04, 2023.

2. Basis of preparation of standalone financial statements

The standalone financial statements (the "Financial statements") [comprising the Standalone Balance Sheet ("Balance Sheet") as at March 31, 2023, standalone Statement of Profit and Loss ("Statement of Profit and Loss") including standalone other comprehensive income ("other comprehensive income"), the Standalone Cash Flow Statement ("Cash Flow Statement"), the Standalone Statement of Changes in Equity ("Statement of Changes in Equity") and the notes to standalone financial statements for the year ended on that date] of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with 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 and other relevant provisions of the Act. The 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 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.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

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.

Notes to standalone Financial Statements contd.

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

(b) Foreign currencies

The 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 rates.

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 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 is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the 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 financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

(d) Revenue recognition

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

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue towards satisfaction of performance obligations is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company. 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 amount of transaction price, 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.

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Sale of services

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

Income from contract manufacturing units

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

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

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

Interest

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

Dividends

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

(e) Government grants

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

(f) Taxes

Current income tax

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

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

Deferred tax

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

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

Deferred tax assets are recognised to the extent 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.

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

(h) Property, plant and equipment

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

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

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

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

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

For the assets acquired/disposed during the year, depreciation has been provided on pro-rata basis.

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. The Company, based on 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.

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.

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

(k) Leases

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

The Company as a lessee

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

Right-of-use assets

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

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

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

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

The Company as a lessor

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

(l) Inventories

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

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

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

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

Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Obsolete/slow moving inventories are adequately provided for.

(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

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

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 had established a Provident Fund Trust, which was a defined benefit plan, to which contributions towards provident fund were made each month. The Provident Fund Trust guaranteed a specified rate of return on such contributions on a periodical basis as per the government notification. The Company would meet the shortfall in the return, if any, which was 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 were charged to the Statement of Profit and Loss on an accrual basis. During the previous year, the Company has surrendered the Provident Fund Trust to the Employee's Provident Fund Organisation, Government of India and transferred the funds from Provident Fund Trust to the funds maintained by the Regional Provident Fund Commissioner (RPFC). Effective January 1, 2022, the

Provident Fund Benefit is a defined benefit contribution scheme and the Company recognizes contribution payable to the fund as expenditure, when an employee renders the related service.

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. During the year, the company has discontinued the superannuation fund with effect from July 1, 2022.

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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss. 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.

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Subsequent measurement

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

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

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

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

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

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

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

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

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

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

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

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

Investment in subsidiary and associate

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

De-recognition

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

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

A gain or loss on such financial assets that are subsequently measured at amortised cost is recognized in the Statement of Profit and Loss when asset is derecognised.

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.

Subsequent measurement

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

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

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

De-recognition

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

Reclassification of financial assets and liabilities

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

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

Offsetting of financial instruments

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

(q) 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.

(r) Dividend to equity holders

The Company recognises a liability to pay dividend 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.

(s) 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 financial statements.

(t) 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.

(u) 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. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "unallocable corporate expense/income".

(v) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements require 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 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 financial statements are as below.

Notes to standalone Financial Statements contd.

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

Revenue from contracts with customers

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

Leases

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

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

Property, plant and equipment

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

Impairment of investments carried at cost and non-financial assets

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

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 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements — This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors — This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes — This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

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Notes to standalone Financial Statements contd.

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

3(a). PROPERTY, PLANT AND EQUIPMENT

	Gross Block				Accumulated Depreciation					Net book value
	As at April 1, 2022	Additions	Deletions	**As at March 31, 2023**	*As at April 1, 2022*	For the year	Impairment (refer note 28)	On deletions	**As at March 31, 2023**	**As at March 31, 2023**
Freehold land [refer note a(i)]	*19,900*	—	—	19,900	—	—	—	—	—	19,900
Buildings [refer note a(ii)]	*81,045*	2,393	23	83,415	*29,034*	2,665	587	13	32,273	51,142
Plant and equipment	*3,25,296*	12,529	746	3,37,079	*2,31,227*	15,138	2,457	725	2,48,097	88,982
Office equipments	*2,883*	301	8	3,176	*1,924*	297	21	8	2,234	942
Computer equipments	*1,969*	152	10	2,111	*1,505*	148	3	8	1,648	463
Furniture and fixtures	*25,547*	746	140	26,153	*22,444*	1,345	138	119	23,808	2,345
Laboratory equipments	*4,627*	530	64	5,093	*2,910*	306	102	61	3,257	1,836
Vehicles	*623*	—	3	620	*508*	26	4	3	535	85
	4,61,890	**16,651**	**994**	**4,77,547**	***2,89,552***	**19,925**	**3,312**	**937**	**3,11,852**	**1,65,695**
Right-of-use assets (also refer Note 31)										
Leasehold land [refer note a(i)]	*17,148*	531	—	17,679	*1,507*	205	—	—	1,712	15,967
Buildings	*1,590*	983	568	2,005	*789*	452	—	568	673	1,332
Plant and equipment	*3*	—	3	—	*1*	2	—	3	—	—
Furniture and fixtures	*36*	31	36	31	*34*	10	—	36	8	23
Vehicles	*93*	41	—	134	*39*	23	—	—	62	72
	18,870	**1,586**	**607**	**19,849**	***2,370***	**692**	**—**	**607**	**2,455**	**17,394**
Total	***4,80,760***	**18,237**	**1,601**	**4,97,396**	***2,91,922***	**20,617**	**3,312**	**1,544**	**3,14,307**	**1,83,089**

Previous year

	Gross Block				Accumulated Depreciation					Net book value
	As at April 1, 2021	*Additions*	*Deletions*	*As at March 31, 2022*	*As at April 1, 2021*	*For the year*	*Impairment*	*On deletions*	*As at March 31, 2022*	*As at March 31, 2022*
Freehold land [refer note a(i)]	*19,717*	*183*	—	*19,900*	—	—	—	—	—	*19,900*
Buildings [refer note a(ii)]	*76,551*	*4,494*	—	*81,045*	*26,459*	*2,575*	—	—	*29,034*	*52,011*
Plant and equipment	*3,14,601*	*11,548*	*853*	*3,25,296*	*2,17,340*	*14,713*	—	*826*	*2,31,227*	*94,069*
Office equipments	*2,593*	*297*	*7*	*2,883*	*1,664*	*267*	—	*7*	*1,924*	*959*
Computer equipments	*1,937*	*49*	*17*	*1,969*	*1,335*	*185*	—	*15*	*1,505*	*464*
Furniture and fixtures	*24,676*	*914*	*43*	*25,547*	*20,119*	*2,351*	—	*26*	*22,444*	*3,103*
Laboratory equipments	*4,555*	*164*	*92*	*4,627*	*2,676*	*322*	—	*88*	*2,910*	*1,717*
Vehicles	*974*	*28*	*379*	*623*	*838*	*31*	—	*361*	*508*	*115*
	4,45,604	***17,677***	***1,391***	***4,61,890***	***2,70,431***	***20,444***	**—**	***1,323***	***2,89,552***	***1,72,338***
Right-of-use assets (also refer Note 31)										
Leasehold land [refer note a(i)]	*17,148*	—	—	*17,148*	*1,307*	*200*	—	—	*1,507*	*15,641*
Buildings	*1,727*	*283*	*420*	*1,590*	*724*	*485*	—	*420*	*789*	*801*
Plant and equipment	—	*3*	—	*3*	—	*1*	—	—	*1*	*2*
Furniture and fixtures	*36*	—	—	*36*	*22*	*12*	—	—	*34*	*2*
Vehicles	*93*	—	—	*93*	*18*	*21*	—	—	*39*	*54*
	19,004	***286***	***420***	***18,870***	***2,071***	***719***	**—**	***420***	***2,370***	***16,500***
Total	***4,64,608***	***17,963***	***1,811***	***4,80,760***	***2,72,502***	***21,163***	**—**	***1,743***	***2,91,922***	***1,88,838***

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

(i) Detail of immovable properties (included under property, plant and equipment) whose title deeds are not held in the name of the Company or disputed:

Description of Property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, directors or relative of promoter/director or employee of promoter/director	Property held since	Reason for not being held in the name of the Company
Freehold land (9.04 acres at Kuthumbakkam, Tamil Nadu)	80	Tamil Nadu State Marketing Corporation Ltd.	No	2010-11	Application for registration of title deed is pending with the state government for approval
Freehold land (63.07 acres at Kothlapur, Telangana)	654	UB Nizam Breweries Private Limited.*	No	2010-11	Application for registration of name change is pending with the state government for approval
Freehold land (0.533 acres at Nanjangud, Karnataka)	22	United Breweries Limited.	No	2009-10	There are matters ongoing with these properties which include review of court order, case of encroachment and dispute ongoing between original landowners.
Freehold land (0.006 acres at Nelamangala, Karnataka)	1	United Breweries Limited.	No	2006-07	
Freehold land (1.002 acres at Mallepally, Telangana)	21	United Breweries Limited.	No	2010-11	
Leasehold land (25.71 acres at Aurangabad, Maharashtra)	1,189	Inertia Industries Limited.*	No	2010-11	Application for adjudication of stamp duty for name change in the lease deed is pending with the concerned authorities
Leasehold land (18.02 acres at Aurangabad, Maharashtra)**	597	Aurangabad Breweries Limited.*	No	2011-12	Application for adjudication of stamp duty for name change in the lease deed is pending with the concerned authorities

* Erstwhile entity which merged with the Company.

** The Company has submitted the original lease deed for this lease hold land to MIDC (Maharashtra Industrial Development Corporation) for change of the name.

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

	March 31, 2023	*March 31, 2022*
Gross block	34,577	*33,110*
Depreciation charge for the year*	1,109	*1,067*
Accumulated depreciation*	12,198	*11,089*
Net block	**22,379**	*22,021*

*Net of depreciation on deletions

Notes to standalone Financial Statements contd.

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

3(b). CAPITAL WORK-IN-PROGRESS

Capital work-in-progress as at March 31, 2023 and March 31, 2022 comprises of capital expenditure relating to plant and equipment and buildings which are in the course of construction. The ageing of capital work-in-progress is as below:

	Amount in capital work-in-progress for a period of				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
As at March 31, 2023					
Projects in progress	5,795	844	530	298	7,467
Projects temporarily suspended	66	50	—	125	241
Total	**5,861**	**894**	**530**	**423**	**7,708**
As at March 31, 2022					
Projects in progress	*8,148*	*1,154*	*757*	*24*	*10,083*
Projects temporarily suspended	*16*	*519*	*222*	*149*	*906*
Total	*8,164*	*1,673*	*979*	*173*	*10,989*

The details of capital work in progress whose completion is overdue are as below:

March 31, 2023

	To be completed in				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress					
Effluent/water treatment	631	8	—	—	639
Infrastructure development*	1,125	—	—	—	1,125
Capacity expansion	1,232	—	—	—	1,232
Health, safety and environment	1,476	—	—	—	1,476
Quality improvement	584	—	—	—	584
Others	749	4	—	—	753
Total	**5,797**	**12**	**—**	**—**	**5,809**
Projects temporarily suspended					
Infrastructure development*	116	—	—	—	116
Capacity expansion	9	—	—	—	9
Effluent/water treatment	116	—	—	—	116
Total	**241**	**—**	**—**	**—**	**241**

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

March 31, 2022

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Effluent/water treatment	*2,317*	—	—	—	*2,317*
Infrastructure development*	*2,174*	—	—	—	*2,174*
Capacity expansion	*775*	—	—	—	*775*
Health, safety and environment	*569*	—	—	—	*569*
Quality improvement	*434*	—	—	—	*434*
Others	*848*	—	—	—	*848*
Total	*7,117*	—	—	—	*7,117*
Projects temporarily suspended					
Infrastructure development*	*581*	—	—	—	*581*
Capacity expansion	*177*	—	—	—	*177*
Effluent/water treatment	*148*	—	—	—	*148*
Total	*906*	—	—	—	*906*

* Infrastructure development includes factory buildings, warehouses and roads.

There are no projects which exceeded cost compared to original plan as on March 31, 2023 and March 31, 2022.

For the purpose of aforesaid disclosure, considering voluminous details, projects have been grouped under the relevant category.

3(c). ASSETS HELD FOR SALE:

	March 31, 2023	*March 31, 2022*
Balance at the beginning of the year	488	*488*
Transfer/sale	(2)	—
Balance at the end of the year	**486**	*488*

3(d). There has been no revaluation of property, plant and equipment during 2021-22 and 2022-23.

4. INTANGIBLE ASSETS

	Gross Block				Accumulated amortisation					Net book value
	As at April 1, 2022	Additions	Deletions	**As at March 31, 2023**	*As at April 1, 2022*	For the year	Impairment	Deletions	**As at March 31, 2023**	**As at March 31, 2023**
Licenses and rights	*11,677*	—	—	11,677	*10,039*	415	—	—	10,454	1,223
Total	*11,677*	**—**	**—**	**11,677**	*10,039*	**415**	**—**	**—**	**10,454**	**1,223**

Previous year

	Gross Block				Accumulated amortisation					Net book value
	As at April 1, 2021	Additions	Deletions	*As at March 31, 2022*	*As at April 1, 2021*	For the year	Impairment	Deletions	*As at March 31, 2022*	*As at March 31, 2022*
Licenses and rights	*11,609*	68	—	*11,677*	*9,511*	528	—	—	*10,039*	*1,638*
Total	*11,609*	68	—	*11,677*	*9,511*	528	—	—	*10,039*	*1,638*

Notes to standalone Financial Statements contd.

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

	As at March 31, 2023		As at March 31, 2022	
5. FINANCIAL ASSETS – INVESTMENTS (NON-CURRENT)				
Trade investments				
Equity instruments at cost (fully paid-up) (Unquoted)				
Investments in subsidiary company				
Maltex Malsters Limited ('MML') [22,950 (March 31, 2022: 22,950) equity shares of Rs. 100 each]	4,500		4,500	
Less: Provision for impairment in value of investments*	3,735	765	3,735	765
Investment in associate				
Kingfisher East Bengal Football Team Private Limited [4,999 (March 31, 2022: 4,999) equity shares of Rs. 10 each]				
Non-trade investments				
Equity instruments at fair value through profit or loss (fully paid-up) (Unquoted)				
The Zoroastrian Co-operative Bank Limited [2,000 (March 31, 2022: 2,000) equity shares of Rs. 25 each]		1		1
SABMiller India Limited (Formerly, Skol Breweries Limited) [300 (March 31, 2022: 300) equity shares of Rs. 10 each]**		—		—
Castle Breweries Ltd. (Formerly, Jupiter Breweries Industries Limited) [50 (March 31, 2022: 50) equity shares of Rs. 10 each]**		—		—
Mohan Meakin Limited [100 (March 31, 2022: 100) equity shares of Rs. 5 each]**		—		—
Blossom Industries Limited [100 (March 31, 2022: 100) equity shares of Rs. 3 each]**		—		—
Renew Wind Energy (Karnataka) Private Limited [10,400 (March 31, 2022: 10,400) equity shares of Rs. 100 each]		15		15
Mytrah Vayu (Manjira) Private Limited [Nil (March 31, 2022: 144,000) equity shares of Rs. 10 each]		—		14
Capsol Sunray Private Limited [2,720,035 (March 31, 2022: 2,720,035) equity shares of Rs. 10 each]		272		272
FPEL Maha 2 Pvt Ltd [1,326,984 (March 31, 2022: 1,326,984) equity shares of Rs. 10 each]		251		251
Debt instruments at fair value through other comprehensive income (fully paid-up) (Quoted)				
IL&FS Financial Services Limited [9.55%, 5,000 (March 31, 2022: 5,000) non-convertible debentures of Rs. 1,000 each]		17		17
IL&FS Financial Services Limited [8.80%, 17,000 (March 31, 2022: 17,000) non-convertible debentures of Rs. 1,000 each]		49		49
Piramal Capital & Housing Finance Limited [6.75%, 21,217 (March 31, 2022: 21,217 of Rs. 1,000 each) non-convertible debtentures of Rs. 925 each]		196		212
In government securities (Unquoted)				
National Savings Certificate	18		18	
Less: Provision for impairment in value of investments	15	3	15	3
Total		1,570		1,600

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

** Rounded off the investment value to Rs. In Lakhs. Actual cost of investments in rupees is as under:

Equity shares	Amount in Rs.
SABMiller India Limited	1,727
Castle Breweries Ltd.	188
Mohan Meakin Limited	925
Blossom Industries Limited	300

	As at March 31, 2023	As at March 31, 2022
Aggregate cost of quoted investments	262	278
Aggregate market value of quoted investments	262	278
Aggregate value of unquoted investments (gross)	5,058	5,072
Aggregate amount of impairment in value of investments	(3,750)	(3,750)

Notes to standalone Financial Statements contd.

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

	Non-current		Current	
	As at March 31, 2023	*As at March 31, 2022*	**As at March 31, 2023**	*As at March 31, 2022*
6. FINANCIAL ASSETS – OTHERS				
Unsecured, considered good				
Financial assets at amortised cost				
Security deposits	3874	4,181	—	—
Bank deposits with remaining maturity of more than twelve months	106	134	—	—
Margin money deposits towards bank guarantees	98	102	—	—
Interest accrued on bank and other deposits	—	—	104	115
	4,078	4,417	**104**	115
Unsecured, credit impaired				
Security deposits	94	94	—	—
Less: Loss allowance	94	94	—	—
	—	—	—	—
Total	**4,078**	4,417	**104**	115

7. TAX ASSET/(LIABILITY) (NET)

	As at March 31, 2023	*As at March 31, 2022*
(a) Income tax assets (net)		
Balance at the beginning of the year	20,195	20,396
Less: Provision for the year	11,967	13,159
Add: Taxes paid (net of refund)	13,906	12,958
Closing balance (net)	**22,134**	20,195

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

	Balance sheet		Statement of profit and loss	
	As at March 31, 2023	*As at March 31, 2022*	**For the year ended March 31, 2023**	*For the year ended March 31, 2022*
(b) Deferred tax asset/(liability) (net)				
Deferred tax assets				
Provision/allowance for receivables and advances	2,626	2,376	(250)	(533)
Provision for employee benefits	1,466	1,879	413	(436)
Other provisions	2,310	1,708	(602)	50
	6,402	5,963	**(439)**	(919)
Deferred tax liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	1,906	2,120	(214)	568
	1,906	2,120	**(214)**	568
Net deferred tax asset	**4,496**	3,843		
Deferred tax credit			**(653)**	(351)

Notes to standalone Financial Statements contd.

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

	As at March 31, 2023	As at March 31, 2022
7. TAX ASSET/(LIABILITY) (NET) (continued)		
Reconciliation of movement in net deferred tax asset		
Balance at the beginning of the year	3,843	3,492
Tax credit/(charge) during the year		
Recognised in the Statement of Profit and Loss	768	371
Recognised in OCI	(115)	(20)
	653	351
Balance at the end of the year	**4,496**	3,843

The Company has not recognised deferred tax asset on provision for impairment in value of investments amounting to Rs. 3,750 Lakhs (March 31, 2022: Rs. 3,750 Lakhs), considering uncertainty that sufficient future taxable capital gains would be available against which such tax credits can be utilised.

	Non–current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
8. OTHER ASSETS				
Unsecured, considered good				
Capital advances	1,286	1,517	—	—
Advances other than capital advances				
Advance to suppliers*	3,879	3,793	2,416	1,744
Employees and other advances	116	71	430	361
Prepaid expenses	913	1,882	7,579	7,975
Balance with statutory/government authorities**	27,709	17,188	34,584	17,191
Government grant receivable***	524	561	—	—
	34,427	25,012	**45,009**	27,271
Unsecured, considered doubtful				
Capital advances	82	82	—	—
Advances other than capital advances				
Advance to suppliers	620	613	—	—
Balance with statutory/government authorities	1,537	1,363	—	—
Less: Provision for doubtful advances	2,239	2,058	—	—
	—	—	—	—
Total	**34,427**	25,012	**45,009**	27,271

*Non-current advance to suppliers includes an amount of Rs. 3,356 Lakhs (March 31, 2022: Rs. 3,271 Lakhs) paid under protest to Maharashtra Industrial Development Corporation ("MIDC") towards increased charges for water supplies. The Company has filed a special leave petition before the Supreme Court in respect of this matter and the management, basis a legal advice, believes that the Company's position will be upheld in the appellate process and accordingly, the same has been considered as a contingent liability as at year end.

**Non-current portion includes amount paid under protest against various tax demands under appeal, which are included under contingent liabilities in Note 33.

***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. Further there are no loans or advances in the nature of loan to promoters, directors or key management personnel.

	As at March 31, 2023	*As at March 31, 2022*
9. INVENTORIES		
(valued at lower of cost and net realisable value)		
Raw materials [Includes in transit: Rs. 211 Lakhs (March 31, 2022: Rs. 970 Lakhs)]	46,957	*15,894*
Packing materials and bottles [Includes in transit: Rs. 1,515 Lakhs (March 31, 2022: Rs. 1,432 Lakhs)]	20,132	*16,543*
Work-in-progress	37,867	*36,088*
Finished goods [Includes in transit: Rs. 5,206 Lakhs (March 31, 2022: Rs. 5,237 Lakhs)]^	28,865	*18,875*
Stock-in-trade] [Includes in transit: Rs. 31 Lakhs (March 31, 2022: Rs. 151 Lakhs)]	342	*231*
Stores and spares [Includes in transit: Rs. 79 Lakhs (March 31, 2022: Rs. 5 Lakhs)]	8,434	*5,810*
Total	**1,42,597**	*93,441*

^Net of provision for obsolete stock Rs. 1,782 Lakhs (March 31, 2022: Rs. 1,702 Lakhs).

During the year, an amount of Rs. 1,490 Lakhs (March 31, 2022: Rs. 1,386 Lakhs) was recognised as an expense for inventories carried at net realisable values.

10. TRADE RECEIVABLES

(Financial assets at amortised cost)

	As at March 31, 2023	*As at March 31, 2022*
Considered good		
Secured	1,357	*1,571*
Unsecured	1,39,350	*1,23,879*
	1,40,707	*1,25,450*
Credit impaired		
Unsecured	8,109	*7,295*
Less: Loss allowance**	8,109	*7,295*
	—	*—*
Total	**1,40,707**	*1,25,450*

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

(b) 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.

(c) The above balances includes dues from related parties (Refer Note 36).

(d) Trade receivables ageing schedule

	Current but not due	Outstanding for the following periods from due date of payment					Total
		Less than 6 monhts	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023							
Undisputed Trade Receivables– Considered good	1,06,543	33,170	—	—	—	—	1,39,713
Undisputed Trade Receivables– Credit impaired	—	268	149	780	35	253	1,486
Disputed Trade Receivables– Credit impaired#	—	—	—	83	1,076	6,458	7,617
Total	**1,06,543**	**33,439**	**149**	**863**	**1,112**	**6,711**	**1,48,816**

Notes to standalone Financial Statements contd.

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

	Current but not due	Outstanding for the following periods from due date of payment					Total
		Less than 6 monhts	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022							
Undisputed Trade Receivables– Considered good	1,02,916	19,605	393	1,554	—	—	1,24,468
Undisputed Trade Receivables– Credit impaired	—	—	156	102	101	213	572
Disputed Trade Receivables– Credit impaired**	—	—	83	1,076	363	6,183	7,705
Total	1,02,916	19,605	632	2,732	464	6,396	1,32,745

**Includes Rs. 994 Lakhs (March 31, 2022: Rs. 982 Lakhs) relating to dispute with a customer which is fully provided for seperately under provision for litigations - refer note 16.

Includes provision made for expired stocks of Rs. 732 Lakhs and Short lifting penalty provision made against contract brewery of Rs. 170 Lakhs.

	As at March 31, 2023	As at March 31, 2022
11.CASH AND CASH EQUIVALENTS		
Bank balances on current accounts^	7,950	14,736
Bank deposits with original maturity of three months or less	25,000	71,500
Cash on hand	2	2
Total	**32,952**	86,238

^Includes balances in exchange earners foreign currency accounts of Rs. 1,267 Lakhs (March 31, 2022: Rs. 5,856 Lakhs)

12. OTHER BANK BALANCES		
Bank balances on current accounts towards unpaid dividend	5,695	3,870
Bank balances on current account towards CSR expense (refer note 27)	141	1
Bank deposits with original maturity of:		
Less than twelve months but more than three months	591	624
Greater than twelve months	116	41
Total	**6,543**	4,536

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

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	As at March 31, 2023	As at March 31, 2022
13. EQUITY SHARE CAPITAL		
Authorised share capital		
4,129,800,000 (March 31, 2022: 4,129,800,000) equity shares of Re. 1 each	41,298	41,298
58,600,000 (March 31, 2022: 58,600,000) preference shares of Rs. 100 each	58,600	58,600
	99,898	99,898
Issued, subscribed and fully paid-up shares		
264,405,149 (March 31, 2022: 264,405,149) 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, 2023		As at March 31, 2022	
	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) Equity shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2023		As at March 31, 2022	
	Nos.	Value	Nos.	Value
Scottish & Newcastle India Limited	8,99,94,960	900	8,99,94,960	900
Heineken International B.V.	6,41,69,921	642	6,41,69,921	642
Heineken UK Limited	84,89,270	85	84,89,270	85
Total	**16,26,54,151**	**1,627**	16,26,54,151	1,627

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

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	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%
Heineken International B.V.	6,41,69,921	24.27%	6,41,69,921	24.27%
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.

(e) 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 standalone Financial Statements contd.

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

(f) Details of equity shares (of Re.1 each fully paid up) held by promoters

March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% change during the year
Scottish & Newcastle India Limited	8,99,94,960	—	8,99,94,960	34.04	—
Heineken International B.V.	6,41,69,921	—	6,41,69,921	24.27	—
Heineken UK Limited	84,89,270	—	84,89,270	3.21	—
Dr.Vijay Mallya	4,02,666	—	4,02,666	0.15	—
Dr.Vijay Mallya & Sidhartha Mallya, joint holding	1,04,86,666	—	1,04,86,666	3.97	—
Dr.Vijay Mallya & Ritu Mallya, joint holding	1,04,64,288	—	1,04,64,288	3.96	—
McDowell Holdings Limited	45,51,000	—	45,51,000	1.72	—
Kamsco Industries Pvt. Ltd.	32,74,000	—	32,74,000	1.24	—
UB Overseas Limited.	4,27,740	—	4,27,740	0.16	—
Pharma Trading Company Pvt. Ltd.	620	—	620	0.00	—
Total	**19,22,61,131**	**—**	**19,22,61,131**	**72.72**	**—**

March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% change during the year
Scottish & Newcastle India Limited	*8,99,94,960*	—	*8,99,94,960*	*34.04*	—
Heineken International B.V.	*2,45,25,575*	*3,96,44,346*	*6,41,69,921*	*24.27*	*14.99*
Heineken UK Limited	*84,89,270*	—	*84,89,270*	*3.21*	—
Dr.Vijay Mallya	*4,02,666*	—	*4,02,666*	*0.15*	—
Dr.Vijay Mallya & Sidhartha Mallya, joint holding	*1,04,86,666*	—	*1,04,86,666*	*3.97*	—
Dr.Vijay Mallya & Ritu Mallya, joint holding	*1,04,64,288*	—	*1,04,64,288*	*3.96*	—
McDowell Holdings Limited	*45,51,000*	—	*45,51,000*	*1.72*	—
Kamsco Industries Pvt. Ltd.	*32,74,000*	—	*32,74,000*	*1.24*	—
UB Overseas Limited.	*4,27,740*	—	*4,27,740*	*0.16*	—
Pharma Trading Company Pvt. Ltd.	*620*	—	*620*	*0.00*	—
Total	*15,26,16,785*	*3,96,44,346*	*19,22,61,131*	*72.72*	*14.99*

Notes to standalone Financial Statements contd.

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

	As at March 31, 2023	As at March 31, 2022
14. OTHER EQUITY		
Capital redemption reserve		
Balance as per last standalone financial statements	**24,690**	*24,690*
Securities premium		
Balance as per last standalone financial statements	**62,938**	*62,938*
General reserve		
Balance as per last standalone financial statements	42,330	*42,330*
Transfer from the standalone Statement of Profit and Loss	—	—
Closing balance	**42,330**	*42,330*
Retained earnings		
Balance as per last standalone financial statements	2,60,599	*2,25,360*
Profit for the year	30,346	*36,501*
Other comprehensive income	342	*60*
Appropriations		
Final equity dividend	(27,763)	*(1,322)*
Closing balance	**2,63,524**	*2,60,599*
Total reserves and surplus	**3,93,482**	*3,90,557*
Distribution made and proposed		
Cash dividends on equity shares declared and paid:		
Dividend for the year ended March 31, 2022: Rs. 10.50 per share (March 31, 2021: Rs. 0.50 per share)	27,763	*1,322*
	27,763	*1,322*
Proposed dividends on equity shares:		
Dividend for the year ended on March 31, 2023: Rs. 7.50 per share (March 31, 2022: Rs. 10.50 per share)	19,830	*27,763*
	19,830	*27,763*

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

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
15. OTHER FINANCIAL LIABILITIES				
(at amortised cost)				
Liability for capital goods	—	—	2,755	*5,230*
Security deposits	—	—	3,403	*2,572*
Unpaid dividends*	—	—	5,695	*3,870*
Salaries and bonus payable	1,845	*2,497*	8,691	*5,992*
Freight expenses payable	—	—	8,567	*7,756*
Other expenses payable	—	—	48,710	*30,299*
Total	**1,845**	*2,497*	**77,821**	*55,719*

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

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

	Non-current		Current	
	As at March 31, 2023	*As at March 31, 2022*	**As at March 31, 2023**	*As at March 31, 2022*
16. PROVISIONS				
Provision for employee benefits				
Gratuity (refer note 24)	417	*441*	—	*500*
Compensated absences (refer note 24 (iii))	—	*—*	3,559	*4,026*
	417	*441*	**3,559**	*4,526*
Other provisions				
Provision for litigations	—	*—*	6,640	*5,688*
	—	*—*	**6,640**	*5,688*
Total	**417**	*441*	**10,199**	*10,214*

	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	5,688	952	—	—	6,640
	(3,527)	(2,161)	—	—	(5,688)

Figures in brackets are of previous year.

Provision for litigations relates to matters which are sub-judice and the Company continues to contest these cases. Due to the very nature of the provisions, it is not possible to estimate the timing/uncertainities relating to their outflows.

	As at March 31, 2023	*As at March 31, 2022*
17. FINANCIAL LIABILITIES – TRADE PAYABLES (at amortised cost)		
Total outstanding dues of micro and small enterprises (Refer Note 34 for details)	9,529	*9,144*
Total outstanding dues of creditors other than micro and small enterprises (including acceptances)	62,110	*54,625*
Total	**71,639**	*63,769*

(a) Trade payables are non-interest bearing and are normally settled on 30 to 130 days

(b) The above disclosure includes dues to related parties (Refer Note 36)

[This space has been intentionally left blank]

(c) Trade payables ageing schedule

	Outstanding for the following periods from due date of payment					
	Unbilled dues	**Less than 1 year**	**1–2 years**	**2–3 years**	**More than 3 years**	**Total**
As at March 31, 2023						
Total outstanding dues of micro and small enterprises		8,953	212	335	29	9,529
Total outstanding dues of creditors other than micro and small enterprises	7,612	53,682	126	70	568	62,058
Disputed dues of micro and small enterprises		—	—	—	—	—
Disputed dues of creditors other than micro and small enterprises		—	—	—	52	52
Total	**7,612**	**62,635**	**338**	**405**	**649**	**71,639**
As at March 31, 2022						
Total outstanding dues of micro and small enterprises	*—*	*8,478*	*345*	*298*	*23*	*9,144*
Total outstanding dues of creditors other than micro and small enterprises	*6,911*	*46,921*	*108*	*58*	*575*	*54,573*
Disputed dues of micro and small enterprises	—	—	—	—	—	—
Disputed dues of creditors other than micro and small enterprises	—	—	—	—	*52*	*52*
Total	*6,911*	*55,399*	*453*	*356*	*650*	*63,769*

	As at March 31, 2023	*As at March 31, 2022*
18. OTHER CURRENT LIABILITIES		
Statutory dues payable*	63,258	*62,671*
Contract liabilities – Advances from customers**	4,006	*4,335*
Advance from commission agents	250	*250*
Total	**67,514**	*67,256*

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

**Revenue recognised from amounts included in contract liabilities at the beginning of the year is Rs. 3,489 Lakhs (March 31, 2022: Rs. 2,209 Lakhs)

Notes to standalone Financial Statements contd.

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

	March 31, 2023	March 31, 2022
19. REVENUE FROM CONTRACTS WITH CUSTOMERS (INCLUDING EXCISE DUTY)		
Revenue from operations		
Sale of products (including excise duty)	16,43,709	*12,85,718*
Sale of services	3,763	*2,775*
Other operating revenues	16,816	*23,248*
Total	**16,64,288**	*13,11,741*
(a) Disaggregated revenue information		
Sale of products (including excise duty)		
Beer	16,20,413	*12,73,211*
Non-alcoholic beverages	994	*2,988*
Others (Input materials)	22,302	*9,519*
	16,43,709	*12,85,718*
Sale of services	3,763	*2,775*
Royalty income	**3,763**	*2,775*
Other operating revenues		
Income from contract manufacturing units	3,498	*13,835*
Scrap sales	12,406	*9,100*
Others	912	*313*
	16,816	*23,248*
(b) Timing of revenue recognition		
Products transferred at a point in time	16,57,027	*12,95,131*
Services rendered at a point in time	7,261	*16,610*
	16,64,288	*13,11,741*
(c) Reconciliation of amount of revenue recognised with contract price		
Revenue as per contracted price	17,32,889	*13,59,036*
Adjustments (Variable consideration, etc.)	(68,601)	*(47,295)*
Revenue from contracts with customers	**16,64,288**	*13,11,741*

(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, 2023 is adjusted for reversals in variable consideration of Rs. 1,975 Lakhs (March 31, 2022: Rs. 753 Lakhs).

(f) Also refer Note 10 for Trade receivables, Note 18 for Contract liabilities and Note 35 for Segment information.

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

	March 31, 2023	March 31, 2022
20. OTHER INCOME		
Interest income on bank and other deposits	3,312	1,499
Dividend income on investment in subsidiary company	23	23
Net gain on disposal of property, plant and equipment	133	11
Profit on sale of investments classified as fair value through profit or loss	—	54
Exchange differences (net)	328	352
Liabilities no longer required written back	297	479
Loss allowance for trade receivables, no longer required written back	4	217
Other non-operating income	830	331
Total	**4,927**	2,966
21. COST OF MATERIALS CONSUMED		
Raw materials		
Inventories at the beginning of the year	15,894	25,453
Add: Purchases	1,90,450	82,416
Less: Inventories at the end of the year	46,957	15,894
Consumption	**1,59,387**	91,975
Packing materials and bottles		
Inventories at the beginning of the year	16,543	16,252
Add: Purchases	2,67,523	1,79,710
Less: Inventories at the end of the year	20,132	16,543
Consumption	**2,63,934**	1,79,419
Total	**4,23,321**	2,71,394
22. PURCHASES OF STOCK-IN-TRADE		
Beer	8,682	18,501
Non-alcoholic beverages	565	1,081
	9,247	19,582
23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the beginning of the year		
Finished goods*	20,577	28,675
Work-in-progress	36,088	39,560
Stock-in-trade	231	457
	56,896	68,692
Less: Inventories at the end of the year		
Finished goods*	30,647	20,577
Work-in-progress	37,867	36,088
Stock-in-trade	342	231
	68,856	56,896
Decrease/(increase) in inventories	**(11,960)**	11,796
(Increase)/decrease in excise duty on inventories	**6,820**	(9,507)
Total	**(5,140)**	2,289

*Before provision for obsolete stock. Refer Note 9.

Notes to standalone Financial Statements contd.

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

	March 31, 2023	March 31, 2022
24. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus**	34,068	32,736
Gratuity expense [refer note (i) below]	833	860
Contribution to provident and other funds [refer notes (i) and (ii) below]	1,918	1,835
Staff welfare expenses	3,957	2,948
Total	**40,776**	38,379
24a. CONTRACT EMPLOYEE EXPENSE		
Contract employee expense	18,368	13,557
	18,368	13,557

** Employee benefits expense for the year ended March 31, 2022 and March 31, 2023 includes severance pay of Rs. 1,748 Lakhs and Rs. 409 Lakhs respectively, paid/payable to certain employees of the Company on separation.

(i) The Company operates two defined benefit plans i.e., gratuity and provident fund for its employees. Under the tiered gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure as per the Company policy subject to minimum of 15 days of last drawn salary for each completed year of service. The gratuity fund is managed by external agencies. Under the provident fund benefit plan, till Decmeber 31, 2021 the Company contributed to the provident fund trust which guaranteed a specified rate of return on such contributions on a periodical basis as per the government notification. The shortfall in the return, if any, was 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. Effective January 1, 2022, the provident fund trust has transferred the funds to the Regional Provident Fund (RPFC). Henceforth the provident fund and returns on the contribution would be managed by the RPFC and the Company's obligation is restricted to payment of the contribution made by employees and the employer's contribution on a monthly basis. As such, effective January 1, 2022 the provident fund benefit is a defined contribution plan. The following table summarises the components of net benefits expense and the funded status of the respective plans.

	Gratuity		Provident fund	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
(a) Changes in the present value of the defined benefit obligation				
Obligations at beginning of the year	10,249	10,401	—	19,060
Current service cost - employer contribution	801	851	—	673
Employee contribution	—	—	—	1,139
Interest cost	635	615	—	286
Benefits paid**	(1,529)	(1,572)	—	(21,158)
Actuarial (gain)/loss	(845)	(46)	—	—
Obligations at end of the year	**9,311**	10,249	**—**	—
(b) Change in fair value of plan assets				
Plan assets at the beginning of the year	9,308	9,241	—	18,795
Return on plan assets	603	606	—	551
Contributions during the year*	900	1,000	—	1,812
Benefits paid**	(1,529)	(1,572)	—	(21,158)
Actuarial gain/(loss)	(388)	33	—	—
Plan assets at end of the year	**8,894**	9,308	**—**	—

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

**Provident fund benefits paid during the year ended March 31, 2023 includes Rs. Nil (March 31, 2022: Rs.17,002) transferred to the Employee's Provident Fund Organisation, Government of India on surrender of exempted Provident Fund Trust.

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

	Gratuity		Provident fund	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
(c) Benefit asset/(liability)				
Fair value of plan assets	8,894	*9,308*	—	—
Less: Present value of the defined benefit obligations	9,311	*10,249*	—	—
Benefit asset/(liability)	**(417)**	*(941)*	**—**	—
(d) Cost charged to the Statement of Profit and Loss under employee cost				
Current service cost - employer contribution	801	*851*	—	*673*
Interest cost	635	*615*	—	*286*
Return on plan assets	(603)	*(606)*	—	*(551)*
Net employee benefit expense***	**833**	*860*	**—**	*408*

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

	Gratuity		Provident fund	
(e) Re-measurement (gain)/loss recognised in other comprehensive income				
Actuarial (gain)/loss				
Change in financial assumption	(1,204)	*(437)*	—	—
Experience variance (actual vs assumption)	360	*390*	—	—
Return on plan assets (excluding amount recognised in net interest expense)	387	*(33)*	—	—
Net actuarial (gain)/loss	**(457)**	*(80)*	**—**	—
(f) Major category of plan assets included in percentage of fair value of plan assets				
Government securities	—	—	—	—
Corporate bonds	—	—	—	—
Fund balance with insurance companies	8,894	*9,308*	—	—
Others	—	—	—	—
Total	**8,894**	*9,308*	**—**	**—**

(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, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
Discount rate	7.10%	*6.70%*	—	—
Salary increase rate	9.00%	*8.00%–10.50%*	—	—
Employee turnover	4.73%–15.88%	*5.00%–15.00%*	—	—
Expected return on exempt fund	Not applicable		—	—
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	—	—

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

Notes to standalone Financial Statements contd.

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

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

	March 31, 2023		March 31, 2022	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (Gratuity) – Increase/(decrease) in liability				
Discount rate	(565)	634	(704)	799
Salary increase rate	647	(587)	787	(705)
Employee turnover	(65)	71	(148)	161
Impact on defined benefit obligation (Provident fund) – Increase/(decrease) in liability				
Expected return on exempt fund	—	—	—	—

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. Nil (March 31, 2022: Rs. 500 Lakhs) to gratuity fund during the next financial year. The maturity profile of the undiscounted benefit payments under the defined benefit plans in future years is a under:

	Gratuity		Provident fund	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Within next 12 months	744	691	—	—
Between 2 to 5 years	4,506	4,683	—	—
Between 5 to 10 years	7,523	7,431	—	—
Total	**12,773**	12,805	**—**	—

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

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

	March 31, 2023	March 31, 2022
Provident fund (includes defined benefit obligation)	1,541	1,225
Superannuation fund	152	586
National Pension Scheme	210	—
Employees state insurance fund	15	24
Total	**1,918**	1,835

(iii) **Compensated absences**

Acturial valuation is based on the assumption that the employee can either avail and/or encash his accumulated balance in future years after allowing for inflation in employee salary. Present value of Defined Benefit Obligation is calculated by projecting future benefit considering salaries, exits due to death, resignation, and other decrements, if any, using assumed rates of salary escalation, mortality, availment and employee turnover rates. The estimated term of the benefit obligation works out to 7 years. For the current valuation a discount rate of 7.10% per annum (March 31, 2022: 6.70% per annum) compound has been used.

