August 05, 2020

1. BSE Limited
   Corporate Relationship Department
   Phiroze Jeejeebhoy Towers
   25th Floor Dalal Street,
   Fort, Mumbai – 400 001
   Scrip Code: 532478

2. National Stock Exchange of India Limited
   Exchange Plaza, Plot No. C/1
   Block G, Bandra-Kurla Complex
   Bandra (East)
   Mumbai – 400 51
   Scrip Code: UBL

Dear Sir(s),


This is with reference to our letter dated 23rd March 2020, and letter dated May 05, 2020 wherein the company had informed about disruption of operations across the country on account of the Covid-19 pandemic. SEBI vide its Circular dated May 20, 2020 has asked listed companies to disclose the expected impact of the lockdown on account of Covid-19. The Company continues to monitor the situation closely and is geared to take appropriate actions to protect its business in compliance with regulatory guidelines. In compliance, the Company is disclosing as under:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Disclosures</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Impact of the COVID-19 pandemic on the business</td>
<td>Till March 23, 2020, the operations of the Company were on a normal scale. The Company’s Breweries remained shut from March 23, 2020, due to lockdown. The lockdown impacted all businesses by disrupting supply chain, travel, production, and consumption, thereby threatening operations, and financial market and we were no exception as there was no revenue generation due to an eventual halt. <em>(Please see Annexure-A)</em></td>
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<td>2</td>
<td>Ability to maintain operations including the factories/units/office spaces functioning and closed down</td>
<td>The Company has resumed its manufacturing and supply operations from May 2020 in a phased manner following the Guidelines issued by the Ministry of Home Affairs, Government of India, and various State Government Authorities where our breweries are located. For administrative offices, roster system has been adopted in compliance with the guidelines issued by State Government/s.</td>
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<td>3</td>
<td>Schedules, if any, for restarting the operations</td>
<td>The company has already resumed manufacturing and supply in compliance with the conditional guidelines issued by Central / State Government.</td>
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<td></td>
<td><strong>Steps were taken to ensure smooth functioning of operations</strong></td>
<td>The Company is taking utmost care of its staff and workforce by taking all recommended precautions, which include sanitization and hygiene, thermal scanning, maintaining physical/social distancing and deep cleansing of premises, etc. The supply chain is being monitored to ensure availability of material. We have implemented additional controls to manage cash flow, capital expenditure and overhead costs to smoothly transit the negative impact on our operations.</td>
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<td>5.</td>
<td><strong>Estimation of the future impact of CoVID-19 on its operations</strong></td>
<td>The Company is running its breweries on reduced capacity to fulfil available demand for its brands and cater to market. These are early days and we are cognizant of the impact that the Pandemic would have on its operations during the current financial year. However, it expects normalcy to be achieved only after the current financial year.</td>
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<td>6.</td>
<td><strong>Details of the impact of COVID-19 on the Company</strong></td>
<td></td>
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<tr>
<td>a.</td>
<td><strong>Capital and financial resources</strong></td>
<td>The Company is comfortable with its current financial position including its working capital requirements. Additional working capital sanctions have been put in place to ensure smooth operations.</td>
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<tr>
<td>b.</td>
<td><strong>Profitability</strong></td>
<td>Will commensurate with sale and demand for the Company’s brands which will be under pressure due to closure of key consumption points including bars and increased duties and taxes.</td>
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<td>c.</td>
<td><strong>Liquidity position</strong></td>
<td>Liquidity position has not been significantly impacted as the Company has adequate arrangement in place.</td>
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<tr>
<td>d.</td>
<td><strong>Ability to service debt and other financing arrangements</strong></td>
<td>The company has been servicing its debt and other financial obligations including working capital provided by the existing bankers, securing its assets.</td>
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<td>e.</td>
<td><strong>Internal financial reporting and control</strong></td>
<td>The company has taken effective steps to conserve its financial resources by implementing strict control over cash flow, variable and overhead costs. Review mechanism for receivables, costs and measures to control capital expenditure are strictly followed.</td>
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</tbody>
</table>
Demand for products/services and Supply Chain

During the compulsory lockdown period, there was no supply. However, with ease of norms, manufacturing and supplies have commenced commensurate with the demand.

Annual Audited Accounts for FY 2019-2020

The company has already published its annual Audited Financial Results for the year ended March 31, 2020 on June 24, 2020.

Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the Company’s business

The Company is well-positioned to fulfil its obligations and also does not foresee any significant impact on its operations due to the non-fulfilment of the obligations by any party.

Other relevant material updates about the Company’s business

No such other material information at this time.

The Company continues to monitor the situation closely and shall take appropriate actions to protect its business in compliance with regulatory guidelines.

Thanking you,

Yours faithfully
For UNITED BREWERIES LIMITED

GOVIND IYENGAR
Senior Vice President – Legal & Company Secretary

Encl: As above
Impact of the COVID-19 pandemic on the business

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

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

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

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

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