Notes to standalone Financial Statements contd.

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

	March 31, 2023	March 31, 2022
25. FINANCE COSTS		
Interest expense (including on lease liabilities – refer note 31)	443	*1,464*
Other borrowing costs	21	*14*
Total	**464**	*1,478*
26. DEPRECIATION AND AMORTISATION EXPENSE		
(refer note 3)		
Depreciation of property, plant and equipment (including right-of-use assets)	20,617	*21,163*
Amortisation of intangible assets	415	*528*
Total	**21,032**	*21,691*

	March 31, 2023		March 31, 2022	
27. OTHER EXPENSES				
Consumption of stores and spares		16,274		*11,229*
Power and fuel		21,934		*14,202*
Rent		2,782		*3,939*
Repairs and maintenance				
Plant and machinery		6,114		*4,444*
Buildings		536		*225*
Others		2,624		*2,060*
Insurance		2,157		*2,324*
Rates and taxes		36,121		*30,854*
Legal and professional charges		5,357		*6,379*
Auditor's remuneration*				
Statutory audit fee	223		*148*	
Limited review fee**	38		*29*	
Tax audit fee	24		*19*	
Certifications	21		*5*	
Other audit related services**	124		*99*	
Others**	13	443	*23*	*323*
Sales promotion expenses		30,893		*27,606*
Outward freight, halting and breakage expenses		41,487		*30,246*
Distribution expenses		16,065		*16,490*
CSR expenditure (refer details below)		782		*1,080*
Bad debts/advances written off		—		*301*
Loss allowance for trade receivables		818		*1,720*
Provision for doubtful advances/deposits		181		*620*
Miscellaneous expenses		16,605		*14,458*
Total		**2,01,173**		*1,68,500*

*Includes goods and service tax and reimbursement of expenses. Previous year's fee pertains to erstwhile auditor.

**Includes fees paid to erstwhile auditors amounting to Rs.14 Lakhs towards limited review, Rs.36 Lakhs towards Group reporting and Rs.1 Lac towards reimbursement of expenses.

Notes to standalone Financial Statements contd.

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

27. OTHER EXPENSES (contd.)

	March 31, 2023	March 31, 2022
Details of CSR expenditure		
(a) Gross amount required to be spent by the Company during the year	782	1,080
(b) Amount approved by the Board to be spent during the year	782	1,080
(c) Amount spent during the year		
Construction/acquisition of any asset	—	—
Other than construction/acquisition of any asset	782	736
Total	**782**	736
(d) Details related to spent/unspent obligations		
Amount spent during the year*	782	736
Unspent amount in relation to ongoing project	141	344
Unspent amount in relation to other than ongoing project	—	—
Total	**923**	1,080
(e) Details of ongoing projects		
Balance at the beginning of the year (with the Company)**	345	47
Amount required to be spent during the year	782	1,080
Less: Amount spent during the year (from the Company's bank account)	782	736
Less: Amount spent during the year (from unspent CSR account)	204	46
Balance at the end of the year (with the Company)	**141**	345

* CSR spents is towards projects of water conservation and recharge, safe drinking water, women empowerment and responsible consumption of alcohol.

**Balance at the beginning of the year (i.e.,as at April 1, 2022) was transferred to a separate unspent CSR account during the year.

28. EXCEPTIONAL ITEMS

	March 31, 2023	March 31, 2022
Impairment (loss) on property, plant and equipment (refer note 41)	(3,312)	—
Total	**(3,312)**	—

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	March 31, 2023	March 31, 2022
29. TAX EXPENSES		
Income tax related to items charged or credited to the Statement of Profit and Loss during the year:		
Statement of Profit and Loss		
Current tax*	11,967	13,159
Deferred tax (credit)	(768)	(371)
Total	**11,199**	12,788
Other comprehensive income		
Deferred tax charge on		
Re-measurement of defined benefit plans	115	20
Total	**115**	20
Reconciliation of tax expense with accounting profit multiplied by statutory income tax rate:		
Accounting profit before income tax	**41,545**	49,289
Tax as per statutory income tax rate of 25.17% (Previous year: 25.17%)	10,457	12,406
Non-deductible expenses for tax purposes		
CSR expenditure	197	272
Others*	545	110
Income tax expense reported in Statement of Profit and Loss account	**11,199**	12,788

* Includes income tax paid against earlier years amounting to Rs.485 Lakhs

30. EARNINGS PER SHARE (EPS)

	March 31, 2023	March 31, 2022
The following reflects the profit and share data used in the basic and diluted EPS computation:		
Net profit attributable to equity shareholders	30,346	36,501
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.)	**11.48**	13.81

31. LEASES

The Company has lease contracts for land, office premises, employee residential premises, computers, plant and 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.

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

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 and the movements during the year:

	March 31, 2023	March 31, 2022
At the beginning of the year	974	1,180
Additions	1,586	286
Accretion of interest	92	91
Payments (including interest)	(1,090)	(583)
At the end of the year	**1,562**	974
Current	488	368
Non-current	1,074	606
Total	**1,562**	974

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 38(c). The following are the amounts recognised in the statement of profit and loss:

Depreciation expense of right-of-use assets (refer note 3)	692	719
Interest expense on lease liabilities	92	91
Expense relating to short-term leases (included in rent expense)	2,449	3,760
Expense relating to leases of low-value assets (included in rent expense)	333	179
Total amount recognised in the Statement of Profit and Loss	**3,566**	4,749

The Company had total cash outflows for leases of Rs. 3,872 Lakhs (Previous year: Rs. 4,522 Lakhs) for the year ended March 31, 2023. The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 1,586 Lakhs (Previous year: Rs. 286 Lakhs) during the year ended March 31, 2023. 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. Nil (Previous Year: Rs. 151 Lakhs). There are no termination options which are expected to be exercised but not included in lease term.

32. CAPITAL AND OTHER COMMITMENTS

(a) Estimated amount of contracts remaining to be executed (net of capital advances) on capital account and not provided for	9,365	6,507
(b) Commitments under contracts for malt conversion	—	1,404
(c) Commitments under power purchase agreements	6,263	6,706
(d) Other contractual commitments	4,598	1,949
Total	**20,226**	16,566

For commitments relating to lease arrangements, refer Note 31.

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33. CONTINGENT LIABILITIES

(a) The Company received an order dated September 24, 2021 under Section 27 of the Competition Act, 2002 from the Competition Commission of India ("CCI") ('the CCI Order'), wherein the CCI concluded that the Company and certain executives (including former executives) of the Company contravened the provisions of Section 3 of the Competition Act, 2002. The CCI levied a penalty of Rs. 75,183 Lakhs on the Company. On December 8, 2021, the Company filed an appeal against the aforesaid CCI Order before the National Company Law Appellate Tribunal ('NCLAT'). The NCLAT vide its order dated December 22, 2021 granted a stay of the CCI Order during the pendency of the appeal, including recovery of the penalty imposed by the CCI, subject to deposit of 10% of the penalty amount by the Company. The Company has accordingly deposited Rs. 7,518 Lakhs in the form of Fixed Deposit Receipt (FDR) with the Registrar, NCLAT which is presented under "Other non-current assets". The FDR was valid till December 24, 2022 and as per NCLAT order dated December 8, 2022 the FDR aggregating to Rs7,793 Lakhs was renewed for another period of six months. On December 23, 2022 NCLAT passed its judgment and dismissed the appeals filed by the Company and other appellants. The Company has filed appeal against NCLAT order dated December 23, 2022 before the Supreme Court of India on January 30, 2023 under Section 53T of the Competition Act, 2002. On February 17, 2023, after hearing the arguments of the counsel for the Company and the CCI, the Supreme Court admitted the appeal and stayed the NCLAT Order (and consequently, the CCI Order and the recovery proceeding initiated by the CCI), subject to a deposit of additional 10% of the total penalty amount, over and above the amount already deposited by way of the First FDR before the Registrar, NCLAT. The Company has accordingly deposited Rs. 7,518 Lakhs in the form of FDR with the Registrar, NCLAT which is presented under "Other non-current assets" in all aggregating to Rs. 15,311 Lakhs.

Based on the advice of the external legal experts, the Company is of the view that the Director General, the CCI and the NCLAT has not considered all aspects of its submissions particularly considering the nature of the regulations governing the manufacture, distribution and sale of beer in India. As advised by the Company's external legal experts, the Company has a strong case on merits, there exists uncertainty relating to the final outcome in this matter, which is dependent on judicial proceedings; and that it is not in a position to reliably estimate the final obligation relating to penalties, if any. Accordingly, no provision has been recorded in the books of account and the same has been considered as a contingent liability in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.

(b) On January 5, 2022, a party has filed a claim of Rs. 2,877 Lakhs against the Company before the Arbitral Tribunal, which includes claims towards loss of profit, certain reimbursement claims and damages towards breach of contract, etc. On February 12, 2022, the Company filed a counter claim against the party before the Arbitral Tribunal, which includes claim towards loss of business and other recoverables. Management based on a legal opinion, believes that the claims made by the party are not sustainable and no liability would arise from the same. Accordingly, no liability/provision is recognised in this regard.

	March 31, 2023	March 31, 2022
(c) Others		
Claims against the Company not acknowledged as debts^		
Income tax	82,361	*77,959*
Excise duty	15,906	*14,845*
Sales tax	37,586	*11,410*
Service tax	2,631	*2,599*
Water charges	3,414	*3,271*
Employee state insurance/provident fund	92	*104*
Others	8,604	*9,941*
Other money for which the Company is contingently liable		
Bank guarantees	2,024	*1,891*
Total	**1,52,618**	*1,22,020*

Notes to standalone Financial Statements contd.

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

^The Company is contesting these demands / notices and the management, based on advice of its legal/tax consultants, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the standalone 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. The amounts disclosed as contingent liabilities above are based on the demands stated in the orders /notices received from the tax authorities. These do not include amounts for similar matters for periods subsequent to periods covered by these demands / notices and interest or penalty which are not included in these demands / notices.

In addition, the Company 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 Company's results of operations or financial condition.

(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 Component has complied with the aforesaid judgement on a prospective basis from the date of the judgement and will continue to monitor and evaluate retrospective application, if applicable, based on future events and developments.

	March 31, 2023	*March 31, 2022*
34. Details of dues of 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	8,746	*8,353*
- Interest due on above	68	*791*
Total	**8,814**	*9,144*
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	—	*150*
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	207	*192*
The amount of interest accrued and remaining unpaid at the end of each accounting year	783	*791*
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	—	*—*

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.

35. 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, 2023	March 31, 2022
Segment revenue		
Beer	16,63,294	13,08,753
Non-alcoholic beverages	994	2,988
Total revenue	**16,64,288**	13,11,741
Segment results		
Beer	75,839	83,938
Non-alcoholic beverages	(3,734)	(6,510)
Total segment results	**72,105**	77,428
Other income	4,927	2,966
Finance costs	(464)	(1,478)
Other unallocable expenses	(31,711)	(29,627)
Profit before exceptional items and tax	**44,857**	49,289
Exceptional items (refer Note 28)	(3,312)	—
Profit before tax	**41,545**	49,289
Information about geographical areas is as below:		
Revenue from external customers (including excise duty)		
India	16,47,078	12,96,041
Outside India	17,210	15,700
Total	**16,64,288**	13,11,741
The above information is based on the location of customers.		
Non-current operating assets		
India	1,92,020	2,01,465
Outside India	—	—
Total	**1,92,020**	2,01,465

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. 5,76,233 Lakhs (Previous year: Rs. 4,38,084 Lakhs) from 2 customers (Previous year: 2 customers).

Notes to standalone Financial Statements contd.

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

36. RELATED PARTY DISCLOSURES

A. Name of related parties and related party relationships

Related party where control or significant influence exists:

Ultimate holding company	: Heineken N.V. (effective July 29, 2021)
Subsidiary	Maltex Malsters Limited ('MML')
Associate	: Kingfisher East Bengal Football Team Private Limited ('KEBFTPL')

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

Enterprises having significant influence	: Scottish & Newcastle India Limited, UK ('SNIL') Heineken International B.V. ('HIBV') (effective June 23, 2021)
Key management personnel (KMP)	: Mr. Rishi Pardal, Managing Director Mr. Berend Cornelis Roelof Odink, Director and Chief Financial Officer (Director effective June 29, 2021 and till August 14, 2022)* Mr. Radovan Sikorsky, Director and Chief Financial Officer (effective August 15, 2022)**

*During the year ended March 31, 2022, the Company appointed Mr. Berend Cornelis Roelof Odink, a Non-resident as whole-time director of the Company. The Company has filed an application with the Central Government seeking approval for appointment of Mr. Berend Cornelis Roelof Odink as a director, as per Rule 7 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the same is presently awaited. The Company obtained shareholders' approval in this regard at the Annual General Meeting of the Company held on July 29, 2021.

**During the year ended March 31, 2023, the Company appointed Mr. Radovan Sikorsky, a Non-resident as whole-time director of the Company. The Company has filed an application with the Central Government seeking approval for appointment of Mr. Radovan Sikorsky as a Director, as per Rule 7 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the same is presently awaited. The Company obtained shareholders' approval by way of postal ballot vide notice dated July 27, 2022.

Enterprises over which investing parties have significant influence/Fellow subsidiaries (effective July 29, 2021)	: Heineken UK Limited ('HUL'), holding company of SNIL Heineken International B.V. ('HIBV') (till June 22, 2021) 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') Heineken Ceska Republika ('HCR') Heineken Management (Shanghai) Co (HMS) Amstel Brouwerijen B.V. ('Amstel') Heineken Global Procurement B.V (HGP) DB Breweries Limited ('DBL') DBG (Australia) Pty Limited ('DBG') Sirocco FZCO, United Arab Emirates ('SIRC') Asia Pacific Breweries (Singapore) Pte. Ltd. ('APBS') IBECOR SA (IBE)

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

Employee benefits trusts (included in 'Others' below)	: UBL Gratuity Fund Trust United Breweries Limited Provident Fund Trust ("UBL Provident Fund Trust")** United Breweries Superannuation Fund ("UBL Superannuation Fund")

**During the year ended March 31, 2022, the Company has surrendered the trust to the Employees Provident Fund Organisation, Government of India.

Additional related parties as per the Companies Act, 2013 with whom transactions have taken place

Directors	: Mr. A K Ravi Nedungadi (till July 29, 2021) Mr. Stephan Gerlich (till June 13, 2022) Mrs. Kiran Majumdar Shaw Mr. Madhav Bhatkuly (till March 1, 2023) Mr. Sunil Alagh (till June 13, 2022) Mr. Christiaan August J Van Steenbergen Mr. Jan Cornelis Van Der Linden (effective June 1, 2020) Mr. Manu Anand (effective May 29, 2022) Ms. Geetu Gidwani Verma (effective May 29,2022) Mr. Anand Kripalu (effective February 22, 2023)

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. Effective July 29,2021, Mr.Vijay Mallya is not a related party.

Key management personnel (KMP):	: Mr. Govind Iyengar, Senior Vice-President Legal and Company Secretary (till December 31, 2022) Mr. Amit Khera, Company Secretary (effective March 15, 2023)

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

B. Transactions with related parties during the year along with balances as at year end:

	Subsidiary		Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties have significant influence/ Fellow subsidiaries		Others	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
Transactions during the year												
Sale of products (net)												
MML	1	–	–	–	–	–	–	–	–	–	–	–
SIRC	–	–	–	–	–	–	–	–	11,561	11,826	–	–
APBS	–	–	–	–	–	–	–	–	457	392	–	–
IBE	–	–	–	–	–	–	–	–	8	–	–	–
	1	–	**–**	–	**–**	–	**–**	–	**12,026**	12,218	**–**	–
Royalty income												
APBS	–	–	–	–	–	–	–	–	2,692	1,760	–	–
DBL	–	–	–	–	–	–	–	–	471	542	–	–
DBG	–	–	–	–	–	–	–	–	125	101	–	–
	–	–	**–**	–	**–**	–	**–**	–	**3,288**	2,403	**–**	–
Purchase of materials												
HAPBPL	–	–	–	–	–	–	–	–	324	1,201	–	–
HSCBV	–	–	–	–	–	–	–	–	23	5	–	–
	–	–	**–**	–	**–**	–	**–**	–	**347**	1,206	**–**	–
Processing charges paid												
MML	887	697	–	–	–	–	–	–	–	–	–	–
	887	697	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Technical service fees												
HIBV	–	–	–	–	–	600	–	–	–	–	–	–
	–	–	**–**	–	**–**	600	**–**	–	**–**	–	**–**	–
Royalty paid												
HBBV	–	–	–	–	–	–	–	–	628	395	–	–
Amstel	–	–	–	–	–	–	–	–	259	217	–	–
	–	–	**–**	–	**–**	–	**–**	–	**886**	612	**–**	–

Notes to standalone Financial Statements contd.

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

	Subsidiary		Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties have significant influence/ Fellow subsidiaries		Others	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
Consultancy fees paid												
HSCBV	–	–	–	–	–	–	–	–	113	*131*	–	–
HIBV	–	–	–	–	2,687	*361*	–	–	–	–	–	–
HGP	–	–	–	–	–	–	–	–	128	–	–	–
	–	–	**–**	–	**2,687**	*361*	**–**	–	**241**	*131*	**–**	–
Reimbursements received												
MML	–	–	–	–	–	–	–	–	–	–	–	–
HMS	–	–	–	–	–	–	–	–	17	–	–	–
HIBV	–	–	–	–	–	99	–	–	–	–	–	–
	–	–	**–**	–	**–**	99	**–**	–	**17**	–	**–**	–
Reimbursements paid												
HAPPL	–	–	–	–	–	–	–	–	185	–	–	–
HIBV	–	–	–	–	1,003	352	–	–	–	–	–	–
	–	–	**–**	–	**1,003**	352	**–**	–	**185**	–	**–**	–
Remuneration paid [Refer (b) below]												
Mr. Rishi Pardal	–	–	–	–	–	–	1,028	*1,024*	–	–	–	–
Mr. Berend Cornelis Roelof Odink	–	–	–	–	–	–	181	*431*	–	–	–	–
Mr. Radovan Sikorsky	–	–	–	–	–	–	417	–	–	–	–	–
Mr. Shekhar Ramamurthy	–	–	–	–	–	–	–	*214*	–	–	–	–
Mr. Govind Iyengar	–	–	–	–	–	–	556	*244*	–	–	–	–
Mr. Amit Khera	–	–	–	–	–	–	9	–	–	–	–	–
	–	–	**–**	–	**–**	–	**2,191**	*1,913*	**–**	–	**–**	–
Sitting fee paid												
Mr. A K Ravi Nedungadi	–	–	–	–	–	–	–	*8*	–	–	–	–
Mr. Stephan Gerlich	–	–	–	–	–	–	2	*12*	–	–	–	–
Mrs. Kiran Majumdar Shaw	–	–	–	–	–	–	1	*12*	–	–	–	–
Mr. Madhav Bhatkuly	–	–	–	–	–	–	3	*16*	–	–	–	–
Mr. Sunil Alagh	–	–	–	–	–	–	3	*18*	–	–	–	–
Mr. Christiaan August J Van Steenbergen	–	–	–	–	–	–	2	*14*	–	–	–	–
Mr. Jan Cornelis Van Der Linden	–	–	–	–	–	–	2	*11*	–	–	–	–
	–	–	–	–	–	–	**12**	*91*	–	–	–	–

Notes to standalone Financial Statements contd.

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

	Subsidiary		Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties have significant influence/ Fellow subsidiaries		Others	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
Director Commission accrued*												
Mr. A K Ravi Nedungadi	–	–	–	–	–	–	–	28	–	–	–	–
Mr. Stephan Gerlich	–	–	–	–	–	–	14	99	–	–	–	–
Mrs. Kiran Majumdar Shaw	–	–	–	–	–	–	75	99	–	–	–	–
Mr. Madhav Bhatkuly	–	–	–	–	–	–	76	99	–	–	–	–
Mr. Sunil Alagh	–	–	–	–	–	–	17	99	–	–	–	–
Mr. Manu Anand	–	–	–	–	–	–	69	–	–	–	–	–
Ms. Geetu Gidwani Verma	–	–	–	–	–	–	76	–	–	–	–	–
Mr. Anand Kripalu	–	–	–	–	–	–	4	–	–	–	–	–
	–	–	**–**	–	**–**	–	**332**	424	**–**	–	**–**	–
Dividend accrued/paid on equity shares												
SNIL	–	–	–	–	9,450	450	–	–	–	–	–	–
HIBV	–	–	–	–	6,738	321	–	–	–	–	–	–
HUL	–	–	–	–	–	–	–	–	891	42	–	–
	–	–	**–**	–	**16,188**	771	**–**	–	**891**	42	**–**	–
Dividend received												
MML	23	23	–	–	–	–	–	–	–	–	–	–
	23	23	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Purchase of investments												
UBL Provident Fund Trust	–	–	–	–	–	–	–	–	–	–	–	49
	–	–	–	–	–	–	–	–	–	–	–	49
Contributions made												
UBL Gratuity Fund Trust	–	–	–	–	–	–	–	–	–	–	900	1,000
UBL Provident Fund Trust**	–	–	–	–	–	–	–	–	–	–	–	1,812
UBL Superannuation Fund	–	–	–	–	–	–	–	–	–	–	152	586
	–	–	–	–	–	–	–	–	–	–	**1,052**	3,398

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

**Includes both employer and employee contributions to the fund.

Notes to standalone Financial Statements contd.

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

	Subsidiary		Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties have significant influence/ Fellow subsidiaries		Others	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
Balances outstanding as at year end												
Investment in equity shares												
MML	4,500	*4,500*	–	–	–	–	–	–	–	–	–	–
KEBFTPL	–	–	1	*1*	–	–	–	–	–	–	–	–
	4,500	*4,500*	**1**	*1*	**–**	–	**–**	–	**–**	–	**–**	–
Provision for diminution in value of investments												
MML	3,735	*3,735*	–	–	–	–	–	–	–	–	–	–
	3,735	*3,735*	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Trade receivables												
SIRC	–	–	–	–	–	–	–	–	640	*1,994*	–	–
APBS	–	–	–	–	–	–	–	–	1,494	*999*	–	–
DBL	–	–	–	–	–	–	–	–	128	*125*	–	–
HIBV	–	–	–	–	–	*99*	–	–	–	–	–	–
DBG	–	–	–	–	–	–	–	–	31	*30*	–	–
IBE	–	–	–	–	–	–	–	–	8	–	–	–
	–	–	**–**	–	**–**	*99*	**–**	–	**2,300**	*3,148*	**–**	–
Trade payables												
HGP	–	–	–	–	–	–	–	–	93	–	–	–
HIBV	–	–	–	–	1,200	*888*	–	–	–	–	–	–
HBBV	–	–	–	–	–	–	–	–	124	*116*	–	–
Amstel	–	–	–	–	–	–	–	–	28	*58*	–	–
HSCBV	–	–	–	–	–	–	–	–	20	*33*	–	–
HAPBPL	–	–	–	–	–	–	–	–	31	*205*	–	–
MML	128	*39*	–	–	–	–	–	–	–	–	–	–
HAPPL	–	–	–	–	–	–	–	–	57	–	–	–
	128	*39*	**–**	–	**1,200**	*888*	**–**	–	**352**	*412*	**–**	–

Notes to standalone Financial Statements contd.

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

	Subsidiary		Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties have significant influence/ Fellow subsidiaries		Others	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Other Payables												
Mr. A K Ravi Nedungadi	–	–	–	–	–	–	–	26	–	–	–	–
Ms. Geetu Gidwani Verma	–	–	–	–	–	–	50	–	–	–	–	–
Mr. Manu Anand	–	–	–	–	–	–	62	–	–	–	–	–
Mr. Anand Kripalu	–	–	–	–	–	–	4	–	–	–	–	–
Mr. Stephan Gerlich	–	–	–	–	–	–	12	65	–	–	–	–
Mrs. Kiran Majumdar Shaw	–	–	–	–	–	–	68	92	–	–	–	–
Mr. Madhav Bhatkuly	–	–	–	–	–	–	50	91	–	–	–	–
Mr. Sunil Alagh	–	–	–	–	–	–	16	91	–	–	–	–
Mr. Christiaan August J Van Steenbergen	–	–	–	–	–	–	7	1	–	–	–	–
Mr. Jan Cornelis Van Der Linden	–	–	–	–	–	–	4	–	–	–	–	–
	–	–	**–**	–	**–**	–	**272**	366	**–**	–	**–**	–

(a) Property, plant and equipment with gross block of Rs. 343 Lakhs (Previous year: Rs. 343 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 orders 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 certain other shareholders without its prior permission; accordingly, the Company has withheld payment of Rs. 3,812 Lakhs (net of taxes) relating to dividend on aforesaid shares, which was part of unpaid dividend mentioned in note 15. Further, the Company had received various orders from tax and provident fund authorities prohibiting the Company from making any payment to an erstwhile director; accordingly the Company has 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.

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

37. FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

All assets and liabilities for which fair value is measured or disclosed in the standalone 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, 2023				
Financial assets measured at fair value through profit or loss				
Investments in equity instruments	539	—	—	539
Financial assets measured at fair value through other comprehensive income				
Investments in debt instruments	262	196	66	—
Financial assets measured at cost less impairment				
Investments in subsidiary and associate	766	—	—	766
As at March 31, 2022				
Financial assets measured at fair value through profit or loss				
Investments in equity instruments	553	—	—	553
Financial assets measured at fair value through other comprehensive income				
Investments in debt instruments	278	212	66	—
Financial assets measured at cost less impairment				
Investments in subsidiary and associate	766	—	—	766

There has been no transfers between levels during the year.

Considering that the amounts involved for investment in equity instruments are not significant, fair value fluctuations are not expected to be material and hence no further disclosure has been made. The fair values of investment in quoted debt instruments are based on price quotations and available market information at the reporting date are classified as Level 1.

The fair value of investment in subsidiary for the purpose of impairment assessment is determined based on fair valuation of the underlying assets. The key assumptions used in the valuation includes marketability discount of 10% and cost to sell of 2%. The sensitivity of 5% increase/(decrease) in the marketability discount and cost of sell would have an immaterial impact on the valuation.

The management assessed that the carrying values of trade and other receivables, cash and short-term deposits, other assets, borrowings, trade and other payables and balances with related parties, based on their notional amounts, reasonably approximate their fair values because these instruments have short-term maturities.

38. 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 and security deposits 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.

Notes to standalone Financial Statements contd.

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

The risk management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises of 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 and trade payables.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	March 31, 2023		*March 31, 2022*	
	1% increase	1% decrease	*1% increase*	*1% decrease*
Impact on profit before tax	—	—	—	—

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 did not hedge any exposure as at March 31, 2023 and March 31, 2022. The unhedged foreign currency exposure (gross amounts in Indian rupees lakhs) as at the reporting date is as below:

	As at March 31, 2023	*As at March 31, 2022*
Trade receivables	2,321	*3,326*
Advances to suppliers	491	*311*
Balance in exchange earners foreign currency bank accounts	1,267	*5,856*
Capital advances	226	*55*
Trade payables	2,600	*2,022*
Liability for capital goods	157	*724*

The following table demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant:

	March 31, 2023		*March 31, 2022*	
	1% increase	1% decrease	*1% increase*	*1% decrease*
Impact on profit before tax	15	(15)	*68*	*(68)*

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

iii. Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of Beer and therefore require a continuous supply of Barley. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

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

	March 31, 2023		*March 31, 2022*	
	1% increase	1% decrease	*1% increase*	*1% decrease*
Impact on profit before tax	(624)	624	*(271)*	*271*

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from trade/other receivables and investment in debt instruments. Other financial assets like security deposits and bank deposits are mostly with government authorities and nationalised banks and hence, the Company does not expect any significant credit risk with respect to these financial assets. With respect to trade receivables, significant portion (66% at March 31, 2023 and 68% as at March 31, 2022) 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, 2023	*March 31, 2022*
Balance at the beginning of the year	7,295	*5,792*
Provision recognised/(reversed) during the year, net	814	*1,503*
Balance at the end of the year	**8,109**	*7,295*

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 undiscounted maturity profile of the Company's financial liabilities:

	Maturities				Total
	Upto 1 year	1–2 years	2–3 years	>3 Years	
March 31, 2023					
Lease liabilities	594	465	365	386	1,810
Trade payables	71,639	—	—	—	71,639
Other financial liabilities	77,821	1,845	—	—	79,666
Total	**1,50,054**	**2,310**	**365**	**386**	**1,53,115**

Notes to standalone Financial Statements contd.

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

	Maturities				Total
	Upto 1 year	1–2 years	2–3 years	>3 Years	
March 31, 2022					
Lease liabilities	*432*	*236*	*120*	*367*	*1,155*
Trade payables	*63,769*	—	—	—	*63,769*
Other financial liabilities	*55,719*	*2,497*	—	—	*58,216*
Total	*1,19,920*	*2,733*	*120*	*367*	*1,23,140*

The Company has utilised the existing borrowing limits based on requirements and has unutilised borrowing limits at the year end which is available for utilisation.

39. 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, 2023	As at March 31, 2022
Lease liabilities	31	1,562	*974*
Less: Cash and cash equivalents	11	32,952	*86,238*
Less: Other bank balances (excluding unpaid dividend and unspent CSR amounts)	12	707	*665*
Net debt		—	—
Equity share capital	13	2,644	*2,644*
Other equity	14	3,93,482	*3,90,557*
Total capital		**3,96,126**	*3,93,201*
Gearing ratio		—	—

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 or previous year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

Notes to standalone Financial Statements contd.

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

39a. RATIOS AND IT'S ELEMENTS

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Change	Reason for variance exceeding 25% as compared to preceeding period
Current ratio	Current Assets	Current Liabilities	1.62	1.77	-9%	
Debt-Equity Ratio	Total Debt (Includes lease liabilities)	Shareholder's Equity	0.0039	0.0025	59%	Debt contains only lease liabilities recognised as per Ind AS 116. Increase is due to increase in long term leases entered during the financial year for leasing buildings and vehicles.
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	50.26	2.21	2172%	No debt has been availed during the current financial year and hence no interest payout, except for interest on lease liabilities calculated as per Ind AS 116.
Return on Equity ratio (%)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	7.69	9.72	-21%	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	11.38	9.87	15%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales – sales return	Average Trade Receivable	12.51	9.90	26%	Growth in Sales turnover, coupled with timely collections as compared to previous year.
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases – purchase return	Average Trade Payables	6.84	5.23	31%	Import of an unusually large quantity of Barley and Malt during second half of the year, resulted in increase in purchases and there by increase in trade payable turnover ratio.
Net Capital Turnover Ratio	Net sales = Total sales – sales return	Working capital = Current assets – Current liabilities	11.83	9.36	26%	Growth in Sales turnover compared to previous year resulted in an improvement in net capital turnover ratio.
Net Profit ratio (%)	Net Profit	Net sales = Total sales – sales return	1.82	2.78	-34%	Cost push and an unfavorable statemix resulted in lower than usual profits.
Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt – Deferred Tax Asset	11.47	13.06	-12%	
Return on Investment (%)	Interest Income + Dividend income	Average investment in Equity and debt securities and fixed deposits with banks	6.57	2.80	135%	Increase in interest income on account of surplus funds parked in short term deposits.

Notes to standalone Financial Statements contd.

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

40. The Bihar State Government ("the Government") vide its notification dated April 5, 2016 had imposed ban on trade and consumption of alcoholic beverages in the State of Bihar. The Company had filed a writ petition with the High Court at Patna, requesting remedies and compensation for losses incurred on account of such abrupt notification, which was allowed by Patna High Court and against which the Government preferred a special leave petition before the Supreme Court of India. Further, the Government did not renew brewery licenses for the financial year 2017-18 onwards and consequently the Company discontinued production of beer at Bihar. The matter is currently pending before the Supreme Court for final conclusion. During the financial year 2018-19, in order to maintain the assets in running condition, the Company commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment. The Company carried out an impairment assessment of its property, plant and equipment and the recoverable amount for these property, plant and equipment is determined by an external valuer based on a fair value less cost of disposal calculation. Effective May 1, 2022, the Company has closed its manufacturing operations from Bihar unit and has made alternative arrangement for manufacturing non-alcoholic beverages on contract basis with a third-party contractor, considering the economies of scale of operations for non-alcoholic beverages. The Company has received a show cause notice dated June 25, 2022 from Bihar Industrial Area Development Authority (BIADA) for cancellation of its land lease at Bihar considering non-operation of the manufacturing unit. The Company, based on legal advice, has filed its response to the said show-cause notice stating that there has been no violation of the BIADA Act and the notice to the Company is not maintainable. BIADA thereafter, issued another show cause notice dated November 2, 2022 to start production within 30 days failing which the allotment of land would be cancelled forfeiting the allotment money. The Company sought six months' time to commence production as per the Amnesty Scheme of BIADA. However, BIADA cancelled allotment of land to the Company vide order dated December 16, 2022 against which the Company has filed a writ before the High Court of Patna. The High Court vide order dated January 25, 2023 has directed to maintain status quo and also directed the Company to file undertaking that it will commence commercial production in the unit. The Company has filed undertaking in High Court that it will start commercial production in the unit with BIADA recalling the order of cancellation. Subsequently, on 08.02.2023 the High Court directed BIADA to take a policy decision to deal with the situation arising out of the action of BIADA in present petition and identical matters. The matter is pending in High Court.

The Management is planning to restart production of non-alcoholic beverages in the unit. As at March 31, 2023, the carrying value of property, plant and equipment at Bihar is Rs. 8,797 Lakhs (net of impairment). Recoverable value is determined based on the higher of value in use and fair value less cost of disposal. In determining the fair value less cost of disposal, the Company evaluated and concluded its right to transfer the leasehold land after considering contractual rights available to the Company under the BIADA Act.

41. The change in the operating models in the states of Tamil Nadu and Andhra Pradesh, has seen recent volumes decline in these states inter alia on account of the post integration review undertaken by Heineken. This resulted in lower cash inflows due to reduction in revenue, which triggered an impairment review being performed across property, plant and equipment of the breweries in the two states. As a result, the impacted assets were reviewed for impairment on an asset-by-asset basis and an impairment of Rs 3,312 Lakhs was recorded on the property, plant and equipment for the two states and presented as an exceptional item in the standalone financial statements. Management is reviewing opportunities to restore volumes in the states and, as such whilst there is no plan of restructuring as on date, potential risks of the Company incurring additional costs remain.

42. OTHER STATUTORY INFORMATION

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company has balances with the below mentioned company, struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956.

Name of the Company: M/s Maya Hotel Pvt. Limited

Nature of the transactions: Payables

Balance outstanding as on March 31, 2023: Rs.0.21

Relationship with struck off company: Not related as per Section 2(76) of the Companies Act 2013

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyod the statutory period, except for Rs. 50 Lakhs in relation to loan repaid in the past.

(iv) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other persons(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writing or otherwise, that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwsie) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company did not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income tax Act, 1961.

43. The Code on Social Security, 2020 ("the Code) which would impact the contributions by the Company towards Provident Fund and Gratuity, has received Presidential assent in September 2020. The Code have been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its standalone financial results in the period in which the Code becomes effective and the related rules are published.

44. The financial statements of the Company for the year ended March 31, 2022 were audited by S.R. Batliboi & Associates LLP, Chartered accountants, the predecessor auditor.

45. The comparative figures have been regrouped/reclassified, where necessary, to confirm to this year's classification.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Firm Registration Number: 008072S)

Gurvinder Singh
Partner

Place: Bengaluru
Date: May 04, 2023

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

Rishi Pardal
Managing Director
DIN: 02470061

Radovan Sikorsky
Director and Chief Financial Officer
DIN: 09684447

Manu Anand
Director
DIN: 00396716

Amit Khera
Company Secretary

Place: Bengaluru
Date May 04, 2023

INDEPENDENT AUDITOR'S REPORT

To The Members of United Breweries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of United Breweries Limited ("the Holding Company") and its subsidiary, (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and 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, and based on the consideration of report of the other auditor on separate financial statements of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matters

(a) As described in Note 41, the Company has evaluated the carrying value of the property, plant and equipment aggregating to INR 8,797 lakhs based on fair value less cost of disposal after considering its contractual rights under the BIADA Act, pending the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India.

(b) As described in Note 33 (a), the NCLAT dismissed the appeals filed by the Company and the appellants contesting Competition Commission of India (CCI) Order relating to contravention of Section 3 of the Competition Act and levy of penalty of Rs. 75,183 Lakhs. The Company filed an appeal against the NCLAT order before the Supreme Court of India on January 30, 2023. The Supreme Court issued an order on February 17, 2023 and granted stay on the recovery proceedings. The Management of the Company has represented that the Company has a strong case on merits supported by external legal advice. Pending outcome of the matter, the Company is not in position to reliably estimate, the obligation relating to penalties, if any. Accordingly, no provision has been recorded in the books of account and amount is disclosed as contingent liability.

Our opinion is not modified in respect of the 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Evaluation of provisions and contingencies towards taxes and other litigations** **(Refer Notes 2.1 (x), 8, 16 and 33 to the consolidated financial statements)** The Holding Company has material disputes with respect to direct tax, indirect tax and competition law matters which involves significant judgment to determine the possible outcome of these disputes. Therefore, we have considered these as a key audit matter.	**Principal Audit Procedures** Our audit procedures relating to the evaluation of the outcome of direct tax, indirect tax and competition law matters included the following, among others: (1) We have obtained an understanding of the processes with respect to (i) recognition of provision, (ii) disclosure of contingencies and (iii) ensuring completeness of litigations. (2) We have tested the effectiveness of controls over (i) recognition of provisions, (ii) disclosure of contingencies and (iii) ensuring completeness of litigations. (3) We read correspondences between the Holding Company and the various authorities and where applicable, the opinions from external advisors and evaluated the reasonableness of the estimate in relation to the possible outcome of the disputed matters based on applicable laws and judicial precedence by involving our internal specialists, as needed.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated 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 financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditor, to the extent it relates to this entity and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from its financial statements audited by the other auditor.
- 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 Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 financial 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 consolidated 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 the 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 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 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entity or business activities included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated 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 financial statements of the current period 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 of a subsidiary, whose financial statements reflect total assets of Rs. 1,161 Lakhs as at March 31, 2023, total revenues of Rs. 1,666 Lakhs and net cash inflows amounting to Rs. 12 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated 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 subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of the subsidiary referred to in the Other Matters section above we report, to the extent applicable that:

Independent Auditor's Report on the Consolidated Financial Statements contd.

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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's report of subsidiary company, incorporated in India, the remuneration paid by the Holding Company and such subsidiary company, to their respective directors during the year is in accordance with the provisions of Section 197 of the Act.

h) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 33 to the consolidated financial statements;

   ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   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 company, incorporated in India.

   iv) (a) The respective Managements of the Holding Company and its subsidiary, which is a company incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, respectively that, to the best of their knowledge and belief, as disclosed in the note 44 (v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary, which is a company incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, respectively that, to the best of their knowledge and belief, as disclosed in the note 44 (vi) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary, which is a company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Holding Company and its subsidiary, which is a company incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with Section 123 of the Act, as applicable.

As stated in note 14 to the consolidated financial statements, the Board of Directors of the Holding Company and its subsidiary, which is a company incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Holding Company and such subsidiary, at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with Section 123 of the Act, as applicable.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Holding Company and its subsidiary, which is a company incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditor of respective company included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

Name of the Company	CIN	Nature of relationship	Clause Numbers of CARO report with qualification of adverse remark
United Breweries Limited	L36999KA1999PLC025195	Holding Company	i(c)

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDET6983

Place: Bengaluru
Date: May 04, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements 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 financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Untied Breweries Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on "the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 auditor of the subsidiary company, which is a company incorporated in India, in terms of his report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, which is a company incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated 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 control with reference to consolidated 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 with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on "the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to a subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDET6983

Place: Bengaluru
Date: May 04, 2023

Consolidated Balance Sheet as at March 31, 2023

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

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment (including rights of use assets)	3(a)	1,83,235	1,89,008
Capital work-in-progress	3(b)	7,713	10,989
Intangible assets	4(a)	1,223	1,638
Goodwill on consolidation	4(b)	645	645
Financial assets			
(i) Investments	5	805	835
(ii) Other financial assets	6	4,676	4,816
Income tax assets (net)	7	22,138	20,199
Deferred tax asset (net)	7	4,501	3,844
Other non-current assets	8	34,458	25,044
		2,59,394	2,57,018
Current assets			
Inventories	9	1,42,781	93,581
Financial assets			
(i) Trade receivables	10	1,40,732	1,25,486
(ii) Cash and cash equivalents	11	32,986	86,260
(iii) Bank balances other than (ii) above	12	6,543	4,708
(iv) Other financial assets	6	104	115
Other current assets	8	45,013	27,275
		3,68,159	3,37,425
Assets held for sale	3(c)	486	488
		3,68,645	3,37,913
Total assets		**6,28,039**	5,94,931
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,644	2,644
Other equity	14	3,93,845	3,90,868
Equity attributable to equity holders of parent company		**3,96,489**	3,93,512
Non-controlling interest	14	461	414
		3,96,950	3,93,926
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	31	1,074	606
(ii) Other financial liabilities	15	1,845	2,497
Provisions	16	424	441
		3,343	3,544
Current liabilities			
Financial liabilities			
(i) Lease liabilities	31	488	368
(ii) Trade payables			
- Total outstanding dues of micro and small enterprises	17	9,530	9,158
- Total outstanding dues of creditors other than micro and small enterprises	17	62,168	54,642
(iii) Other financial liabilities	15	77,835	55,810
Other current liabilities	18	67,518	67,261
Provisions	16	10,207	10,222
		2,27,746	1,97,461
Total liabilities		**2,31,089**	2,01,005
Total equity and liabilities		**6,28,039**	5,94,931
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Firm Registration Number: 008072S)

Gurvinder Singh
Partner

Place: Bengaluru
Date: May 04, 2023

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

Rishi Pardal
Managing Director
DIN: 02470061

Radovan Sikorsky
Director and Chief Financial Officer
DIN: 09684447

Manu Anand
Director
DIN: 00396716

Amit Khera
Company Secretary

Place: Bengaluru
Date May 04, 2023

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

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

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from contracts with customers (including excise duty)	19	16,65,109	13,12,392
Other income	20	4,943	2,979
Total Income		**16,70,052**	13,15,371
EXPENSES			
Cost of materials consumed	21	4,22,476	2,70,729
Purchase of traded goods	22	9,247	19,582
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(5,187)	2,301
Excise duty on sale of products		9,15,117	7,28,548
Employee benefits expense	24	41,183	38,755
Contract employee expense	24a	18,368	13,557
Finance costs	25	464	1,478
Depreciation and amortisation expense	26	21,059	21,719
Other expenses	27	2,02,282	1,69,258
Total		**16,25,009**	12,65,927
Profit before exceptional items and tax		**45,043**	49,444
Exceptional items	28	(3,312)	—
Profit before tax		**41,731**	49,444
Tax expense	29		
Current tax		12,035	13,203
Deferred tax (credit)		(772)	(367)
Total tax expense		**11,263**	12,836
Profit for the year		**30,468**	36,608
Other comprehensive income (OCI)			
Items that will not be reclassified to the consolidated statement of profit and loss in subsequent periods			
Re-measurement gains on defined benefit plans		457	80
Income tax effect on above		(115)	(20)
Total other comprehesive income		**342**	60
Total comprehensive income for the year (net of tax)		**30,810**	36,668
Profit for the year attributable to:			
Equity shareholders of the Holding Company		30,398	36,546
Non-controlling interest		70	62
		30,468	36,608
Other comprehensive income (OCI) attributable to:			
Equity shareholders of the Holding Company		342	60
Non-controlling interest		—	—
		342	60
Total comprehensive income for the year attributable to:			
Equity shareholders of the Holding Company		30,740	36,606
Non-controlling interest		70	62
		30,810	36,668
Earnings per share in Rs. [nominal value per share Re.1 (Previous year: Re.1)]	30		
Basic		11.50	13.82
Diluted		11.50	13.82
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Firm Registration Number: 008072S)

Gurvinder Singh
Partner

Place: Bengaluru
Date: May 04, 2023

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

Rishi Pardal
Managing Director
DIN: 02470061

Radovan Sikorsky
Director and Chief Financial Officer
DIN: 09684447

Manu Anand
Director
DIN: 00396716

Amit Khera
Company Secretary

Place: Bengaluru
Date May 04, 2023

Consolidated Statement of Cash Flows for the year ended March 31, 2023

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

	Notes	For the year ended March 31, 2023	*For the year ended March 31, 2022*
A Cash flow from operating activities			
Profit before tax		41,731	*49,444*
Adjustments for:			
Depreciation and amortisation expense		21,059	*21,719*
Bad debts/advances written off		—	*301*
Loss allowance for trade receivables		818	*1,720*
Provision for doubtful advances/deposits		181	*620*
Unrealised exchange differences (net)		(148)	*48*
Net (gain) on disposal of property, plant and equipment		(135)	*(8)*
Profit on sale of investments		—	*(54)*
Liabilities no longer required written back		(297)	*(479)*
Loss allowance for trade receivables, no longer required written back		(4)	*(217)*
Impairment loss on property, plant and equipment (included under exceptional items)		3,312	*—*
Interest expense		443	*1,464*
Interest income		(3,341)	*(1,528)*
Operating profits before working capital changes		**63,619**	*73,030*
Changes in working capital:			
(Increase)/decrease in Inventories		(49,200)	*20,087*
(Increase)/decrease in Trade receivables		(16,132)	*12,169*
(Increase)/decrease in Other financial assets		300	*(76)*
(Increase)/decrease in Other assets		(27,564)	*(4,574)*
Increase/(decrease) in Trade payables		8,425	*1,676*
Increase/(decrease) in Other financial liabilities		21,887	*6,631*
Increase/(decrease) in Other current liabilities and provisions		682	*(5,974)*
Cash generated from operations		**2,017**	*102,969*
Direct taxes paid (net of refund)		(13,974)	*(13,007)*
Net cash from/(used in) operating activities (A)		**(11,957)**	*89,962*
B Cash flow from investing activities			
Purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances		(15,628)	*(17,355)*
Proceeds from sale of property, plant and equipment		198	*77*
Investments in equity and debt securities		—	*(300)*
Proceeds from sale of equity and debt securities		30	*125*
Investments in bank deposits (having original maturity of more than three months)		(616)	*(173)*
Redemption/maturity of bank deposits (having original maturity of more than three months)		581	*122*
Interest received		3,352	*1,497*
Net cash used in investing activities (B)		**(12,083)**	*(16,007)*

Consolidated Statement of Cash Flows contd.

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

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
C Cash flow from financing activities			
Repayment of long-term borrowings (refer note a below)		—	(25,000)
Payment of principal portion of lease liabilities (refer note b below)		(998)	(492)
(Repayment of)/Proceeds from short-term borrowings (net) (refer note c below)		—	(17)
Interest paid		(451)	(1,812)
Dividend paid*		(27,785)	(1,344)
Net cash used in financing activities (C)		**(29,234)**	(28,665)
*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)		**(53,274)**	45,290
Cash and cash equivalents at the beginning of the year		86,260	40,970
Cash and cash equivalents at the end of the year		**32,986**	86,260
Components of cash and cash equivalents	11		
Cash on hand		2	2
Bank balances on current accounts		7,984	14,758
Bank balances on deposit accounts with original maturity of three months or less		25,000	71,500
Total cash and cash equivalents		**32,986**	86,260
The summary of cash flow and non-cash flow changes in respect of financial liabilities is as below:			
a) Long-term borrowings (including current maturities)			
At beginning of the year		—	25,000
Proceeds from borrowings		—	—
Repayment of borrowings		—	(25,000)
At end of the year		—	—
b) Lease liabilities			
At beginning of the year		974	1,180
Accretion of interest		92	91
Cash outflows		(1,090)	(583)
Non-cash changes - Addition of right-of-use assets		1,586	286
At end of the year		**1,562**	974
c) Short-term borrowings			
At beginning of the year		—	17
Repayment of borrowings		—	(17)
At end of the year		—	—

d) The above consolidated cash flow statement has been prepared under indirect method in accordance with the Indian accounting standard (Ind AS) 7 on "Statement of Cash Flow".

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Firm Registration Number: 008072S)

Gurvinder Singh
Partner

Place: Bengaluru
Date: May 04, 2023

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

Rishi Pardal
Managing Director
DIN: 02470061

Radovan Sikorsky
Director and Chief Financial Officer
DIN: 09684447

Manu Anand
Director
DIN: 00396716

Amit Khera
Company Secretary

Place: Bengaluru
Date May 04, 2023

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

(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, 2023		*As at March 31, 2022*	
	Numbers	Rs. in Lakhs	*Numbers*	*Rs. in Lakhs*
Balance at the beginning of the year	26,44,05,149	2,644	*26,44,05,149*	*2,644*
Changes during the year	—	—	—	—
Balance at the end of the year	**26,44,05,149**	**2,644**	*26,44,05,149*	*2,644*

b) Other equity

	Attributable to the equity shareholders of the Holding Company					
	Reserves and surplus					
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Total	Non-controlling interest
	Note 14	Note 14	Note 14	Note 14		Note 14
Balance as at April 1, 2021	24,690	62,938	42,692	2,25,264	3,55,584	375
Profit for the year	—	—	—	36,546	36,546	62
Other comprehensive income	—	—	—	60	60	—
Transfer from retained earnings	—	—	40	(40)	—	—
Dividends (Refer Note 14)	—	—	—	(1,322)	(1,322)	(23)
Balance as at March 31, 2022	**24,690**	**62,938**	**42,732**	**2,60,508**	**3,90,868**	**414**
Balance as at April 1, 2022	24,690	62,938	42,732	2,60,508	3,90,868	414
Profit for the year	—	—	—	30,398	30,398	70
Other comprehensive income	—	—	—	342	342	—
Transfer from retained earnings	—	—	50	(50)	—	—
Dividends (Refer Note 14)	—	—	—	(27,763)	(27,763)	(23)
Balance as at March 31, 2023	**24,690**	**62,938**	**42,782**	**2,63,435**	**3,93,845**	**461**

The accompanying notes are an integral part of the consolidated financial statements.

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

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

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

There are no changes in equity share capital and other equity due to accounting policy changes or prior period errors.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Firm Registration Number: 008072S)

Gurvinder Singh
Partner

Place: Bengaluru
Date: May 04, 2023

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

Rishi Pardal
Managing Director
DIN: 02470061

Radovan Sikorsky
Director and Chief Financial Officer
DIN: 09684447

Manu Anand
Director
DIN: 00396716

Amit Khera
Company Secretary

Place: Bengaluru
Date May 04, 2023

Notes to consolidated financial statements for the year ended March 31, 2023

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

1. Corporate information

The consolidated financial statements comprise financial statements of United Breweries Limited ("UBL" or "the Holding Company" or "the Parent Company"), its subsidiary (collectively, "the Group") and its associate. UBL is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act having CIN number L36999KA1999PLC025195. 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 financial statements were approved by the Board of Directors of the Holding Company on May 04, 2023.

2. Basis of preparation of consolidated financial statements

The consolidated financial statements (the "Financial statements") [comprising the Consolidated Balance Sheet ("Balance Sheet") as at March 31, 2023, Consolidated Statement of Profit and Loss ("Statement of Profit and Loss") including Consolidated other comprehensive income ("other comprehensive income"), the Consolidated Cash Flow Statement ("Cash Flow Statement"), the Consolidated Statement of Changes in Equity ("Statement of Changes in Equity") and the notes to Consolidated financial statements for the year ended on that date] of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with 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 and other relevant provisions of the Act. The consolidated 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 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 financial statements have been applied consistently.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

Basis of consolidation

The 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, 2022	As at March 31, 2021
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 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:

Notes to consolidated Financial Statements contd.

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

- 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 financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of the subsidiary used for the purpose of consolidation is drawn up to same reporting date as that of the parent/holding company, i.e., year ended on March 31st.

Consolidation procedure

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary.

(ii) Offset the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary.

(iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).

The Statement of Profit and Loss and each component of 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 Statement of Profit and Loss; and reclassifies the parent's share of components previously recognized in OCI to the 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 Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(b) Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiary.

The Group's interest in associate has been considered as not material to the Group and hence the investment in associate has been recognized at cost.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the Statement of Profit and Loss.

(c) Current versus non-current classification

The Group 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 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 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 rates.

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.

Notes to consolidated Financial Statements contd.

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

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 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 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 at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the 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 financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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 towards satisfaction of performance obligations is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group. 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 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 amount of transaction price, net of returns and allowances, discounts and incentives.

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

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

Sale of services

Royalty income is recognized, on an accrual basis, at agreed rate on sale of branded products by the licensee, in accordance with the terms of the agreement. The Group provides license to the parties to manufacture, sell and distribute its goods in exchange of royalty fee which is based on the sales made to the end customer.

The Group recognises revenue from sales-based royalty promised in exchange for a license of intellectual property only when (or as) the later of the events occurs – (a) the sale occurs; and (b) the performance obligation for sales has been satisfied (or partially satisfied).

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

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 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 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).

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

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

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

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

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

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

(i) Non-current assets held for sale

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

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

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

(j) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress is stated at cost. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria is met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the 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 assets acquired/disposed during the year, depreciation has been provided on pro-rata basis.

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. The Group, based on 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.

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.

(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 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 the 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.

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

(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
Plant and equipment	2
Furniture and fixtures	3
Vehicles	4 and 5

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

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

(n) Inventories

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

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

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

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

Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Obsolete/slow moving inventories are adequately provided for.

(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 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 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 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 had established a Provident Fund Trust, which was a defined benefit plan, to which contributions towards provident fund were made each month. The Provident Fund Trust guaranteed a specified rate of return on such contributions on a periodical basis as per the government notification. The Group would meet the shortfall in the return, if any, which was 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 were charged to the Statement of Profit and Loss on an accrual basis. During the previous year, the Group has surrendered the Provident Fund Trust to the Employee's Provident Fund Organisation, Government of India and transferred the funds from Provident Fund Trust to the funds maintained by the Regional Provident Fund Commissioner (RPFC). Effective January 1, 2022, the Provident

Fund Benefit is a defined benefit contribution scheme and the Group recognises contribution payable to the fund as expenditure, when an employee renders the related service.

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. During the year, the company has discontinued the superannuation fund with effect from July 1,2022.

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 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 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 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 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss. 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.

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

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 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 Group 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 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 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 Statement of Profit and Loss.

De-recognition

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

A gain or loss on such financial assets that are subsequently measured at amortised cost is recognized in the Statement of Profit and Loss when asset is derecognised.

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 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 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.

Notes to consolidated Financial Statements contd.

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

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 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 Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

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

De-recognition

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

Reclassification of financial assets and liabilities

The 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 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) 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.

(t) Dividend to equity holders

The Group recognises a liability to pay dividend 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.

(u) 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 financial statements.

(v) 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.

(w) 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. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "unallocable corporate expense/income".

(x) Significant accounting judgements, estimates and assumptions

The preparation of the 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 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 financial statements are as below.

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.

Notes to consolidated Financial Statements contd.

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

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 investment carried at cost and non-financial assets

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

Provision for expected credit loss on trade receivables

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

Tax contingencies and provisions

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

Defined benefit plans

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

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

2.2 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements — This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors — This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes — This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

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Notes to consolidated Financial Statements contd.

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

3(a). PROPERTY, PLANT AND EQUIPMENT

	Gross Block				Accumulated depreciation					Net book value
	As at April 1, 2022	Additions	Deletions	**As at March 31, 2023**	*As at April 1, 2022*	For the year	Impairment (refer note 28)	On Deletions	**As at March 31, 2023**	**As at March 31, 2023**
Freehold land [refer note a(i)]	*19,901*	—	—	19,901	—	—	—	—	—	19,901
Buildings [refer note a(ii)]	*81,203*	2,393	23	83,573	*29,162*	2,668	587	13	32,404	51,169
Plant and equipment	*3,25,955*	12,537	792	3,37,700	*2,31,752*	15,160	2,457	767	2,48,602	89,098
Office equipments	*2,885*	302	9	3,178	*1,927*	297	21	9	2,236	942
Computer equipments	*1,969*	152	10	2,111	*1,505*	148	3	8	1,648	463
Furniture and fixtures	*25,552*	746	144	26,154	*22,449*	1,345	138	122	23,810	2,344
Laboratory equipments	*4,627*	530	64	5,093	*2,910*	306	102	61	3,257	1,836
Vehicles	*657*	—	22	635	*536*	28	4	21	547	88
	4,62,749	**16,660**	**1,064**	**4,78,345**	***2,90,241***	**19,952**	**3,312**	**1,001**	**3,12,504**	**1,65,841**
Right-of-use assets (refer note 31)										
Leasehold land [refer note a (i)]	*17,148*	531	—	17,679	*1,507*	205	—	—	1,712	15,967
Buildings	*1,590*	983	568	2,005	*789*	452	—	568	673	1,332
Plant and equipment	*3*	—	3	—	*1*	2	—	3	—	—
Furniture and fixtures	*36*	31	36	31	*34*	10	—	36	8	23
Vehicles	*93*	41	—	134	*39*	23	—	—	62	72
	18,870	**1,586**	**607**	**19,849**	***2,370***	**692**	**—**	**607**	**2,455**	**17,394**
Total	***4,81,619***	**18,246**	**1,671**	**4,98,194**	***2,92,611***	**20,644**	**3,312**	**1,608**	**3,14,959**	**1,83,235**

Previous year

	Gross Block				*Accumulated depreciation*					*Net book value*
	As at April 1, 2021	*Additions*	*Deletions*	*As at March 31, 2022*	*As at April 1, 2021*	*For the year*	*Impairment*	*On Deletions*	*As at March 31, 2022*	*As at March 31, 2022*
Freehold land [refer note a(i)]	*19,718*	*183*	—	*19,901*	—	—	—	—	—	*19,901*
Buildings [refer note a(ii)]	*76,706*	*4,497*	—	*81,203*	*26,584*	*2,578*	—	—	*29,162*	*52,041*
Plant and equipment	*3,15,162*	*11,647*	*854*	*3,25,955*	*2,17,842*	*14,736*	—	*826*	*2,31,752*	*94,203*
Office equipments	*2,595*	*297*	*7*	*2,885*	*1,667*	*267*	—	*7*	*1,927*	*958*
Computer equipments	*1,937*	*49*	*17*	*1,969*	*1,335*	*185*	—	*15*	*1,505*	*464*
Furniture and fixtures	*24,681*	*914*	*43*	*25,552*	*20,124*	*2,351*	—	*26*	*22,449*	*3,103*
Laboratory equipments	*4,555*	*164*	*92*	*4,627*	*2,676*	*322*	—	*88*	*2,910*	*1,717*
Vehicles	*1,008*	*28*	*379*	*657*	*864*	*33*	—	*361*	*536*	*121*
Total	*4,46,362*	*17,779*	*1,392*	*4,62,749*	*2,71,092*	*20,472*	—	*1,323*	*2,90,241*	*1,72,508*
Right-of-use assets (refer Note 31)										
Leasehold land [refer note a(i)]	*17,148*	—	—	*17,148*	*1,307*	*200*	—	—	*1,507*	*15,641*
Buildings	*1,727*	*283*	*420*	*1,590*	*724*	*485*	—	*420*	*789*	*801*
Plant and equipment	—	*3*	—	*3*	—	*1*	—	—	*1*	*2*
Furniture and fixtures	*36*	—	—	*36*	*22*	*12*	—	—	*34*	*2*
Vehicles	*93*	—	—	*93*	*18*	*21*	—	—	*39*	*54*
	19,004	*286*	*420*	*18,870*	*2,071*	*719*	—	*420*	*2,370*	*16,500*
Total	*4,65,366*	*18,065*	*1,812*	*4,81,619*	*2,73,163*	*21,191*	—	*1,743*	*2,92,611*	*1,89,008*

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

(i) Detail of immovable properties (included under property, plant and equipment) whose title deeds are not held in the name of the Holding Company or its subsidiary or disputed

Description of Property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, directors or relative of promoter/director or employee of promoter/director	Property held since	Reason for not being held in the name of the Holding Company or its Subsidiary
Freehold land (9.04 acres at Kuthumbakkam, Tamil Nadu)	80	Tamil Nadu State Marketing Corporation Ltd.	No	2010-11	Application for registration of title deed is pending with the state government for approval
Freehold land (63.07 acres at Kothlapur, Telangana)	654	UB Nizam Breweries Private Limited.*	No	2010-11	Application for registration of name change is pending with the state government for approval
Freehold land (0.533 acres at Nanjangud, Karnataka)	22	United Breweries Limited.	No	2009-10	There are matters ongoing with these properties which include review of court order, case of encroachment and dispute ongoing between original landowners.
Freehold land (0.006 acres at Nelamangala, Karnataka)	1	United Breweries Limited.	No	2006-07	
Freehold land (1.002 acres at Mallepally, Telangana)	21	United Breweries Limited.	No	2010-11	
Leasehold land (25.71 acres at Aurangabad, Maharashtra)	1,189	Inertia Industries Limited.*	No	2010-11	Application for adjudication of stamp duty for name change in the lease deed is pending with the concerned authorities
Leasehold land (18.02 acres at Aurangabad, Maharashtra)**	597	Aurangabad Breweries Limited.*	No	2011-12	Application for adjudication of stamp duty for name change in the lease deed is pending with the concerned authorities

* Erstwhile entity which merged with the Holding Company.

** The Company has submitted the original lease deed for this lease hold land to MIDC (Maharashtra Industrial Development Corporation) for change of the name.

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

	March 31, 2023	*March 31, 2022*
Gross block	34,577	*33,110*
Depreciation charge for the year*	1,109	*1,067*
Accumulated depreciation*	12,198	*11,089*
Net block	**22,379**	*22,021*

*Net of depreciation on deletions

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

3(b) CAPITAL WORK-IN-PROGRESS

Capital work-in-progress as at March 31, 2023 and March 31, 2022 comprises of capital expenditure relating to plant and equipment and buildings which are in the course of construction. The ageing of capital work-in-progress is as below:

	Amount in capital work-in-progress for a period of				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
As at March 31, 2023					
Projects in progress	5,800	844	530	298	7,472
Projects temporarily suspended	66	50	—	125	241
Total	**5,866**	**894**	**530**	**423**	**7,713**
As at March 31, 2022					
Projects in progress	*8148*	*1,154*	*757*	*24*	*10,083*
Projects temporarily suspended	*16*	*519*	*222*	*149*	*906*
Total	***8164***	***1,673***	***979***	***173***	***10,989***

The details of capital work in progress whose completion is overdue are as below:

March 31, 2023

	To be completed in				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress					
Effluent/water treatment	631	8	—	—	639
Infrastructure development*	1,125	—	—	—	1,125
Capacity expansion	1,232	—	—	—	1,232
Health, safety and environment	1,476	—	—	—	1,476
Quality improvement	584	—	—	—	584
Others	749	4	—	—	753
Total	**5,797**	**12**	**—**	**—**	**5,809**
Projects temporarily suspended					
Infrastructure development*	116	—	—	—	116
Capacity expansion	9	—	—	—	9
Effluent/water treatment	116	—	—	—	116
Total	**241**	**—**	**—**	**—**	**241**

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

March 31, 2022

	To be completed in				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress					
Effluent/water treatment	*2,317*	—	—	—	*2,317*
Infrastructure development*	*2,174*	—	—	—	*2,174*
Capacity expansion	*775*	—	—	—	*775*
Health, safety and environment	*569*	—	—	—	*569*
Quality improvement	*434*	—	—	—	*434*
Others	*848*	—	—	—	*848*
Total	***7,117***	**—**	**—**	**—**	***7,117***
Projects temporarily suspended					
Infrastructure development*	*581*	—	—	—	*581*
Capacity expansion	*177*	—	—	—	*177*
Effluent/water treatment	*148*	—	—	—	*148*
Total	***906***	**—**	**—**	**—**	***906***

* Infrastructure development includes factory buildings, warehouses and roads.

There are no projects which exceeded cost compared to original plan as on March 31, 2023 and March 31, 2022.

For the purpose of aforesaid disclosure, considering voluminous details, projects have been grouped under the relevant category.

3(c) ASSETS HELD FOR SALE:

	March 31, 2023	*March 31, 2022*
Balance at the beginning of the year	488	*488*
Transfer/sale [Refer Note 28(b)]	(2)	—
Balance at the end of the year	**486**	*488*

3(d) There has been no revaluation of Property, Plant and Equipment during 2021-2022 and 2022-2023.

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Notes to consolidated Financial Statements contd.

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

4. INTANGIBLE ASSETS AND GOODWILL

(a) Intangible assets

	Gross Block				Accumulated amortisation					Net book value
	As at April 1, 2022	Additions	Deletions	**As at March 31, 2023**	*As at April 1, 2022*	For the year	Impairment	Deletions	**As at March 31, 2023**	**As at March 31, 2023**
Licenses and rights	*11,677*	—	—	11,677	*10,039*	415	—	—	10,454	1,223
Total	*11,677*	**—**	**—**	**11,677**	*10,039*	**415**	**—**	**—**	**10,454**	**1,223**

Previous year

	Gross Block				Accumulated amortisation					Net book value
	As at April 1, 2021	Additions	Deletions	*As at March 31, 2022*	*As at April 1, 2021*	For the year	Impairment	Deletions	*As at March 31, 2022*	*As at March, 2022*
Licenses and rights	*11,609*	68	—	*11,677*	*9,511*	528	—	—	*10,039*	*1,638*
Total	*11,609*	68	—	*11,677*	*9,511*	528	—	—	*10,039*	*1,638*

(b) Goodwill on consolidation

	As at March 31, 2023	*As at March 31, 2022*
Gross amount	4,380	*4,380*
Less: Provision for impairment	3,735	*3,735*
	645	*645*

Goodwill has arisen on consolidation of subsidiary. The fair values for the purpose of determination of impairment loss have been estimated by an independent expert. The impairment loss has arisen due to continued delay in obtaining necessary approvals to expand malting facility at the subsidiary, leading to high overhead costs incurred on operating at its current level of capacity.

The fair value of goodwill for the purpose of impairment assessment is determined based on fair valuation of the underlying assets. The key assumptions used in the valuation includes marketability discount of 10% and cost to sell of 2%. The sensitivity of 5% increase/(decrease) in the marketability discount and cost of sell would have an immaterial impact on the valuation.

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		As at March 31, 2023		As at March 31, 2022
5. FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)				
Trade investments				
Equity instruments at cost (fully paid-up) (Unquoted)				
Investment in associate				
Kingfisher East Bengal Football Team Private Limited [4,999 (March 31, 2022: 4,999) equity shares of Rs. 10 each]		1		*1*
Non-trade investments				
Equity instruments at fair value through profit or loss (fully paid-up) (Unquoted)				
The Zoroastrian Co-operative Bank Limited [2,000 (March 31, 2022: 2,000) equity shares of Rs. 25 each]		1		*1*
SABMiller India Limited (Formerly, Skol Breweries Limited) [300 (March 31, 2022: 300) equity shares of Rs. 10 each]*		—		—
Castle Breweries Ltd. (Formerly, Jupiter Breweries Industries Limited) [50 (March 31, 2022: 50) equity shares of Rs. 10 each]*		—		—
Mohan Meakin Limited [100 (March 31, 2022: 100) equity shares of Rs. 5 each]*		—		—
Blossom Industries Limited [100 (March 31, 2022: 100) equity shares of Rs. 3 each]*		—		—
Renew Wind Energy (Karnataka) Private Limited [10,400 (March 31, 2022: 10,400) equity shares of Rs. 100 each]		15		*15*
Mytrah Vayu (Manjira) Private Limited [Nil (March 31, 2022: 144,000) equity shares of Rs. 10 each]		—		*14*
Capsol Sunray Private Limited [2,720,035 (March 31, 2022: 2,720,035) equity shares of Rs. 10 each]		272		*272*
FPEL Maha 2 Pvt Ltd [1,326,984 (March 31, 2022: 1,326,984) equity shares of Rs. 10 each]		251		*251*
Debt instruments at fair value through other comprehensive income (fully paid-up) (Quoted)				
IL&FS Financial Services Limited [9.55%, 5,000 (March 31, 2022: 5,000) non-convertible debentures of Rs. 1,000 each]**		17		*17*
IL&FS Financial Services Limited [8.80%, 17,000 (March 31, 2022: 17,000) non-convertible debentures of Rs. 1,000 each]**		49		*49*
Piramal Capital & Housing Finance Limited [6.75%, 21,217 (March 31, 2022: 21,217 of Rs. 1,000 each) non-convertible debtentures of Rs. 925 each]		196		*212*
In government securities (Unquoted)				
National Savings Certificate	18		*18*	
Less: Provision for impairment in value of investments	15	3	*15*	*3*
Total		**805**		*835*

**Rounded off the investment value to Rs. In Lakhs. Actual cost of investments in rupees is as under:

Equity shares	Amount in Rs.
SABMiller India Limited	1,727
Castle Breweries Ltd.	188
Mohan Meakin Limited	925
Blossom Industries Limited	300

	As at March 31, 2023	As at March 31, 2022
Aggregate cost of quoted investments	262	*278*
Aggregate market value of quoted investments	262	*278*
Aggregate value of unquoted investments (gross)	558	*572*
Aggregate amount of impairment in value of investments	(15)	*(15)*

Notes to consolidated Financial Statements contd.

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

	Non-current		Current	
	As at March 31, 2023	*As at March 31, 2022*	**As at March 31, 2023**	*As at March 31, 2022*
6. FINANCIAL ASSETS – OTHERS				
Unsecured, considered good				
Financial assets at amortised cost				
Security deposits	3,912	*4,212*	—	—
Bank deposits with remaining maturity of more than twelve months	666	*502*	—	—
Margin money deposits towards bank guarantees	98	*102*	—	—
Interest accrued on bank and other deposits	—	—	104	*115*
	4,676	*4,816*	**104**	*115*
Unsecured, credit impaired				
Security deposits	94	*94*	—	—
Less: Loss allowance	94	*94*	—	—
	—	—	—	—
Total	**4,676**	*4,816*	**104**	*115*

	As at March 31, 2023	*As at March 31, 2022*
7. TAX ASSET/(LIABILITY) (NET)		
(a) Income tax assets (net)		
Balance at the beginning of the year	20,199	*20,395*
Less: Provision for the year	12,035	*13,203*
Add: Tax paid (net of refund)	13,974	*13,007*
Closing balance	**22,138**	*20,199*

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

	Consolidated Balance sheet		Consolidated Statement of profit and loss	
	As at March 31, 2023	*As at March 31, 2022*	**March 31, 2023**	*March 31, 2022*
(b) Deferred tax asset/(liability) (net)				
Deferred tax assets				
Provision/allowance for receivables and advances	2,626	*2,376*	(250)	*(533)*
Provision for employee benefits	1,466	*1,879*	413	*(436)*
Other provisions	2,310	*1,708*	(602)	*50*
	6,402	*5,963*	**(439)**	*(919)*
Deferred tax liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	1,901	*2,119*	(218)	*572*
	1,901	*2,119*	(218)	*572*
Net deferred tax asset	**4,501**	*3,844*		
Deferred tax (credit)			**(657)**	*(347)*

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

	As at March 31, 2023	As at March 31, 2022
7. TAX ASSET/(LIABILITY) (NET) (continued)		
Reconciliation of movement in deferred tax asset		
Balance at the beginning of the year	3,844	*3,497*
Tax credit/(charge) during the year		
Recognised in consolidated statement of profit and loss	772	*367*
Recognised in consolidated OCI	(115)	*(20)*
	657	*347*
Balance at the end of the year	**4,501**	*3,844*

The Group has not recognised deferred tax asset on provision for impairment in value of goodwill arising from impairment in investment of subsidiary amounting to Rs. 3,735 Lakhs (March 31, 2022: Rs. 3,735 Lakhs), considering uncertainty that sufficient future taxable capital gains would be available against which such tax credits can be utilised.

Further, the subsidiary declares dividend only out of profits for respective year and the Holding Company has determined that the accumulated profits will not be distributed in the foreseeable future. Hence deferred tax liability on undistributed profits of the subsidiary has not been recognised as at year end.

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
8. OTHER ASSETS				
Unsecured, considered good				
Capital advances	1,286	*1,517*	—	—
Advances other than capital advances				
Advance to suppliers*	3,879	*3,793*	2,416	*1,745*
Employees and other advances	116	*71*	431	*362*
Prepaid expenses	913	*1,882*	7,582	*7,977*
Balance with statutory/government authorities**	27,740	*17,220*	34,584	*17,191*
Government grant receivable***	524	*561*	—	—
	34,458	*25,044*	**45,013**	*27,275*
Unsecured, considered doubtful				
Capital advances	82	*82*	—	—
Advances other than capital advances				
Advance to suppliers	620	*613*	—	—
Balance with statutory/government authorities	1,537	*1,363*	—	—
Less: Provision for doubtful advances	2,239	*2,058*	—	—
	—	—	—	—
Total	**34,458**	*25,044*	**45,013**	*27,275*

*Non-current advance to suppliers includes an amount of Rs. 3,356 Lakhs (March 31, 2022: Rs. 3,271 Lakhs) paid under protest to Maharashtra Industrial Development Corporation ("MIDC") towards increased charges for water supplies. The Group has filed a special leave petition before the Supreme Court in respect of this matter and the management, basis a legal advice, believes that the Group's position will be upheld in the appellate process and accordingly, the same has been considered as a contingent liability as at year end.

**Non-current portion includes amounts paid under protest against various tax demands under appeal, which are included under contingent liabilities in Note 33.

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

Notes to consolidated Financial Statements contd.

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

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. Further, there are no loans or advances in the nature of loan to promoters, directors or key management personnel.

	As at March 31, 2023	As at March 31, 2022
9. INVENTORIES		
(valued at lower of cost and net realisable value)		
Raw materials [Includes in transit: Rs. 211 Lakhs (March 31, 2022: Rs. 970 Lakhs)]	46,957	*15,894*
Packing materials and bottles [Includes in transit: Rs. 1,515 Lakhs (March 31, 2022: Rs. 1,432 Lakhs)]	20,132	*16,543*
Work-in-progress	37,958	*36,132*
Finished goods [Includes in transit: Rs. 5,206 Lakhs (March 31, 2022: Rs. 5,237 Lakhs)]^	28,865	*18,875*
Stock-in-trade [Includes in transit: Rs. 31 Lakhs (March 31, 2022: Rs. 151 Lakhs)]	342	*231*
Stores and spares [Includes in transit: Rs. 79 Lakhs (March 31, 2022: Rs. 5 Lakhs)]	8,527	*5,906*
Total	**1,42,781**	*93,581*

^Net of provision for obsolete stock Rs. 1,782 Lakhs (March 31, 2022: Rs. 1,702 Lakhs).

During the year, an amount of Rs. 1,490 Lakhs (March 31, 2022: Rs. 1,386 Lakhs) was recognised as an expense for inventories carried at net realisable values.

10. TRADE RECEIVABLES

(Financial asset at amortised cost)

	As at March 31, 2023	As at March 31, 2022
Considered good		
Secured	1,357	*1,571*
Unsecured	1,39,375	*1,23,915*
	1,40,732	*1,25,486*
Credit impaired		
Unsecured	8,109	*7,295*
Less: Loss allowance	8,109	*7,295*
	—	—
Total	**1,40,732**	*1,25,486*

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

(b) 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.

(c) The above balances includes dues from related parties (Refer Note 36).

(d) Trade receivables ageing schedule

	Current but not due	Outstanding for the following periods from due date of payment					Total
		Less than 6 monhts	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023							
Undisputed Trade Receivables - Considered good	1,06,543	33,195	—	—	—	—	1,39,738
Undisputed Trade Receivables - Credit impaired	—	268	149	780	35	253	1,486
Disputed Trade Receivables - Credit impaired**	—	—	—	83	1,076	6,458	7,617
Total	**1,06,543**	**33,464**	**149**	**863**	**1,112**	**6,711**	**1,48,841**
As at March 31, 2022							
Undisputed Trade Receivables - Considered good	*1,02,916*	*19,641*	*393*	*1,554*	—	—	*1,24,504*
Undisputed Trade Receivables - Credit impaired	—	—	*156*	*102*	*101*	*213*	*572*
Disputed Trade Receivables - Credit impaired**	—	—	*83*	*1,076*	*363*	*6,183*	*7,705*
Total	*1,02,916*	*19,641*	*632*	*2,732*	*464*	*6,396*	*1,32,781*

**Includes Rs. 982 Lakhs (March 31, 2021: Rs. 982 Lakhs) relating to dispute with a customer which is fully provided for and for which provision is included under provision for litigations in Note 16.

	As at March 31, 2023	*As at March 31, 2022*
11. CASH AND CASH EQUIVALENTS		
Bank balances on current accounts^	7,984	*14,758*
Bank deposits with original maturity of three months or less	25,000	*71,500*
Cash on hand	2	*2*
Total	**32,986**	*86,260*

^Includes balances in exchange earners foreign currency accounts of Rs. 1,267 Lakhs (March 31, 2022: Rs. 5,856 Lakhs)

12. OTHER BANK BALANCES		
Bank balances on current accounts towards unpaid dividend	5,695	*3,875*
Bank balances on current account towards CSR expense (refer note 27)	141	*1*
Bank deposits with original maturity of:		
Less than twelve months but more than three months	591	*791*
Greater than twelve months	116	*41*
Total	**6,543**	*4,708*

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

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

	As at March 31, 2023	As at March 31, 2022
13. EQUITY SHARE CAPITAL		
Authorised share capital		
4,12,98,00,000 (March 31, 2022: 4,12,98,00,000) equity shares of Re. 1 each	41,298	41,298
5,86,00,000 (March 31, 2022: 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, 2021: 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, 2023		As at March 31, 20212	
	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) Equity shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2023		As at March 31, 2022	
	Nos.	Value	Nos.	Value
Scottish & Newcastle India Limited	8,99,94,960	900	8,99,94,960	900
Heineken International B.V.	6,41,69,921	642	6,41,69,921	642
Heineken UK Limited	84,89,270	85	84,89,270	85
Total	**16,26,54,151**	**1,627**	16,26,54,151	1,627

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

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	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%
Heineken International B.V.	6,41,69,921	24.27%	6,41,69,921	24.27%
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.

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

e) 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.

f) Details of equity shares (of Re.1 each fully paid up) held by promoters

March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% change during the year
Scottish & Newcastle India Limited	8,99,94,960	—	8,99,94,960	34.04	—
Heineken International B.V.	6,41,69,921	—	6,41,69,921	24.27	—
Heineken UK Limited	84,89,270	—	84,89,270	3.21	—
Dr.Vijay Mallya	4,02,666	—	4,02,666	0.15	—
Dr.Vijay Mallya & Sidhartha Mallya, joint holding	1,04,86,666	—	1,04,86,666	3.97	—
Dr.Vijay Mallya & Ritu Mallya, joint holding	1,04,64,288	—	1,04,64,288	3.96	—
McDowell Holdings Ltd.	45,51,000	—	45,51,000	1.72	—
Kamsco Industries Pvt. Ltd.	32,74,000	—	32,74,000	1.24	—
UB Overseas Ltd.	4,27,740	—	4,27,740	0.16	—
Pharma Trading Company Pvt. Ltd.	620	—	620	0.00	—
Total	**19,22,61,131**	**—**	**19,22,61,131**	**72.72**	**—**

March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% change during the year
Scottish & Newcastle India Limited	*8,99,94,960*	—	*8,99,94,960*	*34.04*	—
Heineken International B.V.	*2,45,25,575*	*3,96,44,346*	*6,41,69,921*	*24.27*	*14.99*
Heineken UK Limited	*84,89,270*	—	*84,89,270*	*3.21*	—
Dr.Vijay Mallya	*4,02,666*	—	*4,02,666*	*0.15*	—
Dr.Vijay Mallya & Sidhartha Mallya, joint holding	*1,04,86,666*	—	*1,04,86,666*	*3.97*	—
Dr.Vijay Mallya & Ritu Mallya, joint holding	*1,04,64,288*	—	*1,04,64,288*	*3.96*	—
McDowell Holdings Ltd.	*45,51,000*	—	*45,51,000*	*1.72*	—
Kamsco Industries Pvt. Ltd.	*32,74,000*	—	*32,74,000*	*1.24*	—
UB Overseas Ltd.	*4,27,740*	—	*4,27,740*	*0.16*	—
Pharma Trading Company Pvt. Ltd.	*620*	—	*620*	*0.00*	—
Total	*15,26,16,785*	*3,96,44,346*	*19,22,61,131*	*72.72*	*14.99*

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

	As at March 31, 2023	As at March 31, 2022
14. OTHER EQUITY		
Capital redemption reserve		
Balance as per last consolidated financial statements	24,690	24,690
Securities premium		
Balance as per last consolidated financial statements	62,938	62,938
General reserve		
Balance as per last consolidated financial statements	42,732	42,692
Transfer from the consolidated statement of profit and loss*	50	40
Closing balance	**42,782**	42,732
Retained earnings		
Balance as per last consolidated financial statements	2,60,508	2,25,264
Consolidated profit for the year	30,398	36,546
Other comprehensive income	342	60
Appropriations		
Final equity dividend	(27,763)	(1,322)
Transfer to general reserve*	(50)	(40)
Closing balance	**2,63,435**	2,60,508
Total reserves and surplus	**3,93,845**	3,90,868

*Transfer to general reserve for the year ended March 31, 2023 & March 31, 2022 pertains to the subsidiary.

Distribution made and proposed		
Cash dividends on equity shares declared and paid:		
Dividend for the year ended March 31, 2022: Rs. 10.50 per share (March 31, 2021: Rs. 0.50 per share)	27,763	1,322
	27,763	1,322
Proposed dividends on equity shares:		
Dividend for the year ended on March 31, 2023: Rs. 7.50 per share (March 31, 2022: Rs. 10.50 per share)	19,830	27,763
	19,830	27,763

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

Non-controlling interest		
Balance as per last consolidated Ind AS financial statements	414	375
Profit for the year	70	62
Cash dividends paid by the subsidiary company	(23)	(23)
Closing balance	**461**	414

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

	Non-current		Current	
	As at March 31, 2023	*As at March 31, 2022*	**As at March 31, 2023**	*As at March 31, 2022*
15. OTHER FINANCIAL LIABILITIES				
(at amortised cost)				
Liability for capital goods	—	—	2,755	*5,230*
Security deposits	—	—	3,403	*2,573*
Unpaid dividends*	—	—	5,695	*3,875*
Salaries and bonus payable	1,845	*2,497*	8,705	*6,011*
Freight expenses payable	—	—	8,567	*7,756*
Other expenses payable	—	—	48,710	*30,365*
Total	**1,845**	*2,497*	**77,835**	*55,810*

*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, 2023	*As at March 31, 2022*	**As at March 31, 2023**	*As at March 31, 2022*
16. PROVISIONS				
Provision for employee benefits				
Gratuity (refer note 24)	420	*441*	—	*500*
Compensated absences (refer note 24 (iii))	4	—	3,567	*4,034*
	424	*441*	**3,567**	*4,534*
Other provisions				
Provision for litigations	—	—	6,640	*5,688*
	—	—	**6,640**	*5,688*
Total	**424**	*441*	**10,207**	*10,222*

	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	5,688	952	—	—	6,640
	(3,527)	(2,161)	—	—	(5,688)

Figures in brackets are of previous year.

Provision for litigations relates to matters which are sub-judice and the Group continues to contest these cases. Due to the very nature of the provisions, it is not possible to estimate the timing/uncertainities relating to their outflows.

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Notes to consolidated Financial Statements contd.

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

	As at March 31, 2023	As at March 31, 2022
17. FINANCIAL LIABILITIES - TRADE PAYABLES		
(at amortised cost)		
Total outstanding dues of micro and small enterprises (Refer Note 34 for details)	9,530	*9,158*
Total outstanding dues of creditors other than micro and small enterprises (including acceptances)	62,168	*54,642*
Total	**71,698**	*63,800*

(a) Trade payables are non-interest bearing and are normally settled on 30 to 130 days

(b) The above disclosure includes dues to related parties (Refer Note 36)

(c) Trade payables ageing schedule

	Outstanding for the following periods from due date of payment					
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023						
Total outstanding dues of micro and small enterprises	—	8,954	212	335	29	9,530
Total outstanding dues of creditors other than micro and small enterprises	7,612	53,740	126	70	568	62,116
Disputed dues of micro and small enterprises	—	—	—	—	—	—
Disputed dues of creditors other than micro and small enterprises	—	—	—	—	52	52
Total	**7,612**	**62,694**	**338**	**405**	**649**	**71,698**
As at March 31, 2022						
Total outstanding dues of micro and small enterprises	—	*8,492*	*345*	*298*	*23*	*9,158*
Total outstanding dues of creditors other than micro and small enterprises	*6,911*	*46,938*	*108*	*58*	*575*	*54,590*
Disputed dues of micro and small enterprises	—	—	—	—	—	—
Disputed dues of creditors other than micro and small enterprises	—	—	—	—	*52*	*52*
Total	*6,911*	*55,430*	*453*	*356*	*650*	*63,800*

	As at March 31, 2023	As at March 31, 2022
18. OTHER CURRENT LIABILITIES		
Statutory dues payable*	63,262	*62,676*
Contract liabilities - Advances from customers**	4,006	*4,335*
Advance from commission agents	250	*250*
Total	**67,518**	*67,261*

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

**Revenue recognised from amounts included in contract liabilities at the beginning of the year is Rs. 3,489 Lakhs (March 31, 2022: Rs. 2,209 Lakhs)

Notes to consolidated Financial Statements contd.

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

	March 31, 2023	March 31, 2022
19. REVENUE FROM CONTRACTS WITH CUSTOMERS (INCLUDING EXCISE DUTY)		
Revenue from operations		
Sale of products (including excise duty)	16,44,106	*12,85,979*
Sale of services	4,071	*3,068*
Other operating revenues	16,932	*23,345*
Total	**16,65,109**	*13,12,392*
(a) Disaggregated revenue information		
Sale of products (including excise duty)		
Beer	16,20,413	*12,73,211*
Non-alcoholic beverages	994	*2,988*
Others (Input materials)	22,699	*9,780*
	16,44,106	*12,85,979*
Sale of services		
Royalty income	3,763	*2,775*
Others	308	*293*
	4,071	*3,068*
Other operating revenues		
Income from contract manufacturing units	3,498	*13,835*
Scrap sales	12,406	*9,100*
Others	1,028	*410*
	16,932	*23,345*
(b) Timing of revenue recognition		
Products transferred at a point in time	16,57,540	*12,95,489*
Services rendered at a point in time	7,569	*16,903*
	16,65,109	*13,12,392*
(c) Reconciliation of amount of revenue recognised with contract price		
Revenue as per contracted price	17,33,710	*13,59,687*
Adjustments (Variable consideration, etc.)	(68,601)	*(47,295)*
Revenue from contracts with customers	**16,65,109**	*13,12,392*

(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, 2023 is adjusted for reversals in variable consideration of Rs. 1,975 Lakhs (Previous year: Rs. 753 Lakhs).

(f) Also refer Note 10 for Trade receivables, Note 18 for Contract liabilities and Note 35 for Segment information.

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

	March 31, 2023	March 31, 2022
20. OTHER INCOME		
Interest income on bank and other deposits	3,341	1,528
Net gain on disposal of property, plant and equipment	135	8
Profit on sale of investments classified as fair value through profit or loss	—	54
Exchange differences (net)	328	352
Liabilities no longer required written back	297	479
Loss allowance for receivables, no longer required written back	4	217
Other non-operating income	838	341
Total	**4,943**	2,979
21. COST OF MATERIALS CONSUMED		
Raw materials		
Inventories at the beginning of the year	15,894	25,453
Add: Purchases	1,89,605	81,751
Less: Inventories at the end of the year	46,957	15,894
Consumption	**1,58,542**	91,310
Packing materials and bottles		
Inventories at the beginning of the year	16,543	16,252
Add: Purchases	2,67,523	1,79,710
Less: Inventories at the end of the year	20,132	16,543
Consumption	**2,63,934**	1,79,419
Total	**4,22,476**	2,70,729
22. PURCHASES OF STOCK-IN-TRADE		
Beer	8,682	18,501
Non-alcoholic beverages	565	1,081
	9,247	19,582
23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the beginning of the year		
Finished goods*	20,577	28,675
Work-in-progress	36,132	39,616
Stock-in-trade	231	457
	56,940	68,748
Less: Inventories at the end of the year		
Finished goods*	30,647	20,577
Work-in-progress	37,958	36,132
Stock-in-trade	342	231
	68,947	56,940
Decrease/(increase) in inventories	**(12,007)**	11,808
(Increase)/decrease in excise duty on inventories	**6,820**	(9,507)
Total	**(5,187)**	2,301

*Before provision for obsolete stock. Refer Note 9.

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

	March 31, 2023	March 31, 2022
24. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus**	34,457	*33,100*
Gratuity expense [refer note (i) below]	837	*860*
Contribution to provident and other funds [refer note (i) and (ii) below]	1,929	*1,846*
Staff welfare expenses	3,960	*2,949*
Total	**41,183**	*38,755*
24a. CONTRACT EMPLOYEE EXPENSE		
Contract employee expense	18,368	*13,557*
Total	**18,368**	*13,557*

** Employee benefits expense for the year ended March 31, 2022 and March 31, 2023 includes severance pay of Rs. 1,748 Lakhs and Rs. 409 Lakhs respectively, paid/payable to certain employees of the Holding Company on separation.

(i) The Group operates two defined benefit plans i.e., gratuity and provident fund for its employees. Under the tiered gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure as per the Group policy subject to minimum of 15 days of last drawn salary for each completed year of service. The gratuity fund is managed by external agencies. Under the provident fund benefit plan till December 31, 2021, the Group contributed to the provident fund trust which guaranteed a specified rate of return on such contributions on a periodical basis as per the government notification. The shortfall in the return, if any, was 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. Effective January 1, 2022, the provident fund trust has transferred the funds to the Regional Provident Fund (RPFC). Henceforth the provident fund and returns on the contribution would be managed by the RPFC and the Group's obligation is restricted to payment of the contribution made by employees and the employer's contribution on a monthly basis. As such, effective January 1, 2022, provident fund benefit is a defined contribution plan. The following table summarises the components of net benefit expenses and the funded status for respective plans:

	Gratuity		**Provident fund**	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
a) Changes in the present value of the defined benefit obligation				
Obligations at beginning of the year	10,290	*10,401*	—	*19,060*
Current service cost – employer contribution	804	*851*	—	*673*
Employee contribution	—	*—*	—	*1,139*
Interest cost	639	*615*	—	*286*
Benefits paid**	(1,537)	*(1,572)*	—	*(21,158)*
Actuarial (gain)/loss	(843)	*(46)*	—	*—*
Obligations at end of the year	**9,352**	*10,249*	**—**	*—*

Notes to consolidated Financial Statements contd.

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

	Gratuity		Provident fund	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
b) Change in fair value of plan assets				
Plan assets at the beginning of the year	9,351	*9,241*	—	*18,795*
Return on plan assets	606	*606*	—	*551*
Contributions during the year*	900	*1,000*	—	*1,812*
Benefits paid**	(1,537)	*(1,572)*	—	*(21,158)*
Actuarial gain/(loss)	(388)	*33*	—	—
Plan assets at end of the year	**8,932**	*9,308*	**—**	—

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

**Provident fund benefits paid during the year ended March 31, 2023 includes Rs. Nil (March 31, 2022: Rs.17,002 Lakhs)) transferred to the Employee's Provident Fund Organisation, Government of India on surrender of exempted Provident Fund Trust by the Holding company.

	Gratuity		Provident fund	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
c) Benefit asset/(liability)				
Fair value of plan assets	8,932	*9,308*	—	—
Less: Present value of the defined benefit obligations	9,352	*10,249*	—	—
Benefit asset/(liability)	**(420)**	*(941)*	**—**	—
d) Cost charged to the consolidated statement of profit and loss under employee cost				
Current service cost – employer contribution	804	*851*	—	*673*
Interest cost	639	*615*	—	*286*
Return on plan assets	(606)	*(606)*	—	*(551)*
Net employee benefit expense* **	**837**	*860*	**—**	*408*

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

	Gratuity		Provident fund	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
e) Re-measurement (gain)/loss recognised in other comprehensive income				
Actuarial (gain)/loss				
Change in financial assumption	(1204)	*(437)*	—	—
Experience variance (actual vs assumption)	360	*390*	—	—
Return on plan assets (excluding amount recognised in net interest expense)	387	*(33)*	—	—
Net actuarial (gain)/loss	**(457)**	*(80)*	**—**	—
f) Major category of plan assets included in percentage of fair value of plan assets				
Government securities	—	—	—	—
Corporate bonds	—	—	—	—
Fund balance with insurance companies	8,932	*9,308*	—	—
Others	—	—	—	—
Total	**8,932**	*9,308*	**—**	—

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

	Gratuity		Provident fund	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
Discount rate	7.10%	*6.70%*	—	—
Salary increase rate	9.00%	*8.00%-10.50%*	—	—
Employee turnover	4.73%-15.88%	*5.00%-15.00%*	—	—
Expected return on exempt fund	*Not applicable*		—	—
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	—	—

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 assumptions is as below:

	March 31, 2023		*March 31, 2022*	
	1% increase	**1% decrease**	*1% increase*	*1% decrease*
Impact on defined benefit obligation (Gratuity) – Increase/(decrease) in liability				
Discount rate	(605)	677	*(704)*	*799*
Salary increase rate	690	(547)	*787*	*(705)*
Employee turnover	(107)	112	*(148)*	*161*
Impact on defined benefit obligation (Provident fund) – Increase/(decrease) in liability				
Expected return on exempt fund	—	—	—	—

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. 3 Lakhs (March 31, 2022: Rs. 500 Lakhs) to gratuity fund during the next financial year. The maturity profile of the undiscounted defined benefit payments under the defined benefit plans in future years is as below.

	Gratuity		Provident fund	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
Within next 12 months	760	*691*	—	—
Between 2 to 5 years	4,523	*4,683*	—	—
Between 5 to 10 years	7,531	*7,431*	—	—
Total	**12,814**	*12,805*	**—**	—

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

Notes to consolidated Financial Statements contd.

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

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

	March 31, 2023	March 31, 2022
Provident fund (includes defined benefit obligation)	1,552	1,236
Superannuation fund	152	586
National pension scheme	210	—
Employees state insurance fund	15	24
Total	**1,929**	1,846

(iii) **Compensated absences**

Acturial valuation is based on the assumption that the employee can either avail and/or encash his accumulated balance in future years after allowing for inflation in employee salary. Present value of Defined Benefit Obligation is calculated by projecting future benefit considering salaries, exits due to death, resignation, and other decrements, if any, using assumed rates of salary escalation, mortality, availment and employee turnover rates. The estimated term of the benefit obligation works out to 7 years. For the current valuation a discount rate of 7.10% per annum (March 31, 2022: 6.70% per annum) compound has been used.

25. FINANCE COSTS

	March 31, 2023	March 31, 2022
Interest expense (including on lease liabilities - refer note 31)	443	1,464
Other borrowing costs	21	14
Total	**464**	1,478

26. DEPRECIATION AND AMORTISATION EXPENSE

	March 31, 2023	March 31, 2022
Depreciation of property, plant and equipment (including right-of-use assets)	20,644	21,191
Amortisation of intangible assets	415	528
Total	**21,059**	21,719

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Notes to consolidated Financial Statements contd.

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

		March 31, 2023		*March 31, 2022*
27. OTHER EXPENSES				
Consumption of stores and spares		16,386		*11,300*
Power and fuel		22,776		*14,779*
Rent		2,792		*3,948*
Repairs and maintenance				
Plant and machinery		6,183		*4,495*
Buildings		561		*240*
Others		2,624		*2,060*
Insurance		2,160		*2,328*
Rates and taxes		36,126		*30,855*
Legal and professional charges		5,357		*6,379*
Auditor's remuneration*				
Statutory audit fee	226		*151*	
Limited review fee	38		*30*	
Tax audit fee	24		*19*	
Certifications	21		*5*	
Other audit related services	124		*99*	
Others	14	447	*23*	*327*
Sales promotion expenses		30,893		*27,606*
Outward freight, halting and breakage expenses		41,487		*30,246*
Distribution expenses		16,065		*16,490*
CSR expenditure (refer details below)		782		*1,080*
Bad debts/advances written off		—		*301*
Loss allowance for trade receivables		818		*1,720*
Provision for doubtful advances/deposits		181		*620*
Miscellaneous expenses		16,644		*14,484*
Total		**2,02,282**		*1,69,258*

*Includes goods and service tax and reimbursement of expenses. Previous year's fee pertains to erstwhile auditor.

Details of CSR expenditure		
(a) Gross amount required to be spent by the Holding Company during the year	782	*1,080*
(b) Amount approved by the Board to be spent during the year	782	*1,080*
(c) Amount spent during the year		
Construction/acquisition of any asset	—	—
Other than construction/acquisition of any asset	782	*736*
Total	**782**	*736*
(d) Details related to spent/unspent obligations		
Amount spent during the year*	782	*736*
Unspent amount in relation to ongoing project	141	*344*
Unspent amount in relation to other than ongoing project	—	—
Total	**923**	*1,080*

Notes to consolidated Financial Statements contd.

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

	March 31, 2023	March 31, 2022
(e) Details of ongoing projects		
Balance at the beginning of the year (with the Holding Company)**	345	47
Amount required to be spent during the year	782	1,080
Less: Amount spent during the year (from the Holding Company's bank account)	782	736
Less: Amount spent during the year (from unspent CSR account)	204	46
Balance at the end of the year (with the Holding Company)	**141**	345

* CSR spents is towards projects of water conservation and recharge, safe drinking water, women empowerment and responsible consumption of alcohol.

**Balance at the beginning of the year (i.e.,as at April 1, 2022) was transferred to a separate unspent CSR account during the year.

28. EXCEPTIONAL ITEMS

	March 31, 2023	March 31, 2022
Impairment (loss) on property, plant and equipment (Refer Note 42)	(3,312)	—
Total	**(3,312)**	—

29. TAX EXPENSES

	March 31, 2023	March 31, 2022
Income tax related to items charged or credited to the Consolidated Statement of Profit and Loss during the year:		
Consolidated statement of Profit and Loss		
Current tax*	12,035	13,203
Deferred tax (credit)	(772)	(367)
Total	**11,263**	12,836
Other comprehensive income		
Deferred tax charge on		
Re-measurement of defined benefit plans	115	20
Total	**115**	20
Reconciliation of tax expense with accounting profit multiplied by statutory income tax rate:		
Accounting profit before income tax	**41,731**	49,444
Tax as per statutory income tax rate of 25.17% (Previous year: 25.17%)	10,504	12,445
Non-deductible expenses for tax purposes		
CSR expenditure	197	272
Others*	562	119
Income tax expense reported in consolidated statement of profit and loss account	**11,263**	12,836
Effective tax rate	**27%**	**26%**

*Includes income tax paid against earlier years amounting to Rs. 485 Lakhs.

30. EARNINGS PER SHARE (EPS)

	March 31, 2023	March 31, 2022
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	30,398	36,546
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.)	**11.50**	13.82

31. LEASES

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

Refer Note 3 for details of carrying amounts of right-of-use assets recognised and the movements during the year. Set out below are the carrying amounts of lease liabilities and the movements during the year:

	March 31, 2023	March 31, 2022
At the beginning of the year	974	1,180
Additions	1,586	286
Accretion of interest	92	91
Payments	(1,090)	(583)
At the end of the year	**1,562**	974
Current	488	368
Non-current	1,074	606
Total	**1,562**	974

The Group has applied weighted average incremental borrowing rate of 8% per annum to lease liabilities recognised in the consolidated balance sheet. The maturity analysis of lease liabilities is disclosed in Note 41(c). The following are the amounts recognised in the consolidated statement of profit and loss:

	March 31, 2023	March 31, 2022
Depreciation expense of right-of-use assets (refer note 3)	692	719
Interest expense on lease liabilities	92	91
Expense relating to short-term leases (included in rent expense)	2,459	3,769
Expense relating to leases of low-value assets (included in rent expenses)	333	179
Total amount recognised in the consolidated statement of profit and loss	**3,576**	4,758

The Group had total cash outflows for leases of Rs. 3,882 Lakhs (Previous year: Rs. 4,531 Lakhs) for the year ended March 31, 2023. The Holding Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 1,586 Lakhs (Previous year: Rs. 286 Lakhs) during the year ended March 31, 2023. 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. Nil (Previous Year: Rs. 151 Lakhs). There are no termination options which are expected to be exercised but not included in lease term.

Notes to consolidated Financial Statements contd.

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

	March 31, 2023	March 31, 2022
32. CAPITAL AND OTHER COMMITMENTS		
(a) Estimated amount of contracts remaining to be executed (net of capital advances) on capital account and not provided for	9,365	6,507
(b) Commitment under contracts for malt conversion	—	1,404
(c) Commitments under power purchase agreements	6,263	6,706
(d) Other contractual commitments	4,598	1,949
Total	**20,226**	16,566

For commitments relating to lease arrangements, refer Note 31.

33. CONTINGENT LIABILITIES

(a) The Holding Company received an order dated September 24, 2021 under Section 27 of the Competition Act, 2002 from the Competition Commission of India ("CCI") ('the CCI Order'), wherein the CCI concluded that the Holding Company and certain executives (including former executives) of the Holding Company contravened the provisions of Section 3 of the Competition Act, 2002. The CCI levied a penalty of Rs. 75,183 Lakhs on the Holding Company. On December 8, 2021, the Holding Company filed an appeal against the aforesaid CCI Order before the National Company Law Appellate Tribunal ('NCLAT'). The NCLAT vide its order dated December 22, 2021 granted a stay of the CCI Order during the pendency of the appeal, including recovery of the penalty imposed by the CCI, subject to deposit of 10% of the penalty amount by the Holding Company. The Holding Company has accordingly deposited Rs. 7,518 Lakhs in the form of Fixed Deposit Receipt (FDR) with the Registrar, NCLAT which is presented under "Other non-current assets". The FDR was valid till December 24, 2022 and as per NCLAT order dated December 8, 2022 the FDR aggregating to Rs7,793 Lakhs was renewed for another period of six months. On December 23, 2022 NCLAT passed its judgment and dismissed the appeals filed by the Holding Company and other appellants. The Holding Company has filed appeal against NCLAT order dated December 23, 2022 before the Supreme Court of India on January 30, 2023 under Section 53T of the Competition Act, 2002. On February 17, 2023, after hearing the arguments of the counsel for the Holding Company and the CCI, the Supreme Court admitted the appeal and stayed the NCLAT Order (and consequently, the CCI Order and the recovery proceeding initiated by the CCI), subject to a deposit of additional 10% of the total penalty amount, over and above the amount already deposited by way of the First FDR before the Registrar, NCLAT. The Holding Company has accordingly deposited Rs. 7,518 Lakhs in the form of FDR with the Registrar, NCLAT which is presented under "Other non-current assets" in all aggregating to Rs. 15,311 Lakhs.

Based on the advice of the external legal experts, the Holding Company is of the view that the Director General, the CCI and the NCLAT has not considered all aspects of its submissions particularly considering the nature of the regulations governing the manufacture, distribution and sale of beer in India. As advised by the Holding Company's external legal experts, the Holding Company has a strong case on merits, there exists uncertainty relating to the final outcome in this matter, which is dependent on judicial proceedings; and that it is not in a position to reliably estimate the final obligation relating to penalties, if any. Accordingly, no provision has been recorded in the books of account and the same has been considered as a contingent liability in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.

(b) On January 5, 2022, a party has filed a claim of Rs. 2,877 Lakhs against the Holding Company before the Arbitral Tribunal, which includes claims towards loss of profit, certain reimbursement claims and damages towards breach of contract, etc. On February 12, 2022, the Holding Company filed a counter claim against the party before the Arbitral Tribunal, which includes claim towards loss of business and other recoverables. Management based on a legal opinion, believes that the claims made by the party are not sustainable and no liability would arise from the same. Accordingly, no liability/provision is recognised in this regard.

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

	March 31, 2023	March 31, 2022
(c) Others		
Claims against the Group not acknowledged as debts^		
Income tax	82,406	*77,959*
Excise duty	15,906	*14,845*
Sales tax	37,586	*11,410*
Service tax	2,631	*2,599*
Water charges	3,414	*3,271*
Employee state insurance/provident fund	92	*104*
Others	8,604	*9,941*
Other money for which the Company is contingently liable		
Bank guarantees	2,024	*1,891*
Letter of credit	—	—
Total	**1,52,663**	*1,22,020*

^The Group is contesting these demands/notices and the management, based on advice of its legal/tax consultants, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the consolidated 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 financial position and results of operations. The Group does not expect any reimbursements in respect of these contingent liabilities. The amounts disclosed as contingent liabilities above are based on the demands stated in the orders/notices received from the tax authorities. These do not include amounts for similar matters for periods subsequent to periods covered by these demands/notices and interest or penalty which are not included in these demands/notices.

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.

(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.

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Notes to consolidated Financial Statements contd.

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

	March 31, 2023	March 31, 2022
34. Details of dues of 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	8,747	*8,367*
- Interest due on above	68	*791*
Total	**8,815**	*9,158*
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	—	150
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.	207	*192*
The amount of interest accrued and remaining unpaid at the end of each accounting year	783	*791*
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	783	*791*

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.

35. SEGMENT REPORTING

As per Ind AS 108, operating segment is a component of the Group that engages in business activities, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Accordingly, the Group has identified its operating segments, as below:

(a) Beer - This segment includes manufacture, purchase and sale of beer including licensing of brands

(b) Non-alcoholic beverages - This segment includes manufacture, purchase and sale of non-alcoholic beverages

The Group's CODM does not review assets and liabilities for each operating segment separately, hence segment disclosures relating to total assets and liabilities have not been furnished.

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Notes to consolidated Financial Statements contd.

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

	March 31, 2023	March 31, 2022
Segment revenue		
Beer	16,64,115	*13,09,404*
Non-alcoholic beverages	994	*2,988*
Total revenue	**16,65,109**	*13,12,392*
Segment results		
Beer	76,009	*84,080*
Non-alcoholic beverages	(3,734)	*(6,510)*
Total segment results	**72,275**	*77,570*
Other income	4,943	*2,979*
Finance costs	(464)	*(1,478)*
Other unallocable expenses	(31,711)	*(29,627)*
Profit before exceptional items and tax	**45,043**	*49,444*
Exceptional items (Refer Note 28)	(3,312)	—
Profit before tax	**41,731**	*49,444*
Information about geographical areas is as below:		
Revenue from external customers (including excise duty)		
India	16,47,899	*12,96,692*
Outside India	17,210	*15,700*
Total	**16,65,109**	*13,12,392*
The above information is based on the location of customers.		
Non-current operating assets		
India	1,92,171	*2,01,635*
Outside India	—	—
Total	**1,92,171**	*2,01,635*

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. 5,76,233 Lakhs (Previous year: Rs. 4,38,084 Lakhs) from 2 customers (Previous year: 2 customers).

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

36. RELATED PARTY DISCLOSURES

A. Name of related parties and related party relationships

Related party where control or significant influence exists:

Ultimate holding company	: Heineken N.V. (effective July 29, 2021)
Associate	: Kingfisher East Bengal Football Team Private Limited ('KEBFTPL')

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

Enterprises having significant influence	: Scottish & Newcastle India Limited, UK ('SNIL') Heineken International B.V. ('HIBV') (effective June 23, 2021)
Key management personnel (KMP)	: Mr. Rishi Pardal, Managing Director Mr. Berend Cornelis Roelof Odink, Director and Chief Financial Officer (Director effective June 29, 2021 and till August 14, 2022)* Mr. Radovan Sikorsky, Director and Chief Financial Officer (effective August 15, 2022)** Mr. B.M. Labroo, CEO and Director of Subsidiary Company (Since expired on November 7,2022)

*During the year ended March 31, 2022, the Holding Company appointed Mr. Berend Cornelis Roelof Odink, a Non-resident as whole-time director of the Holding Company. The Holding Company has filed an application with the Central Government seeking approval for appointment of Mr. Berend Cornelis Roelof Odink as a director, as per Rule 7 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the same is presently awaited. The Holding Company has obtained shareholders' approval in this regard, at the Annual General Meeting of the Holding Company held on July 29, 2021.

**During the year ended March 31, 2023, the Company appointed Mr. Radovan Sikorsky, a Non-resident as whole-time director of the Company. The Company has filed an application with the Central Government seeking approval for appointment of Mr. Radovan Sikorsky as a Director, as per Rule 7 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the same is presently awaited. The Company obtained shareholders' approval by way of postal ballot vide notice dated July 27, 2022.

Enterprises over which investing parties have significant influence/Fellow subsidiaries (effective July 29, 2021)	: Heineken UK Limited ('HUL'), holding company of SNIL Heineken International B.V. ('HIBV') (till June 22, 2021) 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') Heineken Ceska Republika ('HCR') Heineken Management (Shanghai) Co (HMS) Amstel Brouwerijen B.V. ('Amstel') Heineken Global Procurement B.V (HGP) DB Breweries Limited ('DBL') DBG (Australia) Pty Limited ('DBG') Sirocco FZCO, United Arab Emirates ('SIRC') Asia Pacific Breweries (Singapore) Pte. Ltd. ('APBS') IBECOR SA (IBE)

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

Employee benefits trusts (included in 'Others' below)	: UBL Gratuity Fund Trust United Breweries Limited Provident Fund Trust ("UBL Provident Fund Trust")** United Breweries Superannuation Fund ("UBL Superannuation Fund")

**During the year ended March 31, 2022, the Holding Company has surrendered the trust to the Employees Provident Fund Organisation, Government of India.

Additional related parties as per the Companies Act, 2013 with whom transactions have taken place

Directors	: Mr. A K Ravi Nedungadi (till July 29, 2021) Mr. Stephan Gerlich (till June 13, 2022) Mrs. Kiran Majumdar Shaw Mr. Madhav Bhatkuly (till March 1, 2023) Mr. Sunil Alagh (till June 13, 2022) Mr. Christiaan August J Van Steenbergen Mr. Jan Cornelis Van Der Linden (effective June 1, 2020) Mr. Manu Anand (effective May 29, 2022) Ms. Geetu Gidwani Verma (effective May 29,2022) Mr. Anand Kripalu (effective February 22, 2023)

The Securities and Exchange Board of India vide its order dated January 25, 2017 restrained Dr. Vijay Mallya from holding position as Director or Key Managerial Person of any listed company. Pursuant to the decision of the Board at its meeting held on July 4, 2017, the Holding Company had communicated on July 6, 2017 to Dr. Mallya and his associate companies (promoters of the Holding Company) to nominate a director on the Board in his place in terms of the Articles of Association of the Holding Company. Further, pursuant to the decision of the Board at its meeting held on August 10, 2017, the Holding Company carried out necessary filings with the Registrar of Companies, Karnataka (ROC) and Stock Exchanges notifying Dr. Mallya's cessation from holding the position of director in the Holding Company. The applicable form relating to cessation of directorship has since been approved by the ROC. Effective July 29, 2021, Dr. Vijay Mallya is not a related party.

Key management personnel (KMP):	: Mr. Govind Iyengar, Senior Vice-President Legal and Company Secretary (till December 31, 2022) Mr. Amit Khera, Company Secretary (effective March 15, 2023)

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Notes to consolidated Financial Statements contd.

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

B. Transactions with related parties during the year along with balances as at year end:

	Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties have significant influence/ Fellow Subsidiaries		Others	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
Transactions during the year										
Sale of products (net)										
SIRC	–	–	–	–	–	–	11,561	*11,826*	–	–
APBS	–	–	–	–	–	–	457	*392*	–	–
IBE	–	–	–	–	–	–	8	–	–	–
	–	–	**–**	–	**–**	–	**12,025**	*12,218*	**–**	–
Royalty income										
APBS	–	–	–	–	–	–	2,692	1,760	–	–
DBL	–	–	–	–	–	–	471	542	–	–
DBG	–	–	–	–	–	–	125	101	–	–
	–	–	**–**	–	**–**	–	**3,288**	*2,403*	**–**	–
Purchase of materials										
HAPBPL	–	–	–	–	–	–	324	1,201	–	–
HSCBV	–	–	–	–	–	–	23	5	–	–
	–	–	**–**	–	**–**	–	**347**	*1,206*	**–**	–
Technical service fees										
HIBV	–	–	–	600	–	–	–	–	–	–
	–	–	**–**	*600*	**–**	–	**–**	–	**–**	–
Royalty paid										
HBBV	–	–	–	–	–	–	628	*395*	–	–
Amstel	–	–	–	–	–	–	259	*217*	–	–
	–	–	**–**	–	**–**	–	**886**	*612*	**–**	–
Consultancy fees paid										
HSCBV	–	–	–	–	–	–	113	*131*	–	–
HIBV	–	–	2,687	*361*	–	–	–	–	–	–
HGP	–	–	–	–	–	–	128	–	–	–
	–	–	**2,687**	*361*	**–**	–	**241**	*131*	**–**	–

Notes to consolidated Financial Statements contd.

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

	Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties have significant influence/ Fellow Subsidiaries		Others	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
Reimbursements received										
HMS	–	–	–	–	–	–	–	17	–	–
HIBV	–	–	–	99	–	–	–	–	–	–
	–	–	**–**	99	**–**	–	**–**	17	**–**	–
Reimbursements paid										
HAPPL	–	–	–	–	–	–	185	–	–	–
HIBV	–	–	1,003	352	–	–	–	–	–	–
	–	–	**1,003**	352	**–**	–	**185**	–	**–**	–
Remuneration paid [Refer (a) below]										
Mr. Rishi Pardal	–	–	–	–	1,028	1,024	–	–	–	–
Mr. Berend Cornelis Roelof Odink	–	–	–	–	181	431	–	–	–	–
Mr. Radovan Sikorsky	–	–	–	–	417	–	–	–	–	–
Mr. Shekhar Ramamurthy	–	–	–	–	–	214	–	–	–	–
Mr. Govind Iyengar	–	–	–	–	556	244	–	–	–	–
Mr. Amit Khera	–	–	–	–	9	–	–	–	–	–
Mr. B.M.Labroo	–	–	–	–	17	26	–	–	–	–
	–	–	**–**	–	**2,208**	1,939	**–**	–	**–**	–
Sitting fee paid										
Mr. A K Ravi Nedungadi	–	–	–	–	–	8	–	–	–	–
Mr. Stephan Gerlich	–	–	–	–	2	12	–	–	–	–
Mrs. Kiran Majumdar Shaw	–	–	–	–	1	12	–	–	–	–
Mr. Madhav Bhatkuly	–	–	–	–	3	16	–	–	–	–
Mr. Sunil Alagh	–	–	–	–	3	18	–	–	–	–
Mr. Christiaan August J Van Steenbergen	–	–	–	–	2	14	–	–	–	–
Mr. Jan Cornelis Van Der Linden	–	–	–	–	2	11	–	–	–	–
	–	–	**–**	–	**12**	91	**–**	–	**–**	–
Director Commission accrued*										
Mr. A K Ravi Nedungadi	–	–	–	–	–	28	–	–	–	–
Mr. Stephan Gerlich	–	–	–	–	14	99	–	–	–	–
Mrs. Kiran Majumdar Shaw	–	–	–	–	75	99	–	–	–	–
Mr. Madhav Bhatkuly	–	–	–	–	76	99	–	–	–	–
Mr. Sunil Alagh	–	–	–	–	17	99	–	–	–	–

Notes to consolidated Financial Statements contd.

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

	Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties have significant influence/ Fellow Subsidiaries		Others	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
Director Commission accrued* (contd.)										
Mr. Manu Anand	–	–	–	–	69	–	–	–	–	–
Ms. Geetu Gidwani Verma	–	–	–	–	76	–	–	–	–	–
Mr. Anand Kripalu	–	–	–	–	4	–	–	–	–	–
	–	–	**–**	–	**332**	*424*	**–**	–	**–**	–
Dividend accrued/paid on equity shares										
SNIL	–	–	9,450	*450*	–	–	–	–	–	–
HIBV	–	–	6,738	*321*	–	–	–	–	–	–
HUL	–	–	–	–	–	–	891	*42*	–	–
	–	–	**16,188**	*771*	**–**	–	**891**	*42*	**–**	–
Purchase of Investments										
UBL Provident Fund Trust	–	–	–	–	–	–	–	–	–	*49*
	–	–	**–**	–	**–**	–	**–**	–	**–**	*49*
Contributions made										
UBL Gratuity Fund Trust	–	–	–	–	–	–	–	–	900	1,000
UBL Provident Fund Trust**	–	–	–	–	–	–	–	–	–	*1,812*
UBL Superannuation Fund	–	–	–	–	–	–	–	–	152	*586*
	–	–	**–**	–	**–**	–	**–**	–	**1,052**	*3,398*

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

Balances outstanding as at year end

	Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties have significant influence/ Fellow Subsidiaries		Others	
Investment in equity shares										
KEBFTPL	1	*1*	–	–	–	–	–	–	–	–
	1	*1*	**–**	–	**–**	–	**–**	–	**–**	–
Trade receivables										
SIRC	–	–	–	–	–	–	640	*1,994*	–	–
APBS	–	–	–	–	–	–	1,494	*999*	–	–
DBL	–	–	–	–	–	–	128	*125*	–	–
HIBV	–	–	–	*99*	–	–	–	–	–	–
DBG	–	–	–	–	–	–	31	*30*	–	–
IBE	–	–	–	–	–	–	8	–	–	–
	–	–	**–**	**99**	**–**	–	**2,300**	*3,148*	**–**	–

Notes to consolidated Financial Statements contd.

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

	Associate		Enterprises having significant influence		Directors and KMP		Enterprises over which investing parties have significant influence/ Fellow Subsidiaries		Others	
	March 31, 2023	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*	**March 31, 2023**	*March 31, 2022*
Trade payables										
HGP	–	–	–	–	–	–	93	–	–	–
HIBV	–	–	1,200	*888*	–	–	–	–	–	–
HBBV	–	–	–	–	–	–	124	*116*	–	–
Amstel	–	–	–	–	–	–	28	*58*	–	–
HSCBV	–	–	–	–	–	–	20	*33*	–	–
HAPBPL	–	–	–	–	–	–	31	*205*	–	–
HAPPL	–	–	–	–	–	–	57	–	–	–
	–	–	**1,200**	*888*	**–**	–	**352**	*412*	**–**	–
Other Payables										
Mr. A K Ravi Nedungadi	–	–	–	–	–	*26*	–	–	–	–
Ms. Geetu Gidwani Verma	–	–	–	–	50	–	–	–	–	–
Mr. Manu Anand	–	–	–	–	62	–	–	–	–	–
Mr. Anand Kripalu	–	–	–	–	4	–	–	–	–	–
Mr. Stephan Gerlich	–	–	–	–	12	*65*	–	–	–	–
Mrs. Kiran Majumdar Shaw	–	–	–	–	68	*92*	–	–	–	–
Mr. Madhav Bhatkuly	–	–	–	–	50	*91*	–	–	–	–
Mr. Sunil Alagh	–	–	–	–	16	*91*	–	–	–	–
Mr. Christiaan August J Van Steenbergen	–	–	–	–	7	*1*	–	–	–	–
Mr. Jan Cornelis Van Der Linden	–	–	–	–	4	–	–	–	–	–
	–	–	**–**	–	**272**	*366*	**–**	–	**–**	–

(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.

(b) The Holding Company had received orders 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 certain other shareholders, without its prior permission; accordingly, the Holding Company has withheld payment of Rs. 3,812 Lakhs (net of taxes) relating to dividend on aforesaid shares, which was part of unpaid dividend mentioned in note 15. Further, the Holding Company had received various orders from tax and provident fund authorities prohibiting the Holding Company from making any payment to an erstwhile director; accordingly the Holding Company has 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 consolidated Financial Statements contd.

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

37. SUMMARY OF NET ASSETS, SHARE IN CONSOLIDATED PROFIT AND SHARE IN CONSOLIDATED OTHER COMPREHENSIVE INCOME/(LOSS)

March 31, 2023

	Net assets i.e. total assets minus total liabilities		Share in consolidated profit or loss		Share in consolidated other comprehensive income		Share in consolidated total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net profit	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
United Breweries Limited, Parent	99.80%	3,96,138	99.53%	30,326	100.00%	342	99.54%	30,668
Maltex Malsters Limited, Indian subsidiary	0.09%	351	0.24%	72	—	—	0.23%	72
Non-controlling interest in subsidiary	0.11%	461	0.23%	70	—	—	0.23%	70
Total	**100.00%**	**3,96,950**	**100.00%**	**30,468**	**100.00%**	**342**	**100.00%**	**30,810**

March 31, 2022

	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	*99.80%*	*3,93,125*	*99.65%*	*36,481*	*100.00%*	*60*	*99.65%*	*36,541*
Maltex Malsters Limited, Indian subsidiary	*0.10%*	*387*	*0.18%*	*65*	—	—	*0.18%*	*65*
Non-controlling interest in subsidiary	*0.10%*	*414*	*0.17%*	*62*	—	—	*0.17%*	*62*
Total	***100.00%***	***3,93,926***	***100.00%***	***36,608***	***100.00%***	***60***	***100.00%***	***36,668***

The amounts included above are net of eliminations of inter-company balances and transactions.

38. FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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, 2023				
Financial assets measured at fair value through profit or loss				
Investments in equity instruments	539	—	—	539
Financial assets measured at fair value through other comprehensive income				
Investments in debt instruments	262	196	66	—
As at March 31, 2022				
Financial assets measured at fair value through profit or loss				
Investments in equity instruments	553	—	—	553
Financial assets measured at fair value through other comprehensive income				
Investments in debt instruments	278	212	66	—

There has been no transfers between levels during the year.

Considering that the amounts involved for investment in equity instruments are not significant, fair value fluctuations are not expected to be material and hence no further disclosure has been made. The fair values of investment in quoted debt instruments are based on price quotations and available market information at the reporting date are classified as Level 1.

The management assessed that the carrying values of trade and other receivables, cash and short term deposits, other assets, borrowings, trade and other payables and balances with related parties, based on their notional amounts, reasonably approximate their fair values because these instruments have short-term maturities.

39. 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 and security deposits 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 of 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 and trade payables.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's borrowings with floating interest rates.

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

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	March 31, 2023		March 31, 2022	
	1% increase	1% decrease	1% increase	1% decrease
Impact on consolidated profit before tax	—	—	—	—

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 receivbles.

The Group did not hedge any exposure as at March 31, 2023 and March 31, 2022. The unhedged foreign currency exposure (gross amounts in Indian rupees lakhs) as at the reporting date is as below:

	As at March 31, 2023	As at March 31, 2022
Trade receivables	2,321	3,326
Advances to suppliers	491	311
Balance in exchange earners foreign currency bank accounts	1,267	5,856
Capital advances	226	55
Trade payables	2,600	2,022
Liability for capital goods	157	724

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, 2023		March 31, 2022	
	1% increase	1% decrease	1% increase	1% decrease
Impact on consolidated profit before tax	15	(15)	68	(68)

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, 2023		March 31, 2022	
	1% increase	1% decrease	1% increase	1% decrease
Impact on consolidated profit before tax	(624)	624	(271)	271

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

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Group's exposure to credit risk arises majorly from trade/other receivables and investments in debt instruments. Other financial assets like security deposits and bank deposits are mostly with government authorities and nationalised banks and hence, the Group does not expect any significant credit risk with respect to these financial assets. With respect to trade receivables, significant portion (66% at March 31, 2023 and 68% as at March 31, 2022) 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.

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, 2023	*March 31, 2022*
Balance at the beginning of the year	7,295	*5,792*
Provision recognised/(reversed) during the year, net	814	*1,503*
Balance at the end of the year	**8,109**	*7,295*

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 undiscounted maturity profile of the Company's financial liabilities:

	Maturities				Total
	Upto 1 year	**1–2 years**	**2–3 years**	**>3 Years**	
March 31, 2023					
Lease liabilities	594	465	365	386	1,810
Trade payables	71,698	—	—	—	71,698
Other financial liabilities	77,835	1,845	—	—	79,680
Total	**1,50,127**	**2,310**	**365**	**386**	**1,53,188**

	Maturities				Total
	Upto 1 year	**1–2 years**	**2–3 years**	**>3 Years**	
March 31, 2022					
Lease liabilities	*432*	*236*	*120*	*367*	*1,155*
Trade payables	*63,800*	—	—	—	*63,800*
Other financial liabilities	*55,810*	*2,497*	—	—	*58,307*
Total	*1,20,042*	*2,733*	*120*	*367*	*1,23,262*

The Group has utilised the existing borrowing limits based on requirements and has unutilised borrowing limits available at the year end which is available for utilisation.

Notes to consolidated Financial Statements contd.

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

40. 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, 2023	As at March 31, 2022
Lease liabilities	31	1,562	974
Less: Cash and cash equivalents	11	32,986	86,260
Less: Other bank balances (excluding unpaid divided and unspent CSR amounts)	12	707	832
Net debt		—	—
Equity share capital	13	2,644	2,644
Other equity	14	3,93,845	3,90,868
Non-controlling interest		461	414
Total capital		**3,96,950**	3,93,926
Gearing ratio		—	—

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 or previous year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

41. The Bihar State Government ("the Government") vide its notification dated April 5, 2016 had imposed ban on trade and consumption of alcoholic beverages in the State of Bihar. The Holding Company had filed a writ petition with the High Court at Patna, requesting remedies and compensation for losses incurred on account of such abrupt notification, which was allowed by Patna High Court and against which the Government preferred a special leave petition before the Supreme Court of India. Further, the Government did not renew brewery licenses for the financial year 2017-18 onwards and consequently the Holding Company discontinued production of beer at Bihar. The matter is currently pending before the Supreme Court for final conclusion. During the financial year 2018-19, in order to maintain the assets in running condition, the Holding Company commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment. The Holding Company carried out an impairment assessment of its property, plant and equipment and the recoverable amount for these property, plant and equipment is determined by an external valuer based on a fair value less cost of disposal calculation.Effective May 1, 2022, the Holding Company has closed its manufacturing operations from Bihar unit and has made alternative arrangement for manufacturing non-alcoholic beverages on contract basis with a third-party contractor, considering the economies of scale of operations for non-alcoholic beverages. The Holding Company has received a show cause notice dated June 25, 2022 from Bihar Industrial Area Development Authority (BIADA) for cancellation of its land lease at Bihar considering non-operation of the manufacturing unit. The Holding Company, based on legal advice, has filed its response to the said show-cause notice stating that there has been no violation of the BIADA Act and the notice to the Company is not maintainable. BIADA thereafter, issued another show cause notice dated November 2, 2022 to start production within 30 days failing which the allotment of land would be cancelled forfeiting the allotment money. The Holding Company sought six months' time to commence production as per the Amnesty Scheme of BIADA. However, BIADA cancelled allotment of land to the Holding Company vide order dated December 16, 2022 against which the Holding Company has filed a writ before the High Court of Patna. The High Court vide order dated January 25, 2023 has directed to maintain status quo and also directed the Holding Company to file undertaking that it will commence commercial production in the unit. The Holding Company has filed undertaking in High Court that it will start commercial production in the unit with BIADA recalling the order of cancellation. Subsequently, on 08.02.2023 the High Court directed BIADA to take a policy decision to deal with the situation arising out of the action of BIADA in present petition and identical matters. The matter is pending in High Court.

The Management is planning to restart production of non-alcoholic beverages in the unit. As at March 31, 2023, the carrying value of property, plant and equipment at Bihar is Rs. 8,797 Lakhs (net of impairment). Recoverable value is determined based on the higher of value in use and fair value less cost of disposal. In determining the fair value less cost of disposal, the Holding Company evaluated and concluded its right to transfer the leasehold land after considering contractual rights available to the Holding Company under the BIADA Act.

42. The change in the operating models in the states of Tamil Nadu and Andhra Pradesh, has seen recent volumes decline in these states inter alia on account of the post integration review undertaken by Heineken. This resulted in lower cash inflows due to reduction in revenue, which triggered an impairment review being performed across property, plant and equipment of the breweries in the two states. As a result, the impacted assets were reviewed for impairment on an asset-by-asset basis and an impairment of Rs 3,312 Lakhs was recorded on the property, plant and equipment for the two states and presented as an exceptional item in the consolidated financial statements. Management is reviewing opportunities to restore volumes in the states and, as such whilst there is no plan of restructuring as on date, potential risks of the Holding Company incurring additional costs remain.

43. Ratios and its elements

The ratios have not been disclosed in the consolidated financial statements pursuant to the guidance under the Revised Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India ("ICAI").

44. Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Holding Company has balances with the below mentioned company, struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956.

Name of the Company : M/s Maya Hotel Pvt. Limited

Nature of the transactions: Payables

Balance outstanding as on March 31, 2023: Rs.0.21

Relationship with struck off company: Not related as per Section 2(76) of the Companies Act 2013.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyod the statutory period, except for Rs. 50 Lakhs in relation to loan repaid in the past.

(iv) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other persons(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writing or otherwise that the Intermediary shall:

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries), or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwsie) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Group did not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income tax Act, 1961.

45. The Code on Social Security, 2020 ("the Code) which would impact the contributions by the Group towards Provident Fund and Gratuity, has received Presidential assent in September 2020. The Code have been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Group will complete its evaluation and will give appropriate impact in its consolidated financial results in the period in which the Code becomes effective and the related rules are published.

46. The financial statements of the Company for the year ended March 31, 2022 were audited by S. R. Batliboi & Associates LLP, Chartered accountants, the predecessor auditor.

47. The comparative figures have been regrouped/reclassified, where necessary, to confine to this year's classification.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Firm Registration Number: 008072S)

Gurvinder Singh
Partner

Place: Bengaluru
Date: May 04, 2023

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

Rishi Pardal
Managing Director
DIN: 02470061

Radovan Sikorsky
Director and Chief Financial Officer
DIN: 09684447

Manu Anand
Director
DIN: 00396716

Amit Khera
Company Secretary

Place: Bengaluru
Date May 04, 2023

Annexures

ANNEXURE - A: BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN)	L36999KA1999PLC025195
2.	Name of the Listed Entity	UNITED BREWERIES LIMITED
3.	Year of Incorporation	May 13, 1999
4.	Registered office address	UB Tower, UB City, #24 Vittal Mallya Road, Bengaluru - 560 001, Karnataka, INDIA
5.	Corporate Address	Same As above
6.	E-mail	ublinvestor@ubmail.com
7.	Telephone	+91 80 45655000
8.	Website	www.unitedbreweries.com
9.	Financial year for which reporting is being done	April 01, 2022 to March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	(i) BSE Limited (ii) National Stock Exchange of India Limited
11.	Paid-up Share Capital	26,44,05,149 Equity Shares
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR	Mr. Radovan Sikorsky – Director & CFO Telephone: +91 80 45655000 Email: ublinvestor@ubmail.com
13.	Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	On standalone basis

II. Products/Services

14. Details of business activities (accounting for 90% of the Turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacture and Supply	Beer	99.94
2.		Non-alcoholic beverages	0.06

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Services	NIC Code	% of total Turnover contributed
1.	Beer	11031	99.94

Annexures contd.

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	21 (Twenty one)*	48	68
International	05 (Licensing units)	Nil	05

*Out of 21 (twenty one) owned manufacturing plants, 1 (one) at Patna, Bihar and 1 (one) at Chertala, Kerala are not in operation.

17. Market served by the entity:

a. Number of locations

Location	Number
National (No. of States)	28 States & 8 Union Territories
International (No. of Countries)	50 International Countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?
– 0.83%

c. A brief on types of customers:
- State Government/State owned Corporation in Government market.
- Distributors in open market

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1.	Permanent (D)	1,245	1,061	85	212	17
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	**Total Employees (D+E)**	1,245	1,061	85	212	17
	WORKERS					
1.	Permanent (F)	1,492	1,460	98	32	2
2.	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
3.	**Total Employees (F+G)**	1,492	1,460	98	32	2

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	1	1	100	Nil	Nil
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	**Total differently abled employees (D+E)**	1	1	100	Nil	Nil
	DIFFERENTLY ABLED WORKERS					
1.	Permanent (F)	21	19	90.47	2	95.23
2.	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
3.	**Total differently abled workers (F+G)**	21	19	90.47	2	95.23

19. Participation/Inclusion/Representation of women:

Particulars	Total	No. and percentage of Females	
	(A)	No. (B)	% (B/A)
Board of Directors	8	2	25
Key Management Personnel (including Directors)*	3	Nil	Nil

*As on March 31, 2023, Key Managerial Personnel are Chief Executive Officer and Managing Director (CEO & MD), Chief Financial Officer (Director & CFO) and Company Secretary (CS).

20. Turnover rate for permanent employees and workers:

Particulars	FY 2022-2023 (Turnover rate in current FY in %)			FY2021-2022 (Turnover rate in previous FY in %)			FY2020-2021 (Turnover rate in the year prior to the previous FY in %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20	2	22	19	3	22	9	1	10
Permanent Workers	1.8	0.1	1.9	3.6	0.1	3.7	6	0.2	6.2

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

Sl. No.	Name of the Holding/Subsidiary/Associate Companies/Joint Ventures (A)	Indicate whether Holding/Subsidiary/Associate/Joint Venture	% of Shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity
1.	Maltex Malsters Limited	Subsidiary	51%	No
2.	Kingfisher East Bengal Football Team Private Limited	Associate	49.99%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 : (Yes/~~No~~)
(ii) Turnover (in Rs.) : 74,917 Million
(iii) Net worth (in Rs.) : 39,490 Million

[This space has been intentionally left blank]

Annexures contd.

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *(If Yes, then provide web-link for grievance redress policy)*	FY 2022–2023 (Current Financial Year)			FY 2021–2022 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	NA	Nil	Nil	NA	Nil	Nil	NA
Investor (other than shareholders)*	Yes	Nil	Nil	NA	Nil	Nil	NA
Shareholders	Yes	3	Nil	Resolved	5	Nil	Resolved
Employees and workers*	Yes	18	5	13 complaints Resolved	4	4	Resolved
Customers	Yes	2710	Nil	Resolved	903	Nil	Resolved
Value Chain Partners*	Yes	Nil	Nil	NA	Nil	Nil	NA
Others (Health & Safety)*	Yes	Nil	Nil	NA	2	1	Resolved

* UBL's stakeholders include our investors, employees, vendors/partners, governments, customers (includes consumers), and the community. A strong 'Whistleblower Policy' and non-retaliation clause is available to all our stakeholders. For details on employees' grievances and resolution, refer to Question 6 of Principle 5. (i) Grievance redressal mechnism is covered under 'Speak up Policy' available on Company's Intranet portal, and (ii) for business associates, the company has framed a policy 'Guidance Note to Business Associates', which can be viewed on Company's website: www.unitedbreweries.com/investors.

24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Fresh Water (i.e., Raw Material for manufacture of Beer)	Risk	Water availability and Conservation	(i) Reduce consumption of fresh water; (ii) Reuse-recycle of treated wastewater, and (iii) Tap & recharge Rainwater	Negative implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements.

Sl. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/~~No~~)	The Company has framed Policies to meet statutory requirements. In a few areas internal guidelines have been framed which cover certain aspects of NGRBC.								
	b. Has the policy been approved by the Board? (Yes/~~No~~)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Policies covering certain Stakeholders can be viewed on Company's website: www.unitedbreweries.com/investors. Internal policies are restricted and can be viewed by employees only on Company's Intranet portal.								
2.	Whether the entity has translated the policy into procedures. (Yes/~~No~~)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/~~No~~)	Formalized Policies have been communicated to key internal Stakeholders of the Company. The company has an inhouse structure for implementation. As we progress in this area, the same will be strengthened suitably.								
4.	Name of the national and international codes/ certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Certain breweries of the Company are in conformance of international standards and have been accredited with various certifications like ISO 9001:2015 (Quality Management System); ISO 14001:2004 (Environmental Management System); ISO 22000:2005 (Food Safety Management System); OHSAS 18001:2007 (Occupational Health Safety Assessment System).								
5.	Specific commitments, goals, and targets set by the entity with defined timelines, if any.	To adhere to the policies covering each principle and its core elements of the NGRBC.								
6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Overall, the Company's performance is in line with its commitments.								
Governance, leadership, and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure). – UBL is committed to make the business sustainable and socially responsible. We constantly strive to ensure maximum compliance in terms of governance, environment, and economic strategies. We always strive to enhance our strategies and commitments towards being a responsible business while we continue to transparently share our sustainability performance and goals moving forward. In our efforts we maintain an honest accountability towards our communities, stakeholders, and shareholders. For further details, on challenges and achievements, please refer to the detailed Sustainability Report attached as Annexure.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy(ies).	The Corporate Social Responsibility and Environment, Social and Governance Committees (CSR & ESG) of the Board oversees the business responsibility and progress on our ESG ambition.								
9.	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/~~No~~). If yes, provide details.	Yes. The CSR & ESG representative of Board of Directors, are responsible for decision making.								

Annexures contd.

10. Details of Review of NGRBC by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Responsible Business conduct is reviewed through Code of Business Conduct, Environment, Social and Governance and Corporate Social Responsibility engagements by the respective Committees at periodical intervals i.e., half-yearly/Annual basis. The Board of Directors assess CSR initiatives, Sustainability, Risk and Strategic initiatives. The CSR Head and the CXO/MD meet frequently to oversee implementation of CSR projects/programmes/activities to be undertaken by the Company. The CSR & ESG Committee of the Board meets twice a year to oversee the functioning of CSR activities and implementation of projects.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	We comply with statutory requirements relevant to the principles in relation to Govt. Statutory requirements and in case of non-compliance steps to rectify the same are taken immediately.																	

11.

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	These Policies are reviewed from time to time by the Management and Auditors.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	All Principles are covered by required policy/policies								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 – Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	Nil	NA	NA
Key Managerial Personnel	04	(i) Prevention of Sexual Harassment (ii) Code of Business Conduct (iii) Security Awareness and (iv) All-inclusive Leadership Training	100%
Employees other than Board of Directors and KMPs	04	(i) Prevention of Sexual Harassment (ii) Code of Business Conduct (iii) Security Awareness and (iv) Life Saving Commitments	100%
Workers	03	i) Prevention of Sexual Harassment (ii) Code of Business Conduct (iii) Life Saving Commitments	100%

2. Details of fines/penalties/punishment/award/compounding fees/ settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
Particulars	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/judicial institutions**	**Amount (INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Fine	P1	Stock Exchanges	Rs. 12,980/-	Delay in filing of: (i) Annual Report 2022, (ii) Disclosure on Related Party Transaction & (iii) Corporate Governance Report	No
Settlement	NA	Nil	Nil	Nil	NA

Annexures contd.

Non-Monetary				
Particulars	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	There are no actions on the Company or its Directors/KMPs with regulators/law enforcement agencies/judicial institutions, in the financial year.			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases were monetary on non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   – Yes. Our code of Business Conduct and Ethics complies with the legal requirements of applicable laws and regulations, including Anti-Bribery & Anti-Corruption (ABAC) and ethical handling of conflict of interest. Additionally, we also have an Policy on Money Laundering and Sanctions (available in the company intranet) which provides the requirements around ABAC in detail.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the changes of bribery/corruption:

Particulars	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2022-2023 (Current Financial Year)		FY 2021-2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflict of interest.

   – Not Applicable.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	NA	Nil

2. Does the entity have processes in place to avoid/manage conflict of interest involving members of the Board? (Yes/~~No~~) If Yes, provide details of the same.

   – Yes. The Company receives periodic/ongoing declarations from its Board members, on the entities they are interested in and ensure requisite approvals, as required under the Statute as well as on the Company's Policies which are in place before transacting with such individuals/entities.

PRINCIPLE 2 – Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)	Details of improvements in environmental and social impacts
Research & Development (R&D)	Nil	Rs.260 million	Developed two rows malting variety of Barley (i.e., Raw material) and achieved 'Zero Liquid Discharge' of water through innovative New Water project.
Capex	Rs.510 million	Rs.336.6 million	Recycle and reuse of treated wastewater for conservation of fresh water.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/~~No~~)

   – Yes. All our procurement follows the principles of sustainable sourcing.

   b. If yes, what percentage of inputs were sourced sustainably?

   – 65% of inputs were sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

#	Materials	Destination	Description
1.	Plastics	Recycle	Under Extended Producer Responsibility (EPR) program, collect the plastic material for recycling
2.	E-waste	Recycle	Computer and Printer leased out on 'Buy-back Policy' with the OEMs.
3.	Lead acid batteries	Disposed	Disposed under buy-back policy with OEMs.
4.	Hazardous Waste	Treatment/Landfill	Segregated at brewery and sent to State Pollution Control Board authorized TSDF (Treatment Storage Disposal Facility) site for disposal. ETP waste and MEE salt sent for Landfilling.
			Used/Spent Oil, discarded empty drums sent to authorized vendor for recycling
5.	Other Non-Hazardous Waste	Recycle	Sent to authorized vendor for recycling

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/~~No~~).
   If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken no address the same.

   – The EPR is applicable for our operational management. Waste collection plan is in line with the Extended Producer Responsibility plan as submitted to the Pollution Control Board.

Annexures contd.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessment (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

   – Life Cycle Perspective/Assessment is not applicable to Alcohol & Beverage Industries.

NIC code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
Not Applicable					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessment (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name or Product/Service	Description of the risk/concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Used Glass Bottles as a percentage of total input material in our portfolio	10.9%	11.8%

4. Of the products and packaging reclaimed at end of lift of products, amount [in Metric Tonnes (MT)] reused, recycled, and safely disposed, as per the following format:

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Re-Used (MT)	Recycled (MT)	Safely Disposed (MT)	Re-Used (MT)	Recycled (MT)	Safely Disposed (MT)
Plastics (including packaging)	Nil	3,537	Nil	Nil	1,318	Nil
E-waste	Nil	Nil	6	Nil	Nil	4
Hazardous waste	10,88,714	26.99	7,190	109	12.1	5,718
Other waste	1,91,721	41,169	4,793	131	24,141	3,812

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Beer Glass bottles	>95% recycled (Out of 95%, 60% comprised of bottles that were returned to us and were reused in production, and balance 35% recycled in the market as cullets (precursor for making glass).
Beer Cans	Aluminium Cans are recyclable by nature

PRINCIPLE 3 – Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care facilities (*)	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,061	1,061	100	100	100	Nil	NA	25	2.35	Nil	NA
Female	184	184	100	100	100	7	3.80	Nil	NA	1	0.54
Total	1,245	1,245	100	100	100	7	0.56	25	2.00	1	0.08
Other than Permanent employees											
Male	Nil										
Female											
Total											

(*) Out of 184 female members, 1 member has availed day care facility.

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care facilities*	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent worker											
Male	1,460	1,460	100	1,460	100	Not Applicable					
Female	32	32	100	32	100						
Total	1,492	1,492	100	1,492	100						
Other than permanent worker											
Male	Nil										
Female											
Total											

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI (*)	Nil	13.5	Yes	Nil	22	Yes
Others	Nil					

(*) All eligible employees covered under the Employees State Insurance Act ("ESIC"), 1948 are provided the benefit.

Annexures contd.

3. **Accessibility of workplaces**

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

– Yes. The Premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

– No.

5. Return to work & Retention rates of permanent employees and workers that took parental leave.

Gender	**Permanent employees**		**Permanent workers**	
	Return to work rate	**Retention rate**	**Return to work rate**	**Retention rate**
Male	25	100	Nil	Nil
Female	7	100	Nil	Nil
Total	32	100	Nil	Nil

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	**Yes/No (If Yes, then give details of the mechanism in brief)**
Permanent Workers	Yes. UBL is committed to providing a safe and positive work environment. In keeping with this philosophy, the organisation envisages an open-door policy. Employees and Contract staff have access to several forums where they can highlight matters or concerns faced at the work place. These are resolved through a well-established and robust Grievance Redressal Mechanism forum for reporting to immediate Head/Supervisor/Manager.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

– We recognize our employee's rights to assemble, communicate and join association of their choice in matters related to their employment within the purview of our policies and procedures. We respect the rights of our employees to associate or not associate with internal employee resource groups and seek representation, to bargain or not bargain collectively in accordance with local laws.

Category	**FY 2022-2023 (Current Financial Year)**			**FY 2021-2022 (Previous Financial Year)**		
	Total employees/ workers in respective category (A)	**No. of employees/ workers in respective category, who are part of association(s) or Union (B)**	**% (B/A)**	**Total employees/ workers in respective category (C)**	**No. of employees/ workers in respective category, who are part of association(s) or Union (D)**	**% (C/D)**
Total Permanent Employees						
Male	Nil	Nil	NA	Nil	Nil	NA
Female	Nil	Nil	NA	Nil	Nil	NA
Total Permanent Workers						
Male	1,609	1,609	100	1,247	1,157	93
Female	35	35	100	33	33	100

8. Details of training given to employees and workers:

– Continuous learning and reskilling have always been central to our culture. We also offer instructor-led training programs to our employees around the world.

Health, Safety and Environment (HSE) culture in the organization necessitates development. Training includes awareness-building, mock drills, classroom sessions and periodic demonstrations. Job-specific and generic training is conducted for contractual staff during induction.

Category	**FY 2022-2023 (Current Financial Year)**					**FY 2021-2022 (Previous Financial Year)**				
	Total (A)	**On Health and safety measures**		**On Skill upgradation**		**Total (D)**	**On Health and safety measures**		**On Skill upgradation**	
		No. (B)	**%(B/A)**	**No. (C)**	**%(C/A)**		**No. (E)**	**%(E/D)**	**No. (F)**	**%(F/D)**
Employees										
Male	1,061	1,061	100	1,061	100	1,120	1,120	100	1,120	100
Female	184	184	100	184	100	105	105	100	105	100
Total	1,245	1,245	100	1,245	100	1,225	1,225	100	1,225	100
Workers										
Male	1,460	1,460	100	1,460	100	1,728	1,728	1,001	1,094	63.31
Female	32	32	100	32	100	47	47	100	47	100
Total	1,492	1,492	100	1,492	100	1,775	1,775	1,101	1,141	64.28

9. Details of performance and career development reviews of employees and worker:

Category	**FY 2022-2023 (Current Financial Year)**			**FY 2021-2022 (Previous Financial Year)**		
	Total (A)	**No. (B)**	**% (B/A)**	**Total (C)**	**No. (D)**	**% (D/C)**
Employees						
Male	1,061	999	94.16	1,324	1,212	91.54
Female	184	151	82.06	97	85	87.63
Total	1,245	1,150	92.37	1,421	1,297	91.27
Workers						
Male	Performance and Career developments reviewed, as per the terms and conditions of Long-Term Wage Settlement/Agreement entered between the Company and Permanent Workers					
Female						
Total						

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Annexures contd.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (**Yes**/~~No~~). If yes, the coverage such system?

Action Plan for Risk reduction	• Move to SMS v2.1 (UBL's Safety management system+Heiquest compliance) • Process safety management: Conduct Process Hazard Analysis for critical equipment. • Assessment of the Explosive Atmosphere (ATEX) in the breweries.
Safety culture transformation	• Safety leadership workshop with all the stakeholders. • Drive behaviour-based safety (BBS) program for all employees. • Learning management system: online shot/long duration self- learning courses.
Infrastructure capabilities	• Digital portal for capturing the EHS data. • Develop infrastructure to meet the Heiquest compliance. • Completion of gaps identified in the emergency evacuation assessment. • Horizontal deployment of learnings from the call to action.
Continuous learning	• 100% of horizontal deployment of applicable actions from Call-to-action. • Review of Risk reduction program based on the HLRA (High Level Risk Assessment) data (Q1 2023). • Risk Based Learning Module.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- Specialized tool used for assessing the risks associated with our nature of work.
- Hazard Identification and Risk Assessment (HIRA) is carried out for all risk activity and risk control are placed for Human Safety.
- Process Hazard Analysis is carried out through HAZOP, HAZID and LOPA techniques to identify and control the risk related process, equipment and people engaged in the activities.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/~~No~~)

– Yes.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/~~No~~)

– Yes.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	(*) 0.30
	Workers	0.55	NA
Total recordable work-related injuries	Employees	9	5
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	1
	Workers	Nil	Nil
High consequences work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

(*) Formula for LTIFR, has been revised in reference to Occupational, Health and Safety Association (OHSA) Regulation.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

    Step 1: High level risk assessment is conducted based on the past historic events and the potential hazards and risk are identified.

    Step 2: HIRA (Hazard Identification & Risk assessment) and PHA (Process Hazard Analysis) studies are conducted for evaluating the risk level.

    Step 3: Control of risk

    a. Elimination/substitution – Assessment to eliminate the activity/hazard which has potential to harm or injury the team.
    b. Engineering controls – Suitable engineering solution like placing guards, interlocks to reduce the risk level are provided.
    c. Administrative controls – Follow Safety Management System viz., issue permit to work, and provided work (Job) safety training.
    d. PPE – Provided personal protective equipment to all employees exposed to the residual risks while performing the activity.

13. Number of Complaints on the following made by employees and workers:

Particulars	**FY 2022-2023 (Current Financial Year)**			**FY 2021-2022 (Previous Financial Year)**		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Working Conditions	Nil	Nil	Nil	01	Nil	Resolved
Health & Safety	Nil	Nil	Nil	Nil	Nil	NA

14. Assessments for the year:

Particulars	**% of your plants and offices that were assessed (by entity or statutory authorities or third parties)**
Health and safety practices	i) 100% of UBL's breweries & offices were assessed by third party; and
Working conditions	ii) Fire Compliance Assessment of 8 offices of the Company and 2 contract breweries, were assessed by the entity's of EHS team.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

    - Adherence to Permit to work with Risk Assessment for all non-routine activities in line with UBL safety guidelines.
    - Ensured that all work/job shall be performed after complete understanding of all the risks associated/PTW condition before carrying out the job.
    - Stringent operation controls such as maker and checker control points have been deployed across the operational areas. These are also monitored on a periodic basis.
    - Major engineering control taken this year based on past histories
      – Layers of Protection in the brew house.
      – Fall protection system like roof lifeline and fragile protection in the roof.
      – Upgradation of LOTO system to machine specific procedures.
    - Reviewed and updated the Systematic Operating Procedure on maintenance work.
    - Conducted Process Hazard Analysis (PHA) studies to identify risks in the process and severity mitigation & probability reduction action plan in progress.

    There have been no significant risks/concern arising from assessment of health and safety practices and working conditions.

Annexures contd.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/~~N~~) (B) Workers (Y/~~N~~)

   – Yes.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   – The Company periodically audits value chain partners to ensure timely deduction and deposits of statutory dues.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment).

Particulars	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Employees	Not Applicable			
Workers				

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/~~No~~)

   – Yes.

5. Details of assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   – Proposed to be implemented after end of Financial Year 2024-2025.

PRINCIPLE 4 – Business should respect the interest of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   – We are privileged to maintain a strong relationship with our investors based on a deep understanding of their expectations and our commitment to consistently fulfill them. Stakeholders play a vital role in the outcome of projects. Stakeholders' identification, analysis, and selection can be tricky areas to navigate. If at the end of the day, the appropriate stakeholders aren't selected for a project, requirements and deliverables may not be successfully met, and the end goals can erroneously be sidestepped. There are many different stakeholders (like Direct/Indirect internal stakeholders and External Stakeholders) throughout the life of a project.

   As a process, we first (i) identify stakeholders', do research individuals and third-party organization that may be relevant to your project. (ii) Categorize the stakeholders in terms of their influence, interest, and levels of participation in project, (iii) Study potentiality of the Stakeholders, (iv) Communicate with identified stakeholders about management process and communication plan.

2. List of stakeholder groups identified as key for your company and the frequency or engagement with each stakeholder group.

Stakeholders Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice, Board Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/ others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers (includes consumers)	No	• Emails • Website • Distributor Meetings • Market visits • Outlet activation, on campaign-basis • Events	• Need basis • Periodically	• Business continuity • Support and collaboration • Business growth
Communities	Yes	• Community events • CSR project activities	• Monthly • Need Basis	• Community development programs • Improvement of social infrastructure • Economic and social empowerment
Value Chain Partners (Suppliers & vendors)	No	• Supplier meetings • Mutual visits • Events • Emails	• Monthly • Quarterly • Annually • Need Basis	• Mutual beneficial relationship
Government Bodies	No	• Meetings	• Need Basis	• Support and collaboration
Investors and Stakeholders	No	• Meetings	• Annually • Periodically	• Enhanced return on investment • Lowering capital risks • Business continuity
Other External Stakeholders	No	• Meetings and events	• Periodically	• Support and collaboration • Business growth
Management	No	• Events • Meetings • Emails	• Monthly • Quarterly • Annually • Need Basis	• Enhanced business performance
Employees and Workers	No	• Monthly and quarterly meet • Personal review and visits • Surveys • Trainings • Events • Emails	• Quarterly • Annually • Need Basis	• Personal development • Health and Safety • Grievance resolution mechanism • Engagement

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   – Periodical Reports on economic, environmental, and social topics shall be provided to stakeholders including Govt. Bodies. Consultation with stakeholders on ESG topics are delegated to departments within the organisation who are also responsible for engaging with stakeholders continually. No consultation between stakeholders & the Board.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No), If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities or the entity.

   – Yes. Internal guidance/Systematic Operation of Process have been formulated after consultation and keeping in view the interest of stakeholders only. Material topics were shortlisted and prioritized based on their impact on our stakeholders and our business.

3. Provide details of instances of engagement with and action taken to, address the concerns of vulnerable/marginalized stakeholder groups.

   – Not Applicable.

Annexures contd.

PRINCIPLE 5 – Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issued and policy(ies) of the entity, in the following format:

Category	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	1,245	1,245	100	2,837	1,600	56.40
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total Employees	1,245	1,245	100	2,837	1,600	56.40
Workers						
Permanent	Nil	Nil	Nil	1,612	1,600	99.25
Other than permanent	Nil	Nil	Nil	163	Nil	Nil
Total Workers	Nil	Nil	Nil	1,775	1600	90.14

2. Details of Minimum wages paid to employees and workers, in the following format:

Legal minimum is defined based on various parameters like tenure, role, location, citizenship status etc., and varies by states. We have defined detailed processes considering these parameters to ensure the employees are paid as per the local regulations and we are compliant with local laws, as applicable.

Category	FY 2022-2023 (Current Financial Year)					FY 2021-2022 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	No. (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	Not Applicable									
Male										
Female										
Other than Permanent										
Male										
Female										
Workers										
Permanent										
Male	1,460	Nil	Nil	1,460	100	1,720	67	4	1,653	96
Female	32	Nil	Nil	32	100	47	Nil	Nil	47	100
Other than Permanent										
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

3. Details of remuneration/salary/wages, in the following format:

Particulars	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	10	44,70,817	2	75,66,879
Key Managerial Personnel*	5	5,58,74,922	Nil	Nil
Employees other than BoD and KMP	1,295	9,66,732	210	9,06,978
Workers	1,550	4,43,616	38	2,30,628

* Key Managerial Personnel includes Chief Executive Officer & Managing Director (CEO & MD), Director & Chief Financial Officer (Director & CFO) and Company Secretary (CS).

During the year FY23, there were 5 KMPs on the role of the Company, the details of which are as under:

(i) Mr. Radovan Sikorsky was appointed as Director & CFO w.e.f. August 15, 2022 to succeed Mr. Berend Odink, Director & CFO who has completed his assignment of three years on August 14, 2022. (ii) Mr. Govind Iyengar, Company Secretary of the Company, voluntary retired with effect from January 01, 2023, and (iii) Mr. Amit Khera, Company Secretary and Compliance Officer, was appointed with effect from March 15, 2023.

During the year FY23, there were 12 Directors on the Board of the Company, the details of which are as under:

(i) Mr. Radovan Sikorsky was appointed as Director & CFO with effect from August 15, 2022. (ii) Ms. Geetu Gidwani Verma and Mr. Manu Anand were appointed as Independent Directors with effect from May 29, 2022. (iii) Mr. Anand Kripalu was appointed as Independent Director with effect from February 22, 2023. (iv) Mr. Sunil Alagh and Mr. Stephan Gerlich, Independent Directors resigned with effect from June 13, 2022. (v) Mr. Berend Odink, Director & CFO and Mr. Madhav Bhatkuly, Independent Director resigned with effect from August 15, 2022, and March 01, 2023, respectively.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes /~~No~~)
   – Yes.

5. Describe the internal mechanism in place to redress grievances related to human rights issues.
   – UBL is committed to providing a safe and positive work environment. In keeping with this philosophy, the organization has an open-door policy. Employees also have access to several forums where they can highlight matters or concerns faced at the workplace. This is achieved through a well-established and robust grievance resolution mechanism. The grievance redressal mechanism adhere to the principles of natural justice, confidentiality, sensitivity, non-retaliation, and fairness while addressing concerns. A detailed investigation process ensures fairness for all involved, with an opportunity to present facts and any material evidence.

   We have not received any complaints on human rights violations during the reporting period.

Annexures contd.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	7	1	6 complaints Resolved	3	Nil	Resolved
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labor	Nil	Nil	NA	Nil	Nil	NA
Forced Labor/Involuntary Labor	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issued	Nil	Nil	NA	Nil	Nil	NA

A robust feedback mechanism ensures employee feedback and concerns are heard and addressed in a timely manner.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

– UBL commits to protect the complainant and ensure that they are not retaliated against because of any report that they raise in good faith. UBL does not tolerate any form of retaliation (whether by a manager, co-worker or otherwise) against an individual because he or she made a good faith report of an integrity concern. This protection also extends to anyone who assists with or cooperates in an investigation or report of an integrity concern or question. We support those who support our values. Grievance mechanism with respect to Code of Business Conduct is in place.

8. Do human rights requirements form part of your business agreements and contacts? (Yes/~~No~~)

– Yes.

9. Assessment for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100
Forced/Involuntary labor	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others	Nil

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

– Corrective actions taken as per the Systematic Operation of Process/Internal Guidelines framed and Policies formulated and implemented which are approved by the Board as per the guidelines of the Govt. Bodies. There were no significant risks/concerns arising from the human rights association.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.

– At UBL, our commitment to a values-based ethos is embodied in our Code of Conduct and Ethics. We have strengthened our approach to raising awareness of the Code. We want to continue to build a culture of compliance, where everyone feels they are doing the right thing and prioritizing legal and ethical choices.

2. Details of the scope and coverage of any Human rights due diligence conducted.

   – UBL is committed to providing a safe and positive work environment. In keeping with this philosophy, the organization has an open-door policy. Training on UBL's values and the Code of Conduct and Ethics, in which our stand on human rights is enshrined, is an integral part of the induction program for new employees. Every employee at UBL is mandated to take the training every year which contains learning and assessments on the Code and human rights-related topics.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   – Yes. The premise/office of the entity is accessible to differently abled visitors, as per the requirements or the Rights of Persons with Disabilities Act, 2016

4. Details on assessment of value chain partners:

Particulars	**% of value chain partners (by value of business done with such partners) that were assessed**
Sexual Harassment	Nil
Discrimination at workplace	
Child Labor	
Forced Labor/Involuntary Labor	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

   – There were no significant risks/concerns arising from the assessment.

PRINCIPLE 6 – Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	**FY 2022-2023 (Current Financial Year)**	**FY 2021-2022 (Previous Financial Year)**
Total electricity consumption (A) in MJ x 106	488	381
Total fuel consumption (B) MJ x 10^6	1,532	1,264
Energy consumption through other sources (C) MJ x 10^6	Nil	Nil
Total energy consumption (A+B+C)	2,020	1,645
Energy intensity per rupee of turnover (Total energy consumption/turnover in Rupees) - MJ per INR	0.016 MJ per INR	0.016 MJ per INR
Energy intensity (optional) – the relevant metric may be selected by the entity - MJ per INR	167.6 MJ per INR	158.1 MJ per INR

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (~~Yes~~/No) If yes, name of the external agency.

– No.

Annexures contd.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.
– Not Applicable.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface (Municipality) water	2,33,11,320	16,92,034
(ii) Ground water	7,59,680	13,86,062
(iii) Third party water	1,95,87,090	2,04,959
(iv) Sea water/desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kiloliters) (i+ii+iii+iv+v)	4,36,58,090	32,83,056
Total volume of water consumption (in kiloliters)	4,36,58,090	32,83,056
Water intensity per rupee of turnover (Water consumed/turnover)	25.03	25.03
Water intensity (optional)-the relevant metric may be selected by the entity	3.43	3.44

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (~~Yes~~/No) If yes, name of the external agency
– No.

4. Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD)? If yes, provide details of its coverage and implementation.

Yes. As per Consent to Operate (CTO) issued by the State Pollution Control Board, out of 19 operating breweries, only 4 breweries have applicability of ZLD i.e., breweries located at Chennai, Tamil Nadu; Chopanki & Aravalli, Rajasthan and Srikakulam, Andhra Pradesh. The Company has implemented a mechanism for ZLD in brewery Chopanki at Rajasthan and other three breweries are under progress and will be completed by end of the FY24.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
NOx	Ton/Year	174	220.5
Sox	Ton/Year	95.3	121.10
Particulate matter (PM)	Ton/Year	163	140.80
Persistent organic pollutants (POP)	Not Applicable	Not Applicable	Not Applicable
Volatile organic compounds (VOC)	Not Applicable	Not Applicable	Not Applicable
Hazardous air pollutants (HAP)	Not Applicable	Not Applicable	Not Applicable
Others – please specify	Not Applicable	Not Applicable	Not Applicable

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (~~Yes~~/No) If yes, name of the external agency

– No.

6. Provide details of greenhouse gas emission (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH2, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	8,454	15,860*
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)		33,953	58,422**
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.65 tons/million INR	0.57 tons/million INR
Total Scope 1 and Scope 2 emission intensity *(optional)* – the relevant metric may be selected by the entity		6.68 kg/hl***	7.37 kg/hl

* As per Intergovernmental Panel on Climate Change (IPCC), Regulation 2019, CO_2 emission from Biomass has excluded from CO_2 calculations and therefore previous number has been revised and updated.

** For last year, the company had used Indian Green House Gas emission (GHGE) factor 0.79 Grams per Mega Joule for calculating Metric Tons of CO_2 and whereas for FY 2022 onward the revised 0.81 Grams per Mega Joule used for calculating Metric Tons of CO_2 as per internal policy.

*** Change in Metric to CO_2 emission per Hectoliter of volume produced.

Notes: Indicate if any independent assessment/evaluation/assurance has been carried out by external agency? (~~Yes~~/No) If yes, name of the external agency.

– No.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes – We have an ambition for Net Zero in production (Scope 1 and 2) by 2030 as a key part of our sustainability strategy. Following are the projects are aligned for next two years to reduce Green House Gas (GHG)

(i) Biogas utilization from waster water treatment (WWT) or steam + power generation, (ii) Back pressure turbine for power generation, (iii) Concentrated solar for washer – pasteurizer, (iv) Biofuel for captive power plants, (v) Solar panels for borewells + Lighting system, (vi) Passive filters for high-capacity prime movers, (vii) Fluid thermic heaters for yeast driers.

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Annexures contd.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Total Waste generated (in metric tons)		
Plastic waste (A)	3,537	1,318
E-waste (B)	6	4
Bio-medical waste (C)	0.27	0.27
Construction and demolition waste (D)	Not quantified	Not quantified
Battery waste (E)	Buy back System	Buy back System
Radioactive waste (F)	Not generated	Not generated
Other Hazardous waste. Please specify, if any. (G)	8,306	5,842
Other Non-hazardous waste generated (H) Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	2,37,683	1,59,094
Total (A+B+C+D+E+F+G+H)	**2,49,532.27**	**1,66,258.27**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	44,732	25,471
(ii) Re-used	1,92,809	1,31,250
(iii) Other recovery operations	Nil	Nil
Total	**2,37,541**	**1,56,721**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.532	1.8
(ii) Landfilling	11,983	9,531
(iii) Other disposal operations	Nil	Nil
Total	**11,984**	**9,533**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (~~Yes~~/No) If yes, name of the external agency.

– No.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   – The Company has standardized the methodology to identify, segregate and quantify the waste generated. Implemented 3Rs (Reduce-Reuse-Recycle) concept for the waste before disposing at landfill site. The company has taken 100% waste reduction to landfill.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

– No.

Sl. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

11. Details of environmental impact assessment of projects undertaken by the entity bases on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Yes/~~No~~). If not, provide details of all such non-compliance, in the following format:

– Yes. We are compliant with the applicable environmental law/regulations/guidelines in India.

Sl. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control board or by courts	Correction action taken if any
Not Applicable				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) form renewable and non-renewable sources, in the following format:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) x 10^6 MJ	162	123
Total fuel consumption (B) x 10^6 MJ	1,494	1,110
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	1,656	1,233
From non-renewable sources		
Total electricity consumption (D) x 10^6 MJ	326	224
Total fuel consumption (E) x 10^6 MJ	39	156
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources	365	380

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (~~Yes~~/No) If yes, name of the external agency.

– No.

Annexures contd.

2. Provide the following details related to water discharged:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
– No treatment	Nil	Nil
– With treatment – please specify level of treatment	Not Applicable	Not Applicable
(ii) To Groundwater		
– No treatment	Nil	Nil
– With treatment – please specify level of treatment	15,14,250	13,52,572
(iii) To Seawater		
– No treatment	Nil	Nil
– With treatment – please specify level of treatment	Not Applicable	Not Applicable
(iv) Sent to third parties		
– No treatment	Nil	Nil
– With treatment – please specify level of treatment	4,46,626	3,73,430
(v) Others		
– No treatment	Nil	Nil
– With treatment – please specify level of treatment	Not Applicable	Not Applicable
Total water discharged (in kilolitres)	**15,14,250**	**13,52,572**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (~~Yes~~/No) If yes, name of the external agency.

– No.

3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres): For each facility/plant located in areas of water stress, provide the following information:

– We recognize that we are working in states which are water-stressed zones. We continue our efforts in water conservation through a combination of technology interventions, rainwater harvesting, recycling and reuse of waste water, communication, and employee engagement. We have over the years succeeded in recharging groundwater aquifers through the deep injection wells and lakes, which were created by the Company, and this has benefitted local communities as well.

(i) Name of the areas – Ludhiana, Chennai, Nelamangala, Chopanki, Aravalli, Dharuhera, Palakkad & Srikakulam.

(ii) Nature of operations – Manufacturing of Beer

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	1,40,703	1,17,522
(ii) Groundwater	13,85,762	8,20,448
(iii) Third party water	19,755	3,10,650
(iv) Seawater/desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres)	15,46,220	12,48,620
Total volume of water consumption (in kilolitres)	15,46,220	12,48,620
Water intensity per rupee of turnover (Water consumed/turnover)	Nil	12.2
Water intensity (optional) – the relevant metric may be selected by the entity	3.48	3.60

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
– No treatment	Nil	Nil
– With treatment - please specify level of treatment	Not Applicable	Not Applicable
(ii) Into Groundwater		
– No treatment	Nil	Nil
– With treatment - please specify level of treatment	6,23,011	4,07,503
(iii) Into Seawater		
– No treatment	Nil	Nil
– With treatment - please specify level of treatment	Not Applicable	Not Applicable
(iv) Sent to third parties		
– No treatment	Nil	Nil
– With treatment - please specify level of treatment	Not Applicable	Not Applicable
(v) Others		
– No treatment	Nil	Nil
– With treatment - please specify level of treatment	Not Applicable	Not Applicable
Total water discharges (in kilolitres)	**6,23,011**	**4,07,503**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (~~Yes~~/No) If yes, name of the external agency.

– No.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit (Metric tonnes of CO_2 equivalent)	FY 2022–2023 (Current Financial Year)	FY 2021–2022 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Currently Not Available		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (~~Yes~~/No) If yes, name of the external agency.

– No.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

– Not Applicable.

Annexures contd.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiative, as per the following format:

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Not Applicable			

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.
– Yes, the Company have Disaster management plan across the Breweries/Units.

Each of our brewery has an On–site emergency plan for Disaster management. This plan provides guidelines to employees, contractors, transporters, etc., on actions to be carried out in the event of an Emergency. It not only defines responsibilities but also informs about prompt rescue operations, evacuations, rehabilitation, coordination, and communication.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?
– No adverse impact to the environment.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
– Nil.

PRINCIPLE 7 – Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations
– Four (4).
b. List the top 10 trade and industry chambers/association (determined based on the total members of such body) the entity is a member of/affiliated to.

Sl. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1.	All India Brewers' Association (AIBA)	National
2.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3.	Confederation of Indian Industry (CII)	National
4.	Federation of Karnataka Chambers of Commerce and Industry (FKCCI)	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conducted by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Competition Commission of India	Pricing discussions	Regular training and compliance program for relevant employees undertaken.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually / Half yearly / Quarterly / Others – please specify)	Web Link, if available
1.	Need for the policy on third shift Brewery operations in **Odisha** to meet peak season demand in a streamlined manner in the State	Created a Business case for the State on benefits of allowing shifts which included buoyancy in State Revenues and Volumes, as well as higher local employment and in-state resource utilization like packaging material and logistics/transport services. This would lead to sustainability of the investment made in the state. Submitted the Win-Win proposal through meetings at Excise Department as well as Secretarial Level in the Government.	No	Part of overall business plan	Not Available
2.	Because of hyperinflation in commodities and the services, the need for price revision (EBP increase) in the State of **Telangana**. Costs have increased for most input goods and services.	Built a case for price revision owing to inflation in dry and wet goods, increased working capital, steep increase in logistics/transportation and packaging material cost. Shown socio-economic benefits of the request, and how the same would drive Industry sustainability, at the same time driving additional revenues for the State. Submitted the Win-Win proposal through meetings meetings at Excise Department as well as Secretarial Level in the Government.			
3.	Multiple Policy representations made seeking correction of discrimination bottling fee levy policy imposed by the State Excise in **Madhya Pradesh** between the local & national player (as per State's definition of the same)	Submitted a Business Proposal on how correction of this discriminatory levies would bring in higher investment (including foreign investment), more MNCs coming into the State, better market competition and higher consumer choices, leading to buoyancy in State revenues. Submitted the Win-Win proposal through meetings at Excise Department as well as Secretarial Level in the Government.			
4.	Immediate need for price revision on account of huge cost burden on manufacturing and supply in **Rajasthan.** Also, rationalization of Excise Duties and tax structure to avoid tax on tax.	Built a case for price revision owing to inflation in dry and wet goods, increased working capital, steep increase in logistics and packaging material cost. Also submitted a business case for rationalization of Beer taxes and to revive the industry badly hit by COVID. Quantified the benefits to the investment made in the State and thus the need for a comprehensive policy on pricing and taxation to drive sustainability of the investments made in the State. Submitted through meetings at Excise Department, as well as Secretarial Level in the Government.			
5.	Tax rationalization in the State of **Maharashtra**, where the price of Beer is high compared to other States of India.	The State has one of the highest taxes which has led to degrowth of the Beer Industry. Submitted a plea on the immediate need for tax rationalization for Beer vis-à-vis other segments of alcoholic beverages to revive demand in the State (which has been flat since 2012), and sustainability of investments made in the State by United Breweries Limited as well as other Brewers.			

Annexures contd.

PRINCIPLE 8 – Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessment (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable – we have no SIA notification					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No.	Name of the Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanism to receive and redress grievances of the community.
– UBL works closely with communities in identified areas in the domains of education, healthcare, women empowerment, sustainability, rural development, and disaster relief. Within its areas of work, the Company has robust mechanisms to assess the impact of projects on intended beneficiaries. These mechanisms include, site visits, one-on-one and group discussions with beneficiaries to independent external assessments, among others, and provide ample opportunity to receive and redress grievances of the intended beneficiaries. At the brewery level grievances if any are taken up and addressed.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Directly sourced from MSMEs/Small producers	19.39%	19.32%
Sourced directly from within the district and neighboring districts *	0.66%	19%

* Given the multi locational scale of operations across India, numbers are provided in a range.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impacts identified	Corrective action taken
Not Applicable	

2. Provide the following information on Corporate Social Responsibility (CSR) projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational District	Amount spent (In INR)
Not Applicable		

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (~~Yes~~/No) – No

   (b) From which marginalized/vulnerable groups do you procure? – Not Applicable

   (c) What percentage of total procurement (by value) does it constitute? – Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1.	Patents	Not Owned	No	Not Applicable
2.	Trademark	Not Owned	No	Not Applicable
3.	Copyrights	Not Owned	No	Not Applicable

5. Details of corrective actions taken on underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Jal Unnati, Mysore, Karnataka	3,639	56.7
2.	Water Conservation, Sangareddy, Telangana & Bangalore Rural, Karnataka	3,141	66
3.	Water Conservation, Ludhiana, Punjab	14,139	40
4.	Water Conservation, Alwar, Rajasthan Phase 1	6,720	70
5.	Water Conservation, Alwar, Rajasthan Phase 2	2,959	80
6.	Water Conservation, Thiruvallur, Tamil Nadu	9,075	35
7.	Jal Sanchay, Bangalore Rural, Karnataka	1,164	80
8.	Jal Shakti, Sangareddy, Telangana	2,250	65
9.	Jal Khushali, Alwar, Rajashtan	5,901	98
10.	Jal Akshay, Dharuhera, Haryana	6,750	27
11.	Swach Jal, Khurda, Odisha	46,270	63
12.	Pragati Scholarship Program, Pan India	516	100
13.	Tarang Agrofrestry, Aurangabad, Maharashtra	30	100
14.	Project Oxygen Zone, Maharashtra	48,390	28.35
15.	Responsible Consumption of Alcohol, Ludhiana, Punjab	Not definable	Not definable
16.	Flood Relief, Khurda, Odisha	10,000	100
17.	Shuttle Express Stadium Renovation, South 24 Parganas, West Bengal	Not definable	Not Definable

Annexures contd.

PRINCIPLE 9 – Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanism in place to receive and respond to consumer complaints and feedback.
   – We have a structured and well-publicized mechanism in place to address concerns of Consumer and receive feedback about the products of the Company. Customer care contract details (email address and phone number) are declared on the package of every product of the Company. Consumers send their queries and feedback about products of the Company and the concerns of the consumers are addressed promptly.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage (*)	Not Applicable
Recycling and/or safe disposal	Not Applicable

(*) All bottles, and cans of alcoholic beverages manufactured and sold by the Company has mandatory statutory warnings on the label.

3. Number of consumer complaints in respect of the following

Particulars	FY2022-2023 (Current Financial Year)			FY2021-2022 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	1	Nil	Resolved	Nil	Nil	NA
Cyber-security (Fake Interviews)	Nil	Nil	NA	1	Nil	Resolved
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Others (Consumer cases)*	08	24	NA	01	36	NA

* Out of twenty-four (24) pending consumer cases, sixteen (16) cases belong to previous financial year and two (2) cases were disposed during current financial year.

4. Details of instances or product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Forced recalls		

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/~~No~~) If available, provide a web-link of the policy.
   – Yes. Company has implemented data privacy policy namely Information Security Policy which is based on National Institute of Standards & Frameworks on cyber security and risk related to data privacy and available on Company's Intranet Portal.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essentials services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

   – No such instances/issues have been faced so far.

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

   – Information on products and services can be accessed through Company's Weblink: https://www.unitedbreweries.com/our-brands.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   – We educate on 'Responsible usage of Consumption of Alcohol' (i.e., Beer) and also display Statutory Warning on Labels of Bottles and Cans.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   – Not Applicable.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   – Yes. We carry out surveys to gauge customer/consumer satisfaction for our product. Additional Information about the product is displayed on the labels, over and above what is mandated. UBL periodically assesses consumer trends, consumer choice, preference, and consumer satisfaction through need-based survey.

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact

      – Nil

   b. Percentage of data breaches involving personally identifiable information of customers

      – Nil

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Annexures contd.

ANNEXURE - B: ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

[Pursuant to Section 135 of the Companies Act, 2013 read with Clause (1) of Rule 8 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 further to amend the Companies (Corporate Social Responsibility) Rules, 2014.]

1. A brief outline on CSR Policy of the Company.

   In line with the guidelines given under Schedule VII of the Companies Act, 2013, the CSR committee has identified activities primarily in the major areas viz., Water, Women Empowerment, Community Development and Responsible Consumption of Alcohol, around which your Company focuses its CSR initiatives and channelising the resources in a sustained manner.

2. Composition of CSR/Environmental, Social and Governance Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Geetu Gidwani Verma	Chairperson/Independent Director	2	2
2.	Mr. Rishi Pardal*	Member/Managing Director	2	2
3.	Mrs. Kiran Mazumdar Shaw	Member/Independent Director	2	—
4.	Mr. Christiaan A J Van Steenbergen	Member/Non-Executive Director	2	2
5.	Mr. Radovan Sikorsky	Member/Director & Chief Financial Officer	2	1

* Mr. Rishi Pardal, Managing Director & Chief Executive Officer of the Company, resigned with effect from close of business hours on May 04, 2023.

3. The web-link where composition of CSR committee, CSR Policy and CSR projects are placed at: https://www.unitedbreweries.com/csr under the head Corporate Social Responsibility.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable

   Impact Evaluation Report is available on https://www.unitedbreweries.com/csr/impact-assessment-reports

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs. Million)	Amount required to be set-off for the financial year, if any (in Rs. Million)
1.	2021-22	Nil	Nil
2.	2020-21	Nil	Nil
3.	2019-20	Nil	Nil
	TOTAL	Nil	Nil

6. Average net profit of the company as per section 135(5): Rs.3907.6 (in Millions)

7. Financial Details:

	Particulars	Amount (in Rs. Million)
a.	Two percentage of average net profit of the company as per section 135(5)	78.2
b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
c.	Amount required to be set-off for the financial year, if any	Nil
d.	Total CSR obligation for the financial year (7a+7b-7c)	78.2

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for Financial Year	Amount Unspent (in Rs. Million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year (Amount in Rs. Million)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for project as per Section 135(6)	Mode of Implementa-tion – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Jal Unnati	Ensuring environmental sustainability, conservation of natural resources and maintaining quality of soil, air and water	Yes	Karnataka	Mysore	29 Months	17.66	2.91	Nil	No	Action for Food Production	CSR00000747
2.	Water Conservation		Yes	Telangana, Karnataka	Sangareddy, Bangalore Rural	30 Months	40.20	4.88	Nil	No	Action for Food Production	CSR00000747
3.			Yes	Punjab	Ludhiana	36 Months	39.15	20.42	Nil	No	Action for Food Production	CSR00000747
4.			Yes	Rajasthan	Alwar	24 Months	9.82	3.26	Nil	No	SM Sehgal Foundation	CSR00000262
5.			Yes	Karnataka	Bangalore Rural	8 Months	8.77	3.77	Nil	No	SM Sehgal Foundation	CSR00000262
6	Jal Shakti		Yes	Telangana	Sangareddy	24 Months	11.77	1.78	Nil	No	Dilasa Janvikas Pratishthan	CSR00000098
7	Jal Khushali		Yes	Rajasthan	Alwar	9 Months	18.69	11.32	Nil	No	End Poverty	CSR00000314
8	Jal Akshay		Yes	Haryana	Rewari	9 Months	15.45	10.45	Nil	No	End Poverty	CSR00000314

Annexures contd.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
9	Pragati Scholarship Program	Improving gender equality and reducing inequalities	Yes	Punjab, Rajasthan, West Bengal, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Maharashtra, Odisha, Goa and Kerala	Ludhiana, Bhiwadi, Alwar, Nadia, Bangalore Rural, Mysore, Mangalore, Thiruvallur, Srikakulam, Medak, Aurangabad, Raigad, Khurda, North Goa and Palakkad	15 Months	11.2	9.14	Nil	No	Shiksha Seva Foundation	CSR00002256
10	Responsible Consumption of Alcohol	Promoting Education including Special Education	Yes	Punjab	Ludhiana	13 Months	5.76	0.21	Nil	No	Action for Foods Production	CSR00000747
11	Shuttle Express Stadium Renovation	Training to promote rural sports, nationality recognition of sports, Paralympic sports & Olympic Sports	No	West Bengal	South 24 Parganas	12 Months	0.1	0.75	Nil	No	Bengal Badminton Academy	CSR00014997
	TOTAL						**178.57**	**68.89**	**Nil**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year: (Amount in Rs. Million)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Flood relief	Promotion of Healthcare including preventive healthcare and disaster management	Yes	Odisha	Khurda	1.06	No	Gram Utthan	CSR00000041
2.	Swatch Jal	Making available safe Drinking Water	Yes	Odisha	Khurda	3.88	No	Indus Tree Crafts Foundation	CSR00000571
3.	Contribution to Armed Forces Flag Day Fund	Measures for the benefit of armed forces veterans, war widows and their dependents	NA	NA	NA	0.1	Yes	NA	NA
	TOTAL					**5.04**			

(d) Amount spent in Administrative Overheads : Rs. 1.10 Million

(e) Amount spent on Impact Assessment, if applicable : Rs. 3.17 Million

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 78.2 Million

(g) Excess amount for set off if any:

(Amount in Rs. Million)

Sl. No.	Particulars	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	78.2
(ii)	Total amount spent for the Financial Year	78.2
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

Annexures contd.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(Amount in Rs. Million)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule-VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1.	2021-22	34.41	20.28	Nil	Nil	Nil	14.13
2.	2020-21	Nil	Nil	Nil	Nil	Nil	Nil
3.	2019-20	0.10	0.10	Nil	Nil	Nil	Nil
	TOTAL	**34.51**	**20.38**	**Nil**	**Nil**	**Nil**	**14.13**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(Amount in Rs. Million)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project	Cumulative amount spent at the end of reporting Financial Year	Status of the project – Completed / Ongoing
1.	SMSF-P2-2022	Water Conservation in Rajasthan	2022-24	25 Months	18.36	5.44	5.44	Ongoing
2.	DIL-P2-2022	Water Conservation in Tamil Nadu	2022-23	11 Months	5.66	5.66	5.66	Completed
3.	PYF-P2-2022	Project Oxygen Zone	2022-25	36 Months	8.64	7.43	7.43	Ongoing
4.	PFY-P2-2022	Tarang Agroforestry Project	2022-23	12 Months	1.75	1.75	1.75	Completed
5.	FY31.03.2021_5	Water Conservation in Punjab	2020-23	24 Months	0.10	0.10	0.10	Completed
	TOTAL				**34.51**	**20.38**	**20.38**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details):

(a)	Date of creation or acquisition of the capital asset(s)	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) – Not Applicable.

By Authority of the Board

Geetu Gidwani Verma
Chairperson of CSR Committee
DIN: 00696047

Rishi Pardal
Managing Director & CEO
DIN: 02470061

Radovan Sikorsky
Director & CFO
DIN: 09684447

May 04, 2023
Bengaluru

ANNEXURE - C: FORM AOC-I

[Pursuant to first Proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiary

(Amount in Rs. Million)

1.	Name of the Subsidiary	Maltex Malsters Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	4.50
5.	Reserves & Surplus	89.63
6.	Total Assets	116.11
7.	Total Liabilities	116.11
8.	Investments	NIL
9.	Turnover	166.63
10.	Profit before taxation	20.60
11.	Provision for taxation	6.43
12.	Profit after taxation	14.17
13.	Proposed Dividend	4.50
14.	% of Shareholding	51%

1. Names of subsidiary which are yet to commence operations : Not Applicable.
2. Name of subsidiary which have been liquidated or sold during the year : Not Applicable.

Annexures contd.

Part 'B": Associates and Joint Ventures

(Amount in Rs. Million)

Name of Associates/Joint Ventures		Kingfisher East Bengal Football Team Private Limited
1.	Latest Audited Balance Sheet Date	March 31, 2023
2.	Shares of Associate held by company on the year end	Associate
	Number:	4,999 Equity Shares
	Amount of Investment in Associate/Joint Venture:	0.049
	Extend of Holding (%):	49.99%
3.	Description of how there is significant influence	By virtue of Investment in excess of 20% of voting rights.
4.	Reason why the Associate/Joint Ventures is not consolidated	The Company's interest in the associate has not been included in the consolidated financial statements as the same has not been considered as material.
5.	Net-worth attributable to Shareholding as per latest audited Balance Sheet	7.89
6.	Share capital	0.1
7.	Reserves & Surplus	7.79
8.	Total Assets	20.15
9.	Total Liabilities	20.15
10.	Investments	Nil
11.	Turnover	Nil
12.	Profit before taxation	(0.19)
13.	Provision for taxation	0.01
14.	Profit after taxation	(0.20)
15.	Proposed Dividend	Nil

1. Names of Associates or Joint Ventures which are yet to commence operations : Not Applicable.
2. Name 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

May 04, 2023
Bengaluru

Rishi Pardal
Managing Director & CEO
DIN: 02470061

Radovan Sikorsky
Director & CFO
DIN: 09684447

Amit Khera
Company Secretary &
Compliance Officer

ANNEXURE - D: PARTICULARS OF EMPLOYEES

[Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The remuneration and perquisites provided to our employees, including that of the Management, are on par with industry benchmarks. The Nomination and Remuneration Committee continuously reviews the compensation of our Managing Director & Chief Executive Officer and other Key Managerial Personnel (KMP) to align both the short-term and long-term business objectives of the Company and to link compensation with the achievement of goals.

The details of remuneration to directors, KMP and other employees are in compliance with Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Information as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration details of Directors and KMP

Name	Director Identification Number (DIN)	Title	% increase/ (decrease) of remuneration in FY23 as compared to FY22	Ratio of Remuneration to Median Remuneration of Employee
Mr. Rishi Pardal (##)	02470061	Managing Director & Chief Executive Officer	1.99	179.38
Mr. Radovan Sikorsky (***)	09684447	Director & Chief Financial Officer	NA	NA
Mr. Jan Cornelis van der Linden	08743037	Non-Executive Non-Independent Director	-81.82	0.34
Mr. Christiaan A J Van Steenbergen	07972769	Non-Executive Non-Independent Director	-85.71	0.34
Ms. Kiran Mazumdar Shaw	00347229	Independent Director	-31.42	13.00
Ms. Geetu Gidwani Verma (*)	00696047	Independent Director	100	12.99
Mr. Manu Anand (*)	00396716	Independent Director	100	11.86
Mr. Anand Kripalu ($)	00118324	Independent Director	NA	NA
Mr. Sunil Alagh (**)	00103320	Independent Director	-82.52	3.49
Mr. Stephan Gerlich (**)	00063222	Independent Director	-85.18	2.82
Mr. Madhav Bhatkuly (@)	00796367	Independent Director	-31.80	13.45
Mr. Berend Odink (***)	09138421	Director & Chief Financial Officer	NA	NA
Mr. Govind Iyengar(#)	Not Applicable	Senior Vice President & Company Secretary	NA	NA
Mr. Amit Khera (@)	Not Applicable	Company Secretary & Compliance Officer	NA	NA

* Ms. Geetu Gidwani Verma and Mr. Manu Anand were appointed as Independent Directors of the Company with effect from May 29, 2022.

** Mr. Sunil Alagh and Mr. Stephan Gerlich, Independent Directors of the Company resigned with effect from June 13, 2022.

*** Mr. Radovan Sikorsky was appointed as Director and Chief Financial Officer of the Company with effect from August 15, 2022 to succeed Mr. Berend Odink, Director and Chief Financial Officer of the Company who has completed his assignment of three years on August 14, 2022.

(#) Mr. Govind Iyengar, Company Secretary of the Company, voluntarily retired with effect from January 01, 2023.

Annexures contd.

($) Mr. Anand Kripalu was appointed as Independent Director of the Company, with effect from February 22, 2023.

(@) Mr. Madhav Bhatkuly, Independent Director of the Company, resigned with effect from March 01, 2023.

(@) Mr. Amit Khera, Company Secretary and Compliance Officer of the Company, was appointed with effect from March 15, 2023.

(##) Mr. Rishi Pardal, Managing Director & Chief Executive Officer of the Company, resigned with effect from close of business hours on May 04, 2023.

Notes:

(a) The remuneration details in the above table pertain to Directors and KMP as required under the Companies Act, 2013.

(b) The details in the above table are on accrual basis.

(c) The % increase/(decrease) of remuneration and the ratio of remuneration to Median Remuneration of Employee (MRE) are provided only for those Directors and KMP who have drawn remuneration from the Company for full FY23 and full FY22.

(d) Remuneration to KMP includes fixed pay, variable pay, retiral benefits and other perquisites. Remuneration to Independent Directors & Other Non-Executive Non-Independent Directors includes sitting fees and commission. The Independent Directors are not entitled to any stock incentives.

(e) The MRE was Rs. 5,82,321 and Rs. 5,85,252 in FY23 and FY22, respectively. The decrease in MRE in FY23, as compared to FY22, is 0.50%.

(f) The Company has a permanent head count of 2,737 on the rolls as on March 31, 2023.

(g) The remuneration paid is as per the remuneration policy of the Company.

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

	Rishi Pardal	Radovan Sikorsky	Amit Khera
May 04, 2023	Managing Director & CEO	Director & CFO	Company Secretary &
Bengaluru	DIN: 02470061	DIN: 09684447	Compliance Officer

ANNEXURE - E: STATEMENT UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

(A) Conservation of energy

Electrical Energy:

Golconda (Telangana) Brewery:

- Dissolved Oxygen (DO) sensor installation in old ETP aeration tank blowers, resulting in saving approx. 16000 kWh(66kWh) per day.
- Streetlights & High Mast installed with timer operation, resulted in saving 3650 kWh(10 kWh) per day.
- Auto Control on discharge pressure of Evapco FANs, resulted in saving 14000 kWh(430 kWh) per day.
- Variable Frequency Drive (VFD) installation in yeast plant blowers, resulted in saving 8000 kWh (62 kWh) per day.
- Optimization of Transformers 1 & 2 reduce core losses and saved 62500 kWh (250kWh) per day.
- Reduction of Refrigeration power consumption by automation of condenser Fans & Pumps based on discharge pressure of ammonia, resulted in saving 175000kWh (700kWh) per day.

With all these initiatives overall kWh savings is .28 Mio, Equivalent MJ/HL savings is 0.47 MJ/HL

Chopanki (Rajasthan) Brewery:

- Replaced two Glycol supply Pump of 50 KWH with one 35 KWH motor in refrigeration, resulted in saving 54000 kwh (180 KWH) per day.
- Replaced 20 KWH water centrifugal pump motor with 10 KWH for Sewage Treatment Plant (STP) and 15 KL water discharge resulting saving of 12000kwh (40 KWH) per day.
- KC-04 compressor synchronization of discharge pressure, resulted in saving of 30000 kwh (100 KWH) per day.
- Eliminated sugar conveying motor by changing screw orientation, resulted in saving of 12000 (40 KWH) per day.

With all these initiatives overall kWh savings is .11 Mio, Equivalent MJ/HL savings is 0.46 MJ/HL

Shahjahanpur, Aravalli (Rajasthan) Brewery:

- Optimizing of Glycol supply Pump running by automation of back pressure valve to glycol return line, resulted in saving of 90000 kWh (300kWh) per day.
- Modification in Water Treatment Plant and Effluent Treatment Plant (WTP/ETP) pumping patterns, saved 8000kWh (27kWh) per day.

With all these initiatives overall kWh savings is 0.098 Mio, Equivalent MJ/HL savings is .36 MJ/HL.

Overall total Kwh savings with all above initiatives for Operating Company India (Opco India) is 0.49 Mio, Equivalent MJ/HL Savings for Opco India is 0.15 MJ/HL.

Scope - 2: Renewable Energy (RE-Electrical) achieved 33.3% which is in line with the budget, equivalent to 45.1 Mio through RE. The equivalent total carbon dioxide (TcO_2) reduction is 36,777 tons.

This was achieved through various initiatives, (i) augmentation of solar open access for Taloja and Ellora units, Maharashtra, (ii) additional roof top capacity at Palakkad & Goa (Kerala and Goa states), and (iii) augmentation of wind power to the tune of 2 Mio units per year at Chamundi (Karnataka).

Annexures contd.

Thermal Energy:

- Rajasthan (Aravalli) Brewery – Wort cooling Plate Heat Exchanger (PHE) PPPU pump and Heat Recovery Systems (HRS) Automation – resulted in saving of 2.3 MJ/hl per day.
- Rajasthan (Chopanki) Brewery – Condensate recovery, de super heater, and HRS system Automation – resulted in saving of 1.0 MJ/hl per day.
- Goa – Washer Coil replacement – resulted in saving of 0.5 MJ/hl per day.
- Karnataka (Chamundi) Brewery – Continuous Improvement Process (CIP) in Washer heating coil – resulted in saving of 1 MJ/hl per day.
- Odisha Brewery – Condensate recovery, washer coil, Feed water tank level Automation – resulted in saving of 1.0 MJ/hl per day.
- Karnataka (Nelamangala) Brewery – Condensate recovery, Economiser RBC and HRS system Automation – resulted in saving of 1.5 MJ/hl per day.
- Kerala (Palakkad) Brewery – Condensate recovery, Wort kettle RBC and Flash steam recovery – resulted in saving of 1.0 MJ/hl per day.
- Maharashtra, Aurangabad (Ellora) Brewery – Wort Kettle steam consumption, Pasteurizer S & T RBC – resulted in saving of 1 MJ/hl per day.

Water Conservation:

- Reclamation of backwash water from WTP Pre-treatment (MGF, ACF & Ultrafiltration) thereby reducing Fresh water consumption i.e., appx 0.15 hl/hl.
- Implemented Water Reclamation Plant (WRP) as per Heineken standards, with effective failsafe feedback mechanism to divert the flow to different stage of Wastewater Treatment Plant (WWTP) at Rajasthan (Aravalli) Brewery.
- Reclamation of water from Boiler condensate through adequate treatment for process.
- Water Reclamation from Mechanical Vapor Recompression (MVR), Multiple effect Evaporator (MEE) & Agitated Thin Film Dryer (ATFD)/Paddle dryer condensate after effective disinfection & failsafe OMS (Online monitoring system).

(B) Technology absorption

Research & Development

a. The Company has engaged in Research & Development program on Water project for achieving Zero Liquid discharge.
   - Achieved around 2hl/hl which is first of its kind in Alcho Beverage Industry.

b. Working on increasing the Reverse Osmosis (RO) recovery through new technology, which will reduce energy, chemical consumption, and ease of operation.

Expenditure on Research & Development

- During FY23, no expenditure incurred on Research & Development.

(C) Foreign Exchange Earnings and Outgo

	(Amount in Rs. Million)
Foreign Exchange earned	1,723
Foreign Exchange used	7,207

ANNEXURE - F: FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
United Breweries Limited, Bangalore

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by UNITED BREWERIES LIMITED (CIN: L36999KA1999PLC025195) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2023, 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, 2023 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 and Sweat Equity) Regulations, 2021; (No instances for compliance requirements during the year);

   (f) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; (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, 2021, (No instances for compliance requirements during the year);

Annexures contd.

(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 to the extent applicable to brewing/alcohol industry;

vii. Food Safety and Standards Act, 2006 and applicable Rules and Regulations made thereunder;

viii. All other Labour, Employee and Industrial or factory and environmental Laws to the extent of necessary permissions, licenses, compliance mechanisms, controls and any violations noted by the respective authorities as applicable to the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above wherever applicable *except for Section 118 of the Act read with Secretarial Standard -1 that:*

In some incidents, minutes were finalised and signed after the due date. Also, ratification for meetings held at shorter notice though taken from directors, were not recorded in minutes.

As reported in the previous years with respect to the enquiry by Directorate-General, Competition Commission of India (CCI), the NCLAT has dismissed the Appeal on December 23, 2022 and the Company has filed an appeal before the Hon'ble Supreme Court of India on January 30, 2023. The Hon'ble Supreme Court has granted stay on the order passed by the NCLAT including the CCI's recovery proceedings on February 17, 2023. The matter is pending.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notices were given to all Directors to schedule the Board meetings, agenda and detailed note on agenda were sent at least seven days in advance and with necessary compliance wherever sent at shorter period and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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
Peer Review Certificate No. 607/2019
UDIN: F006040E000251912

May 04, 2023
Bangalore

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
United Breweries Limited,
Bangalore

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

SUDHIR VISHNUPANT HULYALKAR
Company Secretary in Practice
FCS No.: 6040 and C P No.: 6137
Peer Review Certificate No. 607/2019
UDIN: F006040E000251912

May 04, 2023
Bangalore

Annexures contd.

ANNEXURE - G: ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE REPORT

Own Manufacturing Network

ANDHRA PRADESH – SRIKAKULAM	TAMIL NADU – KUTHAMBAKKAM & ARANVOYAL
TELANGANA – MALLEPALLY & KOTHLAPUR	PUNJAB – LUDHIANA
GOA – PONDA	WEST BENGAL – KALYANI
KERALA - CHERTHALA* & PALAKKAD	RAJASTHAN – CHOPANKI & SHAHJAHANPUR
KARNATAKA – MANGALORE, NELMANGALA & MYSORE	MAHARASHTRA – TALOJA & AURANGABAD (2) UNITS
ODISHA – KHURDA	BIHAR – NAUBATPUR *
HARYANA – DHARUHERA	

* Not in Operation.

Contract Manufacturing Network

UTTAR PRADESH – ALIGARH	ASSAM – GUWAHATI
DAMAN AND DIU – DAMAN	SIKKIM – GANGTOK
MADHYA PRADESH – INDORE	MEGHALAYA – SHILLONG (BYRNIHAT)
JAMMU AND KASHMIR – SAMBA	JHARKHAND – RANCHI
ARUNACHAL PRADESH – NAMSAI	ODISHA – JAGATSINGHPUR
PUNJAB – GURDASPUR	

Discretionary Requirements

Pursuant to Schedule II of Part 3 of Listing Regulations

a) **The Board:**
The Chairman/Chairperson of the Board is entitled to maintain his / her office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his / her duties. Currently there is no permanent Chairperson on the Board.

b) **Shareholder Rights:**
The Company's half yearly results are published in English and Kannada Newspapers having wide circulation and are also displayed on the Company's website. Press releases are also issued which are carried by a few newspapers and also displayed on the Company's website. Hence, same are not sent to the shareholders.

c) **Modified opinion in audit report:**
There is no modified opinion in the Auditor's Report.

d) **Separate posts of Chairperson and CEO:**
The position of Chairperson and Managing Director are held by separate individuals.

e) **Reporting of Internal Auditor:**
The Internal Auditor reports to the Audit Committee Chairman on matters arising out of audit and makes presentation to the Audit Committee on a quarterly basis.

Compliance with Code of Business Conduct and Ethics

In accordance with Regulation 17(5)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it is hereby confirmed that during the year 2022-2023, all the members of the Board of Directors and Senior Managerial personnel have affirmed their Compliance with the Company's Code of Business Conduct and Ethics.

Rishi Pardal
Managing Director
DIN: 02470061

May 04, 2023
Bengaluru

UNITED BREWERIES LIMITED

Brew a Better India

Sustainability Report FY 2022-23

Statement from the leadership

Dear Reader,

We are pleased to present our Sustainability Report for FY 2022-23. At the heart of our corporate philosophy lies a deep responsibility towards the environment, the communities we serve, and our valued stakeholders.

Our journey of becoming India's most loved beer Company started in 1915 with just five breweries. Today, we have 21[1] breweries across 13 Indian states. In 2021, the HEINEKEN Company acquired a majority share and control of UBL, marking a significant milestone in UBL's journey and allowing us to align our sustainability efforts with the Company's broader vision. While UBL has a 108-year history of being a responsible corporate citizen, this partnership with HEINEKEN further enabled us to scale up our sustainability initiatives and make an even greater positive impact. We are conscious that our growth potential extends far beyond our current accomplishments, and that is why we have integrated sustainability as a fundamental principle that guides our decision-making and shapes our long-term vision.

To ensure the long-term success of our business and effectively adapt to the ever-changing external dynamics, we have carved our sustainability strategy called 'Brew a Better India (BaBI)', aligned with HEINEKEN's 'Brew a Better World 2030' (BaBW) strategy. The strategy has been further contextualised to suit India's unique challenges and market dynamics. This report will give you a comprehensive overview of this strategy, our performance, and our strides in driving positive change. We have taken a holistic approach to sustainability, addressing key areas: Environmental, Social and Responsible.

Under BaBI's environmental agenda, our ambition is to reach Net Zero in production (Scope 1 and 2) by 2030 and our entire value chain by 2040. We are proud to share that we have made significant progress towards these targets in the reporting year. We could meet 82.4% of our energy needs from renewable sources. We have been running a collaborative farming programme and have sourced 30% of our barley needs through our extended family of local farmers. Recognising the significance of water, our most valuable raw material, we have undertaken ten large water conservation projects across different parts of the country as part of our CSR initiatives. We also achieved one of our key KPIs to treat 100% of our brewery wastewater to ensure zero untreated discharges from our breweries. Under our goal to become zero waste-to-landfill for all our production sites by 2025, we have already become 94.3% waste-to-landfill free.

Attracting a diverse, skilled, motivated talent with alignment to UBL's value system is the foundation of people management. Under our social agenda, we are embracing inclusion and diversity to foster a culture of talent where people from all backgrounds feel included and can bring their whole selves to work. In the reporting year, 23% of our senior management were women. During the FY 2022 - 23, we hired 310 employees, 30% of whom were women. We aim to ensure fair wages for employees by 2024 and for contract workers by 2025.

Being the market leader, we also understand our responsibility in promoting moderation in alcohol consumption and prioritising the well-being and safety of our consumers. In line with this, we have implemented carefully curated social programmes to drive moderation. Our product portfolio also offers our consumers to choose from our zero-alcohol options.

By weaving sustainability into all aspects of our operations, we are dedicated to making a meaningful impact on the environment, our employees, and our consumers. Our relentless pursuit of these ambitions reflects our determination to build a better future for all. We recognise that sustainability is a journey, and this report is a transparent account of our progress, achievements, and areas where we still have work to do. We are committed to

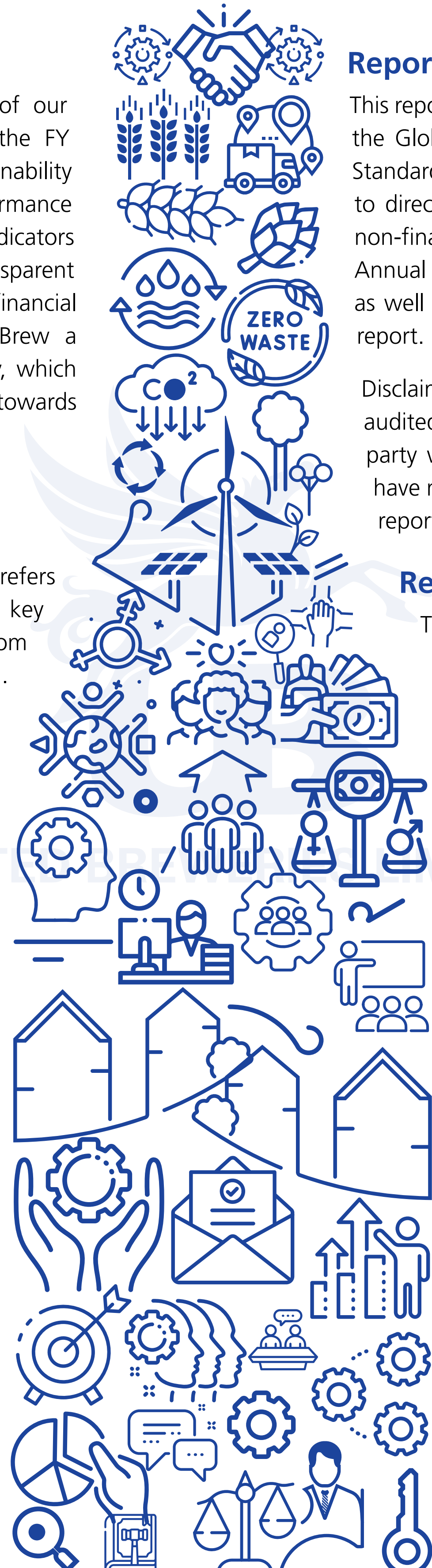
[1] 2 breweries are currently non-operational

continuous learning, adaptation, and innovation as we navigate the evolving sustainability landscape.

As we progress, we will continue to measure our progress and remain transparent in our sustainability reporting. We are committed to leveraging our influence, resources, and expertise to address our planet's pressing challenges. We aim to meet and exceed regulatory requirements, demonstrating leadership and inspiring others to join us on this sustainability journey. We would also like to thank all our stakeholders for your trust and support. Your feedback and engagement are invaluable to us as we strive to impact the world positively.

Regards,
Sustainability Governance Body

About the Report



Overview of the Report

This report provides an overview of our sustainability performance during the FY 2022-23 and outlines our sustainability strategy, ambitions, and performance against select Key Performance Indicators (KPIs). United Breweries Limited's transparent and relevant disclosure of non-financial KPIs is aligned with HEINEKEN's Brew a Better World (BaBW) 2030 strategy, which significantly elevates our ambition towards sustainability and responsibility.

Reporting Scope and Boundary

This Sustainability Report 2022-23 refers to the sustainability performance, key initiatives, and achievements from April 1, 2022, to March 31, 2023. The reporting boundary extends to all our 21* manufacturing plants across 13 states in India, 48 offices and our corporate headquarters located in UB City, Bengaluru, Karnataka, India.

Reporting Standards

This report has been prepared with reference to the Global Reporting Initiative (GRI) Universal Standards 2021. A GRI index has been included to direct the users of this information to the non-financial performance disclosures in the Annual Report or on the Company website, as well as those included in this sustainability report.

Disclaimer: The HEINEKEN global KPIs were audited by an external independent third-party with limited assurance. UBL India KPIs have not been independently audited for the reporting period.

Responsibility Statement

The report has been prepared by applying the reporting principles of materiality, stakeholder inclusiveness, sustainability context and completeness while ensuring accuracy, clarity, reliability and due timeliness in our reporting and data presented during the reporting period. Our report aims to provide credible information on our sustainability performance and practices. Our reporting standards align with best practices and help us communicate our sustainability achievements and challenges to our stakeholders.

*2 manufacturing units are currently non-operational

About United Breweries Limited

Organisation brief

United Breweries Limited (UBL) has consistently maintained its leadership position in market share and revenues. Our products comprise over 50% of the total beer market in India, and we continue to consolidate our leadership position year after year.

As of March 31, 2023, we employ 2,737 people. Within the "executive" cohort of employees, which has a strength of 1,245, 17% are women. We are headquartered in UB City, Bengaluru, Karnataka, India. We also operate India's largest brewery at Sangareddy, Telangana, with a daily manufacturing capacity of 360,000 litres.

Our diverse portfolio of alcoholic and non-alcoholic beverages caters to varying consumer tastes and preferences. While our operations are spread across 13 States in India and 21 manufacturing plants*, our global presence is felt with a manufacturing and supply license arrangement in the UK (with supplies to the European market), Australia, New Zealand, Singapore and Nepal. Our expansive geographical footprint and strategically located distribution network allow us to respond to the market demands with agility and dynamism for alcoholic and non-alcoholic beverages.

UBL has been at the forefront of the Indian beer industry over the last century. With our iconic Kingfisher brand family and a strong network of breweries in India, we are proud to be a part of the HEINEKEN Company now. Our association with the world's leading international brewer has strengthened our brand position and eminence. It has also allowed us to leverage the synergistic strategic priorities of innovation, long-term brand investment, disciplined sales execution, and focused cost management. Our Sustainability Strategy - 'Brew a Better India', is aligned with HEINEKEN's sustainability ambition- 'Brew a Better World', conceptualised to suit the Indian context. Together, we strive to continue to win in the market, delight consumers and customers, unlock future growth and make this world a better place.

*2 manufacturing plants are currently non-operational

Our purpose and values

As a purpose-led Company, UBL recognises its responsibility and accountability towards all stakeholders and the planet. We continuously seek opportunities to create a positive environmental and social impact through our products, processes, operations, and human capital development initiatives. To future-proof our business and consistently adapt to external dynamics, we have internalised HEINEKEN's EverGreen strategy as our key lever to deliver the output. The EverGreen strategy is a bold decision to deliver long-term sustainable value for all stakeholders while navigating the ever-evolving business landscape and withstanding other disruptive external trends. UBL is committed to delivering superior and balanced growth and is confident of the same with its strong partner - HEINEKEN.

The core of the EverGreen strategy is a shift from superior growth to superior and balanced growth. It is aligned with UBL's vision of streamlining all business aspirations with the sustainability ethos.

The EverGreen strategy is built on HEINEKEN's value creation model, referred to as the Green Diamond - placing equal emphasis on business growth, profitability, capital efficiency, along with sustainability and responsibility. The Green Diamond aims to highlight the strategic prerogative of the business to balance short-term delivery and long-term sustainability and achieve top-line growth along with maximising overall stakeholder value creation.

At UBL, we intend to align with the EverGreen strategy by nurturing a Company-wide culture of sustainability - through a bottom-up approach from the grassroots to the top by delivering best-in-class quality of products, giving due consideration to consumer preferences, leading trends in consumption, encouraging innovation and promoting cultural and social inclusiveness.

Our purpose is our core reason for being, and it shapes our strategy and inspires people

> ***We brew the joy of true togetherness to inspire a better world.***

Our values are what we stand for

Passion
for consumers and customers

Courage
to dream and pioneer

Care
for people and the planet

Enjoyment
of life

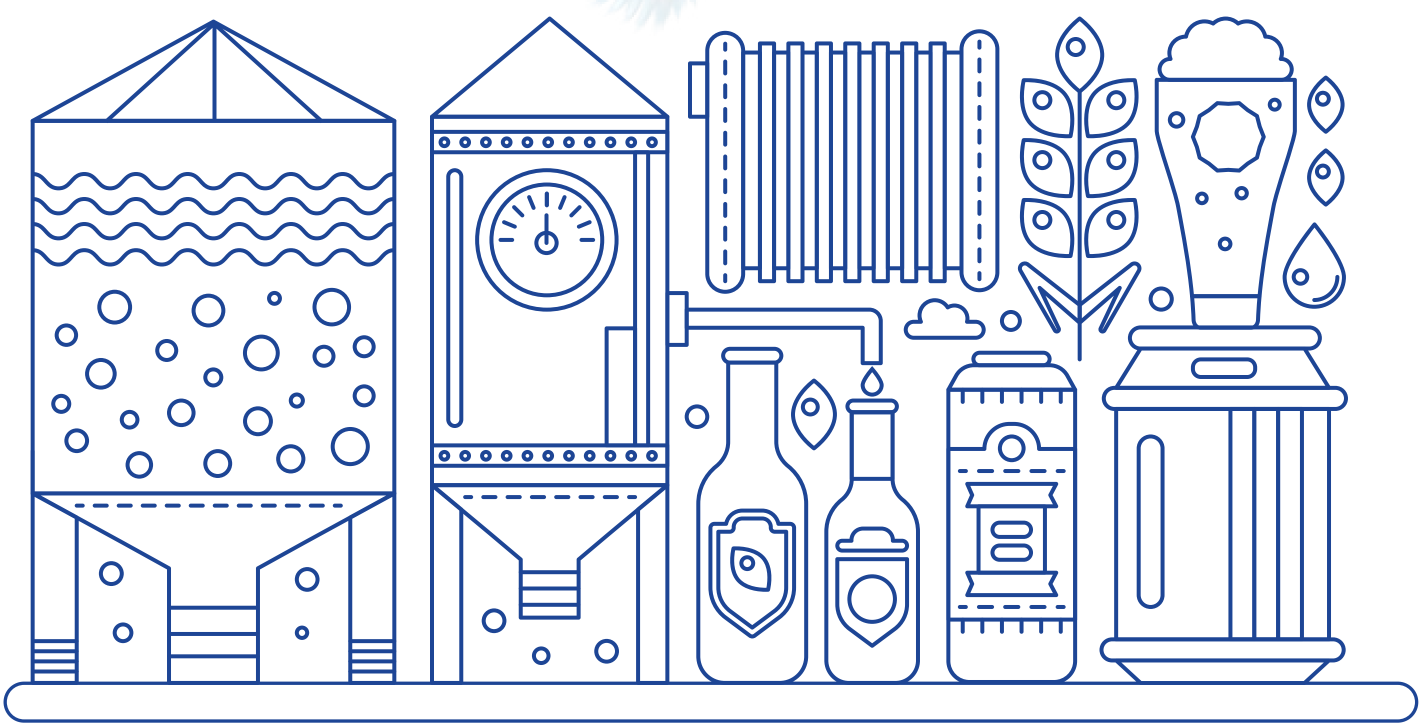
Ensuring quality in manufacturing process

As beer producers, we prioritise providing our customers with high-quality, safely brewed products. Quality parameters and related checks are integral to our manufacturing processes right from the start of the value chain. We ensure that the procured raw materials are free from any adulterants. Our processes exclude manual handling to avoid possible contaminations. We have SCADA-based systems to check for quality parameters throughout the process. We ensure that all our active operations comply with Food Safety and Standards (Alcoholic Beverages Standards) Regulation, 2018. All our manufacturing facilities have been audited and certified to ISO 22000:2005 (Food Safety Management System) standards. We have FSSC Q 22000 v 5.1 - Food safety system certification. Our external and independent TUV Nord and Intertek auditors have validated these rigorous checks and safeguards.

Our quality management team is thoughtfully structured, with the reporting lines leading directly to the Managing Director & CEO. For each of our breweries, a Quality Assurance Manager oversees the day-to-day aspects of quality management. The team functions based on the guidance provided in our internal quality manual. The manual details the data, specifications, and instructions related to quality criteria in every step of the brewing process.

All our manufacturing facilities have been audited and certified to ISO 22000:2005 (Food Safety Management System) standard. We have FSSC Q 22000 v 5.1 - Food safety system certification.

We also comply with HEINEKEN's quality standards - the Labstar Star Systems (LSS). This quality system has been designed to align with the "first time right" principle in production environments. It focused on the reliability, efficiency and continued quality improvement of the physical/chemical analyses and sensory and microbiology results. The system is based on the ISO 17025 standard, which covers the accreditation of a laboratory for managerial and technical aspects. Three of our breweries are certified under Laboratory Star System (LSS 2) by the HEINEKEN global team. The certification process for the rest of the breweries will continue as per plan in the upcoming financial year.



Economic Contribution

A report by Oxford Economics published in January 2022 assessing the beer sector's economic contribution across its value chain indicated that the industry contributed $9.3 billion towards India's GDP in 2019 which is 1.67% of the country's GDP. During the same year, the sector also generated 1.2 million jobs and contributed $5.5 billion in taxes in India.[3]

Apart from generating considerable revenue through excise duties, VAT, fees, and other taxes towards the State exchequer, the Beer Industry immensely contributes to the economy as we share a symbiotic relationship with farmers. The industry is one of the largest procurers of barley, wheat, maize, etc., providing the farmer community with scientific support and reasonable price. We also help create significant economic value across our logistics, packaging, hospitality, and tourism supply chain. Some key economic contributions of the beer industry include investments made in breweries, employment generated in manufacturing and distribution operations, the contribution of taxes to the exchequer, boosting tourism by engaging with the hospitality sector and providing avenues of growth for the entire supply chain.

Tax Contributions

Statutory taxation is an effective way of distributing wealth and contributing towards the development of communities. We give immense importance to the ethical conduct of business and follow fully compliant practices related to taxation.

For FY 2022-23, we paid **INR 1,197 million as direct taxes** to the Government. Apart from direct tax contributions, in FY2022-23, we paid **INR 1,18,107 million as indirect taxes** generated through the sale of beer, contributing significantly to the state exchequers.

Employment Generated

We directly employ 2,737 people for our operations across the country, providing an impetus to other business activity at a hyper-local level and related employment and livelihood generation. Our employee strength has grown yearly, and we continue contributing to the country's economic growth. To fulfil our key ambition of ensuring a fair and safe workplace, we will assess fair wages for executives and permanent workers and equal pay for equal work parameters. We plan to bridge any gaps by 2024. Going beyond our direct employees, we will assess our contract workers for fair wages in 2024 and bridge any gaps by 2025.

Gains throughout the value chain

Our operations need a continuous supply of raw materials and other services for smooth functioning. We proudly state that a significant quantity of our key raw material, barley, is procured directly from farmers and farmer-producer organisations. Further, we engage with 216 partners to support us on value chain activities such as transport and packaging, who benefit economically from our operations. We have also incorporated environmental criteria within our supplier due diligence framework for all our new suppliers. We also create economic value for our co-communities near our breweries through CSR projects.

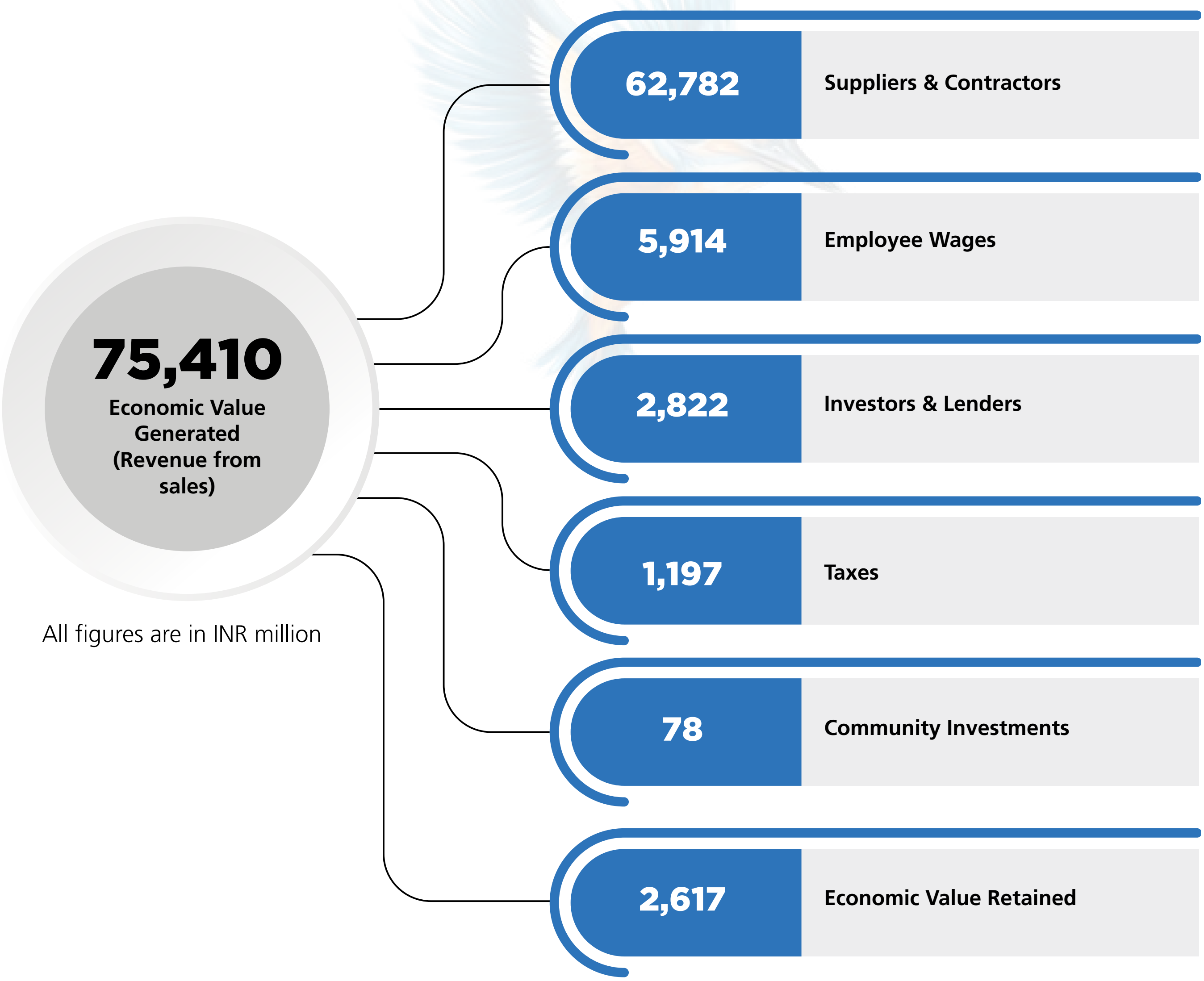
[3] https://globalbeer.microsite.oxfordeconomics.com/

Economic Value Generated, Distributed and Retained

The below table summarises the economic value generated by us:

Item	Stakeholder	FY 2022-23 (Rs Mn)
Direct Economic Value generated		75,410
Revenue Generated	All stakeholders	75,410
Economic Value Distributed		72,793
Operating Expenses	Suppliers & Contractors	62,782
Employee Wages	Employees	5,914
Payment to providers of capital	Shareholders & investors	2,822
Payments to govt.	Government	1,197
Community Investments	Local Communities	78
Economic Value Retained		2,617

GRI 201-1



All figures are in INR million

Our vision is to Brew a Better World and India

Brew a Better World (BaBW)

Being a global leader in the brewing industry, HEINEKEN recognises the need for sustainable practices to secure a better future for both people and the planet. With an ambitious vision of environmental stewardship, social responsibility, economic growth and value creation for all stakeholders, HEINEKEN has conceived its 'Brew a Better World 2030' strategy. This strategy provides an overview of our sustainability agenda, specifically highlighting the focus areas and tangible KPIs adopted by all operating companies (with contextual adaptations and market maturities) to drive a positive change across the ecosystem.

The BaBW strategy is founded upon three pillars- environmental, social, and responsible- guiding HEINEKEN and its operating companies. These pillars steer HEINEKEN's ambitions and bring them to life contextually through local initiatives.

The BaBW ambition has set a new aspirational benchmark across the three pillars, nine ambition areas and twenty-two KPIs. These KPIs are measurable and concrete and serve as a north-star to measure our progress. 'Raise the Bar 2030' reflects the increased ambition of our new action plan.

We aim to maximise our positive impact on the environment and society and limit the potential negative effects of our business and supply chain. Through this, we also acknowledge our dependence on the planet, the importance of the principles of circularity in business and our aim to create a better world for everyone.

Brew a Better India (BaBI)

Aligned to HEINEKEN's 'Brew a Better World 2030' strategy, UBL has carved out its 'Brew a Better India' (BaBI) strategy, contextualising to India's unique challenges and market dynamics. As a landmark moment for the Company, we have set an ambitious strategy highlighting our sustainability vision, key focus areas, and KPIs. Mechanisms have been implemented to ensure that all levels of the Company leadership are actively involved in the sustainability and responsibility agenda. Transparent reporting and stakeholder communication is key to demonstrating our performance against these goals. Thus, we have aligned our non-financial disclosures in this report to the overall BaBW strategy while ensuring correct representation in the India-specific context. Our BaBI strategy articulates a progressive vision for the Company, and our sustainability governance mechanism provides an effective review framework to assess performance against these ambitions.

Our Ambition

Environmental		
	Reach net zero carbon	• Reach net zero in production (Scope 1 and 2) by 2030 • Reach net zero across our value chain by 2040
	Maximize circularity	• Zero waste to landfill for all our production sites by 2025 • Turn waste into value and close material loops throughout the value chain
	Towards healthy watersheds	• Fully balance water used in our products in water-stressed areas by 2030 • Maximise reuse and recycling in water-stressed areas by 2030 • Reduce average water usage to 2.6 hl/hl in water-stressed areas, and 2.9 hl/hl worldwide by 2030
Social		
	Embrace inclusion & diversity	• Gender balance across senior management: 25% women by 2025, 30% by 2030 • 100% of our managers will be trained in inclusive leadership by 2023
	A fair & safe workplace	• Equal pay for equal work by 2024 • Ensure fair wages for employees by 2024 • Ensure fair wages and living standards for contract workers by 2025 • Leadership capacity to drive zero fatal accidents and serious injuries
	Positive impact in our communities	• Social impact initiatives every year
Responsible		
	Always a choice	• A zero-alcohol option for two strategic brands • Clear and transparent consumer information on 100% of our products in scope by 2024
	Address harmful use	• A partnership to address alcohol-related harm
	Make moderation cool	• 10% of Heineken® media spend invested every year in responsible consumption campaigns

Stakeholder engagement

Our stakeholder engagement mechanism is built upon trust, transparency, accountability and credibility. Continuous engagement through various mechanisms enables us to identify their key concerns, prioritise them, and incorporate them into our sustainability strategy.

During the reporting period, we conducted our stakeholder engagement as a part of our sustainability strategy. Our key stakeholder groups include but are not limited to customers (including consumers), local community, value chain partners, Government, investors and shareholders, management and employees and workers. The diverse nature of our stakeholders necessitates different modes of engagement driven proactively by the respective business functions. The engagement process with our key stakeholders in the reporting period has been highlighted in the table below.

The diverse nature of our stakeholders necessitates different modes of engagement, driven proactively by the respective business functions

Key Stakeholder Groups	Mode of Engagement	Frequency of Engagement	Key expectations
External Stakeholders			
Customers (includes consumers)	• Emails & Website • Distributor meetings • Market visits • Outlet activation on campaign-basis • Events	• Need basis • Periodically	• Business continuity • Support and collaboration • Business growth
Communities	• Community events • CSR project activities	• Monthly • Need basis	• Community development programmes • Improvement of social infrastructure • Economic and social empowerment
Value chain partners (Suppliers/Vendors)	• Supplier meetings • Mutual visits • Events	• Monthly • Quarterly • Annually • Need basis	• Mutual beneficial relationship
Governments	• Meetings	• Need basis	• Support and collaboration

Investors and shareholders	• Meetings	• Annually • Periodically	• Enhanced return on investment • Lowering capital risks • Business continuity
Other External Stakeholders	• Meetings and events	• Periodically	• Support and collaboration • Business growth
Internal Stakeholders			
Management	• Events • Meetings	• Monthly • Quarterly • Annually • Need basis	• Enhanced business performance
Employees and workers	• Monthly and quarterly meet • Personal review and visits • Surveys • Training • Events	• Quarterly • Annually • Need Basis	• Personal development • Health and safety • Grievance resolution mechanism • Engagement

Materiality Assessment

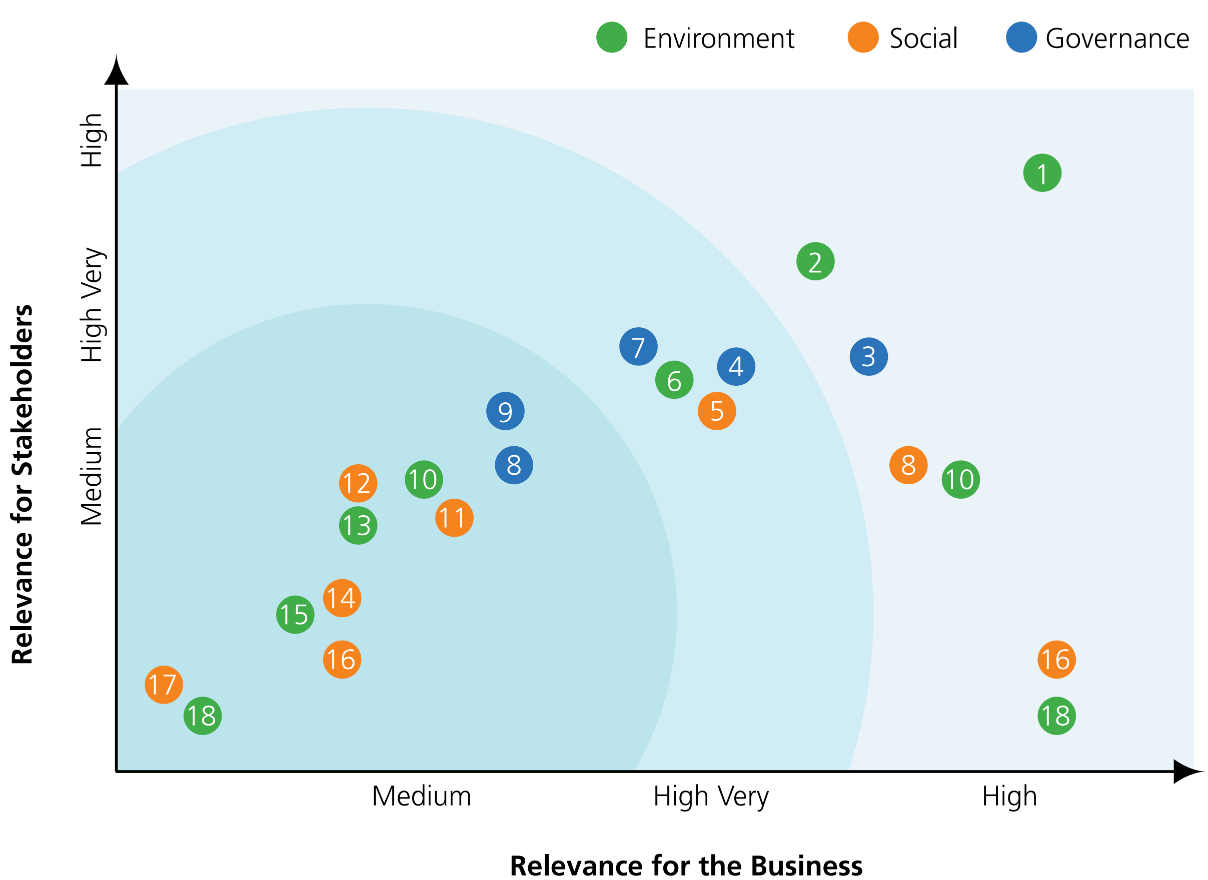
An important outcome of our structured engagement with stakeholders was identifying the key sustainability issues with respect to our internal and external stakeholders. These issues were then rationalised, and the pertinent issues for UBL were shortlisted to create a priority set of topics. These topics will define our sustainability strategy and business over the next few years.

We conducted our materiality assessment survey in FY 2021-22 by surveying a selected category of stakeholders and discussing the survey outcomes with the Company's senior management. The process has been enumerated below:

- Identification of important stakeholders
- Stakeholder survey for the impact of probable material topics on our business
- Evaluation of stakeholder perception of UBL's impact concerning material topics
- Validation of material topics
- Review and finalisation of material topics by top management

Outcomes of our client satisfaction surveys, employee feedback, feedback from investors, suppliers and discussions with other organisations were formal inputs in prioritising the key issues for each stakeholder group. We also considered the following in reviewing the material issues:

- Stakeholder groups, their needs and expectations, and the impact of these expectations on business performance
- Significant risks that could impact business and customer relationships
- Relevant regulation, legislation, values and policies
- Industry and sustainability megatrends globally
- Previous year's financial performance



Our material topics have been enumerated in decreasing order of priority

1. Water
2. Product quality and safety
3. Ethics and governance
4. Taxation
5. Occupational health & safety
6. Waste management
7. Data security & privacy
8. Responsible consumption
9. Innovation
10. Sustainable packaging
11. Human rights
12. Remuneration
13. Energy use and transition to renewable energy
14. Community relationships
15. Greenhouse Gas emissions
16. Diversity & inclusion
17. Skill development & training
18. Climate resilient operations

Sustainability Governance

Maintaining the highest standards of transparency, accountability, and integrity in all our dealings with internal and external stakeholders is a key imperative of our business. We constantly seek to preserve the organisation's ability to create long-term value for our shareholders and stakeholders. Our Management Team (MT) is committed to this vision.

We have defined sustainability governance within our organisation with the same level of accountability and transparency as our corporate governance.

The MD & CEO of the Company leads the Sustainability Governance Body and oversees all the Company's sustainability matters regularly. The implementation of sustainability governance is orchestrated by the Director of Corporate Affairs and managed by the Head of CSR and Sustainability. The leaders of various business functions drive excellence in their domain based on our sustainability vision for BaBI. The Sustainability Governance Body meets every quarter to review progress and take decisions on key action items on each of the BaBI ambitions.

Internal Oversight: MD & CEO

Orchestration
Led by: Director - Corporate Affairs
Managed by: Head - CSR & Sustainability

MT Sponsor: Senior Director - Supply Chain	MT Sponsor: Director - People	MT Sponsor: Director - Marketing
ENVIRONMENTAL	**SOCIAL**	**RESPONSIBLE**
Net Zero Carbon	Inclusion & Diversity	Always a Choice
Circularity	Fair & Safe Workplace	Moderation
Healthy Watersheds	Community Impact	Harmful Use

Key Highlights for FY 2022-23

KPIs	Key Highlights
Reach net zero in Production (Scope 1 and 2) by 2030	**42,407 MT** CO^2 emissions (Scope 1 and Scope 2) UBL successfully sourced **82.4%** of its energy needs from renewable sources
Zero waste to landfill for all our production sites by 2025	**94.3%** landfill free
Treat 100% of wastewater of all breweries by 2023	**100%** of wastewater treated for all breweries
Reduce average water usage to 2.6 hl/hl in water-stressed areas, and 2.9 hl/hl worldwide by 2030	**3.4 HL** Average water intake
Gender balance across senior management: 25% women by 2025, 30% by 2030	**23%** women in senior management
100% of our managers will be trained in inclusive leadership by 2023	**19%** People managers trained in inclusive leadership
Leadership capacity to drive zero fatal accidents and serious injuries	**75%** People Managers completed Life Savings Commitment (LSC) training
Social impact initiative every year	**17 CSR** projects across the country
A zero-alcohol option for two strategic brands	Heineken® 0.0 and Kingfisher Ultra Non-Alcoholic Malt Beverage

Environment

At the core of our BaBI strategy, we recognise that our well-being is directly tied to the health of our planet. Climate change is causing significant damage to ecosystems, posing serious threats to agriculture and people's livelihoods everywhere. We must take action now to prevent lasting and devastating consequences for our climate, biodiversity, water sources, and natural resources.

Our ambition is to achieve net zero in production (Scope 1 and 2) by 2030 and net zero across our value chain by 2040. We actively work to maximise our products' and processes' efficiency and sustainability. We want to create an ecosystem where waste is minimised, resources are optimised, and sustainability is prioritised. Additionally, we are focused on water efficiency in our breweries and revitalising local watersheds, which are vital to the well-being of our co-communities.

Our mission is clear: we are paving the way to a better world, one sip at a time, with a seamless interplay between our operations and the environment.

Ambitions	KPIs
Reach Net Zero Carbon	**2030** Net zero emissions in **production** (Scope 1 and 2)
	2040 Net zero across **value chain**
Maximise Circularity	**2025** Zero waste to **landfill** for all production sites
Towards Healthy Watersheds	**2030** Reduce average water usage to **2.6 hl/hl in water-stressed** areas and **2.9 hl/hl in other breweries**
	2030 **Maximise** reuse and recycling in water-stressed areas
	2030 **Fully balance** water used in our products in **water-stressed areas**

Net Zero Carbon

2030

Net zero emissions in **production** (Scope 1 and 2)

2040

Net zero across **value chain**

UBL acknowledges its responsibility as a global citizen and recognises the urgent need to address the challenges of climate change. Our revised sustainability strategy aims to achieve net zero in production and value chain, thereby limiting global warming to a critical threshold of 1.5°C. By embracing sustainable practices, investing in renewable energy, and implementing innovative solutions, UBL is determined to play its role. Our strategy is aligned with the sixth report of the esteemed Intergovernmental Panel on Climate Change (IPCC), and we are taking steps to turn our goals into action. Through Brew a Better India, we aim to achieve net zero across our value chain by 2040. We have set intermediate milestones to reach net zero in production (scope 1 and 2 emissions) by 2030.

We recognise that the future success of our business depends on embracing clean and renewable energy as our primary source of electricity generation. We have implemented various improvement initiatives focused on power and thermal efficiency to enhance our operational efficiency and positively impact emission reduction. We also use biomethane generated by our effluent treatment plants for energy generation in two breweries. We are consistently working towards transitioning to energy-efficient processes and adopting renewable energy sources.

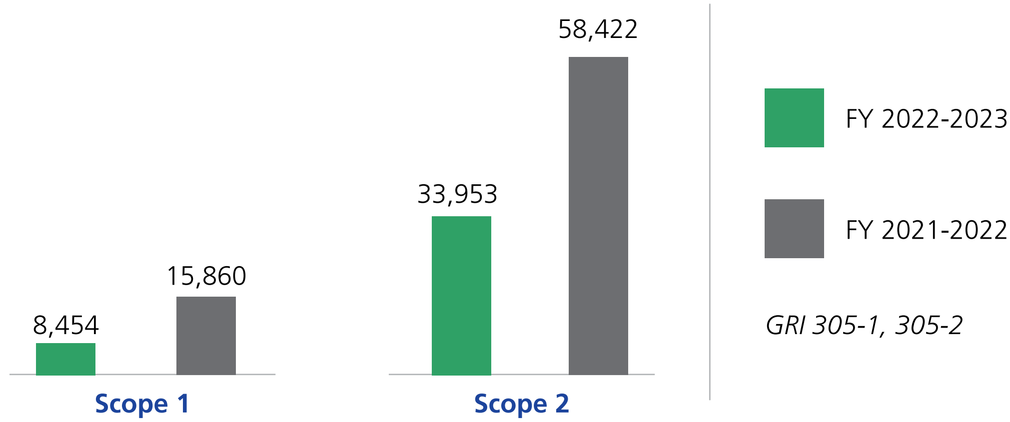
Emissions Management

Our total energy consumption during FY 2021-22 was 1645 TJ, and 2138 TJ in FY 2022-23, as our production volumes recovered post-Covid. Further, to reach net zero in Scope 1 and 2 by 2030, we will optimise our processes, reduce energy demand, and replace fossil fuels with renewable energy across all our sites. Our operations generate direct emissions from burning fossil fuels, biomass briquettes, and fermentation. The carbon dioxide generated through fermentation is not considered when calculating our carbon footprint, as it is not a result of combustion but rather a biological activity in our process, making it a short-cycle carbon emission. On the other hand, our indirect emissions are mostly produced by the off-site generation of purchased electrical energy. We have effectively worked to incorporate renewable energy sources while implementing energy-saving technologies in our breweries. To ensure that heat and steam generated during manufacturing are utilised within the processes, we have implemented Plate Heat Exchanger (PHE) technology.

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (TJ)	488	381
Total fuel consumption (TJ)	1,532	1,264
Total energy consumption (TJ)	2,020	1,645
Energy intensity per rupee of turnover (Total energy consumption/turnover in INR)	0.016 MJ/INR	0.016 MJ/INR
Energy intensity	167.6 MJ/hl	158.1 MJ/hl

GRI 302-1, 302-3

GHG emissions (in metric tons of CO2 equivalent) FY 2022-23



GRI 305-1, 305-2

Below you can find the list of applied technologies to reduce Green House Gas Emissions:

- Rooftop solar panels
- Biogas utilisation from wastewater treatment for steam and power generation
- Back pressure turbine for power generation
- Concentrated solar water boilers for washer and pasteuriser
- Solar panels for borewells and lighting system
- Biofuel for captive power plants
- Passive filters for high-capacity prime movers
- Fluid thermic heaters for yeast driers

Renewable Energy

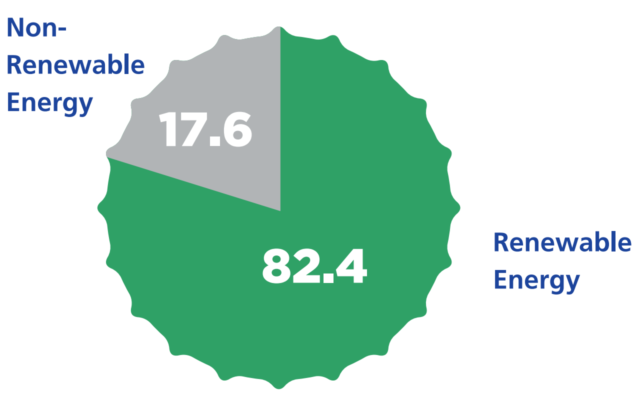
Brewing requires significant amounts of energy, and we are making conscious efforts to switch to renewable sources in all our production facilities. We are reducing our reliance on fossil fuels by providing production efficiency and process innovations. We are establishing new capabilities to improve manufacturing processes and share our expertise with suppliers.

Our energy consumption is gradually shifting to renewable sources, in a planned and phased manner, in both electricity and thermal. We derive renewable energy for electricity from open access, rooftop solar and wind. In FY 2022-23, UBL successfully sourced 82.4% of its total energy needs from renewable sources. Our total renewable energy consumption was 1656 TJ in FY 2022-23, a ~34.6% increase from FY 2021-22, which stood at 1233 TJ. Our non-renewable energy share reduced from 380 TJ in FY 2021-22 to 365 TJ in FY 2022-23.

Furthermore, while striving to secure additional Power Purchase Agreements (PPAs), we are also evaluating the purchase of International Renewable Energy Certificates (IRECs) to build the total renewable electricity generation capacity as an interim solution. By supporting IRECs, we want to promote renewable electricity investments that help to bring new projects online. Through continuous investments in clean energy sources, we strive to achieve sustainable and economically viable growth while contributing to global efforts in mitigating climate change.

~34.6%
increase from FY 2021-22 which stood at 1,233 TJ

Total energy break up (Renewable and Non-renewable)	UoM	FY 2021-22	FY 2022-23
From Renewable source			
Total electricity consumption (A)	MJ x 10^6	123	162
Total fuel consumption (B)		1,110	1,494
Total energy consumption (A+B) Renewable		1,233	1,656
From Non-Renewable source			
Total electricity consumption (C)	MJ x 10^6	224	326
Total fuel consumption (D)		156	39
Total energy consumption (C+D)		380	365



Energy Consumption (by source) FY 2022-23

Embarking on the Path to Sustainability across our Value Chain

Climate Resilient Agriculture

The brewing industry is intricately entwined with the environment since crops and water are the primary raw materials for our products. Therefore, we work closely with our stakeholders to ensure resilience from climate-related risks.

- Our barley sourcing strategy helps to increase our Company's adaptability. UBL has been leading the 2R Barley cultivation in India. Over the years, we have witnessed the positive impact of this cultivation method on the environment and the livelihood of almost 7600+ farmers we are collaborating with.
- To ensure long-term sustainability in the supply of raw materials, we need to support our research and development along these lines and invest in developing newer, more climate-resilient varieties. These varieties are also aimed at higher yields for the farmer and improved properties for the brewer.
- UBL has always advocated for locally derived produce, except for resources we must import without a viable alternative, such as hops. It promotes local production and a sustainable sourcing strategy.

Collaborative Farming

Our approach to supporting sustainable agriculture is centred around prioritising the needs and well-being of our farmers. We value our relationships with the farmers in our supply chain, and our shared collaboration is an important component in ensuring a steady supply of high-quality beer. That is why, through our agricultural development programmes and agronomy teams, we invest in research, crop consulting services, and technology to assist farmers in increasing their resilience and profitability. We help make farming innovative and sustainable for future generations of farmers by providing access to improved seed varieties and inputs, being connected to weather information and market data, and training on financial literacy basics such as savings, budgeting, record-keeping, and risk management.

UBL has established a collaborative agricultural approach with the assistance of farmers, our key stakeholders. This paradigm revolves around maintaining quality, increasing productivity, lowering production costs and ensuring sustainability. We provide our farmers with seeds and training on the latest technologies to increase productivity while retaining quality. We guarantee fair pricing to our farmers and purchase at the Government's minimum support price or the current market price, whichever is higher. This technique, now being implemented in Haryana, Punjab, and Rajasthan, is primarily used to buy our primary agricultural raw resource, barley. We also include a farm sustainability assessment framework in the model, focusing on human rights, soil management and fertility, degraded land management, crop health and protection, biodiversity conservation, energy efficiency, water management, pollution control and by-product management.

The farming model

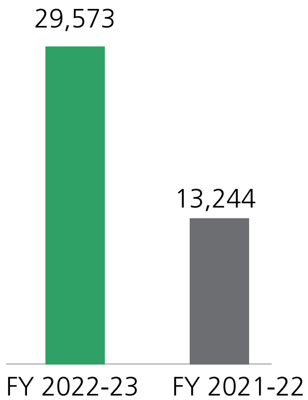
Barley production growing parallel to the trends in sales to reduce wastage post-harvest

Maximising yield of crops through effective use of seeds and fertilisers and well-timed- harvest of crops

Prevention of soil depletion and improving quality of soil

Almost 30% of our barley needs in FY 2022-23 were met through collaborative farming, with the remainder sourced from the local market.

Procurement quantity of Barley through program (in Tons)



We aspire to significantly contribute to food safety and sustainable agriculture practices by engaging in purposeful endeavours.

Engaging & Encouraging Local Suppliers

At UBL, we prioritise procurement from local suppliers as we strive to expand our sustainable initiatives. Most of our products are brewed with locally sourced ingredients in our breweries that are the pride of their communities, making us a truly connected Company. We invest in our business and contribute to our co-communities' social and economic growth while promoting responsible consumption and moderation. We identify our local suppliers based on geographical proximity to business operations in India. During FY 2022-23 reporting year, we engaged with ~600 vendors.

Maximising Circularity

2025

Zero waste to **landfill** for all production sites

The detrimental effects of climate change, biodiversity loss, waste generation, and pollution can largely be attributed to unsustainable consumption and production patterns. However, as the global population continues to grow, the demand for finite natural resources is set to increase. In the current linear economy, resources are extracted to manufacture products that are eventually discarded. A paradigm shift to a circular economy is imperative to safeguard our planet and ensure an adequate food and water supply for all. It entails preventing waste generation from the outset. Within this realm, we have undertaken initiatives to reduce packaging, enhance its reusability, and promote recyclability and the use of recycled materials. These efforts present exciting opportunities to further our endeavours in this domain.

UBL has determined its ambition to conserve natural resources and reduce the consumption of raw materials. We aim to achieve this by embracing circularity within our operations, minimising material usage, redesigning materials and products to be less resource-intensive and harnessing the potential of "waste" as a valuable resource for producing new materials and products.

Waste Management

UBL has standardised the methodology to identify, segregate and quantify the waste generated and implement the **3Rs (Reduce-Reuse-Recycle)** concept for the waste before disposing at a landfill site. Our sustainability-focused waste management programme is designed to maximise reuse and recycling efforts, minimising the need for landfill disposal or incineration.

In the reporting financial year, we achieved a landfill-free rate of 94.3%. Our ultimate goal is to achieve **100% landfill-free operations for all our production sites by 2025.** Through our dedicated efforts, we aim to continually improve our waste management practices, ensuring minimal environmental impact and promoting a circular economy approach.

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tons)		
Plastic waste	3,537	1,318
E-waste	6	4
Bio-medical waste	0.27	0.27
Battery waste	Buy back System	Buy back System
Other Hazardous waste	8,306	5,842
Other Non-hazardous waste	2,37,683	1,59,094
Total	**2,49,532.27**	**1,66,258.27**

GRI 306-3

As responsible corporate citizens, we prioritise waste management, recognising it as one of the significant challenges our nation faces. We strictly adhere to waste management rules, policies, and programmes to minimise waste generation and maximise opportunities for reuse and recycling across our operations. We utilise energy-efficient agro-waste fuel in all our breweries to further promote sustainability.

We ensure the safe and responsible discharge of water into the environment by utilising water treatment plants (WTP) and effluent treatment plants (ETP). To enhance the efficiency of our treatment processes, we consistently adopt advanced technologies in our WTP and ETP, including innovative systems like multiple-effect evaporators and sludge-less systems.

All our breweries currently have an ETP/STP solution.

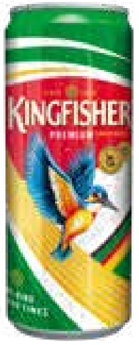
To address plastic waste, we have achieved a remarkable milestone of 100% recycling by implementing Extended Producer Responsibilities (EPR). We collect, process, and recycle plastics from our raw materials and finished goods. With an ambition to uphold this responsibility, we have partnered with a third-party agency to collect an equivalent number of plastics consumed by us from society. Additionally, we have taken proactive measures to eliminate single-use plastics. For instance, we ensure that the shrink wraps around our new bottles have a thickness greater than 120 microns and have transitioned to using BOPP tapes, among other initiatives. Regarding our overall packaging material utilisation across our breweries, we have made significant strides in reusing our packaging materials. We successfully offset the use of virgin materials by 90% in our cartons for our tertiary packaging materials.

We also continue to send our by-products - spent grain and surplus drier yeast, for animal feed & poultry stock. When it comes to glass, known for its recyclability, ~95% of our bottles get recycled, of which ~60% of these recycled bottles comprise bottles that were returned to us and were reused in production, and the balance ~35% were recycled in the market as cullets (precursor for making glass)

Bottles glass bottles

~95% recycled

Out of ~95%, ~60% bottles comprise of the ones that were returned to us and were reused in production. ~35% recycled in the market as cullets (precursor for making glass)

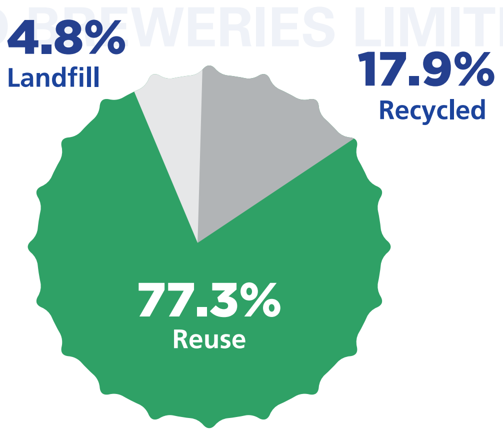


Beer cans

Aluminium Cans are recyclable by nature

Waste Category	FY 2022-23			FY 2021-22		
	Reuse (MT)	Recycled (MT)	Safely Disposed (MT)	Reuse (MT)	Recycled (MT)	Safely Disposed (MT)
Plastics (including packaging)	-	3,537	-	-	1,318	-
E-waste	-	-	6	-	-	4
Hazardous waste	1088.714	26.99	7,190	109	12.1	5,718
Other waste	1,91,721	41,169	4,793	131	24,141	3,812

GRI 306-4, 306-5



Total waste disposed/diverted (by method) FY 2022-23

Towards Healthy Watersheds

In response to the immense pressure on freshwater ecosystems due to the competing demands of agriculture, business, and communities, under the BaBI strategy, we have developed a comprehensive water framework for 2030 called 'Towards Healthy Watersheds.' This framework goes beyond conventional water metrics and emphasises the well-being of local watersheds. Our approach encompasses internal measures to promote responsible water usage, efficient wastewater management, and water security beyond our brewery operations, particularly in water-stressed regions.

Our water strategy revolves around three key goals, with a more ambitious target set for sites located in water-stressed areas:

2030

Reduce average water usage to **2.6 hl/hl in water-stressed areas** and 2.9 hl/hl in other breweries

2030

Maximise reuse and recycling in water-stressed areas

2030

Fully balance water used in our products in **water-stressed areas**

Through the focus area of water management, we aim to positively impact water resources and contribute to the overall health and sustainability of our planet's watersheds.

Water Efficiency

Water is a primary raw material for all UBL products, and effectively managing our water footprint is crucial for our business's success and the well-being of our local communities. We continuously strive to reduce freshwater consumption in beer production through water efficiency projects and actively work towards the reclamation of wastewater.

In FY 2022-23, we made significant progress in our goal to water efficiency and achieved an overall rate of 3.4 hl/hl. In FY 2022-23, we withdrew 89.6% from groundwater, 9.1% from the surface[4] and the remaining from third-party.[5]

Our key initiatives in water conservation are listed below:

- Mapping of water usage patterns in breweries
- Reusing water in the utility processes
- Increasing overall efficiency in the Clean-in-place (CIP) process contributes towards the breweries' highest quantity of freshwater consumption.
- Ensuring that only recycled water is used in - the cooling tower, the packing hall's filler vacuum pump, and the pasteuriser during the sterilisation step to prevent wastage through draining of water
- Ensuring water recovery in the mashing process and the boilers used on site
- Planting of green belts inside the property and the construction of rainwater collection ponds to encourage groundwater recharge.

[4] Surface water implies water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams

[5] Third party water implies municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organisations involved in the provision, transport, treatment, disposal, or use of water and effluents

Wastewater management

Our breweries continue to be equipped with the most advanced wastewater treatment systems, with ample capacities to handle on-site consumption. We ensure all regulations are followed to reduce and minimise the environmental impact of our wastewater discharge.

We ensure that the wastewater discharged is entirely within the permitted safety norms. Because we are aware of the negative consequences of disposing of wastewater without treatment, we strictly comply with the pollution control board requirements internally and externally. We periodically test our wastewater discharges following applicable environmental standards to ensure complete compliance with regulatory requirements and our goals for a cleaner environment.

The reclaimed wastewater is used for utility and auxiliary services such as gardening, horticultural purposes, etc., in our operational facility to the fullest extent possible.

In the reporting year, we accomplished our ambition of treating

100%

of our brewery wastewater with a record of zero untreated discharges.

Zero liquid discharge

We initiated the Zero Liquid Discharge systems in two of our breweries, Chopanki, at Bhiwadi, Rajasthan and Thiruvallur near Chennai, Tamil Nadu. To manage the concentrated RO (Reverse Osmosis) reject water with high levels of dissolved solids, we built and are currently running the Reject Management System (RMS). The following breweries: Shahjahanpur at Alwar district Aravalli (84 KLD), Thiruvallur near Chennai, Tamil Nadu (60 KLD), Palakkad (25 KLD), Srikakulam (50 KLD), and Kuthambakam | (25 KLD) help prevent discharge of this high dissolved solid water onto land. Two additional RMS will be established in the future in Ludhiana and Dharuhera.

Water Conservation

Under CSR initiatives, we undertook ten water conservation projects across different geographies in FY 2022-23. These projects put the run-away rainwater to effective use and help improve the groundwater levels, ultimately relieving the community of its water woes. Last year, some of our key water conservation projects were across Rajasthan, Punjab, Haryana, Telangana, and Karnataka.

These initiatives have significantly helped balance the water withdrawn from the ground as part of our operations. Rainwater harvesting is an important part of this initiative and has been implemented in various places. The projects also engage with local communities and conduct awareness programmes and water budget workshops to ensure sustainable water management. In FY 2022-23, more than 50,000 lives have been positively impacted by these water projects. In addition to supplying clean water for domestic use and drinking, we have worked with local communities to implement activities around rainwater harvesting, watershed development, watershed restoration, pond restoration and providing clean water for drinking and domestic purposes. In all our water conservation initiatives, we collaborate closely with local authorities and NGOs to carefully identify suitable project sites and ensure the long-term sustainability of each project.

Our CSR Water Conservation Initiatives

Water Conservation Project, Telangana and Karnataka - This project has brought benefits to more than 3,100 individuals by facilitating the construction of three dams, with two located in Telangana and one in Karnataka. Additionally, nine injection borewell/recharge shafts have been established, with four in Sangareddy, Telangana, and five in Nelamangala, Karnataka, thus recharging 65 borewells downstream.

Water Conservation Project, Rajasthan (Phase 2) - Through the implementation of this project, over 2,900 individuals in the Alwar district have experienced the positive impact of improved water availability for various purposes such as general use and livestock. Furthermore, the project has resulted in a significant 25% reduction in water consumption in agriculture, as shared with us by the beneficiaries.

Jal Shakti - Spanning from 2022 to 2024, this ongoing project in Sangareddy, Telangana, aims to install a total of six community-level reverse osmosis (RO) plants and establish Farmer Field Schools with select farmers to promote sustainable agriculture and enable water conservation. In FY 2022-23, groundwork on RO installation and strategy on farmer field schools have been initiated.

Jal Khushali - To benefit approximately 6,000 households in Chopanki, Rajasthan, Project Jal Khushali focuses on restoring the groundwater table in the areas surrounding UBL operations. This initiative has played a vital role in reviving ponds, revitalising the common resource pool for the community, and providing increased convenience for growing crops like wheat, bajra, and mustard within a 1-kilometre radius of the pond. Furthermore, the project has significantly contributed to extending the water retention period in nearby tube wells and hand pumps without disturbing the water table.

Jal Akshay - Designed to positively impact over 6,700 residents in Rewari, Haryana, Project Jal Akshay adopts a similar approach to Jal Khushali. This comprehensive initiative encompasses constructing water harvesting structures, recharge wells, pond rejuvenation, water replenishment, and deep bore recharge wells. Furthermore, installing soak wells will facilitate the efficient disposal of wastewater and excess water, ensuring sustainable water management practices within the project area.

Jal Unnati - This project has successfully provided a safe drinking water supply to 3,639 individuals in three rural habitats near Nanjangud, Karnataka. Additionally, training sessions on water budgeting and the significance of groundwater recharge through artificial recharge structures benefited 78 participants, including various stakeholders.

To read more about our other projects in CSR on women empowerment and community development, refer to the section on Social Impact Initiatives in the Social chapter.

Social

Creating long-term value for our people, customers, partners, the communities within which we operate, and other stakeholders is essential for our consistent growth, and this plays a significant part in ensuring an appreciable market share for us. We have created well-thought-out strategies for each stakeholder group and have systems to ensure effective implementation.

Ambitions	KPIs
Embrace inclusion and diversity	**2025** **25% women** in senior management
	2030 **30% women** in senior management
	2023 **100%** of our **managers** will be trained in **inclusive leadership**
A fair and safe workplace	**2024** Equal pay for equal work
	2024 Ensure **fair wages** for employees (Executives and Permanent workers)
	2025 Ensure **fair wages** and **living standards** for contract workers
	Leadership capacity to drive **zero fatal accidents** and serious injuries
Positive impact on our communities	**Social impact initiatives** every year

Our People

At United Breweries Limited (UBL), our people are at the heart of everything we do. We recognise that our success as a Company result from the collective efforts and dedication of our talented and diverse workforce. We believe in nurturing a culture that encourages collaboration, innovation, and personal growth. To attract, develop, and retain top talent, we strive to create an environment where our employees can thrive and reach their full potential.

As on March 31, 2023, we had 2,737 employees. Within the "executive" cohort of employees, which has a strength of 1,245, 17% are women.

During the FY 2022 - 23, we hired 310 employees, 30% of whom were women.

Employee category	Units	April 2022-March 2023				
		<30 years	30-50 years	>50 years	Male	Female
Executives	Nos	98	156	5	167	92
Workmen	Nos	3	10	6	19	
Trainees (Apprentice)	Nos	31	1		32	
Total	**Nos**	**132**	**167**	**11**	**218**	**92**

GRI 401 – 1

We believe in positioning ourselves as an employer of choice within the brewing industry, highlighting the unique aspects of our brand, and emphasising the exciting challenges and growth prospects we offer. By doing so, we appeal to talented individuals who seek rewarding career paths. Our practice of providing competitive salaries, performance-based incentives, comprehensive benefits and, most importantly, extending a safe, motivating, ethical workspace encourages healthy competition and treats everyone with dignity. It goes a long way in attracting and retaining top talent in the industry.

Our approach to employee engagement

UBL recognises the significance of fostering a highly engaged workforce to drive productivity, innovation, and long-term organisational success. Keeping this in mind, we have developed a comprehensive and well-defined employee engagement strategy to enhance our employees' satisfaction. Our employee engagement strategy focuses on building strong and lasting relationships with the employees, fostering a positive work culture, and encouraging professional development and growth. The employee engagement framework guides the design and implementation of specific initiatives and incentives that touch upon the entirety of the employee's lifecycle at UBL. Key dimensions of our employee engagement framework include:

1. **Continuous Listening:** Our annual 'Climate Surveys' are designed to listen to the voices of our people through 13 unique parameters, including employee engagement, performance enablement, direction & alignment, inclusion, teamwork & collaboration, innovation, safety, health & well-being, and business conduct. Our quarterly townhalls, interim Pulse Surveys and SpeakUp portals also contribute to creating forums where colleagues feel welcome to voice their questions and concerns.

2. **Culture and Leadership:** We make efforts so that our colleagues have fair and open access to their leaders. The 'Crew Behind the Brew campaign' helped bring our management team closer to our colleagues. We also created various forums, such as the Supply Chain Leadership meet and the Reinvent annual meet in February, for our Employees to interact and connect with our leaders. We continue communicating internally on our EverGreen 2025 transformation journey and our purpose, values and behaviours to build a strong foundation for culture transformation.

3. **Talent Management:** We introduced our new 'Talent Beliefs' of 'Everyone has Talent' and 'Continuous Learning Journey'. These and annual exercises, such as people reviews, will continue to help us build a more engaged, diverse and capable workforce.

4. **Diversity, Equity and Inclusion:** We continue raising the bar with our DEI agenda. Our I&D council plays an active part in driving this. We launched the All-inclusive Leadership mandatory training for all our managers in November 2022 and continue driving communication around inclusion, diversity and equity. Efforts to improve diversity in recruitment and equity in pay and benefits have borne fruit already.

5. **Learning and Capability:** Through various programmes and platforms, we build the capabilities needed for the organisation's success today and in the future. The MyLearning and MyHR platforms offer mandatory and voluntary learning spaces, and LinkedIn Learning licenses are free for all our colleagues. We also provide opportunities for work-integrated learning programmes, the benefits of a continued education policy, and an advanced leadership curriculum.

Employee benefits and wellbeing

We understand that good mental and physical states are prerequisites to human performance. Having a set of healthy and fulfilled employees is crucial for us to uphold organisational performance. Our employees deserve competitive compensation and benefits that motivate them to carry out their day-to-day tasks to the best of their abilities. Our notable benefits and well-being initiatives include:

Physical and mental wellbeing

- Menstrual Leave: Women employees are entitled to 1 paid leave every month without approval. We initiated this intervention during FY 2022–23 and aided in breaking the stigma around menstruation and promoting gender inclusivity.
- Dedicated sessions on women's health and wellness include nutrition for women, desk yoga, mental health and well-being, breast cancer awareness, healthy lifestyle habits, and self-care techniques.
- Preventive health checkup camps for all employees
- Medical benefits, including insurance coverage to employees for expenses related to hospitalisation due to illness, disease, or injury. Our employees can also claim hospitalisation expenses for less than 24 hours. The benefits extend to treatments for infertility, obesity, sleep apnea, genetic disorders, immunotherapy, and serpent attack.
- Flexi work arrangements aim to create a greater work-life balance and responsive and productive work culture.

Support for parents

- The parental leave policy for our employees includes the following benefits:
  - o Paid Maternity Leave: 26 weeks of paid maternity leave for new mothers. Additional leave for 3 months.
  - o Leave for illness arising from pregnancy: 1 month of leave, subject to proof.
  - o Paid leave for adoptive and commissioning mothers: 26 weeks of paid leave for adoptive and commissioning mothers from the date of handing over the child.
  - o Miscarriage or Medical Termination of Pregnancy (MTP) leave: 6 weeks of paid leave immediately following the date of occurrence.
  - o Paternity leave: 3 weeks of paid paternity leave for new fathers.
  - o Paid leave for adoptive and commissioning fathers: Adoptive and Commissioning fathers are entitled to paternity leave of 3 weeks from the date the child is handed over to them.

All male and female employees were entitled to parental leave. During FY 2022 – 23, 25 male and 7 female employees availed parental leaves, and the return-to-work rate was 100%[6].

- Creche / Day care facilities and Policy:
  - o On-site creche facilities at most of our breweries and Head office. With the support of an external expert, we are working on extending the facilities to all our locations.
  - o The creche policy offers flexibility to our women employees to choose the day care facility of their choice. Women employees with young kids, aged less than 5 years, can claim 50% of monthly expenses towards the creche of their choice.

Financial well-being

- Flexi-pay benefits: We have a personalised pay structure for our employees in place, which allows our employees to choose from components such as food coupons, books allowance, conveyance allowance, NPS, and car lease, etc. More than 25% of the employees have availed the flexi-pay benefit option provided by the Company.

We continuously review and enhance our benefits and initiatives to meet the evolving needs of our workforce. By prioritising their health and well-being, we create an environment where our employees can personally and professionally thrive.

Diversity and Inclusion

At UBL, we celebrate and embrace diversity as a core value. We believe a diverse and inclusive workforce fuels innovation, creativity, and success. We are committed to fostering an environment where everyone feels respected, valued, and empowered to contribute their unique perspectives and talents.

We strive to create a workplace that reflects the diversity of the communities we serve. We actively recruit and promote employees from different backgrounds, cultures, and experiences, ensuring that our workforce represents various voices and perspectives. By fostering diversity, we encourage a culture of inclusion that drives collaboration, creativity, and excellence.

Our approach towards diversity and inclusion has 6 key elements to is:

Education and awareness

Gender inclusive hiring practices and advancement

Career development

Enabling policies

Gender equity

Safe and enabling workspace

[6] GRI 401 – 3

Education and Awareness

- We conduct dedicated training sessions and provide learning opportunities to managers and employees on inclusive practices
- 300+ employees covered under Unconscious Bias Training across locations
- Mandatory e-Learning programme in place for people managers on "All Inclusive Leadership".

Gender-Inclusive Hiring Practices and Advancement

We believe a diverse and inclusive workforce leads to better outcomes and a stronger Company culture. At UBL, we adopt inclusive hiring practices and ensure that all candidates, regardless of gender, are considered for employment and advancement opportunities. We have often faced challenges in implementing these practices, such as biases, discrimination, and a lack of understanding of gender diversity and inclusivity. However, we have addressed these challenges through the following efforts.

- Gender-inclusive job descriptions
- Promoting policies that offer parental leave and flexible work arrangements
- Providing training for managers to address their implicit biases
- Creating a workplace culture that supports inclusivity and diversity

We actively seek out and recruit candidates from diverse backgrounds and experiences and work to eliminate any potential biases in our recruitment process. To ensure the hiring quality, we have trained the people managers at UBL on the Predictive Index (PI) Assessment tool, enabling them to identify the right talent with a balance of aptitude and attitude. We have trained more than 50 leaders with the PI assessment tool currently. Result orientation, independence, accountability and a sense of urgency are the key parameters we look for in candidates. This year, we also focus on training 100 hiring managers around "HEINEKEN's behaviour-based selection process". Besides the line manager and HRBP, our recruitment panel includes cross-functional panel members for an independent assessment. It further helps in reducing bias in recruitment.

Career Development

At UBL, we place a strong emphasis on Career development for women. It is an important intervention as it creates a level playing field in the workplace and empowers women to reach their full potential. Some of our notable interventions include:

- **Women Interactive Network (WIN):** Organised in association with IMD as a 10-month talent development journey combining face-to-face and online learning to support female leaders in engaging proactively in positive conversations around career progression, in building an understanding of how to leverage mentoring/sponsorship support; and to debunk some of the myths around "female leadership" and gender differences in leadership. As a start, we sent 1 woman colleague in 2022 for this programme and plan to continue our nominations in 2023 and beyond.
- **up! SURGE -Journey to the C Suite:** This external programme is run by XLRI Center for Gender Equity and Inclusive Leadership. It enables women to understand their limiting beliefs and how to overcome them and helps define and design a path for success and growth. Our women colleagues have been participating in this programme since early January 2022, and so far, we have covered 7 women employees in senior roles.

Enabling policies

Flexi-work arrangements, parental leaves, crèche facilities and health and well-being policies for women are mentioned in the sub section on "Employee Benefits and Well-being".

We also take necessary steps to ensure safe travel and accommodation for our women employees. We have a "Safe Travel and Stay" policy in this regard.

Gender equity

We regularly review pay equity and promotion processes to ensure that women employees are given equal opportunities for growth and advancement. Our entry-level compensation is the same for all, and we do not differentiate and discriminate based on gender.

Safe and respectful workplace through systems and processes oriented to Prevention of Sexual Harassment (POSH) policy

Aligned with the statute, we have an Internal Complaints Committee (ICC) in place at all manufacturing sites and locations. This committee comprises a Presiding Officer, a senior-level employee and a woman, an experienced external member with social work and women's rights knowledge, and cross-functional internal committee members.

To bring awareness around POSH amongst everyone, we have the following systems in place

- 100% of our sites have posters and communication material on the Company's stand on 'Zero Tolerance to Sexual Harassment' and how employees can raise grievances.
- Mandatory e-learning programme on POSH for all employees
- Regional-level local programmes are conducted across locations to bring awareness around POSH

We organise workshops to give women employees the skills and confidence to handle unwarranted situations. The key dimensions of the workshop include the following:

- Creating a sense of team spirit and unity among women employees as they learn to work together and support one another.
- Helping women employees stay healthy and fit.
- Creating awareness among women employees about protecting themselves in case of any physical or emotional threat.
- Boosting the confidence of women employees gives them the tools they need to protect themselves and their colleagues.

Our interventions promote an inclusive culture where every employee feels heard and valued. We encourage open dialogue, respectful communication, and active listening across all levels of the organisation., We aim to provide everyone with a platform to connect, share experiences, and contribute to creating an inclusive and productive work environment.

Some of our breweries do hire persons with disabilities.

We believe that by embracing diversity, we become a stronger and more successful organisation, better equipped to serve our diverse customer base.

Occupational Health and safety

Being a prominent player in the beverage industry renowned for its exceptional brews, we prioritise our exemplary workforce's occupational health and safety.

UBL aims to prevent incidents by maintaining safety barriers and providing training, including introducing the **Life Saving Commitments (LSC)**. The LSC sets safety rules, acknowledging that mistakes happen, but we work on controls to fail safely and enhance safeguards, reducing the chance of serious injuries.

We have established our health and safety procedures in line with the international standards OHSAS (Occupational Health Safety Assessment System) 18001 and initiated implementation of our health and safety management system aligned with ISO 45001, starting from 2023. We have planned phase-wise certification for all our units. The first batch of 5 to 6 units will be completed in FY 2023-24.

We understand that occupational health and safety goes beyond checkboxes and compliances, and to establish a culture of health and safety, we have a system of training, awareness sessions and recognition programmes. These initiatives nudge our employees to stay conscious of the importance of safety and enable them to imbibe safer practices at the workplace.

Fair Wages and Living Standards

United Breweries Limited (UBL) is committed to upholding and promoting human rights in all business operations. We recognise that respecting and protecting human rights is a moral imperative and essential for sustainable and responsible business practices. Our human rights policy applies to all employees, trainees, interns, consultants, contractors, and visitors to the Company. The Policy aligns with the following international standards:

- The Universal Declaration of Human Rights
- The Declaration on Fundamental Principles and Rights at Work of the International Labor Organisation (ILO)
- The Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development (OECD)
- The United Nations (UN) Guiding Principles on Business and Human Rights

We are committed to fair labour practices and uphold workers' rights throughout our value chain by providing fair wages and engaging through SMART Outsourcing. We work closely with our suppliers and business partners to ensure that they also adhere to these principles and respect the human rights of their employees. We actively engage with our suppliers to promote fair labour practices, including the prohibition of child labour and forced labour.

We continuously assess and improve our policies, practices, and operations to align with evolving human rights standards and best practices.

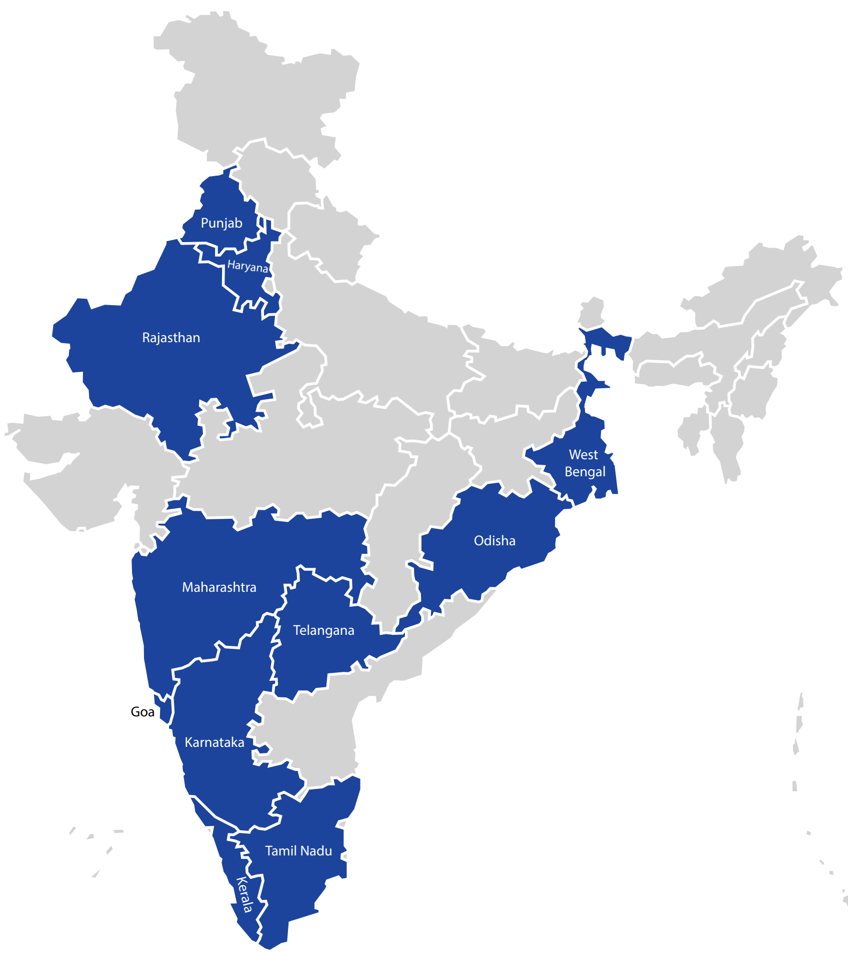
Our responsibility towards the community we operate in

We have consistently demonstrated our dedication to the community we operate in. We consider the communities surrounding the breweries an integral and irreplaceable component of our business ecosystem. It has helped us shape our corporate social responsibility agenda.

Operating within the challenging context of peri-urban and rural India, we confront numerous development issues, some of which we have identified as key priority areas for UBL, with the ultimate goal of promoting sustainable social development for our co-communities.

CSR focus areas

- Water Conservation & Providing Safe Drinking Water
- Women Empowerment
- Responsible Consumption of Alcohol
- Community Development



11 States covered through projects

INR 78.2 mn

Spent on CSR interventions in FY 2022 - 23

170,000 +

beneficiaries impacted

CSR policy

We have a CSR policy in compliance with the Companies Act 2013 (Section 135). The Policy outlines the following focus areas for designing and implementing the initiatives. The CSR Policy serves as a guiding framework for the implementation process and outlines our determination to social responsibility.

Implementation approach

We take a diligent and proactive approach to implementing our CSR initiatives, aligning them with the Company's core values and long-term sustainability goals. We collaborate with well-known non-profit organisations and development agencies to design and implement our community programmes. We emphasised systematic programme monitoring and assessment of outcome and impact for all our programmes.

We actively engage with stakeholders, such as local communities and governing bodies, to understand their pain points. This collaborative approach helps tailor CSR programmes to address the most relevant social issues.

By adhering to this implementation approach, we strive to create a meaningful and sustainable impact on society and the environment while upholding our values and contributing to the well-being of the communities in which we operate.

Spend areas

During the FY 2022 – 23, INR 78.2 million was spent on CSR activities, about 70% of which was spent on water conservation initiatives through ten large projects and one safe drinking water project.

Interventions

Water conservation

Our main approach towards water conservation is implementing large rainwater harvesting and watershed management projects near our breweries in collaboration with the community. We also make extensive efforts to generate awareness in the communities on adopting rainwater harvesting practices, promoting climate-resilient practices for agriculture, and incorporating necessary infrastructure to enable access to clean drinking water. In FY 2022-23, our water conservation projects were spread across Rajasthan, Punjab, Karnataka, Telangana, Tamil Nadu, and Odisha. They impact more than 1,00,000 beneficiaries cumulatively.

To know more about our interventions, please refer to the Water Conservation section of the Environmental Chapter.

Community Development

Our community development programmes broadly comprise afforestation and disaster relief efforts, among others, that are taken up on a need basis and designed based on a needs assessment study.

As part of our afforestation efforts, we initiated the second phase of our project, 'Oxygen Zone', to develop a dense urban forest in the Waluj MIDC area in Aurangabad, Maharashtra. The first phase, termed 'Oxygen Hub', was initiated in FY 2021 - 22, under which we planted 75,000 trees of more than 75 native species across 5 acres of an area using the Miyawaki technique of afforestation. During FY 2022 – 23, under phase two, we are expanding our efforts by planting around 50,000 trees of more than 80 native species across 4.94 acres, helping restore biodiversity in the area.

During the year, we also carried out a relief and rehabilitation programme. We supported our co-communities near Odisha Brewery in response to severe floods in the region. Ration and hygiene kits were distributed to about 2,000 households.

Women Empowerment

Project "Pragati" is one of our key initiatives towards women's empowerment for FY 2022-23. It is a scholarship programme for economically marginalised girl students. During the FY 2022-23, we awarded scholarships to 516 deserving female students across India to support their dreams and aspirations of a promising career. The awardees ranged from students in 9th grade to students pursuing under graduation.

We also initiated the project 'Tarang', where we worked with 30 women farmers from Aurangabad district and handheld them on agroforestry practices. The project's key objectives were to increase the green cover in this region and provide a sustainable income source for farmers. The project team undertook a baseline survey to select marginalised women farmers who owned land and irrigation facilities and were interested in planting fruit trees. It was followed by plantation work, monitoring visits every 15 days to ensure proper irrigation, intercultural operations, and pest and disease control. We also conducted training programmes on plantation guidance, vermicomposting unit installation, pest control, and information regarding leveraging self-help groups (SHG) and farmer-producer organisations (FPO).

Eminent groups have recognised our CSR efforts. Some of the awards and recognitions specific to our key interventions during FY 2022-23 include:

- Best CSR Impact Award by UBS Forums in recognition of the 'Haritha Samruddhi' Project implemented in Puducherry Gram Panchayat, Palakkad, Kerala
- Leadership Award 2022 by 'India CSR' in recognition of our Water Conservation Project implemented across four villages of Thiruvallur district in Tamil Nadu.
- Special Commendation in the Agriculture and Rural Development Category at the CSR Journal Excellences Awards 2022 recognised our 'Haritha Samruddhi' Project implemented in Puducherry Gram Panchayat, Palakkad, Kerala.

Responsible

We recognise our responsibility towards moderation in alcohol consumption to ensure the well-being and safety of our consumers. It is a key pillar of our BaBI strategy. Below we highlight our approach to responsibility and the resulting interventions towards promoting moderation.

We take a multipronged approach towards promoting moderation, with the key dimensions being:

Inclusion as a focus area under our CSR strategy

Product diversity

Responsible marketing and product labelling

Approach towards promoting moderation in consumption

Advocating responsibility as part of our CSR strategy

Since 2017 we have implemented carefully curated programmes to encourage moderation in alcohol consumption as one of our CSR focus areas. We recognise the potential harm associated with excessive consumption of alcohol. Accordingly, we thoughtfully developed a programme to spread awareness about responsible consumption. The programme is being implemented in villages surrounding our brewery in Ludhiana, Punjab. The primary objectives of the programme are:

To inform, educate, and raise awareness about:

- Drinking in moderation and avoiding excessive drinking
- Avoiding driving under the influence of alcohol
- Issues of binge drinking and drinking while pregnant

During FY 2022-23, we allocated INR 5.67 million towards this programme. During the financial year, key activities include building rapport with the community and understanding the current demographic and socio-economic conditions to identify social issues related to alcohol abuse in the target communities. Subsequent stages would be carried out in the next financial year.

Product diversity - Zero Alcohol options

Our ambition is to ensure that consumers should always have a choice. We plan to actively expand our range of no-alcohol products as part of our responsible agenda and respond to this category's growing demand. These products allow consumers to enjoy the taste and experience of a beer without the alcohol in it. By offering these options, UBL promotes moderation and responsible consumption among our patrons and customers.

We have two products under this category Heineken® 0.0 and Kingfisher Ultra Non-Alcoholic Malt Beverage.

Heineken® 0.0 is a refreshing non-alcoholic lager brewed with a unique recipe for a balanced taste and zero alcohol content.

We launched the Kingfisher Ultra Non-Alcoholic Malt Beverage in 2017, produced through a fermentation-free brewing process.

These products empower our consumers with a choice of zero alcohol beverages.

Responsible marketing and product labelling

At UBL, we understand that we should provide the right information for consumers to make an informed choice. We are strictly governed by the 'Fair Packaging and Labelling Act' for labelling and consumer information, based on which we have formulated our internal Policy on commercial communications. We comply with the labelling requirements of the Food Safety and Standards (Packaging and Labelling) Regulations, 2011. Appropriate warning messages on the harmful effects of alcohol consumption are in place on all our labelling. We ensure that our marketing and advertising practices adhere to legal requirements and ethical practices. Monitoring compliance ensures that our messaging and communication align with responsible drinking principles.

Our brands aim to make moderation and responsible consumption cool and aspirational. Our extensive 'Responsible Marketing Code' ensures that we talk about our brands correctly, at the right place and time. It guides how we market our products, including our non-alcoholic products. We use the strength of our brands – particularly our global Heineken® brand – to ensure this message resonates with consumers by creating campaigns that lead the debate. Next financial year, we aim to invest 10% of the Heineken® media budget on responsible and progressive campaigns that drive moderation.

Path to Better Governance

Our Philosophy of Corporate Governance

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 to 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. 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. It strongly emphasises its role to align and direct the actions of the Company in achieving its objectives.

For 'Additional Details on Corporate Governance', please refer to Page No. 43 of Corporate Governance Report.

Compliance monitoring system

At UBL, we recognise the importance of legal compliance to maintain our reputation and brand integrity. To demonstrate our determination to responsible operations and uphold the highest standards of ethical conduct, we have effective and stringent compliance processes and controls in place. This system ensures we adhere to relevant laws, regulations, and industry standards across all our business locations and breweries.

Our Board of Directors ensures we have established a thorough understanding of the legal and regulatory landscape that applies to our operations. They also ensure that we have all policies, procedures, and controls that govern our operations and guide our employees in their compliance efforts. Each committee of the Board is responsible for ensuring compliance related to their respective areas.

Our processes consist of annual risk assessments to identify and prioritise compliance risks with our policies covering topics of anti-bribery and corruption, competition law, accounting, code of business conduct and ethics, guidance to business associates, code for fair disclosure, dividend distribution policy, remuneration policy, whistleblower policy, amongst others. It enables us to proactively address potential compliance gaps and implement necessary controls and measures.

We are committed to staying updated with the evolving legal and regulatory requirements. We continually monitor changes in legislation, anticipate emerging risks, and periodically update our policies. The policies are available on the Company website to ensure transparency in our efforts. We interact with Government, regulatory authorities, and relevant public bodies to develop policies and maintain compliance requirements.

We aim to build trust with stakeholders by adhering to applicable laws and regulations, promoting a culture of compliance, exceeding legal and regulatory requirements where those are less stringent than our own and continuously improving our processes to meet evolving legal requirements.

Risk Management Process

At UBL, a key part of our BaBI strategy is to have a clear governance structure, to ensure proper risk management. Our constant drive to further our efficiencies and rescue costs makes managing business risks an essential part of our business.

Risk Governance

Our current risk management framework, backed by our strong internal control systems, help us in identifying, assessing, and mitigating risks that could impact our operations, stakeholders, and the environment. Under this framework, roles and responsibilities are assigned to various personnel in the Company, covering a range of functions varying from strategy to operations. Assigned responsibilities further provide the foundation for appropriate risk management procedures, effective implementation across UBL, and independent monitoring and reporting.

It is the responsibility of the Risk Management Committee of the Board to monitor and review our strategic risk management plans and steer the Company in the right direction. The committee takes care of the identification and prioritisation of strategic and operational risks based on focused interactions with the businesses. They are further responsible for developing appropriate mitigation strategies and conducting periodic reviews of the progress on managing identified risks.

Current Risks and Mitigation Plan

Our risk assessment exercise analyses strategic, operative, information technology, financial and other risks. These risks are assessed based on their potential impact and likelihood of occurrence. It helps us prioritise risks and allocate resources accordingly to manage them. The Internal Audit team, Risk and Assurance Committee and Board review the risks regularly. As part of BaBI's strategy, our Board and top management have proactively decided to include key sustainability-related risks and goals in the Company's risk management and internal control framework.

To address various risks and develop their respective mitigation strategies, the Risk and Assurance Committee meets at regular intervals. To further strengthen our processes, a quarterly certificate of compliance with statutory requirements and internal control on current legal exposures, trends and risks is tabled at the Board, highlighting the risks faced by the Company in the geographies in which the Company operates.

We aim to proactively identify and mitigate risks by implementing a robust risk management process while fostering responsible and sustainable business practices. Our dedication to managing risks aligns with our plans for stakeholder engagement, ethical conduct, and brewing a better India.

Data Security and Privacy

Protecting consumer data and their privacy remains of utmost priority for us. There are adequate Information Technology Management Systems to protect data by preventing unauthorised access or breaches. Our cybersecurity systems are based on the Heineken Global Information Security Procedure based on the NIST framework.

UBL respects consumer data privacy and adheres to the outlined privacy policy (https://www.unitedbreweries.com/privacy-policy) We also provide "Cyber Security Awareness" training for our employees, covering phishing, reporting, safe browsing, and safeguarding data when working remotely.

For FY 2022-23, we have not received any complaints about data breaches. We remain committed to upholding the highest standards of responsible data management, ensuring the trust and confidence of our stakeholders.

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